

Budget & Finance Committee
Metro Arts Commission Preliminary Questions to Metropolitan Government
Departments

1. What is the amount of the proposed funding decrease from the previous fiscal year?
The amount of our decrease is \$1,371,700 or a 37% decrease to our total budget.

2. Please provide a statement regarding the impact the proposed reductions will have on your department's operations. Specifically, please be sure to address the following questions:
 - a. What services currently provided by your department do you anticipate will be reduced/eliminated?
The proposed budget reduces Metro Arts Grants budget by 50%, or \$1,235,000. This will impact our community in a number of significant ways:
Jobs Loss: Approximately **200 nonprofit arts jobs face immediate elimination** if Metro Arts' grant budget is cut by 50% (*Metro Arts grantee survey 5/1/2020*), and between 7,000 to 8,000 jobs in the region will be impacted by the cuts. The Nashville nonprofit arts and culture sector supports 16,228 FTE jobs in the region. (AEP5)
Reduced Tourism Revenues: There will be approximately \$287,000,000 in lost audience revenue according to data from the Arts & Economic Prosperity Study 5 (AEP5). 64.4 percent of surveyed tourists/non-residents indicated that the primary purpose of their visit to the Greater Nashville region was "specifically to attend this arts/cultural event" (AEP5 Report). The arts and culture sector contributes to \$50 million in direct state and local tax revenue
Reduced Direct Services: With this reduction, we have the potential to lose more than 100,000 student interactions (110,343 student interactions in FY19) with arts field trips, performances and programs. 35% of Metro Arts grantee organizations said programs for schools including field trips, performances for students, and other programs for students may be cut due to losing support from Metro Arts. Over 40% of grantee respondents stated they may be forced to cut youth classes and programs. Additionally, youth serving organizations may be forced to reduce mentoring support.
 - b. What impact will such reduction or elimination have on the residents and businesses of Davidson County?
 - a. **Racial Equity.** Metro Arts has spent the last five years focused on racial equity in the arts. This budget reduction severely impacts gains made in equitable access to the arts and several culturally unique arts organizations that contribute to Nashville's cultural identity will be negatively impacted. Some organizations may close permanently, many will need to eliminate programs, layoff employees or cut services or salaries in some way. **Nashville's cultural identity will be irreversibly damaged.**
 - b. 95% of arts organizations in Nashville will be impacted by these cuts.
 - c. All council districts will be impacted.

- d. All Nashville arts organizations are small businesses and directly contribute more than \$190,000,000 to the household incomes of Nashville residents employed in the arts sector (*Metro Arts survey & AEP5 report*). This includes salaries, wages, and fees for contract employees. This is income that residents who work in the arts sector use for food, shelter, utilities, and other living expenses.
 - e. The proposed cuts to arts programming for youth may contribute to increases in youth crime and decreases in public safety. We know [at-risk students involved in arts-based programming exhibit an improved attitude toward school and increased academic success](#). Youth enrolled in arts-based programs [display increased resistance to peer pressure and increased community involvement, resulting in reduced delinquent behaviors and, ultimately, increased community safety](#).
 - f. Companies looking to relocate to Nashville may diminish due to decreases in cultural programming that are attractive to employees. The Nashville Chamber found that “just as downtown cultural revival and growth have been critical to the overall image and reality of the locale for business recruitment, residential development and community-wide support, heightened attention to the cultural life of neighborhoods across the city can stimulate much-needed economic development and area residents and businesses coalescing toward these goals.”(Culture Here, 2015)
 - g. Metro Arts is unique in that we fund operational support for organizations. General operating support provides nonprofit organizations with the flexibility to plan, innovate, and pivot in their work, precisely what is needed during these challenging and financially uncertain times. A decrease in Metro Arts grants support directly impacts an organization’s ability to raise revenue; cuts to Metro Arts budget make arts organization less financially viable and would destabilize the entire arts sector for many years to come.
- c. How many department employees do you anticipate will be impacted by the reduction in funding? In FY21, we will have two open positions that we cannot fill unless we receive additional grant dollars. These positions directly support equitable access to arts programming and funding for our community.
3. Regarding the number of FTE employees in your department:
- a. How many budgeted employees do you have for the current fiscal year? 11.75
 - b. How many unfilled FTE employees does your department currently have? Currently we have one vacancy, but anticipate two in June due to a resignation.
 - c. How many FTE positions are included in the Mayor’s proposed budget? 11
4. Regarding your department’s “departmental savings”:
- a. What is the amount of your department’s ‘targeted savings’ for FY2020?
\$97,300
 - b. What was your department’s budget for FY2020 after the targeted savings?
\$3,699,100

- c. How does that compare with the Mayor's proposed FY2021 budget?
The budget will be reduced to \$2,447,000 in FY21.

5. Regarding any previous audits in which your department has participated:

- a. What operations or expenditures have been audited within the last three years?
Five years? Ten years?

Internal Audit performed a departmental audit of the Arts Commission in 2019, covering the 2017 and 2018 fiscal years. Performance monitoring and credit card purchases were audited by the Office of Financial Accountability in 2016. Additionally, OFA audited the Arts Commission's TN Arts Commission grants in 2014.

- b. Has any capital spending been audited during the last five years? Ten years?

Public Art was reviewed in the 2019 organizational audit. The Public Art process was audited in FY2010.

- c. Are there any prior audit recommendations still shown as pending/outstanding? If so, please identify these recommendations and provide a response regarding your department's plan to address the recommendation(s).

None