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State Arts Agencies
1965–2003
Whose Interests to Serve?

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Summary

The early 2000s have been difficult for many, if not most, state and jurisdictional arts agencies (referred to as state arts agencies, or SAAs). In fiscal year (FY) 2003, a record 43 of 56 SAAs reported year-over-year declines in the general fund appropriations budgeted to them by their state legislatures. In FY 2004, 34 agencies reported further budget reductions, with nine of them—in California, Colorado, Guam, Florida, Michigan, Minnesota, Missouri, Oregon, and Virginia—reporting cuts of more than 30 percent. Six SAAs—those in Alaska, Arizona, California, Colorado, Missouri, and New Jersey—faced serious threats of elimination.

The immediate cause of these early-2000s budget problems is a fiscal crisis that, in many states, is unprecedented. However, as this report argues, these cuts to state arts budgets are more than just a one-time response to fiscal crisis by state officials. Findings from in-depth interviews with staff from 13 SAAs and a review of the literature on SAAs and the National Endowment for the Arts (NEA) suggest a growing mismatch between the grantmaking role and structure of many SAAs and the cultural and political realities they face. And even though many SAAs are trying to reach beyond their traditional grantee constituencies, the perception—if not the fact—that SAAs primarily serve artists and arts organizations rather than the broader public is yet to be overcome. A short review of the history of SAAs helps to explain why this is so.

The Early Years

Our nationwide system of SAAs was conceived by the founders of the NEA in large part because of their need to appease those who feared the creation of a dominating, European-style “Ministry of Culture.” To win over these opponents, the federal-state arts partnership was created as a key provision of the NEA’s enabling legislation. States wanting to receive federal arts money had to establish their own arts agencies and fund them through state legislative appropriations. However, at least at the be-
In the beginning, the state-to-federal-dollar match in most states was considerably less than one-to-one. In fact, the lure of federal money was the primary reason most SAAs were established.

The consequences of the NEA's catalytic role in developing state-level support for the arts were somewhat paradoxical. Although the federal-state partnership's purpose was to offset possible cultural domination by Washington, D.C., there was no strong, positive vision for what the SAAs themselves should be. The result was that, like the NEA, most early SAAs operated under certain “elite” assumptions:

- The arts can be categorized into high and lesser art forms—that is, a strong distinction between “art” and “culture” can be made;
- The arts, and most of all the high arts, greatly benefit Americans as individuals and as a society;
- Support for “great art” should be the first priority of government because not enough great art will be created if support is left to the private market.

Many, though not all, states tended to translate these assumptions into support for high arts institutions (symphony orchestras, opera companies, ballet companies, art museums, etc.) rather than for artists or community-based arts organizations. Further, these assumptions formed the basis for a top-down, “If we build it, they will come” approach to public arts funding that was driven by the interests and priorities of arts aficionados rather than the general public. In many states, a political quid pro quo was established in which the leadership and friends of major arts institutions agreed to lobby for their SAA’s budget in return for a steady flow of grants.

**The Populist Revolt**

For the first ten years or so after the NEA was founded (1965), this top-down approach achieved successes on several fronts: State legislative appropriations for SAAs kept growing, new nonprofit arts organizations spread rapidly around the country, and many more Americans participated in arts events. By the mid- to late 1970s, however, populist critics of SAA policies were raising issues that resonated in state capitols. They argued that:

- Significant, even transcendent artistic endeavors originating from cultural communities outside the mainstream of American art were being ignored;
- Most Americans were not taking advantage of government investments in geographically dispersed high arts organizations; and
- In seeking to support only “the highest and the best,” arts agencies were taking a too limited view of the ways in which Americans can benefit from the arts.
Responses to these criticisms differed across states. Many SAAs made significant programmatic changes, such as introducing folk arts and “expansion arts” grant programs that targeted rural and minority ethnic communities. Many also either introduced or directed more resources toward programs for community-based artists and for arts education. Several SAAs decentralized, either on their own initiative or because of legislative mandates, setting aside funds to be regranted through networks of local agencies. Between 1975 and the early 1980s, decentralization programs were adopted in Maryland (1975), Minnesota (1976), North Carolina (1977), New Jersey (1978), New York (1978), Massachusetts (1979), Virginia (1979), California (1981), and Michigan (early 1980s).

But although most SAAs greatly expanded their definition of the arts, and many allowed greater local control over grantmaking, SAAs as a whole continued to focus on arts production rather than consumption. And the political impact of the changes they introduced was disappointing: Local arts councils received much of the credit for regrants run through the budgets of decentralized agencies, and community-based artists and arts organizations did not turn out to be an effective lobbying force. At the same time, many of those who believed firmly that preserving and nurturing the high arts should be an arts agency’s first priority began losing their faith in SAAs.

A Loss of Support

A drop in the NEA's basic state grants—combined with a severe nationwide recession—put SAAs under significant budgetary pressure in the early 1980s. SAA managers then looked to their major arts institutions for political support, only to find it had been eroded by the funding strategies they’d pursued in the 1970s as well as the broad cultural and demographic changes taking place in their states. Most members of the leadership (and audience) of the majors were either unable or unwilling to undertake significant lobbying efforts for their SAAs. Many turned to lobbying for line items for their own institutions rather than working for increases to their SAAs’ overall budget.

Because of the breakdown of the *quid pro quo*, a number of SAAs sought support from the statewide citizen arts advocacy groups that, not coincidentally, were springing up around the country in the late 1970s and early 1980s. But SAAs soon recognized that these groups did not always share their priorities. Regardless of the original impetus for their founding, many of these groups came to be dominated—if not controlled outright—by large arts organizations that fiercely resisted SAA attempts to shift funds in other directions. Coalitions between small and large organizations often proved unstable.

The national economic recovery and the consequent restoration of state budgets in the mid-1980s once again allowed SAAs to straddle the ideological gap between
the populist vision of funding diverse artistic expression and the elite vision of giving grants to encourage artistic excellence. But SAAs realized that total reliance on the major arts institutions for political support was no longer a viable strategy. Therefore, most SAA leaders worked hard to reach out to the increasingly culturally diverse populations within their states—without abandoning their major constituents. Their success varied, but they nonetheless found it hard to convince state legislators that their constituents—still primarily, if not exclusively, actual and potential grantees—represented the citizenry at large.

New Realities

Debates in the 1990s over what artists should or should not do with public money created even more political turmoil than had rocked SAAs in the 1970s. SAAs also suffered at this time because of state fiscal crises deeper than any they had collectively seen before. Many SAA managers thus began exploring ways to convince average citizens and their elected representatives that the arts were important to their lives—and that their SAAs were important to the arts.

SAAs realized that success entailed accounting for two new realities of American cultural and political life. First, the dominance of the “great art” rationale for public support of the arts—and the relative importance of the major high arts institutions in American society and American politics—had clearly diminished. No longer was there consensus on how public arts money should be spent. Second, government agencies had to be more responsive to voter interests and more able to demonstrate the results of their efforts to the public.

Further, SAAs had to begin grappling with the problem of their near-irrelevancy to their states’ political establishments. The supply-side strategy of supporting arts producers had turned many SAAs into cash machines, but without much clout—and often without much money. Evidence from New Jersey, Ohio, and other states suggests that artists as well as average citizens often do not even know their state has an arts agency. This suggests that most people perceive SAAs as, at best, peripheral to their needs—and therefore expendable.

Looking to the Future

By almost any measure, SAAs have supported a tremendous number of people and organizations dedicated to making and presenting art. In FY 2000 alone, SAAs sponsored the work of over 2 million artists and almost 16,000 nonprofit arts organizations. Nevertheless, many SAA managers in the 2000s have become convinced that their
agencies must undergo profound philosophical changes in orientation if they are to thrive rather than merely survive from year to year.

A large part of The Wallace Foundation’s State Arts Partnerships for Cultural Participation (START) initiative now entails helping the START agencies think through new or refocused missions that will stand on more solid and enduring political foundations. An important first step is to recognize that each SAA’s ultimate constituency comprises all its state residents, not just the state’s community of arts aficionados, artists, and nonprofit arts organizations. As public servants, SAAs must strive to invest public resources in the arts institutions, activities, and artists that produce the greatest value for the people of their states. The heart of the initiative is a shift in SAA focus and funding from bolstering arts providers to serving people and communities. The 13 START agencies are working to put this idea into practice, but important issues remain, some which will be explored in later monographs in this series.