The Arts and State Governments

At Arm's Length or Arm in Arm?

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Summary

The U.S. system of state arts agencies (SAAs), conceived in the mid-1960s, was designed to increase local opportunities for state residents to participate in the arts, and to facilitate local control over public arts funding decisions. SAAs' primary strategy for achieving these goals has been to award grants to arts organizations and artists in their states. By many measures, this approach has been successful: Professional artists and arts organizations can be found throughout the country, and state and local arts agencies now control the bulk of public-sector grant monies dedicated to the arts.

However, as part of the political compromise that led to the creation of the National Endowment for the Arts (NEA), SAAs were also expected to generate a broad base of political support for public funding of the arts. In this they have been less successful: Even though a majority of Americans claim to support public funding of the arts, state government spending on the arts is minimal—and may be losing ground relative to other types of state expenditures. Perhaps more important, most SAAs have not succeeded in convincing state government leaders that the arts should be integral to their planning for the future of their states.

The research described in this report is part of a larger RAND Corporation study that explores the changing missions and roles of SAAs. The study has been funded by The Wallace Foundation as part of its State Arts Partnerships for Cultural Participation (START) initiative, which gave 13 SAAs multiyear grants in support of efforts to increase arts participation in their states. Drawing on a review of the data and literature on SAAs and the NEA, recent research on public administration, and in-depth interviews with SAA staff, board members, and grantees, we argue that SAAs' "arm's-length" approach to state government—which was intended to insulate arts grantmaking from possible political influence—has contributed to the marginalization of SAAs within state government.

A more strategic approach that reaches both outward to the public and upward toward government officials offers a promising alternative. Two case studies, one in Montana and one in Maine, offer examples of how SAA leaders are closing the gap between the arts world and the political world, overcoming budget and political crises and improving their ability to serve the residents of their states.

At Arm's Length

Following the example of the New York State Council on the Arts (and before that, the Arts Council of Great Britain), the early SAAs adopted two important organizational features: board-based governance and constituent-driven decisionmaking. SAAs are governed by boards of politically appointed volunteers who are authorized to set agency policies and allocate agency resources. Paid staff, led by executive directors, administer SAA programs and help their boards formulate policies. Volunteer panels of outside experts provide advice and recommendations.

SAAs were set up this way to ensure that arts grants would be awarded for artistic and technical merit rather than on the basis of political, ideological, or personal preferences of elected officials. In principle, board-governed agencies are better able than more traditional, hierarchical agencies to operate at arm's length from politics for four main reasons: board members are not paid, their terms of service are staggered, they are difficult to remove, and their decisionmaking is collective. Outside of budget actions and restrictive legislation, elected officials' means of influencing SAAs are limited. Instead, the decisions of SAAs are heavily influenced by their arts community constituents. Through mechanisms such as advisory panels, members of the arts community help determine SAA policies, design SAA programs, and decide individual grant awards.

But this relative insulation of SAAs from politics has come at a price. Their visibility within state government is low, and state political leaders appear not to understand how SAA programs and activities benefit those outside the arts community. Moreover, past strategies for protecting and growing SAA budgets appear to be losing their effectiveness. For example, the introduction of legislative term limits in many states has limited SAAs' ability to rely on legislative "arts champions" to protect their interests, major arts organizations are increasingly reluctant to lobby for their SAAs because state arts grants represent such a small percentage of their revenues, and statewide citizen advocacy groups have not been able to convince state officials that support for the arts should be a governmental priority.

Budgetary and Political Trends

It was not always this way. For the first 15 to 20 years after most SAAs were established, their low profile within state government did not seem to matter. Federal arts grants to the states grew strongly, and state legislative appropriations for SAAs grew even more strongly—although admittedly from a very low base. By 1985, federal spending on the NEA was exceeded by the states' total spending on their SAAs; and by 1994, 35 SAAs were receiving more than two-thirds of their total revenues from their own state legislatures. Further, state support during the 1980s grew more rapidly on average for the arts than for other categories of state general fund expenditures. State officials seemed content to let SAA budgets grow, to allow SAAs to manage their own affairs, and, in general, to treat them with benign indifference.

During the 1990s, however, these trends were broken. The NEA's budget was cut dramatically, with grim consequences for SAAs that still relied heavily on federal grants to fund their programs. To make things worse, a combination of economic recession, rapidly growing entitlement programs, and mounting voter resistance to tax increases began to squeeze state budgets significantly. And finally, movements to limit the size of government swept the country, movements demanding that government organizations at all levels provide acceptable justification for their activities or risk dramatic downsizing or elimination.

Given these developments, SAA leaders came to realize they must find new ways to demonstrate to state officials that their agencies are vital elements of state government—that is, that SAAs, through their support for the arts, help to meet states' priority needs. Two SAAs that have made significant moves in this direction are the Montana Arts Council and the Maine Arts Commission.

Case Studies

The Montana Arts Council and the Maine Arts Commission are not particularly representative SAAs. They are both small, independent agencies in rural states having no tradition of substantive government support for the arts. Nonetheless, they illustrate an evolution in thinking about mission, capacity, and especially relations with elected officials that is taking place in SAAs across the country. Both agencies have knocked down barriers between the arts world and the political world. In doing so, they appear not only to have stabilized their budgets, but also to have strengthened their legitimacy with government officials and the public.

Montana. In 1997, the Montana Arts Council faced what was probably the biggest crisis in its history. Inspired in part by U.S. congressional attempts to eliminate the NEA, a Montana state legislator gathered widespread support for a bill designed to eliminate the Council. His arguments emphasized fiscal conservatism, but he was supported by many people, both in the legislature and among the public, who held strong negative views of artists and the arts.

Council supporters responded quickly and strongly to this move to eliminate the agency. In a grassroots effort, hundreds of people throughout the state flooded legislators' offices with phone calls and faxes in support of the agency. But the real work began after the crisis was resolved and the agency's budget was (partially) restored. Council leaders concluded that their agency had become too isolated from ordinary Montanans and their elected representatives. They have now adopted a new and self-consciously strategic approach to their relationship with elected officials and the public, one that seeks to demonstrate the importance of the arts to ordinary Montanans. Working closely with statewide economic development and education groups, they are also emphasizing the practical benefits that can be achieved by public investment in the arts.

Maine. The crisis for the Maine Arts Commission centered on economics rather than values. Unlike the situation in Montana, no coordinated opposition saw support of the arts as an inappropriate use of taxpayer funds. Nevertheless, by the mid-1990s, the agency's prospects were bleak. Its NEA grant had been radically reduced, and state officials saw little room for the arts in an overburdened state budget. Within three years, the Commission had lost the bulk of its grantmaking funds.

As in Montana, agency leaders faced a crisis, in this case that they had almost no money to allocate to their arts-community constituents. Their response was, first, to canvas their state to determine what the Commission could still do that would be of value to Mainers. They then focused their funds in support of locally determined cultural needs—a solution that proved tremendously popular with elected officials as well as average citizens. They also decided to collaborate closely with other statewide cultural agencies, which added to their political support. In all, the Commission managed not only to recoup its budgetary losses within a few short years, but also, in the 2000s, to put the arts (and culture in general) at the center of governmental plans for revitalizing the state economy.

Closer Relations with Elected Officials

The Montana and Maine cases illustrate a principle emphasized in the recent literature on public administration: The most successful government agencies tend to be led by managers who are both entrepreneurial and politically responsive. A recognized leader in this field of research is Mark H. Moore, a professor at Harvard's Kennedy School of Government. In 2002, The Wallace Foundation invited Moore to introduce its 13 START grantees to concepts and tools he had developed for other federal, state, and local government agencies.

Moore (1995) suggests that government managers should judge for themselves what would be most valuable for their agencies to do, given their legislative mandates. In making their decisions, however, they should take into account the political expectations of their agencies (including the expectations of current constituents) and the resources available to them. This idea is captured by Moore's "strategic triangle" of issues:

- Public value;
- Legitimacy and support; and
- Operational capacity.

To create public value, government managers must identify a compelling mission for their agency. To mobilize legitimacy and support for that mission, managers must engage with elected officials. And finally, to ensure that the mission can be carried out, managers must conduct hardheaded calculations of what is operationally feasible.

Moore's triangle provides a useful lens for examining the SAA experiences in Montana and Maine. The two agencies' initial responses to their crises were not the same: Council leaders in Montana sought to build legitimacy and support for their current mission, whereas Commission leaders in Maine sought out a new and more compelling mission. At least in part, the differences in strategy may have arisen from agency leaders' perceptions about their operating capacity. Maine's budget cuts were severe enough to force a reexamination of the agency's mission; Montana's were not. Regardless, both strategies helped the agencies develop a closer relationship with elected officials.

Montana and Maine are not alone. Their efforts to mobilize legitimacy and support parallel those of many other SAAs. For example, several SAAs have taken steps in recent years to strengthen their boards, paying particular attention to the role of board members as advocates for the agency. Many are examining their programs and activities to identify how they may benefit a broad spectrum of state citizens and are seeking new ways to communicate those benefits to state political leaders. Finally, several SAAs are exploring how the arts can, in addition to being valuable in their own right, contribute to a state-determined public policy agenda. To what extent these agencies, and the arts community, actually allow their programs to be shaped by state government priorities remains to be seen.

Conclusion

There are risks, of course, to allowing elected officials a greater say in state arts policies and programs. One risk is that state arts grantmaking will become politicized, with legislators' biases, rather than legitimate policy concerns, driving individual grant awards. Another risk is that SAAs will become too closely associated with a particular set of public policy objectives and a particular group of elected officials, making them vulnerable when new objectives are introduced or new officials take office. Finally, there is the risk that policymakers may lose sight of what is uniquely valuable about the arts, judging state-supported arts activities only on the basis of their contributions to narrow, measurable outcomes such as the creation of jobs or the raising of educational test scores. If this happens, the arts may lose out to other state investments that promise greater or faster returns.

We believe that the potential rewards to "arm-in-arm" relations between SAAs and state governments are worth the risks. In particular, SAAs have much to gain by adopting a more strategic approach to public management, which calls for greater attention to the needs of the public and improved communication with elected officials. SAA managers who understand these constituencies can better determine how to use the resources at their disposal to create public value through the arts. They will also be in a better position to build alliances that help stabilize state arts funding and perhaps even increase it. Most important, if SAAs become fuller partners in state and local planning, the people of their states will benefit from increased engagement with the arts both now and in the future.