

# State Arts Agency Legislative Appropriations Preview, Fiscal Year 2024

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This report provides a forecast of state government funding for the arts in fiscal year 2024. Data presented were collected before most states began a new fiscal year on July 1, 2023.

As of July 26, 2023, 45 states have enacted budgets for FY2024. Many states will revisit enacted budgets in the coming months to adjust for shifting revenue and expense conditions. For the latest information on state arts agency (SAA) funding fluctuations, contact Mohja Rhoads.

# The Climate for Arts Funding

According to the <u>National Association of</u> <u>State Budget Officers</u> (NASBO), revenue projections for FY2024 are somewhat mixed as some states anticipate

# **Preliminary Findings**

- Total appropriations to state arts agencies are projected to decrease by 27.3% from the all-time high of FY2023, partially due to one-time appropriations from federal and state relief sources.
- Thirty-two SAAs reported projected increases in total legislative appropriations. The median increase was 12.8%.
- Thirteen SAAs reported projected decreases, with a median decrease of 46.7%.
- Total per capita appropriations to SAAs are projected to be \$2.10 in FY2024, a decrease of 7 cents from FY2023.

moderate increases in tax revenue while others anticipate slight declines, which is in contrast to the previous years of growth. While the forecast is mixed, it is safe to assume that the overall revenue growth rate will be significantly slower due to the exhaustion of federal COVID-19 pandemic aid and possible contractions in state economies. Despite anticipating a slowdown in revenue growth in FY2024, governors maintain optimism about their states' overall economic situation for the remainder of FY2023 and FY2024. By the end of FY2023, 33 states reported a surplus due to prior gains in 2021 and 2022. In April 2023, many states witnessed tax collections surpassing expectations, resulting in revenue levels approaching historic highs. This resilience is credited to proactive measures taken by states to ensure financial stability. Amidst economic uncertainty and ongoing debates about the debt ceiling, governors continue to prioritize strengthening reserves through initiatives such as maintaining robust rainy-day fund balances and effectively reducing long-term debt.

The trend outlined by NASBO is paralleled in the FY2024 projected appropriations for state arts agencies. A majority of SAAs (32) anticipate budget increases, although a few have experienced significant cuts, partially due to the discontinuation of large one-time appropriations. The total projected budget figure for SAAs in FY2024 is \$706.3 million, representing a 27.3% decline from the all-time high reported in FY2023. It is important to note that not all budgets have been finalized, and there is a possibility of a net change in SAAs' appropriations in the coming months. The National Assembly of State Arts Agencies (NASAA) will publish a comprehensive report during the upcoming winter, providing detailed information on the enacted budgets of all state arts agencies.

**Table 1: Projected Changes in SAA Total Legislative Appropriations** 

Fiscal Years 2023-2024

Increases			
Number of SAAs	32		
Number of SAAs up 10% or more	19		
Median increase	12.8%		
Flat Funding*			
Number of SAAs	11		
Decreases			
Number of SAAs	13		
Number of SAAs down 10% or more	10		
Median decrease	-46.7%		
All States			
Aggregate change	-27.3%		
Median change	2.3%		
*Flat funding includes changes of less than 0.5% in magnitude.			

# **State Arts Agency Appropriations Projections**

Based on current estimates, total legislative appropriations to state and jurisdictional arts agencies (SAAs) are projected to decline by 27.3% in FY2024. This aggregated decrease is due to a 63.4% reduction in line items—appropriations not controlled by SAAs but rather passed through SAA budgets to legislatively designated entities. The line item reductions are caused by one-time pandemic aid pass-throughs and the fact that multiyear grants were often reported in their first year.

Baseline appropriations (those given directly to SAAs) show a 15.5% decrease in FY2024, partially due to the loss of one-time funding from the previous years. This decline can also be attributed to decreases in the allocation of funds for states that received large appropriations in the previous years, such California, Florida and New York (\$160 million decrease in total).

The total state arts allocations estimated for FY2024 are \$706.3 million, which is \$266 million less than the record-high amount for FY2023, or \$83 million less than FY2022; however, this figure is higher than the pre-COVID levels (68% more than the FY2021 figure of \$421.2 million)

#### In FY2024:

- 32 states and jurisdictions expect their arts appropriation to increase;
- 11 expect their appropriation to decrease;
- 19 expect their appropriation to remain unchanged.

Budgets will change throughout the summer and fall, as state legislatures reconvene to assess changing revenue estimates. For more state-by-state details, see the tables and notes on <u>page 6</u> and <u>page 7</u> of this report.

# **Supplemental Funding**

As a result of the American Rescue Plan Act of 2021 (ARPA), state and local governments received \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to be spent over four years. ARPA had provided states \$198 billion for COVID-19 relief by March 2022. According to the Center on Budget and Policy Priorities, as of December 1, 2022, all 50 states, the District of Columbia and Puerto Rico have appropriated 87% (\$173 billion) of this \$198 billion. States have until the end of 2024 to determine how they will employ their Fiscal Recovery Funds and until the end of 2026 to complete spending.

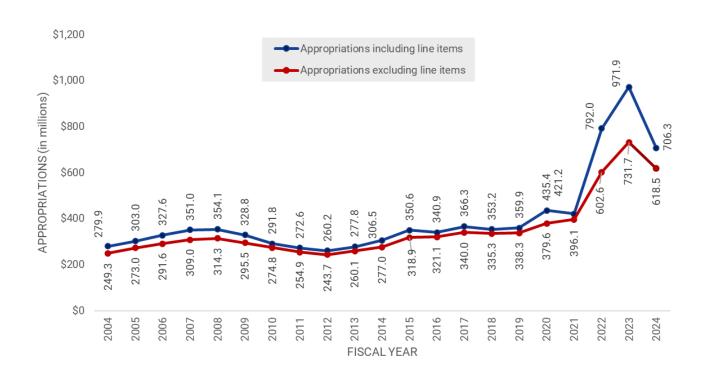
At the time of publication, 10 states have allocated \$173.6 million in supplemental relief funding to state arts agencies for FY2023 and 6 states have allocated \$74.0 million for FY2024. These funds are a mixture of state funds (including transfers from other state agencies) and other federal funds, ranging from \$1 million to \$54.5 million per state, with a median of \$7 million.

### **Historic Trends**

The majority of the projected 27.3% decrease in total appropriations to state arts agencies between FY2023 and FY2024 is attributable to line items, which historically are volatile, and nonrecurring one-time appropriations from state and federal COVID-19 relief funding.

**Figure 1: State Arts Agency Legislative Appropriations** 

Fiscal Years 2023-2024



# **Per Capita Funding**

Projected appropriations to state arts agencies of \$706.3 million for the coming fiscal year represent an aggregate investment of \$2.10 per person. This is a decrease from the FY2023 record of \$2.89 but is 31% higher than the nominal all-time prepandemic per capita high of \$1.60 in FY2001.

#### **About These Data**

Based on survey data reported to the National Assembly of State Arts Agencies in May and June 2023, this preview contains information on the legislative appropriation that each state arts agency expects to receive for FY2024, which begins for most states on July 1, 2023. This report does not include information on other sources of funding (federal money, state transfer funds or other revenue sources) that SAAs may receive. NASAA will collect comprehensive FY2024 SAA budget statistics in the fall and will report those findings in winter. Background information on total SAA revenues for FY2023 is available in the <a href="Funding">Funding</a> section of the NASAA website, which includes a suite of data visualizations detailing appropriations and revenue over time, regional comparisons, and per capita rank estimations.

All references to historic trend data in this forecast are presented in nominal terms—i.e., they are not adjusted for inflation. Detailed discussion of inflation's effects (and accompanying constant-

dollar adjustments) are included in NASAA's in-depth State Arts Agency Revenues report published each winter. Trend charts including inflation adjustments are available through our <u>appropriations</u> and revenue explorers.



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#### **Table 2: State Arts Agency Total Appropriations Including Line Items**

Fiscal Years 2023–2024, Preliminary Projections

	State or Special	FY2023	FY2024	Percent
	Jurisdiction	Enacted	Projected	Change
	Alabama *	\$7,630,969	\$7,756,197	1.6%
	Alaska	\$770,707	\$715,100	-7.2%
	American Samoa	\$167,000	\$167,000	0.0%
1	Arizona	\$5,000,000	\$5,000,000	0.0%
2	Arkansas	\$1,372,507	\$1,498,000	9.1%
	California	\$133,426,000	\$38,627,000	-71.0%
	Colorado	\$2,023,000	\$2,023,000	0.0%
3	Connecticut *	\$37,635,238	\$11,686,403	-68.9%
4	Delaware	\$3,880,015	\$5,248,282	35.3%
5	District of Columbia†	\$44,694,526	\$51,052,000	14.2%
	Florida	\$66,461,426	\$61,808,501	-7.0%
	Georgia Guam *†	\$1,555,890 \$586,400	\$1,566,412 \$877,544	0.7% 49.6%
	Hawaii *	\$26,777,189	\$16,986,854	-36.6%
6	Idaho	\$905,700	\$982,800	8.5%
0	Illinois *	\$63,664,900	\$15,455,400	-75.7%
	Indiana	\$3,632,417	\$5,197,761	43.1%
	lowa *	\$1,550,000	\$1,550,000	0.0%
	Kansas	\$509,403	\$1,009,403	98.2%
	Kentucky	\$1,797,100	\$1,810,000	0.7%
	Louisiana	\$2,139,981	\$2,112,377	-
7	Maine	\$1,028,241	\$1,108,640	7.8%
8	Maryland *	\$27,777,358	\$33,049,746	19.0%
	Massachusetts†	\$23,377,000	\$25,895,000	10.8%
	Michigan†	\$11,850,000	\$11,850,000	0.0%
	Minnesota	\$43,551,000	\$55,195,000	26.7%
	Mississippi	\$1,423,208	\$1,528,431	7.4%
	Missouri *	\$18,616,669	\$31,326,807	68.3%
	Montana	\$590,095	\$607,433	2.9%
9	Nebraska	\$10,102,052	\$2,600,377	-74.3%
	Nevada *	\$3,011,121	\$3,172,867	5.4%
	New Hampshire	\$838,584	\$1,406,566	67.7%
	New Jersey *	\$40,780,000	\$47,380,000	16.2%
	New Mexico	\$1,593,000	\$1,718,100	7.9%
10	New York *	\$241,447,000	\$110,441,000	-54.3%
	North Carolina *†	\$9,146,169	\$9,146,169	0.0%
11	North Dakota *	\$855,157	\$1,298,509	51.8%
	Northern Marianas	\$223,934	\$100,000	-55.3%
12	Ohio	\$20,085,698	\$25,085,000	24.9%
	Oklahoma Oragan‡	\$3,730,030	\$3,730,030	0.0%
	Oregon† Pennsylvania†	\$11,207,498	\$2,143,584	-80.9% 9.5%
	Puerto Rico *†	\$10,569,000 \$21,845,621	\$11,569,000 \$24,085,000	10.3%
	Rhode Island *	\$2,200,000	\$2,232,328	1.5%
	South Carolina	\$13,929,096	\$8,464,054	-39.2%
	South Dakota	\$1,239,711	\$1,283,327	3.5%
	Tennessee *	\$11,077,950	\$14,898,500	34.5%
	Texas	\$10,164,538	\$14,309,718	40.8%
	Utah	\$9,451,100	\$7,946,300	-15.9%
	Vermont	\$859,445	\$968,940	12.7%
	Virgin Islands†	\$392,166	\$392,166	0.0%
	Virginia	\$4,595,237	\$4,585,237	-0.2%
13	Washington *	\$5,374,499	\$10,749,000	100.0%
	West Virginia	\$954,315	\$954,315	0.0%
	Wisconsin	\$954,500	\$1,078,000	12.9%
	Wyoming	\$898,000	\$898,000	0.0%
	Total	\$971,919,360	\$706,327,178	-27.3%

#### **Table Notes**

- \* The total projected appropriation includes line item funds designated by the legislature to pass through the state arts agency to other entities.
- † At the time of publication, the state does not have an enacted FY2024 budget.
- **1 Arizona:** FY2024 general fund appropriation is designated as one-time funding.
- **2 Arkansas:** At the time of data collection, the Arkansas Arts Council's operating budget had not been confirmed by the cabinet secretary.
- **3 Connecticut:** The line item appropriation for this year of \$10,189,105 is designated for all arts, culture and humanities organizations, including aquariums and zoos. The Connecticut Office of the Arts is also responsible for administering over \$3 million in state-designated ARPA funds, which will directly benefit eight arts and cultural organizations.
- **4 Delaware:** The FY2024 state operating budget bill (H.B. 195) has been signed, providing a \$1 million increase in grants for the Delaware Division of the Arts, the first increase since 2014.
- **5 District of Columbia:** The appropriation amount is based on a revenue forecast of \$44 million from dedicated taxes and \$6 million in one-time funding carried over from the previous fiscal year.
- **6 Idaho:** The FY2024 general fund increase incorporates a \$50,000 one-time line item designated to support the agency's grant-making effort. There is a potential for the Idaho Commission on the Arts to receive an additional \$70,000 in one-time funding, although a final decision on this allocation had not been made at the time the SAA was surveyed.
- **7 Maine:** The Maine Arts Commission (MAC) received \$5,000 from the Belvedere Foundation to fund a fellowship and another \$5,000 from the Maine Humanities Council to fund five artist project grants that are separate from the MAC grant programs.
- **8 Maryland:** For FY2024, the Maryland State Arts Council requested \$3 million for the Arts Capital Grant Program.
- **9 Nebraska:** The reduction is due to the one-time line item allocation of \$7.5 million in the previous budget for renovations at the Museum of Nebraska Art.
- **10 New York:** The projected operating budget of the New York State Council on the Arts has significantly decreased compared to FY2023, which had been accompanied by an unprecedented \$150 million in capital funding. This decrease is primarily attributed to the expiration of nonrecurring appropriations designated for COVID-19 pandemic recovery assistance.
- **11 North Dakota:** For the FY2023-2025 biennium, the North Dakota Council on the Arts has experienced a significant increase in state general funds, which includes \$100,000 of one-time funding, \$193,000 of ongoing funding from the general fund and the authorization of one new full-time equivalent position.
- **12 Ohio:** The governor recommends \$40.8 million in general fund appropriations for FY2024-2025, while the House proposes adding \$10 million in grants over two years, which would bring the Ohio Arts Council budget to \$50.8 million.
- **13 Washington:** In addition to the increased line items, ArtsWA received \$1 million in capital funds for the Art in Public Places program, and \$1.5 million from a partnership with the Washington State Department of Commerce for the Grants to Organizations program.

#### **Table 3: Per Capita State Arts Agency Appropriations**

Fiscal Year 2024, Preliminary Projections

	Legislative Appropriations Including Line items		
State or Special			
Jurisdiction	1	apita 	
Alabama *	Amount \$1.53	Rank 18	
Alaska	\$0.97	28	
Arizona	\$0.68	35	
Arkansas	\$0.49	42	
California	\$0.99	27	
Colorado	\$0.35	47	
Connecticut *	\$3.22	9	
Delaware	\$5.15	5	
Florida	\$2.78	10	
Georgia	\$0.14	50	
Hawaii * Idaho	\$11.79	1 40	
Illinois *	\$0.51 \$1.23	23	
Indiana	\$0.76	34	
lowa *	\$0.48	43	
Kansas	\$0.34	48	
Kentucky	\$0.40	46	
Louisiana	\$0.46	45	
Maine	\$0.80	33	
Maryland *	\$5.36	4	
Massachusetts†	\$3.71	8	
Michigan†	\$1.18	24	
Minnesota	\$9.65	2	
Mississippi	\$0.52	39	
Missouri *	\$5.07	7	
Montana Nebraska	\$0.54 \$1.32	36 22	
Nevada *	\$1.00	26	
New Hampshire	\$1.01	25	
New Jersey *	\$5.12	6	
New Mexico	\$0.81	32	
New York *	\$5.61	3	
North Carolina *†	\$0.85	31	
North Dakota *	\$1.67	15	
Ohio	\$2.13	12	
Oklahoma	\$0.93	29	
Oregon†	\$0.51	41	
Pennsylvania† Rhode Island *	\$0.89	30	
South Carolina	\$2.04	14 16	
South Carolina South Dakota	\$1.60 \$1.41	20	
Tennessee *	\$2.11	13	
Texas	\$0.48	44	
Utah	\$2.35	11	
Vermont	\$1.50	19	
Virginia	\$0.53	38	
Washington *	\$1.38	21	
West Virginia	\$0.54	37	
Wisconsin	\$0.18	49	
Wyoming	\$1.54	17	
American Samoa	\$3.77	11	
District of Columbia†	\$75.99	9	
Guam *† Northern Marianas	\$5.11 \$1.89	20	
Puerto Rico *†	\$1.89	4	
Virgin Islands	\$3.75	12	
Total	\$2.10	14	

#### **Table Notes**

\* The total projected appropriation includes line item funds designated by the legislature to pass through the state arts agency to other entities. † At the time of publication, the state does not have an enacted FY2024 budget.

Per capita amounts represent the total dollar figure for each agency's appropriation divided by the total population. The total per capita figure in the bottom row is based on the aggregate population for 56 states and jurisdictions. States are ranked out of 50; jurisdictions are ranked out of 56.

Per capita spending calculations for the 50 states, the District of Columbia and Puerto Rico are based on the July 1, 2022, population estimates in the <u>Annual Estimates of the Resident Population for the United States, Regions, States, District of Columbia, and Puerto Rico: April 1, 2020 to July 1, 2022 table from the U.S. Census Bureau. Population figures for American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands are from the <u>International Data Base</u> of the U.S. Census Bureau.</u>