Dear Members of the Budget Preparation and Submission Subcommittee,

Kentuckians for the Arts (KFTA) advocates that the General Assembly seek ways to increase revenue rather than continually cut the capabilities of the government to serve the people. It is apparent that with each succeeding budget the government continues to become more and more dysfunctional due to lack of funding. Many state agency budgets were previously reduced during FY 2018. The Governor is proposing an additional reduction of @ 6.25% for many state agencies within this budget. “Cumulatively, many agencies have already been cut since 2008 by 15 to 50 percent in 19 rounds of budget cuts.” (Kentucky Center for Economic Policy, January 17, 2018).

Continuous reductions in the state budget result in loss of services, the loss of capabilities of government to support the growth and welfare of the Commonwealth, and loss of jobs across the state not only in the arts and critical cultural institutions, but also in many additional industries necessary for creating sustainable economic growth and well being of the people.

The Preamble for the Constitution of the United States: We the People of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

Please take the time to accept the charge of our forefathers to “promote the general welfare” of the people of the Commonwealth. Find alternatives to the continuous cuts at each budgeting cycle and ensure that our government does not lose the capability to provide services necessary to promote the betterment of our citizens. We understand the budgetary crisis is an issue to address but cutting programs that either pay for themselves or makes Kentucky a more dynamic place to live should not be an option. Please consider finding creative solutions that are an investment in our future and return these important programs to the 2019-2020 budget.

Thank you for your service to the People of the Commonwealth.

Yours truly,
Kentuckians For the Arts

http://www.lrc.ky.gov/Find%20Your%20Legislator/Find%20Your%20Legislator.html
FACTS about CUTS:

Kentucky Film Incentive Program:
This program provides tax incentives for film production companies to come to Kentucky to produce films. The Governor intends to let this program die by not allowing new applications for the program to be approved. Kentucky will lose money to other states.

- Every $1 spent on film incentives from the General Fund has produced $10 in new economic activity.
- Kentucky has seen a 900 percent increase in the number of productions made in the Bluegrass State.
- Those productions have led to the creation of hundreds of new jobs and millions of dollars in direct investment in local economies.


Morehead Folk Art Center:
- Holds about 1,500 pieces of art that were created by Kentucky artists with little or no formal training.
- Educational outreach serves about 10,000 K-12 public school students and provides thousands of dollars in art supplies to students who could otherwise not afford them.
- Supports artists as a venue to sell their art, and it brings tourism to local restaurants and other businesses with “A Day in the Country” and “Appalachian Holiday Arts and Crafts Fair.”

| Kentucky Folk Art Center, Morehead | Eliminates funding @ $200,000 | Provides artists with a venue to sell their works and brings tourism |

Kentucky Center for Performing Arts:
The mission of The Kentucky Center for the Performing Arts is to lead and enrich the artistic, educational and economic vitality of the region by providing unparalleled programming and cultural events.

- 55% of the Kentucky Center funding comes from ticket sales, facility rentals, garage operations, concessions, and programming. The remaining 45% comes from individual and corporate memberships sponsorships, foundations, and public funding including state funding.
- The Kentucky Center will be indirectly impacted by the elimination of the Teachers Academies housed within the Kentucky Department of Education. The Kentucky Center received $88,000 this year to facilitate the operation of arts focused teacher academies.

| The Kentucky Center for the Arts | Cut funding of $325,300 dedicated to operating expenses FY 2019 and FY 2020 | Reduction in services, and cultural jobs lost. |

Kentucky Arts Council
- Through Arts Partnerships the Kentucky Arts Council puts people to work. In 2017 through Partnership funding there were 694 full time jobs, 770 part time jobs supported and 2,457 contracts for service generated.
• Tax revenue generated through Partnerships: $1,383,858 state, $4,372,253 federal, $1,405,428 municipal/county.
• 6,402,237 arts individual arts experiences were provided and 1,479,879 youths were served.
• Through an investment of $1,268,764 in Partnership funding, $68,004,266 in funding was leveraged in 2017. http://www.artscouncil.ky.gov/KAC/Creative/Advocacy_PVR.htm

| The Kentucky Arts Council, Arts Council Marketing Program | Eliminate marketing program supporting KY Artists. Erases $919,400 FY 2019 and $899,200 FY 2020 from the Kentucky Arts Council general fund. | Reduction in services, Cultural jobs lost. |

EDUCATION:
These cuts will impact our educational programs and directly affect our Creative Economy.

<table>
<thead>
<tr>
<th>Cuts to Programs/Indirect Impact on Arts</th>
<th>Amount of Reduction Compared to FY 2018</th>
<th>Impact</th>
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<tbody>
<tr>
<td>P-12 Professional Development</td>
<td>Eliminate funding 11.9 million (The Prichard Blog! January 17,2018)</td>
<td>Eliminates support for teacher professional development. Impacts arts teachers, arts professional organizations and arts conference attendance, etc.</td>
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<tr>
<td>Teachers Professional Growth Fund</td>
<td>Eliminate funding $720,000 (The Prichard Blog! January 17,2018)</td>
<td>Eliminates targeted professional growth opportunities for arts teachers.</td>
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<tr>
<td>Teacher Academies Program</td>
<td>Eliminate funding $1.4 million (The Prichard Blog! January 17,2018)</td>
<td>Impacts arts teachers, teaching artists and organizations connected to the academies such as the Kentucky Center for the Arts, Kentucky Arts Council, teaching artists, Kentucky Educational Television.</td>
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<tr>
<td>Public Education Transportation</td>
<td>Reduced from $226 million to $87 million in FY 2019 (Kentucky Center for Economic Policy, January 17, 2018)</td>
<td>Impacts school funding all around including classroom funding, staffing, support services. Since the arts are typically first in line to face reductions it could be assumed this reduction will impact arts programs and staffing. Especially impacts county districts and increases the gap between rich and poor districts almost to the level of 1990 before KERA. Would impact arts providers and centers that involve student transportation.</td>
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KENTUCKY CREATIVE INDUSTRY REPORT OVERVIEW

The Kentucky Creative Industry is defined as all individuals and companies whose products and services originate in artistic, cultural, creative, authentic and/or aesthetic content.

Economic Overview

- The Kentucky creative industry collectively employs 108,498 people
  - Total of 60,504 direct jobs
  - Additional 11,708 direct creative jobs in non-creative enterprises
  - Total of 36,286 indirect jobs
- The creative industry represents 2.5 percent of Kentucky’s employment
- The creative industry accounts for earnings of $1.9 billion
- The average wage of a creative worker is $34,299

Kentucky Self-Employed Artist Survey Findings
(735 INDIVIDUALS RESPONDING)

- 37 percent are employed elsewhere and creative work is a secondary source of income
- Creative work is the primary source of income for 31 percent of respondents
- 64 percent work at home
- 18 percent are retired but still doing creative work
- Remainder are students, homemakers, unemployed looking for work, no income generation, etc.

Data Source

- Use of Economic Modeling Specialists International (EMSI) labor market information compiled from 90-plus data sources, updated quarterly
- Standard industry analysis of federal employment data
- Includes wage and salary employed, self-employment (primary job), and extended proprietorships (second job)

Comparison of Creative Industry to Other Sectors