

# Arts, Culture, and Tourism Funding Roadmap

Presented by CT Arts Alliance, CT Humanities, & CT Tourism Coalition

updated 1/12/23

## Vision Statement

*We envision a healthy, vibrant, and diverse cultural sector, strengthened by robust tourism marketing that attracts visitors and businesses, spurs economic growth, and supports a strong and growing workforce.*

## Goal

Secure \$58.5 million annually in meaningful, reliable, and equitable state funding for the Arts, Culture, and Tourism (ACT) sector during the 2023 legislative session.

- *Meaningful* – a level of legislative funding that fully supports tourism and cultural organizations in making Connecticut a more attractive place to visit, work, and live.
- *Reliable* – legislative funding that is consistent over time to minimize operational disruption, improve long-term planning and sustainability, and maximize the return on the state’s investment.
- *Equitable* – legislative funding that is distributed so that arts and cultural organizations -- especially those that have been historically under-resourced -- have equal access to funding opportunities, and so that Connecticut can compete with neighboring states for visitors.

## Investment and Impact

When well-funded, the ACT sector will produce a return of \$3 for every \$1<sup>1</sup> invested (conservatively, a \$175.5M return on investment!). **The initial return on investment could create a perpetual funding stream for the ACT sector.**

CT Office of Tourism (Marketing)	\$25,000,000
CT Cultural Fund*	\$17,500,000
Tourism Fund Earmarks	\$8,000,000
Arts, Culture, and Tourism Infrastructure (CT Humanities, CT Office of the Arts, CT Office of Tourism)	\$5,000,000
Arts, Culture, and Tourism Workforce Development	\$3,000,000
<b>Total State Investment:</b>	<b>\$58,500,000</b>

*\*The consortium has developed a funding model to equitably provide annual grants to all eligible arts and culture non-profit organizations across the state through the CT Cultural Fund. The formula is based on operating expenses and is designed to ensure fair and equitable funding, especially for organizations that have seen historical under-investment.*

This funding will maximize the return on the state’s investment by:

- renewing and extending the reach of the Connecticut Cultural Fund,
- supporting tourism marketing at a level that best positions CT to compete with neighboring states for tourism dollars,
- strengthening the cultural infrastructure through the CT Office of the Arts and CT Humanities including technology investments, educational and cultural programming and resources, professional development, and capacity-building
- developing ACT workforce development programs in collaboration with Connecticut’s colleges and universities.
- increase the capacity of arts and cultural organizations as contributors to the state’s economy, the vibrancy of our communities, and the quality of life of our residents,
- preparing the ACT sector for America 250 (July 4, 2026) commemorations and the Hartford 400 initiative in 2035.

This annual investment in the ACT sector could be funded by:

- increasing the percentage of hotel and lodging tax revenues allocated to the Tourism Fund from 10 percent to 25 percent (\$32 million),
- returning the 3 percent allocation of the car rental tax from the General Fund to the Tourism Fund as defined by statute (\$3 million), and
- allocating tax revenue generated from online gambling (\$20 million).

Connecticut has reliable partners in the CT Office of the Arts, the CT Office of Tourism, and CT Humanities that can ensure that state funds are managed responsibly and that the results and impact are well documented. Arts, culture, and tourism leaders and our constituent organizations stand together in support of this investment for our economy, our communities, and our residents.

## Rationale

The ACT sector comprises more than a thousand cultural organizations and attractions that are rooted in our communities across Connecticut. Combined, ACT makes up 13.4<sup>ii</sup> percent (\$40 billion) of the state's gross state product and supports over 175,000<sup>2</sup> jobs statewide.

At the beginning of the COVID-19 pandemic and after years of insufficient funding, Connecticut's leaders recognized the importance of investing in the ACT sector. The pandemic shuttered operations, resulting in the loss of in-person visitation, darkening museums, theaters, and other cultural organizations, and closing hotels, restaurants, and other tourist destinations. These closures illuminated what could be permanently lost without vigorous state investment. Recognizing this, the Connecticut General Assembly committed \$30.7 million to the Connecticut Cultural Fund and provided \$21.4 million for tourism marketing in the FY22/23 budget. This unprecedented investment has already produced impressive results demonstrating what can be accomplished with sufficient state support.

With a \$20 million first-year investment, the CT Cultural Fund provided accessible and equitable operating support grants to 640 cultural nonprofits in 140 Connecticut cities and towns and two tribal nations (including 90% of Alliance and Opportunity districts<sup>iii</sup>). A \$10.7 million second-year investment has attracted 725 eligible applications.

This investment helps connect Connecticut's residents to the cultural institutions so vital to the well-being of our communities, including:

- operating support to maintain and increase staffing levels,
- information technology upgrades and the foundation of a statewide digital infrastructure to expand access to arts and cultural programming and content for students and educators,
- creation of K-12 education frameworks and curriculum resources in support of inclusive education mandates of the General Assembly,
- a Museum Makeover program to improve the content, visibility, and operations of our smallest nonprofits,
- quantitative and qualitative data collection to understand the cultural sector, identify needs and impacts, and inform decision-making,
- professional development to help institutions serve their communities during the pandemic and beyond.

Over two years, the CT Office of Tourism used its \$21.4 million investment to focus efforts on six key demographics, execute an innovative campaign utilizing social media influencers, and bring on resources to measure the impact of state funding.

These efforts have already yielded year-over-year increases in the:

- occupancy rate (+10%)<sup>iv</sup>
- short term rental revenues (+15.4%)<sup>iv</sup>
- average daily rate (ADR) for hotels (+17.9%)<sup>iv</sup>
- hospitality jobs (+6.1%)<sup>iv</sup>
- total deplanements (+27.6%)<sup>iv</sup>
- record visitation to state parks (10 million in 2020 and 13 million in 2021)<sup>v</sup>

Recognizing the need to build on this momentum and continue state investment in the forthcoming biennium and beyond, the Connecticut Arts Alliance, Connecticut Humanities, and the Connecticut Tourism Coalition joined together to conduct a comprehensive assessment of the successes and ongoing challenges of the ACT sector. The partners organized a steering committee composed of legislators, tribal leaders, members of the cultural community, the Connecticut Office of the Arts, and the Connecticut Office of Tourism. Through six community conversations, they gathered input from over 200 interested parties.

The overwhelming message the ACT steering committee heard is this: **The ACT sector must have meaningful, reliable, and equitable state investment for it to thrive and grow its impact in the state. This requires an ongoing, annual investment of \$58.5 million for the ACT sector.**

---

<sup>i</sup> Source: Funding Connecticut's Tourism Promotion: A White Paper, Longwoods International, May 2012

<sup>ii</sup> Sources: National Assembly of State Arts Agencies and National Endowment for the Arts, "Creative Economy State Profiles: Connecticut State Arts and Cultural Production 2019." [https://nasaa-arts.org/nasaa\\_research/creative-economy-state-profiles/](https://nasaa-arts.org/nasaa_research/creative-economy-state-profiles/). Accessed: January 20, 2022. Connecticut Tourism Council. "A Vote for Tourism is a Vote for Connecticut Jobs."

<sup>iii</sup> CT School Alliance Districts are the 33 lowest-performing schools. Opportunity Schools are the 10 most challenged of the Alliance Districts.

<sup>iv</sup> The Scoop Quarterly Tourism Newsletter, CT Office of Tourism, **January 2023**

<sup>v</sup> "Connecticut's Neglected State Parks," The Day, <https://www.theday.com/editorials/20220428/connecticuts-neglected-state-parks/>. Accessed November 23, 2022