

## **Environmental Scan**

As the United States' only functioning, private, non-profit, 501(c)(3) state arts agency the Vermont Arts Council's operating environment is disproportionately large, given its budget. The Council has formal reporting relationships with no fewer than five significant "authorizing entities," two of which are federal agencies. As an independent nonprofit functioning with Legislative authority to receive and disburse Federal and state funds, the Council has access to state employment benefits (health, retirement plans), but must do all its own payroll, billing, and accounting. We also raise funds privately, provide leadership in communications and social media, and serve as the state's primary arts advocate. It goes without saying that the complexity of our work is due in no small part to the variety of formal relationships, in state government and in the private sector; both funding and operational; that we of necessity have to cultivate.

Planning this year has been made substantially more challenging than usual due to the presence of seven important environmental factors. Some of these factors impact us in very positive ways, others not so much. But whether positive or negative, the impact of all of these factors has been to provide us with a new menu of substantial opportunities to consider as we develop our plans.

### **Vermont Demographics/New Americans**

Historically, Vermont has, by national standards, been overwhelmingly white/Caucasian. Conversations about ethnic diversity have tended to underscore this fact by pointing out the vibrancy of Vermont's Franco-Canadian populations in various towns. Serving up these white, northern-European-based populations as examples of Vermont's "diversity" has drawn well-deserved attention to the depth and diversity of the Francophone culture in Vermont, but it doesn't begin to make up for the fact that there are simply very few people of color, including Abenakis and other Native Americans, that are Vermont natives.

Since 2000, however, there have been several significant developments. According to 2010 Census data, the overall population has grown by 2.8%, but the African/African-American population has seen a dramatic 104.9% increase. Vermont's Asian population over the same period has grown by 52.3%. Driving these changes are the increased activities of the Vermont Refugee Resettlement program and their collaborators—most notably the Association of Africans Living in Vermont—due to conflicts in sub-Saharan Africa, Eastern Europe, the Middle East, the Far East, and Oceania since the late 1980s.

For many of these "New Americans," settling in Burlington, Vermont presents challenges that go far beyond simple "culture shock." According to a 2011 report the Council conducted in partnership with the Vermont Folklife Center, "The transition to life in the United States is a challenge for most, if not all, New Americans. Direct service opportunities exist for New Americans around the essential needs of integration and self-sufficiency, like housing, employment, medical services, and English Language instruction. However culture—and by extension traditional art—is not generally a part of mainstream thinking about the support services necessary to assist in this kind of transition. This attitude is prevalent despite our observations of the central role that culture (artistic expression) plays in the lives of New

Americans—and by extension, our belief that sharing these artistic expressions can be central to facilitating a successful transition to life in radically new circumstances.

The lack of scope and coordination that is necessary to meet the transitional artistic needs of these New American communities offers the Council a significant programmatic and professional development opportunity to seize the initiative and complement the efforts of the service organizations already engaged with these populations.

### **Tropical Storm Irene**

In late August, 2011, Tropical Storm Irene dumped up to 15 inches of warm tropical rain on the spine of the Green Mountain State in a little more than four hours. Hundreds of rivulets and streams became raging torrents as they cascaded down Vermont's steep slopes into its rich bottom lands. One memorable description of the Mad River described it as "a raging torrent of hot chocolate with large floating marshmallow (the large white, plastic-covered hay bales farmers produce each year) intent on destroying everything in its path..."

While loss of life was minimal, the impact on Vermont's well-known working landscape was, for most communities south of Route 2, traumatic. More than 500 miles of paved state and local highways were destroyed, along with 300 bridges and countless culverts. More than a dozen communities, some of them quintessential Vermont "poster towns" like Grafton, Rochester, Wilmington, and Waterbury were inundated by water that rose, in some cases, to more than 21 feet above flood stage. More than 600 historic structures in several dozen historic downtowns and villages were severely damaged, and thousands of acres of rich agricultural lands were destroyed.

With notable exceptions like the Weston Playhouse and Brattleboro's Latchis Theater which sustained significant damage (more than a \$500,000 to each), damage to arts and cultural organizations were limited to a couple dozen studios and gallery spaces. While most arts presenting facilities appeared to dodge a bullet (from a physical damage perspective), this was not as true of individual artists, numbering at last count in the several dozens, whose livelihoods (home, gallery, studio) were, in many cases, simply washed completely away. The bottom line is that the true "cultural" impact of Irene may not be fully understood for several years.

One immediate negative impact of Irene has been the fear of "donor fatigue" among charitable organizations that either had to repair and rebuild, or lost significant earned income during the most profitable performance seasons while access roads to their facilities were rebuilt. This has been offset in no small measure by the incredible goodwill generated by artists and arts organizations that immediately went to work raising hurricane relief funds through benefit concerts, auctions, and similar fundraising efforts. More than \$3 million was raised within a couple of months by a variety of artists that ran the full gamut of student/local to world-renowned.

The Arts Council, while playing a largely informational role during the response phase of the disaster, has been asked to work with the Agencies of Commerce and Transportation to develop ways to start the recovery process going, and to identify how best to commemorate the storm and

create places in affected communities where local citizens can share their stories, and develop projects that promote healing and community revitalization. This collaborative work is likely to continue for several years.

### **The Economy**

Another factor affecting the Council's plan is the ongoing, very slow (some say "jobless") recovery from the recession that started in 2008. The general mood among constituents has been to take to heart the advice from the Kennedy Center's Michael Kaiser, who suggests innovative programming plus more impactful marketing will provide financial stability for organizations in downturns, but that the last four years has placed enormous strains on organizations that have had to defer maintenance, reduce staffing, and take other cost-cutting steps.

The Council itself operates with two fewer staff-members than it did five years ago, yet depends far more on electronic communications and marketing to support the field. While we have been level-funded by the Vermont Legislature during this period of time (a significant "victory," compared to many of our peers in other states), the reality of no raises, and constant program-trimming is taking its toll on morale.

### **Reduced Federal Support**

Added to the burdens imposed by a poor-performing economy, is the political reality that exists in Washington DC. In addition to the numerous vocal opponents to the National Endowment for the Arts who object to its existence for "the usual" programmatic reasons, there now exists a much larger—and some think more dangerous—political agenda in Congress that would like to see far deeper cutting. In their vision, agencies like the NEA and the NEH would be eliminated entirely, along with the EPA, Interior, and Education. Virtually all others, except for Defense, would be cut back to minimal sustainable sizes.

It is no surprise, then, that the gains realized during the middle years of the GW Bush administration are being reversed. We expect that in FY 2013, in terms of nominal dollars, the Council's budget will be about where it was in 2000, with the equivalent "purchasing power" it enjoyed in 1987. Given the explosive growth in the number of artists and arts organizations placing demands on our funds and services in the last 25 years, this is a significant operating challenge for the Council.

### **New Administration**

While we have always enjoyed the strong support of the Governor, regardless of his or her party, many of the Governor's policies are furthered (or not) by key players in his/her administration. Since the Shumlin Administration took office, the Council's opportunities to collaborate in meaningful ways have increased significantly in areas beyond the usual Tourism and Economic Development partnerships one usually sees. We are already exploring new collaborations with Transportation, the new Office of the Creative Economy (whose purpose is to support economic development opportunities for for-profit creative enterprises in film, videogames, and other emergent, tech-based media), and the Forest, Parks and Recreation Department of the Agency of Natural Resources.

Education (the one Agency whose Secretary is appointed by an independent board and not the Governor) is in the throes of significant core changes. According to a report given by the Council's Education Director to the Board of Trustees:

“2011 has seen a marked disintegration in our statewide education partnerships. The Department of Education eliminated the arts coordinator position and reassigned that staff member to a school improvement team; she has since left the department. The Vermont Alliance for Arts Education no longer exists. We have suspended any funding relationship with them in the interim. Kennedy Center, its primary national affiliate and funder, has eliminated all funding for FY12 projects so the future of the VAAE is unclear at this time.

“In this vacuum, it is imperative that the Arts Council take a close look at how it is supporting arts education in the state and consider ways that we can broaden our impact and support the field. Arts educators, teaching artists, and advocates of innovative and creative education will be looking to us for resources and support and I urge that we take this strategic planning period to move toward a clearer vision of education programming, policy and advocacy initiatives that will move the Arts Council and the state forward in this area.” (For the full report, please refer to Appendix H).

### **Business "Social Responsibility" Ethic**

A second bright spot in the Council's operating environment is the rapidly growing “Social Responsibility” movement in the business sector. While the Vermont Businesses for Social Responsibility is still significantly smaller than other business-focused service organizations like the Vermont Chamber of Commerce and the Vermont Business Roundtable, its attention to the double- or triple-bottom-line has provided a means for Vermont to attract entrepreneurs who are as interested in community quality of life and building social capital as they are in turning a profit. More importantly, however, the VBSR is growing faster than its peers in Vermont, and is currently the largest such service organization in the country, on the basis of members per capita.

What this means for the Council is that its relationship to private sector resources (or, more accurately, the Council's ability to drive private sector resources to its constituents) is constantly growing and improving. Combined with the state's new Office of the Creative Economy, the Council now has a powerful (and very vocal) private collaborative partner with whom it has the potential to develop a host new initiatives, products and services—all of which may be expected to improve the quality of the Vermont experience through the arts and creativity.

### **Arts Sector Maturity**

The final item affecting the Council's operating environment is the maturity of the sector it serves. In 1965 the Council's mandate was pretty clear: with notable exceptions, there were relatively few outlets for high-quality art-making or presenting, and our job was to nurture those that existed, and help create new ones, as well as promote arts educational activities across the state. Forty five-plus years later, we believe we are fulfilling the promise of our mission. There will always be a demand from artists and arts educators for professional development and program assistance from the state arts council (and others). But it is our belief that arts organizations are more capable of managing market forces such as customer demand, delivery

## Appendix C, cont.

systems, access to capital, marketing/communications tools than they were (as a field) even 10 years ago. Our role is to serve as a convener, a catalyst, an advocate, and, most critical of all, the standard-bearer for quality and accountability.

The Director of one of Vermont's most significant arts organizations recently told us that the value of an Arts Council grant is the fact that it represents a seal of approval from a peer-review process and NOT the actual dollar amount awarded. "Frankly, in the time it takes to type up my narrative for your \$7,000 grant, I could have made five phone calls and raised five times that amount, easily." This same impresario went on to say, however, that getting our grant reassured those five donors that our artistic standards were still high, and that we had the respect of our peers—both worth far more than the Council's \$7,000 maximum grant was to them!

Speaking of artistic quality, for several years now, applicants to our grant programs have been universally above-average when it comes to the quality of the artistic product they present. Artistic quality is our most important criteria in the grant review process, and virtually all who apply to us show more than enough evidence that they present/promote/create work of the highest caliber. This means two things. One, in order to survive and thrive (or at least get a grant from the Council), all arts organizations must present very high quality work; and two, Council funding decisions have rested more and more on the degree to which an organization (which presents high quality work) has the sustainable capacity to deliver on its promises to its community. And, we note with pride, most do.

Finally, this "maturity of the field" has generated a greater demand for the state's services in the area of collaborative marketing and promotion. Vermont's traditional/historical marketing efforts have focused on the quality of life that small, close-knit communities enjoy where local foods, outdoor recreation, and pastoral values are concerned. Now, artisanal foods and crafts are highly valued Vermont commodities, and world-class art and performances are demanding a greater and greater share of Vermont's marketing dollars. The Arts Council has always enjoyed a good working relationship with the Department of Tourism and Marketing, nevertheless, as a sector, the arts run a distant third or fourth place to our fellow outdoor recreation and food products sectors where getting state marketing support is concerned. This is changing rapidly and requires constant strategic attention by us as we move forward with our fellow state agencies to grow and refine the Vermont brand.