

ARKANSAS

OVERVIEW

The Arkansas Arts Council is the state's prime arts agency and its mission is to advance and empower the arts in Arkansas for the benefit of all state residents. It is an agency of the Department of Arkansas Heritage (established in 1975) and shares the goals of all six Department of Arkansas Heritage agencies (Arkansas Historic Preservation Program, Arkansas Natural Heritage Commission, Delta Cultural Center in Helena, Historic Arkansas Museum, Mosaic Templars Cultural Center and the Old State House Museum) to preserve and enhance the heritage of the state of Arkansas. In order to accomplish these twin goals, a 17-member Arkansas Arts Council, appointed by the governor, meets quarterly to set policies and approve grant recommendations.¹

The most significant arts-related information from Arkansas in 2005 concerned landmark arts education legislation passed by the General As-

sembly and signed into law by Governor Huckabee in February that provided music and art instruction for school children in Arkansas.² The leg-

islation, which requires 40 minutes of music and art in grades 1 through 6 every week, now establishes Arkansas as one of the leading states in the nation for mandatory elementary school arts education. Enacting this legislation was a personal crusade for Governor Huckabee who strongly agreed with numerous studies that a strong arts curriculum raised standardized test scores and promoted fundamental creative and problem-solving skills among students. Arkansas' commitment to arts education stands out because a number of states have relegated the arts to less prominent status and have even eliminated arts programs in an effort to cut costs and focus more on raising reading and math test scores. While there are 42 other states that mandate some sort of arts education curriculum, Arkansas' 2005 legislation ranks the state as a national leader; seven states (Alaska, Colorado, Illinois, Massachusetts, Michigan, South Carolina and South Dakota) do not mandate arts education on a statewide basis.

Table 6

Arkansas Arts Council, Total Revenue for Fiscal Years 2001 through 2005

	FY 2001	FY 2002	%	FY 2003	%	FY 2004	%	FY 2005	%
General Revenue Dollars	\$1,354,920	\$918,082	-32%	\$645,115	-30%	\$674,314	5%	\$662,239	-2%
Special Revenue/Conservation Tax	\$365,876	\$747,585	104%	\$775,249	4%	\$807,085	4%	\$798,404	-1%
Total Legislative Appropriation	\$1,720,796	\$1,665,667	-3%	\$1,420,364	-15%	\$1,481,399	4%	\$1,460,643	-1%
Basic State Plan	\$363,700	\$361,700	-1%	\$364,600	1%	\$357,600	-2%	\$354,300	-1%
AIE Funds	\$20,000	\$20,000	0%	\$20,000	0%	\$20,000	0%	\$20,000	0%
Underserved Area Funds	\$38,000	\$38,100	0%	\$39,600	4%	\$31,700	-20%	\$31,700	0%
Challenge America	\$0	\$40,000		\$90,000	125%	\$97,000	8%	\$124,000	28%
Folklife Grant	\$20,000	\$0	-100%	\$0		\$0		\$0	
Total NEA Funding (Federal)	\$441,700	\$459,800	4%	\$514,200	12%	\$506,300	-2%	\$530,000	5%
Private Foundation Support	\$0	\$70,910		\$54,522	-23%	\$34,500	-37%	\$50,000	45%
Individual Gifts	\$0	\$0		\$0		\$0		\$1,500	
Federal Funds other than NEA	\$0	\$0		\$0		\$0		\$7,000	
Cash Receipts	\$13,477	\$13,696	2%	\$17,165	25%	\$16,000	-7%	\$15,600	-3%
Total Other Funding	\$13,477	\$84,606	528%	\$71,687	-15%	\$50,500	-30%	\$74,100	47%
Agency's Total Revenue	\$2,175,973	\$2,210,073	2%	\$2,006,251	-9%	\$2,038,199	2%	\$2,064,743	1%

Source: Arkansas Arts Council, August 24, 2005

FUNDING FOR THE ARTS

Arkansas, like practically every other state in the country, faced severe fiscal problems during the first few years of this decade. Consequently, legislative appropriations to the arts suffered as the state grappled with bridging its budget shortfalls. The Arkansas Arts Council, the state's primary recipient of legislative appropriations, as indicated in Table 6, saw its general revenue dollars decline sharply between fiscal years 2001 and 2002 by 32 percent and by 30 percent between fiscal years 2002 and 2003; between fiscal years 2003 and 2004, general revenue dollars increased by 5 percent and then declined by 2 percent between fiscal years 2004 and 2005. Importantly, additional funds—from the Special Revenue and Conservation Taxes—allocated to the Arts Council by legislative appropriation saw a sharp increase between fiscal years 2001 and 2002 (by 104 percent from \$366,000 to \$748,000), and this funding level remained relatively unchanged over the next three fiscal years.

While appropriations from the General Assembly comprise the majority of funds that flow to finance the operations of the Arkansas Arts Council, the Council has two additional sources: federal funds, i.e., National Endowment for the Arts (NEA) and funds from other sources, i.e., primarily private sources. A quick review of the composition of these sources of funding in the fiscal years under review indicates that the relative importance of legislative appropriations declined between fiscal year 2001 and 2005. Given the growing state fiscal crisis and the difficulties associated with securing funding from state appropriations, the Arts Council pursued and secured more dollars from its other two funding sources (federal and private). Figure 4 graphically presents the composition of these three sources of funding as a percent of total funding secured during the four-year period.

As indicated in Figure 4, legislative appropriations as a percent of total revenue secured by the Arts Council declined from 79 percent in fiscal year 2001, to 71 percent in fiscal year 2005. Similarly, federal funding, which included such categories as

folk life grants, Arkansas' basic state allocation from the NEA, increased from 20 percent in fiscal year 2001, to 26 percent in fiscal year 2005. Finally, other funding sources, largely private funds such as foundation support and individual gifts, remained static at approximately 4 percent for the duration of the review period.

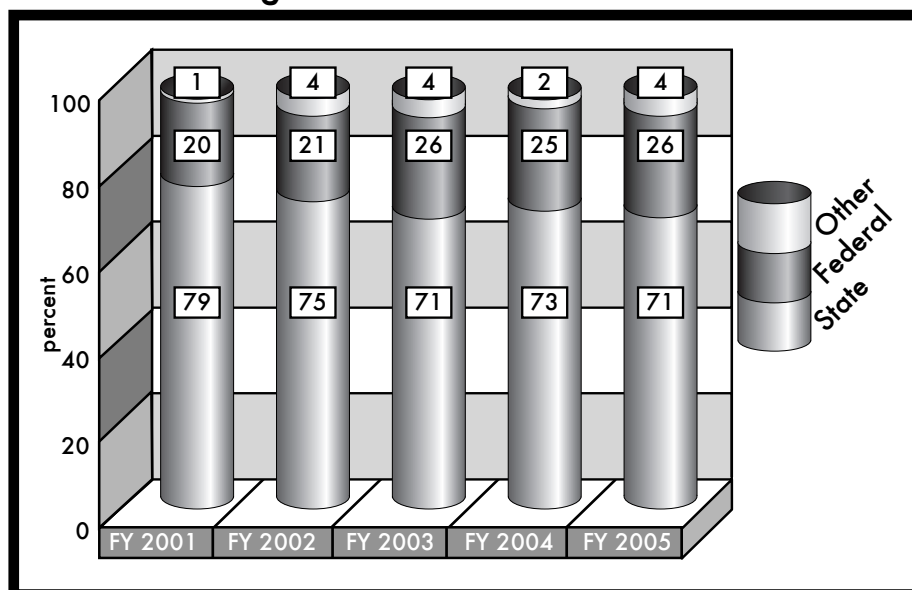
In sum, despite experiencing a significant reduction (more than 30 percent) in general revenue appropriations in the first two years of the review period, the Arkansas Arts Council was able to stay afloat by securing additional revenue from other sources. For instance, support from a private foundation helped provide some funding for arts education beginning in fiscal year 2002. The Council also saw an increase in the state allocation from the Special Revenue and Conservation Tax. The Arts Council strove to make every effort to maintain funding for its core programming elements. Nevertheless, the reduction in appropriations resulted in grants to local arts organizations, arts-related project grants and educational programs being curtailed.

ECONOMIC IMPACT

The Arts Council collects a wide range of data from the community arts organizations that receive operating support grants, including such information as audience participation, income sources and number of employees. In fiscal year 2004, 40 local arts organizations received \$1.1 million in state government funds; the total income they generated as a result of this grant exceeded \$13.7 million, and they employed 468 individuals, certainly an impressive rate of return. In addition, programs that secured grants from the Arkansas Arts Council in the same fiscal year reported an audience participation rate of 3,058,771 people, once again, a striking number.

Then, the Arts Council, citing data gathered by *Americans for the Arts*, noted that as of January 2005, Arkansas was home to 3,298 arts-related businesses that employed 14,849 people. Included on the list of arts-related businesses are museums and arts collections; performing arts; visual and photogra-

Figure 4
Composition of Arkansas Arts Council Funding
FY 2001 through 2005



Source: Arkansas Arts Council, August 24, 2005

Table 7

Arts-Related Businesses and Employment in Arkansas 2005

Category	Businesses	Employees
Museums and Collections	126	750
» Museums	98	570
» Zoos and Botanical	7	105
» Historical Society	21	75
Performing Arts	539	2,449
» Music	361	1,710
» Theater	5	80
» Opera	2	7
» Services and Facilities	103	462
» Performers	68	190
Visual Arts/Photography	1,141	3,494
» Crafts	132	577
» Visual Arts	76	132
» Photography	633	1,766
» Services	300	1,019
Film, Radio and Television	592	4,112
» Motion Pictures	480	2,187
» Television	79	1,801
» Radio	33	124
Design and Publishing	782	3,798
» Architecture	171	1,216
» Design	303	674
» Publishing	29	124
» Advertising	279	1,784
Arts Schools and Services	118	246
» Arts Councils	8	16
» Arts Schools and Instruction	108	216
» Agents	2	14
Grand Total	3,298	14,849

Source: Arkansas Arts Council, August 24, 2005

phy; film, radio and television; design and publishing; schools; and service entities supporting these arts establishments. As this report established, not only do these arts-centric businesses employ people and generate government revenue, they are the cornerstone of tourism and economic development locally and across the state. Table 7 documents the breakdown of arts-related businesses in Arkansas in 2005.

CULTURAL HERITAGE TOURISM

Arkansas, like numerous other states in the South and other parts of the country, has realized the tremendous untapped potential of securing economic gains by promoting cultural and heritage-based tourism. To this effect, cultural tourism and the arts was the theme chosen by the Arts Council for its statewide conference in 2004. The Arts Council provided scholarships for mayors and community leaders in rural Arkansas to attend the conference. The scholarships were funded in part by a \$5,000 federal grant from the U.S. Forest Service. Main Street

Arkansas, a group involved in revitalizing the downtown areas of cities across the state, held its quarterly meeting in conjunction with the conference and funded one of the workshops. Approximately 300 people attended the conference and associated conference costs were defrayed by registration fees and a state/federal Arts Council appropriation of about \$7,000.

The Arkansas Department of Parks & Tourism has surveyed visitors to its welcome centers since 1977. Their responses indicate that cultural and heritage tourism accounts for a significant portion of Arkansas' tourism activities. Of the 20.6 million visitors to Arkansas in 2004, 3.5 million visited a museum, 2.8 million attended a live performance, 2.27 million attended an arts/crafts show, and almost 6 million visited an historic site. Of the \$4.2 billion spent by tourists in Arkansas in 2004, those who visited a museum spent more than \$700 million, visitors who attended a live performance spent approximately \$600 million, those visiting arts and crafts shows spent \$468 million, those attending a festival spent \$170 million, and visitors to historic sites spent \$1.2 billion.

Several other details related to cultural and heritage tourism in Arkansas remain useful at this point too. For instance, the Ozark Folk Center in Mountain View, Arkansas, documented that in 2004 travel and tourism generated the following economic impacts in very rural Stone County: \$55.6 million in total expenditures; 287,475 in total visitors; \$3.5 million in state taxes produced; and \$1.29 million in local tax revenue. In addition, Arkansas State University (ASU), in partnership with the Arkansas Arts Council, received a grant from the federal National Endowment for the Arts to establish a statewide folk art program. The Statewide Folk Art coordinator will be housed at the ASU Heritage Studies Department and will assist the Arts Council in identifying traditional/folk artists and musicians for inclusion in the state's education and touring programs.

Then, the Main Street Arkansas Program's *Arkansas Delta Initiative* lists

cultural heritage tourism promotion as one of its core strategies for improving the economy and quality of life in the Delta. (Main Street Arkansas is a program of the Arkansas Historic Preservation Program providing technical assistance, design services and small business consultations that help create economic development in the state's downtown areas.) In terms of the specific *Arkansas Delta Initiative*, the Main Street program seeks to revitalize the economic fortunes of five Delta communities—Blytheville, Dumas, Helena, Osceola, and West Memphis—by developing a comprehensive, long-range plan. Along with its common heritage based on proximity to the Mississippi River and an agricultural economic base, these Delta towns have suffered an erosion of their economic bases in recent decades, as well as the loss of many industrial and manufacturing jobs. In an effort to revamp its image and reposition itself as a place where businesses would want to locate to and tourists would choose to visit, the *Arkansas Delta Initiative* seeks to deploy cultural heritage tourism development and preservation education; assist local small businesses develop and expand; revitalize neighborhood housing and communities; and provide planning tools to assist in preservation efforts.³

Another aspect of cultural tourism in Arkansas involves art hidden in the state's caves. In fact, observers contend that some of the greatest works of American art are not found in museums but in wooded trails and hidden caves that make the rock art of Arkansas a public treasure and a significant tourist draw.⁴ Of the 35,000 archeological sites in Arkansas, 135 contain images recorded on rock walls by America's native peoples. Many of the images are pictures of animals or people, and while some are carved into the stone, others are paintings made with pigment from ground-up minerals and binding agents such as blood or oils. In an effort to catalog and preserve them for posterity, an ongoing University of Arkansas project is placing them on the Web and building a virtual museum. The lure of this ancient rock art will lead to expanding the

understanding of society at that time by researchers from around the country and the world while stimulating the local economy.

Another important dimension to Arkansas' cultural tourism involves the blues. An annual symposium, held every year since 1990, at Arkansas State University draws scholars and those interested in the blues from around the country and the world.

BUILDING BOOM

Any review of a building boom in the arts in Arkansas has to reference the Clinton Presidential Center, which opened in mid-November 2004.⁵ The transparent cantilever-style building that emerges into view while traveling on I-30 along the Arkansas River is spread out over a 30-acre area in Little Rock's Rivermarket Entertainment District. By June 30, 2005, less than eight months after opening, the Center had attracted a record 392,000 people and easily exceeded its 300,000 annual attendance goal. In fact, the Clinton Center has attracted visitors from all 50 states, the District of Columbia and at least 95 countries, with approximately 55 percent of the adult visitors coming from outside of Arkansas. In addition, the original Emancipation Proclamation is scheduled to come to the museum for display from September 22 to 25, 2007, an event that could lead to a further increase in attendees to the Center. Analysts contend that the announcement and eventual opening of the Clinton Center, a \$160 million structure in its own right, already has spurred more than \$1 billion in economic activity in the booming downtown district.

A study by the University of Arkansas at Little Rock in late 2004 measured the would-be impact of the 148,000-square foot library in two scenarios. First, if visits to the new library are similar to other presidential libraries, the annual impact will be more than \$8.65 million. That includes \$4.4 million in local sales, \$1.55 million in added wages and salaries and 94 new full-time jobs. If the impact is more in line with the library's more enthusiastic supporters, which some say will attract 300,000

visitors a year, then sales could exceed \$17.5 million, including \$8.9 million in local sales, \$3.1 million in added wages and salaries and 190 new full-time jobs. Given the fact that in little over 200 days, the Center attracted considerably more than estimated for the first year, the more optimistic scenario might be a good starting point in forecasting future economic impacts. In fact, Little Rock hotel room revenues for the first six months of 2005 jumped 21 percent from the same period in 2004. City revenues from the 2 percent tax on restaurants and hotels increased by \$451,841 during this period, from \$3.9 million in the first half of 2004 to \$4.4 million in 2005.

The construction of the Crystal Bridges Museum of American Art in Bentonville recently was announced by the Walton family. The Walton family has acquired an extensive art collection that eventually will be housed in the museum.

In terms of assistance from governments toward the construction of these two projects, the city of Little Rock donated land for the presidential center. (Construction costs were funded by donations to the Center's foundation.) The General Assembly passed a sales tax exemption for the Crystal Bridges Museum, while donations and Walton Family Foundation funds are expected to be used to meet construction costs.