

3.26.2020

COVID-19 Update #4

Dear Arts Action Fund Member,

Late last night, the U.S. Senate unanimously passed (96-0) the third phase of the coronavirus (COVID-19) response relief package. The \$2 trillion emergency stimulus package included important provisions supporting the arts sector and creative workforce. The nation's arts and culture industry is experiencing devastating economic losses with closed venues and cancelled performances, exhibitions, and events as a result of the pandemic.

The U.S. House plans to vote on the bill tomorrow morning at 9 a.m. ET and President Trump, who has already signaled his support of the legislation, is expected to sign it into law shortly thereafter.

This vital piece of legislation includes direct support for both nonprofit cultural organizations and state and local arts and humanities agencies, as well as economic relief provisions for independent contractors, "gig economy" workers and artists, entrepreneurs, and small businesses working in the creative economy.



We are thankful to you, the thousands of advocates and state and local arts agencies, who responded to our action alerts these last few weeks. Your advocacy has been effective and many of our policy asks have been addressed. But we know it's not enough and Treasury Secretary Mnuchin acknowledged yesterday at a press conference that he thought this legislation was just a three-month economic solution to help workers and affected industries.

Specifically, the bill includes the following arts-related items to address the continuing damage caused by the COVID-19 virus:

Federal Arts Funding (Note: This is a supplement to their annual appropriations)

- \$75 million for the National Endowment for the Arts
- \$75 million for the National Endowment for the Humanities
- Special note: Congress accepted our ask to waive matching grant requirements and to waive the requirement for grants to be project-specific. **All these new fast-track grants will be for general operating support with no match.**
- \$75 million for the Corporation for Public Broadcasting
- \$50 million for the Institute of Library and Museum Sciences
- \$25 million for the Kennedy Center
- \$7.5 million for the Smithsonian

Community Development Block Grants, Small Business Administration, and Unemployment Insurance

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- \$5 billion for Community Development Block Grants to cities and counties. Arts groups should work directly with their mayors and local economic development offices for grant support.
- \$350 billion for Small Business Administration (SBA) emergency loans of up to \$10 million for small businesses—including nonprofits (with less than 500 employees), sole proprietors, independent contractors, and self-employed individuals (like individual artists)—to cover payroll costs, mortgage/rent costs, utilities, and other operations. These loans can be forgiven if used for those purposes. This new eligibility has been a key element of the CREATE Act we've been pursuing;
- \$10 billion for Emergency Economic Injury Disaster Loans (EIDL) for loans up to \$10,000 for small businesses and nonprofits to be used for providing paid sick leave for employees, maintaining payroll, mortgage/rent payments, and other operating costs;
- Expanded Unemployment Insurance (UI) that includes coverage for furloughed workers, freelancers, and "gig economy" workers. The bill also increases UI payments by \$600/week for four months, in addition to what one claims under a state unemployment program.

Charitable Giving Tax Deduction

- An "above-the-line" or universal charitable giving incentive for contributions made in 2020 of up to \$300. This provision will now allow all non-itemizer taxpayers (close to 90% of all taxpayers) to deduct charitable contributions from their tax return, an incentive previously unavailable to them. Additionally, the stimulus legislation lifts the existing cap on annual contributions for itemizers from 60 percent of adjusted gross income (AGI) to 100 percent of AGI for contributions made in 2020.

The inclusion of these provisions to help nonprofits, the arts sector, and the creative workforce can be attributed, in part, to the incredible grassroots outreach by arts advocates across the country, coordination with national nonprofit coalitions, and Americans for the Arts and Arts Action Fund outreach to Congress and the Trump Administration. It is likely that another stimulus package will be considered by Congress as the economic fallout from the coronavirus adds up across the country - we will need your help again!

Americans for the Arts and the Arts Action Fund will continue to work for increased support for our sector as we deal with this global pandemic. In addition to the continuing damage reports being collected through our [national economic snapshot survey and dashboard](#), our up-to-the-minute [COVID-19 Resource Center](#) updates, we're also planning a series of webinars through our [ArtsU platform](#) to present experts and guidance to the field to help navigate through these new federal provisions during this challenging time. More to come.