

FY22 State Budget Request

Mass Cultural Council, the state agency responsible for promoting excellence, inclusion, education, and diversity in the arts, humanities, and sciences, fostering a rich cultural life for all Massachusetts residents, and contributing to the vitality of our communities and state economy **requests a FY22 state appropriation of \$20 million**, a \$1.82 million increase from the current fiscal year. The Council will invest these resources into a portfolio of programs and services that enhance, support, and promote the cultural sector in every corner of the Commonwealth and provide stability for artists and cultural organizations as they continue to rebuild and recover from the COVID pandemic.

Just the Facts

Data shows that a robust investment in the arts, humanities, and sciences through Mass Cultural Council delivers significant returns to the Commonwealth. Whether in Greater Boston, Cape Cod, the Berkshires, or in between, nonprofit cultural organizations drive local economies in every region of the state. Prior to the COVID-19 pandemic, the cultural nonprofit organizations supported by Mass Cultural Council:

- Generated **\$2.3 billion** in annual economic activity across the Commonwealth.
- Supported more than **71,000 full time equivalent jobs** statewide.
- Produced more than **\$128 million in new revenues** for Massachusetts, and
- Every dollar awarded was leveraged to raise an **additional \$157** in private funds.

Economic Impact of the COVID-19 Pandemic

Since March 2020 Mass Cultural Council has surveyed the cultural sector five times to document the economic impacts of COVID-19 on the Commonwealth's cultural sector:

- In February 2021 Massachusetts cultural organizations reported a staggering total loss of **more than \$588.3 million in revenue and more than 27,000 cultural sector jobs have been impacted** in the past year, due to COVID-19 related cancellations and closures.

- Further, in February 2021, just under 3,000 individual artists, teaching artists, humanists, and scientists who live and work in Massachusetts reported a total loss of **more than \$30 million in personal income and 67,986 cancelled gigs** in the past year, due to the pandemic.
- Robust public investment is necessary to stabilize and restore the Commonwealth's once vibrant and booming cultural sector. **Massachusetts' state economy cannot fully recover from the pandemic without the contributions of individual artists and cultural organizations.**

Looking Back: Previous State Appropriations | Line Item 0640-0300

Mass Cultural Council is deeply appreciative of our legislative champions and advocacy partners who work diligently each year to incrementally restore the Agency's line item to previous funding levels approved in the late 1980s and early 2000s. When secured, additional revenues are immediately invested by the Agency into programs and services supporting Massachusetts' communities, artists, students, and cultural organizations.

| FY86 | FY87 | FY88 | FY89 | FY00 | FY01 | FY02 | FY20 | FY21 | FY22 H1 | FY22 Request |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| \$19.5M | \$23.5M | \$27.4M | \$25.1M | \$18.3M | \$18.5M | \$19.1M | \$18.2M | \$18.2M | \$16.3M | \$20M |

Looking Ahead

The once booming Massachusetts cultural sector has been economically devastated by the COVID-19 pandemic. Our stakeholders: artists, communities, nonprofit cultural organizations, and students, will further suffer from reduced programming and grant activity if Mass Cultural Council's funding is cut in the coming fiscal year as suggested by the Governor's H1 recommendation.

We urge our legislative partners to fund Mass Cultural Council at \$20 million in FY22. This level of support will make a demonstrable impact to the state economy and among Massachusetts' artists, communities, cultural organizations, and schools. With this funding the Council will continue to invest in artists, communities, cultural nonprofits, and students and provide meaningful, core services to help stabilize the sector as it continues to recover, rebuild, and renew post COVID.

A Call to Action

Please join Mass Cultural Council in embracing the #PowerOfCulture and support a continued robust state investment in the arts, humanities, and sciences.

The Council respectfully requests line item 0640-0300 be funded at \$20M in FY22, because in all its forms, culture is essential to the health and vitality of the Commonwealth of Massachusetts.

State House News Service

February Tax Haul Shatters State's Expectations

Collections Rose \$372 Million, or 24.8 Percent

Colin A. Young 3/3/21 6:08 PM

MARCH 3, 2021.....**Tax collections exceeded the Baker administration's expectations by \$372 million in February and surpassed the total of collections in February 2020, a development that positions the state to end this budget year having collected more tax revenue than it did last year.**

The Department of Revenue said it collected \$1.874 billion in taxes last month, \$359 million or 23.7 percent more than what was collected in February 2020 and \$372 million or 24.8 percent more than what the department had been expecting.

Now eight months through fiscal year 2021, Massachusetts state government has collected \$19.527 billion in taxes from people and businesses, which is \$1.123 billion or 6.1 percent more than it did during the same eight pre-pandemic months of fiscal year 2020. The last month Massachusetts saw a year-over-year decline in tax collections was September.

February is the least significant month for state tax revenue, typically generating less than 6 percent of annual receipts, DOR said. But it is also "the month in which refunds begin to accumulate as the tax filing season begins," the agency said. Revenue Commissioner Geoffrey Snyder cautioned Wednesday that refunds will soon become a greater factor.

"February's revenue figures were significantly impacted by a timing-related decline in income tax refunds as the electronic system for taxpayers filing 2020 income tax returns opened on February 12, 2021, which is about two weeks later than last year's start date of January 27th, 2020," Snyder said. "These figures should be viewed with caution and as the filing season progresses, we expect income tax refunds to catch up with last year."

All income tax collections for February came in \$231 million above benchmark, sales and use taxes were \$77 million over benchmark, corporate and business taxes ended up \$12 million above benchmark and the 'all other' category finished the month \$52 million ahead of expectations, according to DOR.

Though Massachusetts now has a cushion of more than \$1.1 billion between this year's tax collections and those from fiscal year 2020, DOR expects that figure to shrink dramatically over the coming months -- but February's collections put the state in position to end fiscal 2021 having collected more than it did in fiscal 2020.

In March, the agency is projecting tax collections to be \$2.413 billion, a decrease of \$246 million from March 2020. In April, DOR expects to collect \$3.48 billion, about \$1.5 billion more than in April 2020, when the tax filing deadline was extended. May 2021 is expected to bring in \$1.893 billion or \$155 million more than May 2020.

If collections come in at exactly the DOR benchmarks from March through May, the state would enter June having collected about \$2.531 billion more than it had collected to that point of fiscal year 2020.

DOR expects to collect about \$2.249 billion less this June than it did last June, meaning the month (and therefore the fiscal year) would end with DOR having taken in about \$282 million more than it did through all of fiscal year 2020.

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03/03/2021

Mass Cultural Council State Budget History: FY79 to FY21

| Fiscal Year | State Funding |
|--------------------|----------------------|
| 1979 | 2,700,000 |
| 1980 | 2,300,000 |
| 1981 | 4,075,000 |
| 1982 | 4,360,506 |
| 1983 | 8,077,539 |
| 1984 | 11,636,671 |
| 1985 | 16,739,000 |
| 1986 | 19,524,497 |
| 1987 | 23,540,302 |
| 1988 | 27,395,489 |
| 1989 | 25,120,847 |
| 1990 | 17,573,420 |
| 1991 | 12,571,038 |
| 1992 | 3,587,543 |
| 1993 | 6,282,381 |
| 1994 | 6,309,470 |
| 1995 | 12,065,981 |
| 1996 | 14,162,525 |
| 1997 | 14,146,541 |
| 1998 | 14,691,657 |
| 1999 | 17,329,850 |
| 2000 | 18,283,646 |
| 2001 | 18,530,458 |
| 2002 | 19,144,688 |
| 2003 | 7,294,921 |
| 2004 | 7,294,921 |
| 2005 | 8,346,874 |
| 2006 | 9,643,520 |
| 2007 | 12,093,520 |
| 2008 | 12,298,243 |
| 2009 | 12,658,827 |
| 2010 | 9,692,945 |
| 2011 | 9,098,781 |
| 2012 | 9,199,866 |
| 2013 | 9,527,624 |
| 2014 | 11,082,439 |
| 2015 | 12,000,000 |
| 2016 | 14,000,000 |
| 2017 | 13,950,000 |
| 2018 | 13,950,699 |
| 2019 | 16,154,982 |
| 2020 | 18,180,000 |
| 2021 | 18,180,000 |

Note: Data for FY79-90 are combined figures of Mass Council on the Arts & Humanities and Mass. Arts Lottery Council; Data from FY90-2020 = Mass Cultural Council