

Searching for Solutions

*A Planning Analysis of the Oregon Cultural Trust and Recommendations for
Community Arts Managers with Regard to Public Funding of Culture in Oregon*

A Master's Capstone Project

by

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In August of 2001, Oregon Governor Kitzhaber signed House Bill 2923 initiating the newest public funding solution for arts and culture in Oregon. Praised by media, cultural policy experts, and arts supporters as an innovative and collaborative model of state support for culture, the Oregon Cultural Trust has given new hope to a statewide cultural industry that struggles with an inadequate amount of public support (Martin, 1997).

The Center for Arts and Culture, in partnership with the Pew Charitable Trust, released a publication entitled *Policy Partners: Making the Case for State Investment in Culture* to “identify mechanisms, ideas, and practices that could advance state-level cultural policies” (2003). In the study, the Oregon Cultural Trust is looked upon as an exemplary piece of legislation that uses collaboration of state agencies and private organizations to bring political credibility, visibility for cultural causes, and increased revenues for culture (*Policy Partners*, 2003). With praise for an innovative solution that promises \$91 million in funding over the next ten years, and mixed signals from a shrinking state budget, how should community arts organizations prepare for challenges associated with programs tied to public funding?

The purpose of this paper is to help clarify issues for community arts managers. In this paper I will give an overview of Oregon’s ventures into public financing of culture, evaluate the Oregon Cultural Trust as a planning document, and make recommendations for how community arts administrators may interpret this information with regard to public funding in the future.

A BRIEF HISTORY OF PUBLIC FUNDING

A report filed in June of 1997 by the Regional Arts and Culture Council (RACC) reported that state funding of the arts amounted to just under \$0.36 per capita in

Oregon. This number places Oregon near the bottom of the nation in public spending in the arts (Martin, 1997).

The dependency of community arts organizations on the instability of earned revenue poses a problem for present and future needs (Martin, 1997). Because of decreases in public funding and cultural organizations crying for help, the Northwest Business Committee for the Arts (NBCA) was organized to develop a series of solutions to the problem. Using a network of business, government, foundation, and arts leaders the NBCA was instrumental in creating the 1998 Oregon Arts and Culture Summit, where more than 350 activists gathered to discuss then Governor Kitzhaber's call for "a broad, long-range agenda for arts and culture statewide, identifying and increasing needed partnerships with government and business." Out of this gathering the Joint Interim Task Force on Cultural Development emerged in 1999 for the purpose of brainstorming solutions for the public funding of culture in Oregon (Joint Interim Task Force, 2001).

POLICY OPTIONS

The challenge put forth by Governor Kitzhaber sparked Oregon's cultural leaders and stakeholders to action. Placed in charge of planning a vision for public/private support of culture, the Joint Task Force had to establish guidelines that would influence the conditions that enable the arts and culture of Oregon to thrive. Anderson (1977) says effective and legitimate programs will involve unique mixes of several policy instruments. He offers four approaches and instruments that may be implemented by government and policy makers to address issues of public concern.

The first solution outlined by Anderson (1977), is to leave the dilemma in the hands of market mechanisms. This argument favors a hands-off approach, allowing individuals to determine cultural funding levels by adhering to their consumer choices without direct or indirect interference from government. This solution supports Cowen's argument that "art and democratic politics...operate on conflicting principles" (1998, p. 38). Vedung (1998) expands upon Anderson's

idea of market mechanisms as one way in which governments can approach a problem without providing any option at all through nonintervention.

The second solution is what Anderson (1977) calls “structured options.” This solution requires the creation of government programs that individuals have the option of utilizing. The creation of the Oregon Arts Commission (OAC) could be considered the establishment of a structured option for culture. The Oregon Blue Book of 1969-70 says of the OAC:

The Arts Commission is responsible for complementing, assisting and strengthening existing or planned programs and activities of public and private associations in the arts to promote the broadest public benefit, while maintaining high artistic and scholarly standards; to encourage and give greater opportunities and recognition to individual Oregon artists whose work is, or gives promise of being, of high quality; to stimulate and encourage private and local initiative and financial support in connection with programs and activities in the arts. (p. 20)

Such programs support culture without mandating its participation. They subsidize a portion of cultural organization and program funding for the benefit of those individuals who seek to be enriched by it.

The third policy solution Anderson (1977) discusses is a biased instrument where the government creates incentives and deterrents so that individuals will be guided voluntarily, toward the desired ends of public policy. This helps persuade individual consumer choice by encouraging decisions the policy makers deem beneficial for the public good. The tax deduction associated with many non-profit arts organizations is one such biased instrument. The tax credit associated with the Oregon Cultural Trust funding mechanism is another.

The final policy solution, outlined by Anderson (1977) is to mandate towards the desired outcome through government regulation. This option allows the government to directly control the actions and choices of individuals through coercive control and constraints of the options available. The Percent for Arts Program is one such legislative mandate. In Oregon, the mandate provides public art in spaces or structures for new and remodeled state buildings with construction budgets of \$100,000 or more (*Oregon Arts Commission, 2003*).

In creating a recommendation for how to support culture throughout Oregon, the Joint Interim Task Force used a combination of the first three policy mechanisms outlined by Anderson (1977). Their efforts resulted in the passage of legislation creating the Oregon Cultural Trust.

The Oregon Cultural Trust is designed as a “fundamentally public initiative” (Joint Interim Task Force, 2001). The Cultural Trust will be funded from three sources: the conversion of existing state assets, the establishment of tax credits for corporations and individuals, and the sale of a special “cultural” license plate. Using a combination of market mechanisms, structured options, and biased instruments, the Cultural Trust aims to “reposition culture, with all its themes and component parts, as a central asset to all Oregonians” (Joint Interim Task Force, 2001).

A PLANNER’S EVALUATION

In determining the quality of the Cultural Trust legislation as Oregon’s newest solution for public funding in culture, I have utilized the approach established by Mazmanian and Sabatier (1981), as adapted by Lowery (1985) to analyze the conditions for effective implementation of the policy set forth in House Bill 2923 creating the Oregon Cultural Trust. In their view, policy implementation will be enhanced if

- a) The enabling legislation sets policy goals that are clear and consistent
- b) The enabling legislation incorporates a sound theory of what kinds of action, in general, will result in the achievement of its policy goals, and it gives implementing officials sufficient jurisdiction and leverage to attain the desired goals
- c) The enabling legislation structures the implementation process so as to maximize the probability that implementing officials and target groups will perform as desired

- d) The leaders of the implementing agency have substantial managerial and political skill and are committed to the stated goals of the legislation
- e) The program is actively supported by organized constituency groups and by a few key legislators (or chief executive) throughout the implementation process, and the courts are neutral or supportive
- f) The relative priority of statutory goals is not undermined later by the emergence of conflicting public policies or by changes in socioeconomic conditions that undermine the statute's 'causal theory' or political support

While we can only speculate on the future implementation of certain portions of the Cultural Trust legislation, it is possible to analyze the current implementation conditions using this framework. By breaking the Cultural Trust into these defined conditions we will have a better understanding of the likelihood of an effective implementation.

Condition 1: Clear goals

Planfully and with careful orchestration, (the goal is to) create during the years ahead a true cultural awakening, something that lifts the arts, the humanities and our cultural heritage to a new and pivotal level capable of impacting favorably every Oregonian and strengthening the quality of life in our state - Charles Walker (Joint Interim Task Force, 2001, p. 5)

By their own admission, the 10-year goals set forth by the Oregon Cultural Trust are ambitious. The plan calls for a widespread investment in cultural development at the state and local level, the development of new funds to protect and invest in Oregon's cultural resources, create growth in the understanding, awareness and value of all that is a part of Oregon culture, encourage cultural activity across disciplines, and evaluate the impact of these goals through benchmarks that measure the implementation process (Joint Interim Task Force, 2001).

As the argument goes, culture is difficult to define, come to consensus about, and evaluate. The broad vision statements outlined in the Cultural Trust legislation make an attempt to outline clear and consistent goals for the 10-year plan without defining culture for the citizens of Oregon. This line of freedom from definition makes these goals somewhat ambiguous and dependent on the interpretation of the stakeholders defined as ‘all Oregonians.’

While more traditional policies may have more quantitative measurements that help define clear and consistent goals, I believe the Cultural Trust enabling legislation does an adequate job of outlining a funding solution to improve the presence of culture in the lives of Oregonians. The ambiguous and democratic use of cultural language is an appropriate way to address the far-reaching goals established by the Cultural Trust, and qualifies this legislation for passing this first analysis condition.

Condition 2: Methods and Benchmarks

The Culture of Oregon (Joint Interim Taskforce, 2001), outlines four specific strategies for achieving the goals outlined in HB 2923:

- 1) Coordination of activities and initiatives by the Partner Agencies, to further cultural development in Oregon
- 2) New activities to stimulate and counsel cultural participation and related cultural development at the local level through the Community Cultural Participation Fund
- 3) Funding through the Cultural Trust granting program, for protection, stabilization and investment in cultural resources
- 4) The strengthening of resources and capacities of the Core Partner Agencies by increasing the amount of funding these agencies will be able to make available to their disciplines and organizations, statewide, over and above the funding these agencies currently receive from the Legislature

The guidelines created from the legislation for the Community Cultural Participation Grants and the Cultural Development Grants clearly identify how the Cultural Trust will systematically approach its implementation. These guidelines help clarify administrative and implementer roles in achieving policy outcomes. While the Cultural Trust board is charged with steering the implementation process, some goals, such as increased community participation, will be guided at the local level through semi-autonomous community cultural coalitions. The creation of these coalitions and localized community cultural plans reflect the broad impact stated in the legislative objectives.

Further analysis of the plan reveals a key benchmark of \$218 million as a quantifiable financial goal to coincide with the more qualitative visionary objectives. Additionally, the Cultural Trust legislation requires extensive benchmarking throughout the implementation process. While these benchmarks are not defined, they are requisite for program funding in both the Community Cultural Participation Grant program and the funding for the Cultural Partners. The legislation requires that the Cultural Partners expend a portion of their annual funds to develop qualitative benchmarks for culture in Oregon. It is suggested that this requirement be fulfilled in part through a partnership with one or more of the higher education institutions in Oregon. Such collaboration is intended to “stimulate research and investigation of the ways in which culture and related cultural policy will impact the state over a 10-year period” (HB 2923, 2001).

The inclusion of strategic programs, a clear financial goal, and an attempt to determine qualitative measures for the impact of the language outlining the vision of the Cultural Trust help fulfill Manzmanian and Sabatier’s (1981) second condition for effective implementation.

Condition 3: Accountability

Created as a funding mechanism, the Cultural Trust has the power to maximize the efforts of implementation through the scrutiny by which it releases Trust dollars. As the granting panel for the large Cultural Development dollars, the

Cultural Trust board is directly responsible for selecting those applications that most effectively achieve the desired outcomes for the stabilization and preservation of cultural resources.

While the board delegated local county and tribal planning to community cultural coalitions for the Community Cultural Participation dollars, they also included a form of veto power in the guidelines for that program. According to the guidelines for the participation program, members of the cultural coalitions must be identified and selected by county commissioners and tribal leaders, then approved by the Cultural Trust board (*Community Cultural Participation Guidelines*, 2003). In similar fashion, the Trust board must also approve the final local cultural plans before funding is released to support community cultural participation. In this way, the board is maximizing the likelihood that the county and tribal dollars will be used to support programs and grants consistent with the vision of the enabling legislation.

While the supplemental funding provided to the Cultural Partner Agencies lacks the provisions found in the other programs, the missions of these agencies coincide with the broad goals for increased access to culture in Oregon.

Using these measures, the Cultural Trust fulfills the condition that requires the implementing officials and target groups adhere to the desired goals and outcomes of the enabling legislation.

Condition 4: Leadership Influence & Commitment

House Bill 2923 established the housing of the Cultural Trust administration in the Secretary of State office. All moneys for the Cultural Trust will be appropriated through the Secretary of State, and be governed by a board of directors consisting of seven members appointed by the Governor who will “reflect the geographical and cultural diversity of this state” (HB 2923, 2001). In addition to the seven-member board, the Secretary of State shall be a member of the board and be chairperson of the board. The final additions to the Cultural Trust board include two representatives of the Oregon Legislative Assembly

appointed by the Speaker of the House of Representatives and President of the Senate who will serve as nonvoting advisory members of the board.

Creating the Cultural Trust administering body in this way clearly fits the condition for having substantial managerial and political skill. The Secretary of State is the second highest elected official in Oregon, making their appointment as chairperson of the Cultural Trust board a substantial and symbolic statement of importance by the enabling legislation. The inclusion of the nonvoting legislative representatives adds to the negotiating power of the board, especially considering the tight budget sessions Oregon has seen in recent years. The commitment of these political leaders is exemplified in the controversial savior of Trust budget cuts, Representative Ben Westlund.

Westlund was the House member on the Joint Interim Task Force that created the enabling legislation; he also serves as the current House representative on the Cultural Trust board. His commitment to the Trust was evident in his political maneuvering in September 2002 when he saved the Trust budget of \$3.2 million from cuts that would reduce it to \$250,000 (Duin, 2002). Cultural programs in Oregon need political friends like Westlund to survive the funding crunch currently tied to Oregon's stumbling economy (Hicks, 2002).

Condition 5: Implementation Support

The Joint Interim Task Force appointed to create the enabling legislation that resulted in the Cultural Trust, did so with the help of a large contingency of supporters. The themes and broad goals outlined by HB 2923 came out of research held at 12 community forums and five small group discussions around the state (Joint Interim Task Force, 2001). Additionally, 95 individual interviews and 1,521 surveys were tabulated to give feedback as to the creation of a public funding model for culture.

The implementation process is guided in part, by the Core Partner Agencies of the State Historic Preservation Office, Oregon Arts Commission, Oregon Heritage Commission, Oregon Council for the Humanities, and the Oregon Historical Society. These partners were selected for having culture as a

central theme in their missions and their authority and responsibility to serving statewide audiences. Affiliate Partners have also been identified to include Oregon Public Broadcasting, Oregon Tourism Commission, and statewide culture-specific organizations such as the Oregon Alliance for Arts Education and the Preservation League of Oregon (Joint Interim Task Force, 2001).

The combined constituencies from these partners result in a greatly diverse set of audiences and stakeholders with a vested interest in the overall success of the Cultural Trust. The cultural network that has emerged from these constituents helped in the lobbying effort to pass the Cultural Trust legislation. Organizations seeking to increase their donor base have used the Cultural Trust tax credit as a selling point for contributions in development plans.

In December of 2002, Oregonians contributed over \$1.5 million to the Cultural Trust endowment.

Thousands of Oregonians voted with their checkbooks, and reaffirmed the belief that is at the Trust's heart—arts and culture are vitally important to people within this state. (*Cultural Trust Press Release, 2003*)

The commitment of those who have already contributed to the Trust and strong support from the Secretary of State office, key legislators, and cultural partners help the Cultural Trust pass this condition.

Condition 6: Changing Conditions

The last condition Mazmanian and Sabatier (1981) stipulate for a policy to be effectively implemented states that it must not be undermined by the emergence of conflicting public policies or by changes in socioeconomic conditions. Lowery comments that in evaluating using this condition “there is always the possibility that some socioeconomic event or trend will result in the redefinition of a public problem” (1985, p. 296).

Oregon's financial stability, since the passage of the enabling legislation in August of 2001, has faltered considerably. As Hicks (2002) points out, even the forward thinking Cultural Trust is in danger of being cut as the state budget deals

with a severe and lasting deficit; “what the Legislature gives, the Legislature can take away” (2002).

The political maneuvering of Westlund to save the Trust \$3 million at the end of Oregon’s fifth special budget session in 2002 exemplifies the issue at hand. Throughout the summer of 2002, as the Cultural Trust attempted to launch its programs and begin the implementation process, funds previously earmarked as seed money through the sale of state assets was being siphoned away (Hicks, 2002). Over the course of five special sessions, \$600 million was chopped out of the state budget, including \$4.1 million originally slated for the Cultural Trust (Duin, 2002). Fogarty reported from the State of the State Address that the state of the state couldn’t be much more grim (2003).

At the beginning, when administration, management, and clear leadership are needed to implement public policy, the Cultural Trust remains without an executive director. Governor Kitzhaber instigated a state hiring freeze in June of 2002 that cut short the hunt for the first Cultural Trust executive director (Hicks, 2002). The Cultural Trust, so far, is “a ship without a captain.”

It remains to be seen if the Cultural Trust will be able to rely on the sale of state assets as a boost to their endowment. In late February 2003, an updated revenue forecast projected another budget shortfall. A likely candidate to help fill that deficit will be one-time revenue sources such as the state assets previously slated for the Oregon Cultural Trust (Fogarty, 2003).

These dire conditions influencing Oregon’s legislature will continue to impede the progress of implementation for the Cultural Trust. Their dependence on individual and corporate contributions through the tax credit will guide the impact of this policy as the only safe funding source separate from Oregon’s general fund (Hicks, 2002). The inability to rely on those funds currently available and the uncertainty of future financial stability makes it difficult for the Cultural Trust to pass this last condition for Mazmanian and Sabatier’s (1981) evaluation for effective implementation.

CURRENT CONDITIONS

Community cultural organizations in Oregon are struggling to survive. The lack of clear and consistent funding sources have forced organizations to reevaluate their development schemes to stay afloat. Cultural organizations use all resources available from government, individual, corporate and foundation gifts as well as earned income sources for program stability. However, as Hicks (2002) points out: "Oregon has few corporate headquarters. Its foundations are inundated with requests for help with basic needs such as food, housing, health and education. And the tradition of individual giving, long established on the East Coast, is much weaker here." The need for a radical shift in public funding is evident, but the solution outlined by the Cultural Trust is only as stable as the Oregon economy and financial support of its citizens.

Florida, in his influential book *The Rise of the Creative Class* (2002), argues that a possible solution for communities in need of economic development is to support cultural growth. Florida believes that communities with a flourishing artistic and cultural environment will be the destination for a class of workers defining the next economy: the creative class. This new crop of innovators seek places that help foster the three T's of economic development: technology, talent, and tolerance. By fostering creativity and attracting creative people to a community, Florida sees a future with higher rates of innovation, high technology business formation, job generation, and economic growth.

Tied to the very things the Cultural Trust is attempting to support, Florida's call for places "with a flourishing artistic and cultural environment(s)...that generate creative economic outcomes and overall economic growth" (2002, p. 261) is an argument for alternative development plans. Oregon is standing at the intersection between an old and new economy. Industries such as timber and agriculture that once sparked Oregon's economy have waned in recent years causing massive unemployment and dire straits for communities of all shapes and sizes (*Spirit of the Northwest*, 2001). To combat these socioeconomic realities, community arts organizations must look to reinvent not only their reliance on public funding, but the very nature of funding itself.

RECOMMENDATIONS

Community arts managers should interpret my analysis of the Oregon Cultural Trust as a clear signal of a shift in public funding. Based on these findings, community arts organizations should reevaluate their approach to public funding using the following recommendations. Community arts managers should make an effort to:

Rethink the influence public funding has on program decisions and who is impacted by publicly funded programs

Public funding solutions, even as innovative and promising as the Cultural Trust, are not the answer for the community arts organizations in Oregon. Managers need to find their own solutions independent of the instability of public funds in order to ensure reliable budgets year in and year out. Furthermore, when available, public funds should address public needs and issues through programming that affects the widest possible public audience. Use of public funds in a way that produces the broadest impact of the arts and culture will be helpful as cultural leaders and activists lobby to show how public funding of the arts are critical to maintaining our cultural identity in Oregon.

Identify themselves as crucial stakeholders in economic development planning, neighborhood revitalization efforts, and mixed-use development plans where culture can be incorporated

Florida (2002) suggests that creative people will gravitate to communities that provide stimulation, diversity, and a richness of experiences that are the wellsprings of creativity. Building upon Florida's recommendation, community arts managers should identify themselves as crucial stakeholders in economic development planning, neighborhood revitalization efforts, and mixed-use development plans where culture can be incorporated. Cultural leaders in urban neighborhoods such as the Pearl District and the Alberta Arts District in Portland have seen the powerful influence of strategically positioning the arts and culture within broader public planning efforts. Rural communities like Joseph, Oregon

have completely reinvented themselves using cultural assets as the foundation for economic development. Spink, in his forward to *Cultural Facilities in Mixed-Use Development* remarks that the “inclusion of cultural facilities can enhance value, instill a sense of place, provide animation, and add to the 24-hour cycle of activity that is a key element in a successful mixed use development” (Snedcof, 1985, p. 5).

Think creatively about how their mission positions their organization within their community

Cultural organizations must also reexamine their missions to evaluate the need, effectiveness, and vitality of their purpose within their communities. Looking at the mission may help determine alternative funding sources, logical community collaborations or partnership opportunities, and define the cultural organization within the larger context of an integrated and shared community. By evaluating a mission statement and the programs in place to achieve that mission, cultural organizations will become more efficient and truly fill the need in their community that was the impetus of their creation.

Increase dialogue and collaboration with cultural organizations to improve the relationships between like organizations and the community

Community arts managers must search out collaborations and partnerships that will contribute to nearly all aspects of operations. Working within a network as a member of a community’s cultural sector, arts managers can take advantage of collaborative marketing efforts that coincide with complimentary event planning and promotion. Support for such efforts can be seen in the guidelines of the Community Cultural Participation funds which dictate the formation of local cultural coalitions to work collectively to help achieve agreed upon goals and objectives for their community. Groups in rural Oregon, such as the Pendleton Cultural Coalition have received National Endowment for the Arts dollars for collaborative marketing campaigns that reinforce culture as a community-wide

sector rather than individual organizations (*Pendleton City Council Minutes, 2003*).

Search for ways to increase earned revenue streams through alternative means

As the lines between nonprofit, for profit, and public entities blur, community arts managers must find ways to increase earned revenue streams in order to compete and attract audiences. Increased earned revenue may be the product of adopting for profit models of marketing, branding, positioning, and product awareness within the nonprofit structure. In his influential speech in 1998, then Governor Kithaber challenged arts and cultural organizations to take “full advantage of opportunities for collaboration with business, education, tourism, and government” (*Oregon Governor Speeches, 2002*). Partnerships with outside organizations, whether through cultural coalitions, corporate sponsorships, or other professional relationships, will increase the impact of promotional dollars and help a program reach a broad and diverse audience.

Work to create an endowment to offset poor economic conditions and a lack of public support

Many community arts managers are forced to make reactionary cuts to programs and services when development efforts fall short of budgetary projections. Once stable public funding sources are shrinking and Oregon's economic outlook remains bleak (Fogarty, 2003). While many organizations embark on capital campaigns to fill budget gaps, renovate buildings, and purchase technology, many more should take advantage of fundraising efforts to create endowments for the future. Careful investment in an endowment will have a long term stabilizing effect on a community arts organization. While endowments are certainly not immune to economic downturns, their ability to balance the immediate budget woes make them a logical investment.

Within a network of community cultural organizations, utilize the arts as a platform for action to strengthen the value of arts and culture in the lives of all Oregonians

The Oregon Cultural Trust is a model of public funding that passes 5 out of the 6 conditions for effective implementation (Mazmanian and Sabatier, 1981), but the broader and lasting impact of its enabling legislation may not be the funds it creates, but the network of cultural organizations and managers it brings together for a common cause. The broad vision goals outlined in the formation of the Cultural Trust emphasize collaboration across cultural disciplines, wider access to culture by the citizens of Oregon, and an emphasis on culture providing the foundation for communities throughout Oregon. The strengthening of cultural alliances will have a tremendous impact on cultural advocacy. Building a unified voice through which culture can be heard will increase the value of not only individual organizations but the entire cultural sector of Oregon.

CONCLUSION

The Cultural Trust continues to be heralded as the solution for proper funding of arts and culture in Oregon. The economic conditions surrounding the need for such a creative solution is well documented, however, it should be noted that the Oregon Arts Commission began amidst similar needs and demands (*Oregon Blue Book*, 2002). The reality in Oregon at the dawn of the 21st century is that public funding for the arts and culture is not a reliable source of revenue. By changing the way Oregon's nonprofit arts organizations think about funding, collaborations, and their position in the community, arts managers have the capacity to alter their reliance on public funding. The visionary goals established by the Oregon Cultural Trust are legitimate and should be considered a mantra for our cultural institutions. However, one need not be funded directly by the Trust in order to create change through these ideologies. Without any public funding tied to these goals, community arts managers should search out increased collaborations, focus on accessibility and participation in cultural

programming, and look to alternative planning efforts to stabilize, protect and preserve cultural resources throughout their communities.

The true funding solution being offered by the Cultural Trust is in its call to action. The futures of Oregon's cultural institutions lies in the ability of community arts managers to strategically, collectively, and resolutely alter the way in which the arts and culture affect the lives of Oregonians.

POSTSCRIPT

Since the passage of the Cultural Trust legislation, the State of Oregon has slumped into one of the largest economic downturns in the country (Fogarty, 2003). The state legislature was forced into five special sessions in an attempt to fix a growing budget deficit that ultimately resulted in a special election that would fix the budget gap with a temporary income tax increase. In January 2003 the temporary income tax measure was defeated leaving lawmakers to grapple with further financial uncertainty and cuts to government programs.

Funding for the Oregon Arts Commission, the Oregon Historical Society, Oregon Public Broadcasting, and others were slashed as a result of the budget crisis leaving cultural organizations to increase fundraising efforts to maintain programs as the state simultaneously disinvested from a variety of cultural and non-cultural programs. As Maynard Orme, president of Oregon Public Broadcasting stated following a legislative session which cut an additional \$1.117 million from his organization's budget: "It is a crisis. Our strategy is, we've got to raise the money. We can't cut any more; otherwise we lose the fiber of this organization." (Hicks, 2002)

In March of 2003, the Oregon Arts Commission (OAC) lost all remaining funding for the biennium ending June 30, 2003 (Register-Guard Editorial, 2003). Plans are being made by cultural advocates to reinstate the OAC for the 2003-2005 budget, but there is wide speculation that this may not be possible given estimates that put the 2003-05 biennium budget at a \$2.5 billion shortfall (2003).

The \$3.2 million protected by Representative Westlund in the fall of 2002 for the Oregon Cultural Trust could not withstand the final cuts made in balancing

the state budget in March 2003. While the Trust still holds the \$1.5 million from the 2002 tax credit, we can no longer place faith in the timeline set forth by the Cultural Trust for its' optimistic vision of the future.

David Cohen, director of the Contemporary Crafts Gallery in Portland, Oregon wrote in their Winter 2003 newsletter that "planning is the cornerstone of every solid organization and sets in motion a range of activities with the intention of bringing it to its desired destination" (2003, p.3). It is my belief that planning holds the key to financial and program stability for community arts organizations. But as Cohen points out "many of us in the non-profit world find it difficult to take the time away from day-to-day operations...to plan properly." As difficult as the challenge for forward planning may seem, the alternative is far worse.

The arts and cultural organizations of our state are being threatened to extinction by the financial nightmare of budget shortfalls and a poor economy. For our organizations to survive we must plan for the future to offset the reactions of the present. "(Planning) is the most important work an organization can do. Without it, we will remain rudderless in a sea of opportunity" (Cohen, 2003, p.3).

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