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March 12, 2013

Public Testimony in support,
SB 319

Senator Lee Beyer, Chair
Senator Bruce Starr, Vice-
Chair
Senator Chris Edwards
Senator Fred Girod
Senator Rod Monroe
Senator Chuck Thomsen

Dear Senator Beyer and members of the Senate Business and Transportation Committee,

My name is Steve van Eck, I reside in Southeast Portland, Oregon, and am here on behalf of Yale Union, speaking in support of SB 319.

Of the many important questions that the committee seeks to grapple with today, one in particular interests me especially, and that is the question: Could adequate results be achieved with a scaled down version of the credit?

Over the past few years, as YU has given agency to the goals of the Cultural Trust (expanding public awareness of, quality of, access to, and use of the arts in Oregon). In that process, I've learned a few things: I've learned that success in cultural production first requires success in raising money. This time-tested axiom was no secret during the renaissance, or any other age when people made things to express culture, and of course, it holds fast today. As a young fundraiser in Oregon, I can tell you that Oregon's giving climate is a leery ecosystem.

When the Trust was established under the leadership of Chair Beyer in 2001, there was a loud concern that the credit would simply divert private donations—desiderated resources—away from cultural producers and into the Trust's coffers. Remarkable care was taken to ensure that the tax credit would increase total funding for arts and culture, rather than segment it. It was critical that authors of the credit got it just right, after all, they were tweaking a delicate complex. They got it right: in the ten years since the credit was established, total contributions to the cultural sector have increased steadily, and a fund has been established for future generations.

When the question, "can the credit be reduced?" is asked, concerns resound, and questions arise. Especially, "what kind of negative externalities might be realized by lowering the credit to less than 100%?"

Like before, we want to ensure that the structure of the credit does not divert resources away from cultural producers, but rather supports them. The nature of the credit being, 100% ensures that it does not compete with other nonprofits for coveted donations.

If the tax credit were reduced to cover only a portion of the matching contribution, say, 50%, then it follows that the remaining 50% of contributions would have gone to a nonprofit. If both the Trust and cultural producers are seeking resources from the same pool of potential donors—primarily Oregonians who support their own communities—then any reduction in the credit below 100% changes the nature of the Trust from supporter to competitor.

Moreover, what could be gained by increasing the credit beyond 100% to match a greater portion of what is donated independently to the nonprofit? If it holds true that investments in the arts are highly correlated with job growth

and employment, improved test scores, and increased social capital (and they are), then why not leverage Oregon's existing arts policy infrastructure to augment these impacts?

What we have now, is a lasting, predictable, and accretive resource for the cultural sector in Oregon. So let's move past asking: "what is adequate?" and ask instead: "how can we sustain a policy that has demonstrated effectiveness?"

I urge you to renew the Oregon Cultural Trust Tax Credit.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve van Eck', with a long horizontal flourish extending to the right.

Steve van Eck
Yale Union