



January 31, 2023

House Committee on Economic Development and Small Business

Dear Chair Bynum and Members of the Committee:

Thank you for your service to our state. The purpose of this letter is to request your support of House Bill 2459, which invests \$50 million in direct relief and recovery funding to arts and culture organizations across the state. This legislation comes to you with the full endorsement of the Cultural Advocacy Coalition of Oregon, as well as many others who deeply believe that arts and culture are essential to our state's emotional as well as economic well-being.

Oregon experienced some of the longest pandemic-related shutdowns in our nation. Even as our businesses and schools return to in-person activities, our arts and performance venues continue to see attendance rates that are well below pre-pandemic levels.

The pandemic severely affected the Museum's financial stability and business model. In compliance with COVID-19 regulations, we closed twice for a total of 9 months—the first time in our 130-year history—and we were under significant capacity restrictions for another 12 months. Understandably, admissions and membership revenue dropped precipitously in 2020, forcing us to decrease our operating budget by 25% in 2021. Many difficult decisions were made in order to keep the Museum solvent, affecting key roles that are critical to the core functions of a healthy museum, including the essential to the stewardship of the 50,000 works in our permanent collection and the development of learning programs that serve children and adults.

Today, attendance at the Portland Art Museum is about half of what we had conservatively budgeted. Our earned revenue is slowly recovering but is still only about 78% of pre-pandemic levels; meanwhile, our expenses have increased by 113%. Staffing comprises more than half of our annual operating budget, and those costs have increased by 20% due to a competitive labor market and cost of living adjustments.

We are extremely grateful for the federal, state, and private relief dollars that have allowed the Museum to continue to deliver its mission through online and no-cost programs during the pandemic. But the recapitalization of our Museum—and the larger arts sector—requires an investment in jobs and core arts programs that will help our community heal and reconnect. I believe this bill will provide such necessary resources for all arts organizations across the state.

The Museum is resilient, and our prudence over the past three years has ensured that we can continue to be a foundational resource to the arts and culture sector of Oregon. Too many arts organizations have gone out of business in our region, or are struggling to retain the resources they need to achieve meaningful outcomes. At the Museum, we anticipate it will be another two years before our revenues and expenses stabilize. In the meantime, we continue to present 16 exhibitions annually, host 17,500 students and youth who visit the Museum at no charge, and serve the community through quarterly free days. For these reasons, we remain confident that an investment in us is an investment in our state.

Sincerely,

Brian Ferriso

Portland Art Museum Director and Chief Curator