

Joint Legislative Fiscal Committees Budget Hearing

Testimony provided by:

**Erika Mallin, Executive Director
New York State Council on the Arts**

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Chairs Krueger and Pretlow, and members of the Legislature: thank you for the invitation to address you today. I am Erika Mallin, the Executive Director of the New York State Council on the Arts (NYSCA), and I am joined today by NYSCA Chief of Staff, Abby Adler. On behalf of our Council, staff, and the vast cultural industries of New York, we thank Governor Hochul and the State Legislature for your continued investments in the arts.

As NYSCA enters our 65th year of delivering crucial and innovative funding to every corner of the state, we have been reflecting on our simple, but radical, core founding mission; that the arts – and access to the arts – are a public good and essential to a democratic society.

This core principle lives on. NYSCA now supports over 3,000 artists and arts organizations annually, across all disciplines, in all state counties. NYSCA's support has been the catalyst behind some of the most influential artists and institutions in the world, from Ballet Hispanico (first funded by NYSCA in 1974) to Tony Award, Pulitzer Prize and McArthur Genius award winner playwright Branden Jacobs-Jenkins, who received his first grant in 2021.

In this way, NYSCA has become the backbone of New York's creative economy, helping to build a sector that contributes over \$164 billion in economic output back to the state (more than construction, transportation, or retail) and supports almost 500,000 workers.ⁱ

The arts fuel tourism, attract and retain talent, animate downtowns, and support small businesses—from restaurants to construction trades. They foster creativity and innovation, qualities that are indispensable in a competitive global economy.

NYS Arts Ecosystem

While there are many bright spots, the sector is under significant financial pressure, including rising costs for space, insurance, and labor, alongside declining philanthropy and continued audience uncertainty. Recent data shows that nonprofit arts organizations experienced revenue declines of roughly 25 percent in 2024, with nearly half operating at a deficit and working capital reserves shrinking significantly.ⁱⁱ

We need to note this because these organizations are employers that create jobs and retain workers. They are community anchors in downtown and rural towns, like in Elmira, population 26,000, with the **Chemung County Historical Society, the Arnot Museum, John W. Jones Museum, and the Clemens Center**. They are education providers, like **The**

Art Effect in Dutchess County, which offers workforce development programs for students in film and media.

Increasingly, these organizations also play outsized roles in their communities and regions, providing childcare, mental health services, job training, and community gatherings. For example, **The West Falls Center for the Arts** in Western New York, supports emerging and established artists, while also offering arts programming and social service resources for veterans.

When these organizations thrive, the impact is immediate - more jobs, more programming, more visitors, and strengthened local economies.

NYSCA Grantmaking

Our job – particularly in times of uncertainty – is to take on a leadership role necessary to steward public dollars to deliver innovative and proactive funding.

NYSCA’s FY2026 aid to localities appropriation has funded 2,700 grants to date across all 10 regions of the state, totaling \$81 million. This includes:

- **General Operating Support** grants to 1,800 organizations, 66% of whom have budgets under \$1 million. These grants are one of the most impactful sources of funds; they keep the lights on, pay salaries, and ensure that arts organizations can focus on what matters most: the work.
- **Support for Artist** grants to 607 artists – an historic level for the agency.
- An additional 1,300 grants will be made to hyper-local artists and arts organizations through our 26 **Statewide Community Regrant partners**.
- Our **Rehearsal Space Initiative** will support 75 creative spaces across the state allowing for free or low-cost rentals for artists.

We are a national leader in **Capital Project** funding for the arts, supporting renovations, accessibility improvements, and the creation of new facilities. We have worked to make this program more inclusive by expanding access to these dollars for projects of all sizes. We are funding grants as small as \$10,000, and we are one of the only public arts funders supporting the design phase needed to launch these projects.

Since 2018, this program has transformed hundreds of sites, including in this last year alone:

- The reopening of the iconic **Studio Museum** in Harlem.
- The opening of **Storm King Art Center’s** visitor center in Orange County.
- The opening of **Artspace Utica Lofts**, with affordable live/work spaces for artists.

- The groundbreaking for **Arts Center Lake Placid's** new home.

The FY2026 Capital grants will be announced this spring.

We are embarking on new programs to meet the needs of field. We delivered on crucial Governor's initiatives like:

The NYSCA **CHARM program**, which funded the creation of 57 murals across 21 counties like Suffolk, Chautauqua, and Monroe - all that you can visit *right now*. By transforming underutilized public spaces into vibrant works of art, the murals serve as community anchors, visitor attractions, and celebrations of local culture.

And we recently announced the inaugural **State of the Arts Fellows**, who will work with the Office of Victim Services (OVS), Office of Mental Health (OMH), and the Office of General Services (OGS) to develop cross-discipline projects to address specific agency initiatives.

NYSCA is currently developing a competitive application process for the designation of **cultural districts** to celebrate the vibrancy, creativity, and heritage of communities across the state.

We launched the **Reserve Fund program**, a first-of-its kind opportunity for organizations to establish or grow cash reserves. We know that organizations with reserves are better positioned to deliver on their missions. These funds provide critical cash-flow stability, allowing organizations to manage volatility without disrupting core programs. They sustain public access, reduce reliance on debt, increase capacity to innovate, enable strategic planning, and leverage additional funding.

The demand for the Reserve Fund was extraordinary: over 1,200 applications for just \$1.7 million in funding. Overwhelmingly, 85% of the recipients will use their grant to start their first reserve fund – emphasizing the need for this type of funding.

Conclusion

NYSCA, true to its mission, is continuing to demonstrate forward-looking leadership, responding directly to the needs of the field, and ensuring that public dollars deliver lasting public benefit.

When we support the arts, we don't just preserve history, we make it. We don't just nurture beauty, we provide access to it. We don't just support entertainment, we power economies.

To support the arts is to offer every New Yorker and visitor alike the opportunity to gather, celebrate the freedom of expression, and experience wonder, joy, and connection.

Thank you, and I look forward to working with you to ensure a thriving, sustainable arts sector for all New Yorkers. I now welcome your questions.

ⁱ National Association of State Arts Agencies. (March 2025). *Creative Economy State Profiles*. Retrieved from: https://nasaa-arts.org/nasaa_research/creative-economy-state-profiles/

ⁱⁱ SMU Data Arts. (August 2025). *National Trends 2025*. Retrieved from: <https://culturaldata.org/national-trends/national-trends-2025/>