

Congress of the United States

April 28, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy,

Thank you for including support for nonprofit museums and cultural institutions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. While that legislation was a critical first step in keeping cultural nonprofits afloat, more must be done to preserve these institutions going forward.

In New York State, we are proud to be the home of hundreds of museums, performing arts centers, historical societies, zoos, and botanical gardens, including the Metropolitan Museum of Art, El Museo del Barrio, and the American Museum of Natural History in New York City, the Weeksville Heritage Center in Brooklyn, the George Eastman Museum in Rochester, the Cradle of Aviation Museum in Garden City, the Albright-Knox Art Gallery in Buffalo, the Wildlife Conservation Society's Bronx Zoo in the Bronx, the Pendragon Theatre in Saranac Lake, and the Capitol Rep Theater in Albany among many, many others across the state.

These institutions are economic drivers, employing more than 480,000 New Yorkers as security guards, custodians, librarians, educators, musicians, scientists, curators, and food service workers and generate nearly \$120 billion in economic activity in New York State, representing 7.5 percent of state GDP. It's not just New York State. In March 2020, the Bureau of Economic Analysis reported that the arts and culture workforce contributed \$877.8 billion, or 4.5 percent, to the nation's gross domestic product (GDP) in 2017.

With museums, historical centers, zoos, and botanical gardens closed, events canceled, and the performing arts going dark, nearly all these workers are facing layoffs and the long-term viability of the cultural institutions themselves is at risk. While the CARES Act provided some funding to support cultural nonprofits, it fell short of the critical need. Only 60 of the approximately 1400 museums in New York State are eligible for relief grants from the National Endowment of the Arts. Similarly, most grants awarded by the Institute of Museum and Library Services will be awarded to libraries rather than museums or other institutions. More must be done to preserve these scientific, arts and cultural organizations, keep museum workers employed, and ensure these institutions can open their doors again and support the State of New York when the pandemic passes.

In the months to come, the American economy will need the arts and culture sector for many reasons, including its role in catalyzing economic activity in other devastated industries, such as restaurants, hotels, travel, and tourism. The cultural sector is an economic engine that directly employs more than 5 million workers.

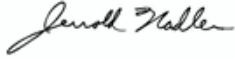
For arts and cultural nonprofit sector to survive this national crisis, we respectfully request that the priorities of cultural institutions in New York and around the country be included in any future COVID-19 response legislation. Specifically, we ask that:

- 1) SBA Loan Programs: Recapitalize, expand and extend the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan Program (EIDL) by removing the 500-employee cap for nonprofits and extending the maximum amount and covered period for loan forgiveness. If the cap cannot be removed for all nonprofits, remove the cap only for specific nonprofit sectors such as the arts and culture sector.
- 2) Relief Grants: Appropriate additional dedicated COVID-19 relief funding administered by the National Endowment for the Arts of up to \$4 billion, National Endowment for the Humanities of up to \$500 million, and Institute of Museum and Library Services of up to \$6 billion, as they uniquely address the operational needs of cultural and arts organizations. These funds would support costs not eligible under SBA loans and which are necessary to the survival of the sector such as operational support and payroll relief
- 3) Charitable Deduction Expansions: Going forward, museums will need to depend on donations in order to stay afloat as ticket sales have stopped. Expanding the charitable donation deduction will encourage those who can to donate. Congress should expand the opportunity for non-itemizers to be incentivized to give more by removing the \$300 cap on charitable deductions and allowing all taxpayers to claim the deduction on 2019, 2020, and future taxes. In addition, Congress should remove of adjusted gross income limits and the increased 25% corporate limit beyond 2020.
- 4) Payroll Tax Credit: Many nonprofits cannot access the employee retention tax credits created by the CARES Act. Granting nonprofits a payroll tax holiday for 2020 would level the playing field and help retain employees for cultural nonprofits.
- 5) Economic Stabilization Fund Loan Forgiveness: Mid-sized nonprofits are eligible for the \$454 billion loan and loan guarantee program created by the CARES Act. However, these loans are not forgivable, and most cultural nonprofits would be unable to carry the debt of these loans. Including loan forgiveness for mid-sized nonprofits would ensure this program actually reaches the nonprofits who need it.
- 6) Business Interruption Insurance Expansion: Most business interruption policies have express exclusions for losses due to viruses. However, Congress set a precedent in 2002 with the enactment of the federal Terrorism Risk Insurance Act (TRIA) which retroactively expanded business interruption insurance to include non-physical 9/11-related losses while the federal government reinsured the industry to cover the claims.

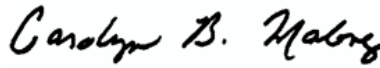
Including a similar retroactive expansion of business interruption insurance to include COVID-19-related losses would ensure cultural nonprofits can survive.

These provisions are vital to the survival of cultural nonprofits in New York State and around the country and will save hundreds of thousands of jobs. We urge you to include them in any future COVID-19 legislation.

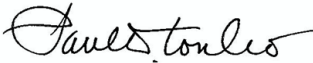
Sincerely,



Jerrold Nadler



Carolyn B. Maloney



Paul Tonko



Peter T. King



José E. Serrano



Adriano Espaillat



Hakeem Jeffries



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Thomas R. Suozzi



Grace Meng



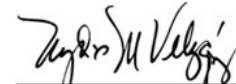
Antonio Delgado



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