

Cultural Trust Article

Iowa will establish a \$10 million Cultural Trust by allocating \$1 million each year to the Trust for the next 10 years. But these funds would not be deposited into the Trust until new local investment in local cultural organizations is demonstrated.

The Trust would be built as it leverages local investment in local cultural organizations.

Example:

A cultural organization raises \$50,000 in new money for a project or activity. That would trigger the drawdown of \$50,000 of state money into the Iowa Cultural Trust.

State money goes into the Trust. Local money stays at home. Cultural organizations report to the Iowa Department of Cultural Affairs funds raised beyond a maintenance of effort requirement. These reports trigger the deposit of state dollars into the Trust.

Here's how Iowa benefits.

Interest generated by the Iowa Cultural Trust will be invested in our cultural organizations.

Years 1 & 2

The interest revenue from the Trust is expected to be between \$50,000 and \$150,000 after the first two years. This would be used to produce a statewide educational campaign to encourage participation and support of Iowa's cultural organizations. The implementation of such a campaign was a key recommendation of **Imagine Iowa 2010**. Participation, or demand strategies as they relate to public involvement in the arts, has been identified as a top public policy issue in a just completed study by the RAND Corporation. By stimulating the demand side of the cultural environment, cultural organizations will experience increased attendance and increased contributed income. All cultural organizations, regardless of size, will have an immediate benefit from the trust.

Years 3 & beyond

After the first two years, interest generated by the Iowa Cultural Trust will be used to support the operating budgets of our cultural organizations. The funds will be distributed by the Iowa Department of Cultural Affairs. Eligible recipients of Cultural Trust funding will be required to take steps to secure their own stability and sustainability.

These strategies could include the development of a planned giving program or board development. They would also be required to have or secure at least one paid employee.

The Iowa Cultural Trust gives donors a new reason to give. They know that every dollar they contribute to a local cultural organization will be matched by the state with a

contribution to the Iowa Cultural Trust. Donors want to live and work in a state that has a vibrant cultural environment. If Iowa is to prosper in the New Economy, it must have strong, vigorous cultural institutions. Iowa acknowledged the high-impact role of cultural institutions in the New Economy when it committed \$200 million to their construction through Vision Iowa. Iowa must now take the next step to secure that investment by supporting the programming that will bring these showpieces to life.

The Iowa Cultural Trust will:

Stimulate local investment in local cultural institutions by leveraging local dollars with state dollars.

Keep local dollars in their home communities.

Encourage new relationships between cultural organizations and local funders.

Enable prosperous communities to leverage state dollars for underserved communities.

Secure Iowa's investment in all of its cultural institutions by supporting their operating budgets.

Encourage cultural organizations to use strategies to secure their own financial future.

Provide Iowans with the benefits of a healthy, vigorous cultural environment.