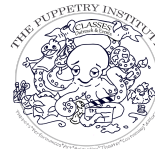


From Representatives Of

Lucky Penny
Productions

Novato Theater Company

MENDOCINO
theatre company
EST. 1978PALO ALTO
PLAYERS

February 24, 2020

To our Representatives and Labor Committees:

We are the Coalition of Community Artists, a collection of representatives from nonprofit performing arts and culture groups across the San Francisco Bay Area. We are writing to plead for some considerations to be made with regard to Assembly Bill 5 and how it impacts organizations like ours.

We understand the need for this law (the Dynamex decision) and believe AB5 was well-intended. We do not wish to argue against the need for equitable pay and livable wages in California. The problems begin with the immediacy of this law's application and how it increases the challenges already facing hundreds of nonprofit arts organizations and artists.

We urge you to waive the requirements of AB5 for nonprofit arts and culture organizations.

Nonprofit organizations are, by their very nature, inflexible to drastic changes, as they have limited resources at their disposal. The majority of their funding comes through charitable donations, which they have to solicit and request. It takes months to fully fund the annual budget for a nonprofit arts company and several companies budget 18 months in advance. Ticket sales alone do not sustain these organizations and often account for a fraction of their income.

Most arts and culture organizations (especially performing companies) are simply not adequately funded to comply with AB5's drastic increase in employment costs on such short notice. These changes are increasing budgets anywhere from 15 to 40 percent to much more (one company cited a 1000% increase in artist fees if they were to reclassify artists as employees). These increases are insurmountable for small-to-medium size nonprofits. Indeed, some companies have closed entirely or have begun canceling productions, while others continue to operate while they search for the additional income required to meet their needs.

The Coalition of Community Artists



There are many precedents in the law for small companies being given special consideration when complying to regulatory requirements. It is unrealistic to expect a nonprofit organization with a limited budget to be capable of complying with requirements of AB5. The budgets needed to finance these drastic changes simply don't exist for these organizations.

Furthermore, the Dynamex ruling and AB5 were enacted to address abuses and inequities within certain industries where companies were increasing their profits by denying basic rights to certain employees. In contrast, no small-to-medium nonprofit arts organization is making a fortune off the hard work of its contractors/participants.

If an exemption for nonprofit arts and culture organizations is not an option you are willing to consider, please consider revising Section 2750.3 of the Labor Code and define a separate set of clauses to determine employee status for arts and culture organizations. It would be exceptionally difficult because our business models are as varied as the communities we serve. As currently written, this law cannot be unilaterally applied to an industry like ours, but we have some ideas about how it could be achieved. Income-based tiers may be a plausible method as the scale and capacity of these organizations vary widely based on budget, but several other factors are also at play. These factors include: grant limitations, venue capacity, ticket prices, geographical location, and educational programming. Let us know if you are open to discussions on this topic, and how we can contribute.

And we urge you to take broader action to help more Californians adjust to this law. Some industries (e.g. newspapers) were granted two years to adjust to the new law under AB5. We urge you to grant more organizations the same consideration. Specifically, we suggest a two-year ramp up period for various industries which will provide small organizations the time to make necessary adjustments.

The risk of not taking any action on behalf of nonprofit arts and culture organizations is that within the next year, hundreds of them will close their doors, unable to afford the cost of operation. We have already seen this with a number of companies, and the law has been in place for only two months.

As these organizations close, potentially thousands of jobs and artistic opportunities will be lost across California before the end of 2020. These losses will affect a wide variety of artists and the overall arts ecosystem: everyone from the professional working artist down to the hobbyists who love to perform when granted an opportunity. Children will have fewer opportunities to participate in nonprofit arts programs, many of which have become necessary, particularly amongst our most underserved youth due to the uncertain nature of performing arts education programs in the public school system. There will also be fewer programs or jobs available to help rising artists hone their craft, making it more difficult to reach the already very competitive professional level. And, there will be less artistic opportunities and programming statewide for the general public.



Once closed, art and cultural spaces will go quiet and be vacated. Even if a program manages to raise the necessary funds to reopen, it may lose its previous space and have to start from scratch. The cost of starting over is far greater than the maintenance and upkeep associated with maintaining an existing organization. Such challenges will make reopening a cost-prohibitive effort for arts groups, especially in the current real estate market.

If you have any questions regarding our letter, impact statements, or simply regarding the nonprofit performing arts community, we are happy to provide additional clarifications.

Respectfully,
The Coalition of Community Artists

DocuSigned by:
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Becky Davis, Board President,
Altarena Playhouse

DocuSigned by:
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Susie McKinnon, Director,
Arts for a Better Bay Area

DocuSigned by:
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Elly Lichenstein, Artistic Director,
Cinnabar Theater

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Margo Redfern, Executive Director,
Gatehouse Theatre

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Helen Dixon, Artistic Director,
Ghostlight Theatre Ensemble

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Ed Sengstack, Managing Director,
Los Altos Stage Company

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Angie Smith, Treasurer,
Los Gatos Youth Theatre

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Barry Martin, Board President,
Lucky Penny Productions



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Katie Wickes

Katie Wickes, Board President,
Marin Musical Theatre Company

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Keith Baker

Keith Baker, Incoming Producing Artistic
Director, Main Stage West

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Pamela W. Allen

Pamela W. Allen, Executive Director,
Mendocino Theatre Company

DocuSigned by:
Kathie Kratochvil

Kathie Kratochvil, Vice President,
Mountain Community Theatre

DocuSigned by:
Elleen Grady

Elleen Grady, Executive Director & Artistic
Producer, Mountain Play Association

DocuSigned by:
Simon Eves

Simon Eves, Board Member,
Novato Theater Company

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Lynea Diaz-Hagan

Lynea Diaz-Hagan, Director,
ORO Arts Lab

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Elizabeth Santana

Elizabeth Santana, Managing Director,
Palo Alto Players

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Rosalyn Nash, Executive Director,
The People's Conservatory

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Alyse Neubert

Alyse Neubert, Artistic Director,
Playhouse Merced

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Ricki Vincent

Ricki Vincent, Artistic Director,
The Puppetry Institute

DocuSigned by:
Tina Blaine

Tina Blaine, Executive Director,
Rhythmix Cultural Works



DocuSigned by:

Joe Landini

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Joe Landini, Director,
SAFEhouse Arts

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Liz Hitchcock Lisle

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Liz Hitchcock Lisle, Managing Director,
The Shotgun Players

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Jaime Weiser Love

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Jaime Love, Executive Artistic Director,
Sonoma Arts Live

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Sara Dean

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Sara Dean, Executive Director,
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Scott Lynch

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Scott Lynch, Board President,
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Kathleen Breedveld

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Kathleen Breedveld, Artistic Director,
Tri-Valley Repertory Theatre

Additional Signatures:
