

Lobbying Efforts



BACKGROUND

- California Arts Advocates(CAA) is a 501(c)4 organization with a 24 person board, Executive Director and a lobbyist Jason Schmelzer, Partner in Shaw Yoder Antwih, Schmelzer & Lange
- Over the last year, CAA has worked with Senate Labor and several legislators for exemptions to be included in AB5 for workers providing services to the arts and creative sector
- In July we learned our more broad exemption language for all “Performing Artists” was rejected and “Fine Artists” was included
- “Fine Artists” is not defined in the bill and remains subject to interpretation at this time.

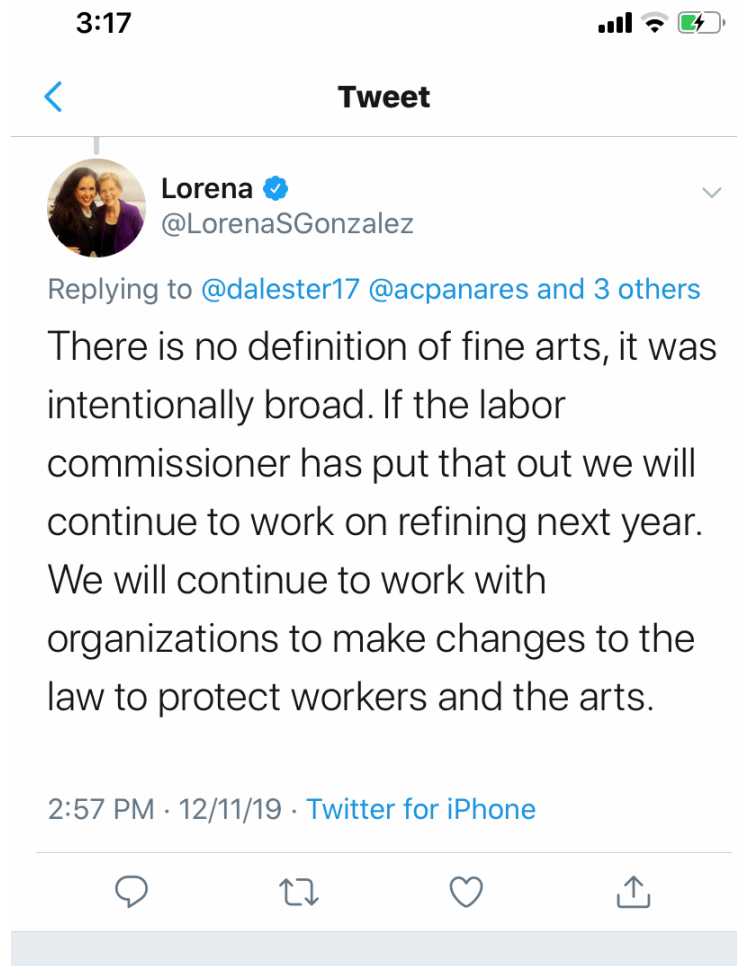
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NEXT STEPS

- In a 12/10/19 meeting with author's office, Assemblymember Gonzalez, it was confirmed there will be a corrections bill and likely more exemptions for the arts industries, musicians were emphasized. (AB 1850 introduced 1/6/2020)
- CAA is working with author's office and other legislators on the corrections bill or possible new legislation in 2020, but there is no guarantee the field will receive any additional exemptions. Timeline: 8/21/20 last day to amend bills on the floor, 9/30 Governor veto or signs
- CAA sends weekly updates to Gonzalez's office with reports from the field, survey results and is in contact with several entertainment Unions.

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EXCERPT FROM USA TODAY 1/21/2020-

For other industries, lawmakers are still considering changes to the law. Along with clarifying certain provisions, legislators are planning new language for musicians and the entertainment industry amid growing concerns over whether artists will be cast as employers under the new law, and be unable to work with the teams of people typically involved in production.

“We always knew we would have to come back and provide some clarity on musicians,” Gonzalez said, explaining that the language lawmakers hoped to include in the bill on the sector didn’t make it due to a breakdown in talks between the music industry and the entertainment unions.

“We are still waiting for compromise language between the two groups, but whether they come to compromise or not we are going to have to put something in there to protect musicians but also allow them to operate in their course of business,” she added.

Advocacy Efforts



BACKGROUND

- Californians for the Arts (CFTA) is a 501©3 organization with a 24 person board and Executive Director. Our mission is to build public awareness for the arts and advocate for legislation and public funding that supports the arts industries.
- Over the last 9 months, CFTA has worked to educate the field about the consequences of AB5 and to educate legislators on how the arts does not fit into a one size fits all business model
- CFTA continues to educate the field about compliance with AB5 in a series of workshops and contribution to a white paper
- CFTA is gathering data through a survey to determine the impact of AB5 on the field
- CFTA will hold an arts impact summit in April and facilitate conversations around the arts ecosystem and how do we build value, equity and sustainability for all

Advocacy Efforts



Survey Results-close to 450 respondents

Of the employers

- 88% nonprofit orgs;
- 55% hire more than 20 IC in a year
- 73% AB5 will affect ability to offer programs
- 60% will have to close business or cease to offer certain programs
- About 50% receive funding from CAC

Of the workers

- 62% are IC, 30% both;
- IC: 30% 20+ contracts in a year,
- 43% 1-5 in a year, rest in between;
- 95% feel AB5 will result in less work

Some AB5 Related Facts:

According to the IRS, 38% of employers in the U.S. misclassify workers as independent contractors; so in one out of three cases, the employment classification is wrong.

According to SMU Data Arts Research data set dated October 17 2019

Number of nonprofits arts organization in CA: **3,391**

Number of independent contractors working at the total number of arts organizations: **131,514**

Number of total employees working at the total number of arts organizations: **449,900**

Advocacy Efforts



New Survey Results-close to 150 respondents

Of the hiring entities

- 80% nonprofit orgs;
- 81% will reclassify some workers
- 13% reducing programs
- 18% financial impact
- 55% too soon to tell
- 76% do not have the tools/resources to comply

Of the people being hired

- 41% services no longer needed
- 45%: already suffered a loss in income
- 84% do not have the tools/resources to comply

Hybrid: hire and also get hired

8% reducing programs
16% ceasing programs
8% closing organization
76% do not have the tools/
resources to comply

How can you help?



TELL YOUR STORY WITH FACTS

“Our budget is under \$100,000 and after consulting 2 employment attorneys we found in order to comply with the new law, it would cost us at least \$10,000. We feel there is no choice but to comply through our next upcoming show because we already have so many commitments and contracts out. We are trying to follow the law. **But after that we cannot sustain the cost. We will have to go dark.** We usually hire about 20-30 independent contractors a year. These include opera singers, designers, directors, musicians, etc. Yearly we serve our community in the following ways: our local parade (thousands), a free Opera in the Park (1000), an opera at theater (between 600-900 depending on how many performances), and also outreach to youth and seniors (100 plus). “

Solo Opera, San Francisco

How you can help?



- Visit our resource page and complete survey
<https://www.californiansforthearts.org/ab5-news>
- Join our mailing list for latest news and action alerts
<http://www.californiansforthearts.org>
- Let your elected officials know about the unintended consequences of AB5 on your business or livelihood. See template on our resource page.
- Work with us to advocate for arts to be valued and join us at the arts convening (April 14) and Arts Advocacy Day April 15, 2020
- Support our efforts by joining our our organization!
- If non-profit, speak to your funders