1. How can this tax be levied to support arts and culture?  
A. In 2009, the N.C. General Assembly authorized all counties in the state to impose a quarter-penny sales tax, which is a fixed amount, for local uses if approved by the voters. The cultural sector is proposing that Mecklenburg County voters approve a quarter penny tax with a percentage of the revenue, to be determined by the county, being designated to fund arts, science and history organizations and programs each year.

2. How will the remaining funds be used, if approved?  
A. The Mecklenburg Board of County Commissioners, along with County staff, are working to determine how those dollars will be allocated if the voters approve the tax.

3. What is the real daily impact of the quarter-penny sales tax?  
A. If approved, the quarter penny would add 25 cents to a $100 purchase.

4. Why is the cultural sector asking not asking for the entire $50 million generated from the sales tax, if approved?  
A. In short, because the sector does not need the full amount. The recommendation from the Designated Revenue Study Committee was to not just keep funding at a status quo level, due to the dramatic growth in population and demand for programs, but to identify a funding level that would transform the entire community’s interaction with art, science and history. Currently, the ASC raises approximately $12 million from local governments and the private sector annually. The study committee determined that a fixed amount from a designated revenue stream would both stabilize the sector and deliver arts, science and history experiences in an equitable way to all residents in Mecklenburg County. Additionally, sales tax revenues typically increase as the community’s population and spending increase, so the revenues are anticipated to increase in most years.

5. A reserve fund will be established if dedicated public funding is secured. Will the reserve fund be used for ASC’s operations?  
A. The reserve fund will not support ASC operations. The purpose of the reserve fund is to protect against fluctuations in sales tax collections. This was a recommendation from other cities like Denver, Cincinnati and San Francisco that have designated revenue. It is also the standard practice with other designated revenue streams locally.

6. How will ASC’s operations be funded if the sales tax is approved?  
A. Under the current proposal, ASC would receive an administrative fee to manage the distribution of funds and other services. While the exact amount or percentage has not been determined, the ASC is committed to ensuring that the management fee is consistent with industry practices and is fiscally responsible. To that end, ASC would also utilize annual spendable amount from its endowment to support its operations to defer costs.
7. What happens to workplace giving campaigns and other fundraising activities of ASC if the sales tax is approved?
A. If voters approve the tax, ASC will no longer conduct an annual giving campaign as it has for 45+ years. Instead, donors would be encouraged to give directly to organizations of their choice. Additionally, ASC would no longer receive annual appropriations from the City of Charlotte, Mecklenburg County and the towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville – returning over $5 million for use on other critical issues facing local government.

8. Will ASC’s operations change if the sales tax is approved?
A. The Designated Revenue Study Committee recommended that ASC continue to oversee public dollars invested in arts, science and history organizations and programs as it has since 1975. However, they also recommended and the ASC Board concurred, that merely layering these new funds on the old distribution model was not the right approach. Instead, ASC would engage all stakeholders to determine how to stabilize the funding for cultural partners and meet goals articulated by the community in the 2014 Cultural Vision Plan (Building Community, Innovative and Relevant Programming for a Changing Population and Ensuring all students education is grounded in creativity and critical-thinking skills that are the currency of the 21st Century). The grounding recommendation of the Study Committee was that these funds must be distributed through the lens of cultural equity, in order to empower an inclusive and equitable community, engage all communities (geographic, racial and socioeconomic); and, support the role of all arts, science, and history providers in achieving cultural equity. A planning committee representing a diverse group of stakeholders is being organized to begin these conversations.

9. Why can’t the private sector just fund the cultural sector?
A. To be clear, the private sector is supporting the cultural sector in many ways and we are extremely grateful for the support. Corporate and foundation gifts, sponsorships and individual giving directly to the cultural institutions are critical components of a healthy, stable cultural sector. Importantly however, private sector giving is often directed at particular programs, exhibits or cultural offerings, rather than general operational support.

The key issue we face is that the workplace giving campaign model has been in decline for some time and is no longer viable. Workplace giving, primarily through payroll deductions, helped build the sector by providing critical operational funding -- which is extremely difficult to raise from individual donors. Workplace gifts to ASC have dropped from a high of over $7 million to barely $2 million today. This is a nationwide trend and is affecting other organizations that have depended on workplace gifts through payroll deduction for operational support – like United Way.

10. Under the new system – and assuming the sales tax provides ASC with a larger pot of money to distribute each year – how much will specific organizations receive? Will most of the money go to the larger, best-known organizations?
A. We anticipate organizations will continue to submit funding requests, which will be reviewed by expert panels that weigh the merits of each request against established criteria and then decide which organizations or programs are funded and at what level. Empowering an inclusive and equitable cultural sector that engages all communities (geographic, racial and
socioeconomic) and supports the valuable roles arts, science and history organizations play in achieving cultural equity will continue to be paramount to this process. We are confident that availability of steady, reliable public revenue will allow us to stabilize operational funding for our cultural partners – large and small – and foster a stronger cultural community across Mecklenburg County.

11. What will this mean for creative individuals?
A. Support for artists, scientists and historians is fundamental to a healthy, vibrant and innovative cultural life. These individuals are speaking for this time and place and will be the voices that future generations look to as they try to understand our time. Support of individual ‘creators’ has long been a part of the support system locally. We will be able to provide additional financial support and other resources to individual creators if the sales tax proposal is approved by the voters.

12. What will the impact to pre-K through 12th grade education be?
A. Funds are currently provided to every public, charter and independent school in Mecklenburg County to bring high quality, curriculum based and age appropriate art, science and history programs into classrooms. In addition to expanding these resources, we could fully restore opportunities for students to experience arts and cultural opportunities via school field trips – a vital educational tool that was discontinued in recent years due to CMS budget constraints. We believe that creativity and critical thinking skills are the currency of the 21st Century economy. There is no better way for our students to build those skills than experiencing the dynamic cultural organizations we have built and the creative individual who have chosen to live and work in our community.

13. How would this provide stability to the sector?
A. Sales tax revenue in Mecklenburg County generally has exhibited steady growth over the years. That trend is expected to continue, given the consistent growth of our population and business community. Revenue from the proposed sales tax would replace funds from ASC’s annual corporate campaigns, which (like similar campaigns in other cities) have suffered significant declines over the past decade and show no signs of returning to their earlier productivity levels. Income from the sales tax also would negate the need for the sector to continue seeking annual appropriations from the City of Charlotte, Mecklenburg County, and the county’s five towns – appropriations which have not grown consistently over the years and are, in fact, subject to fluctuations as local leaders deal with a wide range of issues through annual budgets.

14. Would access to arts, science and history programming improve?
A. Reliable and growing funding will allow cultural organizations of all types and sizes to expand their horizons – seeking out new audiences and finding new ways to entertain and enlighten them. A key goal in creating this new funding model is to expand access to arts, science and history program for every Mecklenburg County resident, helping our cultural community lead the building of cultural equity, county-wide.

15. Why is a sales tax the best form of designated public funding for arts and culture in Charlotte-Mecklenburg versus other taxes (tobacco, occupancy, property, etc.?)
A. The study committee that recommended this sales tax examined numerous other possibilities for generating a dedicated public revenue stream to support cultural activities. The sales tax was determined to be the best option, based its ability to generate a sufficient, sustainable, and growing stream of funding to meet the community’s needs in the years ahead.

16. Several other U.S. cities fund arts and culture through a sales tax, including Denver, Cleveland, Kansas City, Saint Paul and San Antonio. What are the major differences and/or similarities in how those cities support arts and culture versus what is being proposed for Charlotte-Mecklenburg?

A. In Charlotte-Mecklenburg, our goal was to learn from the experiences of other cities, adopting concepts that have worked best and avoiding problems some communities have encountered. Some rely on one type of funding, while others draw from more than one source. The most successful arrangements generally have involved sales taxes and/or tourism taxes, with the final choice based on local situations. The study committee heard directly from representatives of several cities and determined that a dedicated stream of money from a sales tax is our best option.

17. What happens if the sales tax is not approved?

A. Given the continued decline of income from the traditional workplace giving campaigns, we believe Charlotte-Mecklenburg’s cultural community soon will face a crisis if an adequate, reliable public revenue stream is not established. Arts and culture organizations, large and small, will face substantial budget shortfalls due to cuts in grants from ASC. Numerous groups may not survive the crisis. However, we are confident that this will not happen if Mecklenburg County voters fully understand the importance of the cultural community to our overall vitality and that understanding is reflected in their vote on the sales tax referendum.