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NEWS RELEASE

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Governor's Proposed Budget Threatens Maine's Archives and Museums

(Cumberland Center, Maine)—The Association of Maine Archives and Museums (MAM), the state's only membership organization dedicated to supporting and promoting Maine's collecting institutions, has released the following statement in response to Governor Paul LePage's recent budget proposal—a proposal that we believe would adversely affect a substantial number of Maine's approximately 1200 collecting institutions and threaten the continued preservation of Maine's historic structures and stewardship over the wealth of historical collections held in the public trust by these organizations.

Governor LePage's 2016/17 budget proposes to eliminate state revenue sharing with municipalities in exchange for allowing localities to tax larger nonprofit organizations, including museums, archives, historical societies and historic sites. Traditionally, revenue sharing provides roughly \$60 million to municipalities to pay for services and reduce property taxes. The Governor's proposal allows towns and cities to offset those losses by collecting property taxes from previously exempt nonprofits with \$500,000 or more of assessed value. The property/organization would be entitled to a 50% exemption (rather than 100%) with respect to the aggregate value exceeding \$500,000.

The majority of Maine Archives and Museums' members are collecting organizations running on operating budgets of less than \$25,000 per year. On average, only 7.6% of our members' funding comes from government support of any kind: federal, state, or local. A large number rely solely on donations and volunteer staff. Yet, their property holdings include significant and irreplaceable historic structures such as lighthouses, sea captain's homes, forts, one-room school houses, nineteenth century mills, heritage sites and historic farmsteads which would put them over and above the \$500,000 threshold outlined in Governor LePage's budget. In short, these organizations serve as caretakers to the rich cultural history of Maine, preserving these structures from our collective past for future generations. The governor's proposal would end tax exemptions to the stewards of these historic properties.

Moreover, these institutions are home to extensive collections documenting Maine's history and culture. Tens of thousands of documents, photographs, artifacts and artwork are held in trust—preserved by these non-profit organizations for the education and enrichment of future generations and the betterment of Maine's communities. Their facilities include storage space, obviously, but also public spaces where the community can engage with the past through educational and public programming,

serving about 2.7 million visitors and patrons each year, including some 154,000 school children.

In a recent survey of Maine Archives and Museums' members, more than half of the respondents indicated they would be adversely affected by Governor LePage's changes regarding non-profit property tax exemptions. MAM's survey revealed the chilling affect the Governor's policy change would have on non-profit museums, archives, historical societies and heritage sites: Sixty-five percent felt the proposal would have a negative impact on their ability to meet their mission; while eighty-eight percent said they were concerned or very concerned about the proposed budget impact. One respondent stated, "This proposed change...[will hamper] our ability to serve the public, and I foresee needing to restrict public access, reduce programming, and...further reduce our staffing levels." Another respondent declared, "[Our] museum would experience great difficulty in having to pay property taxes. We simply don't have that kind of money in our operating budget. It is unclear how we would be able to do it--sell property, reduce the staff, etc.,...It would diminish the quality of what we offer to the public." A third expressed concern that Governor LePage's budget "would require us to cut our budget by nearly 10% which would require eliminating several staff positions putting those people on unemployment. The negative consequences spiral outward."

Not only do Maine's collecting institutions function as the caretakers of our cultural heritage, they are work horses in Maine's economy. While the Governor has characterized these institutions as "takers," MAM's recent Economic Impact Statement proves him wrong: Our members (which comprise only about a third of the state's total museums and archives) employ hundreds, serve millions, and generate millions in revenue. MAM's member institutions spend about \$26 million annually in goods and services in the state. A study in 2009 showed that Maine's museums alone generated more than \$7.5 million in tax revenue for local and state government and supported some 1,300 jobs in Maine. This data is proof positive that this community gives far more than it takes.

MAM shares the view of the Maine Association of Nonprofits (MANP), which posted a response to the Governor's previous statements about nonprofits being "takers, not givers" on their website on November 12. They document the many ways in which nonprofits provide essential services to the people of Maine and carry out much of the work that is undertaken by governments in other contexts, while acting as important drivers for the state's economy. Additionally, Maine's nonprofit arts and cultural organizations, many of whom are members of MAM, play a fundamental role in Maine tourism, an industry that many acknowledge as the state's largest and that the Governor has recognized is important to Maine's economy. Perhaps a MAM member summed it up best: "The governor's proposal would penalize [nonprofits] for providing more charitable services to the community - clearly a negative effect for all." The Association of Maine Archives and Museums agrees.

Over the past four years, our industry has had a cordial and respectful relationship with Governor LePage. We have applicated his support of the continued restoration of the Blaine House, one of Maine's landmark historic properties. It is our hope that his second term in office will be characterized by the same regard for the organizations that share responsibility for preserving and promoting the arts, history, and culture of Maine, while bringing millions of visitors and millions of dollars to our state each year.

We reiterate our invitation, made in November, to Governor LePage to spend a day with us, visiting Maine's collecting institutions. We will work with the Governor's staff to develop an itinerary of organizations that show the depth, breadth, and importance of Maine's historical and artistic collections, as well as the deep commitment to public service that is shared by all our members. Our hope is to foster a culture of appreciation and collaboration between our industry and the Office of the Governor as we continue our work in documenting and preserving Maine's rich cultural, artistic and historic heritage.

Maine Archives and Museums is the state's only membership organization dedicated to supporting and promoting Maine's collecting institutions. To find out more, visit <u>MaineMuseums.orq</u>.