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To: The Senate Committee on Sporting Heritage, Small Business and Rural Issues
From: Sen. Dan Feyen
Re: Senate Bill 428

Hello, Chairman Stafsholt and committee members. Thank you for taking the time today to hear testimony on Senate Bill 428.

In recent years, Wisconsin's rural communities have experienced population decline which has caused a negative impact on their local economies. This decline, combined with the lack of private investment, has caused these communities to fall behind in various sectors, including art, cultural, workforce, and economic development. This legislation would help address this issue by creating a \$500,000 biannual grant program to spur cultural and economic development in rural communities across the state. The funding for this program will come from Wisconsin's ARPA funds.

To qualify for the grant, a business, local government agency, or business development organization, must work to promote creative businesses, products or services. They can engage in activities such as job and business creation, workforce training and development, community and sector planning, and producing products or services with artistic qualities.

Under the bill, a rural community is defined as either a city, town, or village that has a population of less than 20,000 or any area that is not an urbanized area as defined by the Federal Census Bureau. Additionally, the grant program would be administered by the Wisconsin Arts Board within the Department of Tourism, and no single grant could exceed \$40,000. Finally, in order to be eligible for this grant, the award recipient must have secured matching non-state funds.

We are in the midst of a workforce shortage crisis in Wisconsin, and this bill is one of the ways we can incentivize businesses and other organizations to find innovative ways to recruit and retain more workers, as well as spur cultural and economic development in our rural communities.

Thank you again for your time and consideration. I look forward to answering any questions the committee may have.



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Testimony before the Senate Committee on Sporting Heritage, Small Business, and Rural Issues

SB 428

February 10, 2022

Thank you, Chair Stafsholt and members of the Senate Committee on Sporting Heritage, Small Business, and Rural Issues for holding this hearing on Senate Bill (SB) 428, relating to: rural creative economy grant program and making an appropriation. As explained by the Legislative Reference Bureau, SB 428 creates a grant program administered by the Arts Board in the Department of Tourism to benefit local businesses, governmental agencies, and business development organizations to promote creative businesses, products, or services in rural areas. There are multiple goals of this Bill as listed in the LRB analysis. I believe the most important goals are job and business creation along with the capacity building, as well as the community development and engagement.

Since the onset of the Covid-19 pandemic, the arts and cultural industry has been impacted significantly. These venues depend on in-person events to fund their projects and provide visibility to performances and other activities. Since March 2020, in-person events have been sporadic and rural venues, which work hard to provide cultural activities for their communities, have been particularly affected.

SB 428 provides a creative economy matching grant program of \$500,000 over the biennium (\$250,000/year). This program has the potential of a million dollar investment into our rural communities since the community must secure funding from non-state sources in the amount equal to the amount of the proposed grant. This provision allows communities to have “skin in the game” and engages its residents as well as provides cultural opportunities for its residents.

Significant economic dollars are realized from cultural activity in Wisconsin and more jobs are in the creative industries than in the state’s beer, biotech, and papermaking industries. This grant program will strengthen Wisconsin’s rural creativity programs to help them recover from the past 18 months. It will also re-energize their funding base and show rural communities that Wisconsin values the role cultural venues play in their rural communities by providing cultural activities for the people who live, work, play, and worship there.

As the Assembly author of this Bill, I am sorry about the conflict in my schedule, which prevented my attending this public hearing in person. Please know of my enthusiastic support of this legislation. I appreciate your support of this Bill and thank you for your kind consideration of my comments.

February 10, 2022

To: Members of the Senate Committee on Sporting Heritage,
Small Business, and Rural Issues

Fr: Anne Katz, Executive Director, Arts Wisconsin

Re: Support for Legislation to Establish the *Rural Wisconsin
Creative Economy Grant Program*



On behalf of Arts Wisconsin and our constituents in every corner of the state, I ask you to support Senate Bill 428, establishing the **Rural Wisconsin Creative Economy Grant Program**. Introduced by Senator Dan Feyen (R-Fond du Lac) and Representative Donna Rozar (R-Marshfield), the bill would provide funding to establish an economic development grant program targeted for *rural creative and cultural economic development*. The Wisconsin Arts Board, part of the Wisconsin Department of Tourism, would administer the program and produce a report on the effectiveness of the state's investment in this program.

“An expanding body of research and practice showcases positive economic and quality-of-life outcomes associated with the rural creative sector,” according to a 2019 report from the National Governor’s Association. *RURAL PROSPERITY THROUGH THE ARTS & CREATIVE SECTOR, A Rural Action Guide for Governors and States*, highlights the key actions that elected officials and states can take **to promote rural prosperity through the arts and culture**. The guide emphasizes that many rural areas have authentic unique cultures to celebrate, yet they have long contented with problems related to an evolving economy, including the loss of industry, outmigration of young and skilled workers, rising poverty rates, health and health care barriers, educational attainment gaps, and physical and digital infrastructure needs.

According to data issued in March 2021, the creative sector has been a vital component of the U.S. economy. Data released in March 2020 by the **Bureau of Economic Analysis (BEA) of the US Department of Commerce** and the **National Endowment for the Arts (NEA)** describe the national and state-level contributions of the arts and cultural sector to the nation’s gross domestic product in 2019. These data from the Arts and Cultural Production Satellite Account (ACPSA) show the sector as thriving just before the pandemic struck.

Wisconsin’s ACPSA information:

- **\$10.9 billion in ACPSA value added in economic impact:** In 2019, Wisconsin ranked 19th among all states in ACPSA value added, and 27th among all states in ACPSA value added growth. Since 2018, ACPSA value added has grown 3.52% in Wisconsin, compared with an increase of 4.45% for the U.S.
- **96,450 jobs in the creative industries** (more jobs than in the state’s beer, biotech, and papermaking industries)

The economic and civic impacts of the COVID pandemic on our state, especially our rural areas, will continue to have a profound effect. Investment is key to help entrepreneurs and small businesses recover and thrive.

Senate Bill 428 is also supported by Arts Wisconsin, League of Wisconsin Municipalities, Destinations Wisconsin, Tourism Federation of Wisconsin, Wisconsin Restaurant Association, Wisconsin Downtown Action Council, and Wisconsin Rural Partners.

Thank you for your consideration. Please let me know if you have any questions or would like additional information. I can be reached at akatz@artswisconsin.org | 608 255 8316.

February 10, 2022

To: Honorable Members of the Senate Committee on Sporting Heritage, Small Business and Rural Issues
Fr: Doug Gasek, Medford
Re: Legislation to Establish the Rural Wisconsin Creative Economy Grant Program

I am here today to ask you to support Senate Bill 428 that establishes a Creative Economy Grant Program targeted to rural communities.

To kick things off, I thought I would share a little about me and my journey so you can see why this program is important to me, my community, and my family. Just two short years ago my family decided to move back to my home town of Medford. Ever since I graduated from high school, I lived in larger urban areas throughout the country. I always knew something was missing for me. My husband and I really wanted to live in place where we felt our presence and opinion mattered. We found that place in Medford. Not only did we want that sense of belonging for ourselves, but we wanted that for our six growing kids.

When we landed in Medford, we dove right in to see where our knowledge could serve the community best. For me, that centered on our downtown as well as community and economic development. I am chairing the City initiated downtown park development project where we are creating better opportunities to gather and enjoy the Black River that flows through our downtown while extending more green space into our community. All of this is being done with the desired outcome of more people shopping, eating, and drinking downtown. With this project, we are also finding ways to inject the arts in our commercial district. The city is planning to pay artists for their creations. This may not seem like a big deal, but all too often, creative workers are asked to give away their services for free. This is an important step to make sure that creative workers and businesses are appropriately compensated for their products.

I also serve on the Development Foundation board where I serve on Taylor County's revolving loan fund and the housing task force. As in many communities, housing is desperately needed and the housing task force delivered. Last year, we worked with the City to find developable land and then match the City with a developer to get some new housing units. We are excited to be bringing 64 new units of housing to our community later this year. More is needed, but this needed housing will help support our local businesses and their employment needs.

Living in Medford is fantastically supportive and collaborative. I have the great fortune of collaborating in my business life with my husband and brother. We have two development projects that are scheduled to break ground this spring and open over the summer months. Lake 11 Brewery, led by my brother, is going to be taking over a vacant space on Main Street. Our goal is that the brewery will serve as an economic catalyst for other investment in our downtown. Food and drink is such an important expression of culture, identity, and creativity. And we are ready to celebrate all of that with a cold pint.

The other project on the horizon is the renovation of a Main Street building that has stood vacant for over four decades. The Brucker Building is slated to get an immense facelift and serve as the home of the Prickly Pear, a wine bar and bookstore. Our goal behind this concept was creating another space for people to gather and share ideas. Guests will be able to enjoy libations and discuss literature with knowledgeable staff and patrons. Medford has been without a bookstore for roughly four years so this space dedicated to literature will ideally inspire community members to write, read, and develop new ideas for the community. We plan to bring Wisconsin and regional authors to the space for readings and talk.

The last project that I wanted to mention is our performance space. For over a decade, a performance space has been a central component in city developed plans. We've looked at potential spaces for this use, but the right space has not been found so far. After searching and searching, we took some great advice and decided to pivot our efforts. Rather than searching for a space, a group of community members is considering developing a youth performance based nonprofit. This would be an excellent way to complement Medford's Community Theater and youth sports activities. Forming a nonprofit like this, would give our youth a venue outside sports to foster a team spirit, build confidence, and create lasting memories.

I'm sure you've noticed, there are many partners that are active in Medford's development. We have worked closely with our Chamber of Commerce, Northwest Regional Planning, our local financial institutions, local industry leaders, Medford Area Development Foundation, Wisconsin Economic Development Corporation, Taylor County, and the City of Medford. The City of Medford is such a great partner in these efforts. The Mayor, City Council members, and City Administrator have truly embraced the vision of a downtown filled with creativity and entrepreneurship. They are ready to see local entrepreneurship blossom in our downtown. There is already such a creative energy emerging in our downtown businesses and we are hoping to see it grow to greater heights.

One of the big difference makers in small towns is people's scrappiness to get good work done. As you can tell, we are able to do a lot with very little. With a little extra, rural communities can reimagine what the future holds for the towns through a creative lens. Now is the right time to invest in rural creative economies and this grant program is an important first step to see how rural towns can promote and sustain creative industries and entrepreneurship.

Thank you for your consideration. If there is additional information that I can provide, you can reach me at doug.gasek@gmail.com or 715-965-9146.

THE PHIPPS

CENTER FOR THE ARTS

February 8, 2022:

For nearly four decades, The Phipps Center for the Arts has been a place to explore, host, and celebrate the arts. We are a destination for visual art, theater, song, and dance for the St. Croix Valley region. At the core of The Phipps Center is community-led programming that encompasses a multifaceted array of all disciplines of the arts. We have a unique structure in that our arts council, comprised of volunteer community members, provides creative direction and facilitation of these various cultural disciplines. For many, The Phipps is their creative home, offering the rare ability to support the community in making and presenting art.

The Phipps also serves as a vital resource and anchor to our surrounding community, not only offering creative opportunities, but also investing deeply in the culture, traditions, and prosperity of Hudson and the region. The Phipps serves the St. Croix River Valley in Western Wisconsin with participants coming from 41 surrounding Wisconsin counties and 44 Minnesota counties. Pre-Covid, annual attendance to the center and surrounding programs was nearly 40,000.

The current reality however is much different. Over the past two years of the pandemic, participation in all areas of our organization has decreased and we do not yet know to what level or speed participation levels will return. Certainly, we are in a very similar situation to many arts organizations and small business throughout Wisconsin, but I would like to highlight two key differences in our situation that could be supported through the type of bill you are here to consider today.

The Phipps is uniquely positioned on the western border of Wisconsin right on the banks of the St. Croix River. We can quite literally see Minnesota from our window, and we also can see a vast discrepancy in state arts investment. In fact, if The Phipps was located on the western bank of the St. Croix River in Minnesota, we would have access to more than six times the amount of state funding for the arts. Thus, we have many colleague arts organizations just a few hundred yards away that can more effectively serve their communities as they are able to count on a

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greater amount of annual support from this source. To the population that lives in this area, this distinction is unknown and unrecognized, but the expectations for us as an organization to keep up with other area organizations remains constant.

We do want to acknowledge and thank the state for Wisconsin for the COVID relief programs in 2020 and 2021, but these funds were for much needed recovery, replacing the income lost from the pandemic, not a future solution in the competition to draw audiences and participants into our community. A partnership with the City of Hudson, supported by funding through the rural creative economy bill providing sound research and data driven goals, we would see greater support in returning to or even increasing the levels of participation we have seen in the past before the pandemic.

The Phipps location is also uniquely positioned with suburban and urban areas to our west with the Twin Cities, and a large rural area of Wisconsin to our East. As a smaller, less populated community, we rely heavily on drawing not only audiences, but just as important to the operation of our Center, the many professional artists and theatrical technicians needed to support our annual programming.

One of the unfortunate repercussions of the pandemic is that many of these professionals have now left the industry and our educational institutions are not offering the same level of training any longer. We simply cannot find the workers in our industry, and our ability to persuade those that live in the Twin Cities to come to an exurb region to work is an uphill battle at best. We are currently working on training programs in these areas. Again, if we could partner with our local municipality on this type of program, we could better enhance and escalate this effort into a successful jobs program, attracting and retaining a younger workforce and ultimately supporting the vitality of our community as well.

The Phipps Center and our history in the town of Hudson, Wisconsin is an undeniable testament to the power of the arts to transform and foster a thriving community. The Center was

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intentionally built in the downtown quarter right of main street to be a catalyst, to provide a greater quality of life through access to artistic experiences of all levels, not 40 miles away I the big city, but right in your own back yard. Other communities should have access to this type of investment, and it must start somewhere, the seed of an idea made real the ability to research and create that plan. We strongly encourage this committee to grant those opportunities.

Signed,



Darby Lunceford, Executive Director
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