



## 2023 MI ARTS & CREATIVE INDUSTRIES ADVOCACY DAY Washtenaw County In Person Legislative Meeting Agenda

Friday, March 17, 2023

8:30 – 10:30 a.m.

Washtenaw Intermediate School District

1819 S Wagner Rd, Ann Arbor, MI 48106

**8:30 a.m.- Sign in, grab your coffee and take your seats.**

**8:45 a.m. - Welcome & Introductions**

- Introduction of all elected officials
- Depending on the number of attendees, there may be time for brief intros of everyone. If not, name table tents are available. Add your voting district to it.
  - [Find your MI Senator & district here](#)
  - [Find your MI House Representative & district here](#)

**9:00 a.m. - The MI State of Arts & Creative Industries – Deb Polich, Creative Washtenaw**

- General update on impact and importance to Michigan's economy, quality of life and place as well as intersections with every other economic sector.
- The Pandemic impact, three years in – instability is widespread and business is not back to pre-pandemic levels, especially for venues.
  - **Facts & Figures to reference as needed:**
    - 2022 State of the Nonprofit Sector Survey -- 73% surveyed identified **Achieving long term stability** as their top financial challenge.
    - [Audience Not Returning](#) to pre-pandemic levels per **Audience Monitor Outlook**
    - [Nonprofit jobs Recovery](#) – back to pre-pandemic levels.

**9:15 - 10:15 a.m. A conversation**

- **Arts + Creative Industries** – The needs and legislative priorities of the sector.
- **Michigan House & Senate** – Legislators share updates and priorities especially in reference to the arts + creative industries.

**10:15 a.m. Wrap and follow up instructions.**

### Continue to Find Support Materials

*Ideas, questions? Contact:*

Deb Polich

President/CEO

[Creative Washtenaw](#)

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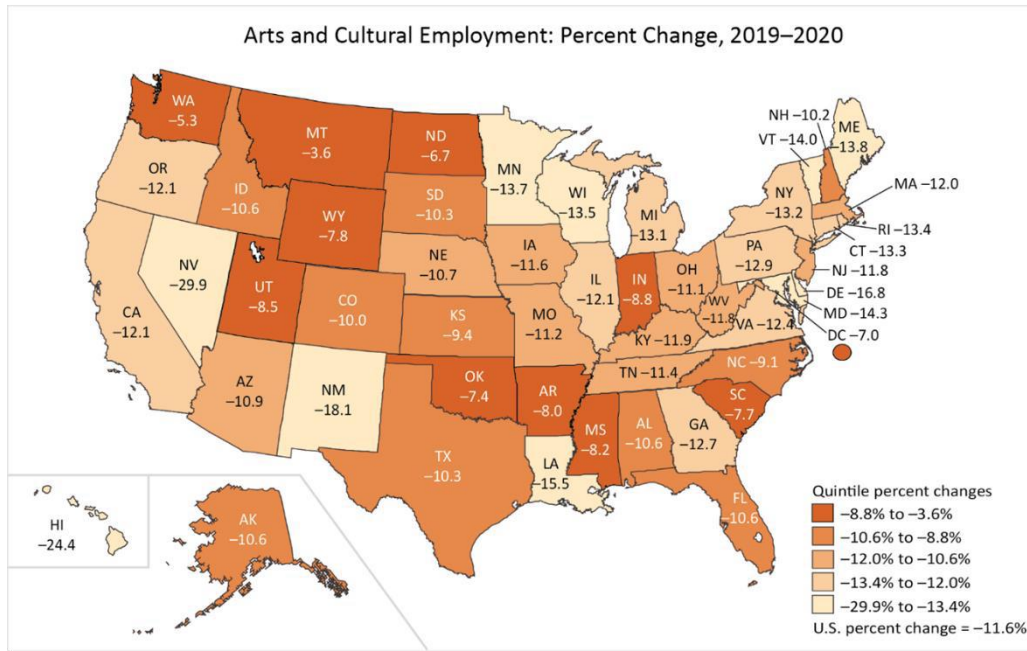
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**Make a difference!**

Legislation, public policy, investment, facts & figures

This is not an exhaustive list – attendees, elected officials may have important items to add and discuss.

**ARTS & CREATIVE INDUSTRIES = Business, quality of life, place and economic impact**



United States	2019	2020 3/13/20 COVID	Losses due to 9.5 months of COVID	
Value added to economy by the arts	\$919.7 billion	\$876.7 billion	(\$4.3 billion)	-4.7%
Gross Domestic Product (GDP)	4.3%	4.2%	-0.1%	
Arts worker compensation	\$4.47 billion	\$4.46 billion	(\$10 million)	-0.22%
Arts employment (excludes many gig workers)	5.2 million	4.59 million	(610,000)	-11.73%
Michigan	2019	2020 3/12/20 COVID	Losses due to 9.5 months of COVID	
Value added to state's economy by the arts	\$15.4 billion	\$13.4 billion	(\$200 million)	-13.10%
Arts' value-added to state's economy	2.9%	2.6%	-0.3%	
Arts worker compensation	\$8.14 billion	\$7.8 billion	(\$340 million)	-4.18%
Arts employment (excludes many gig workers)	122,288	106,003	(16,285)	-13.32%

- **The arts + creative industries are an industry! The nonprofit sector is business!** Add both sectors as INDUSTRIES to all MI economic development initiatives. Avail these sectors to every program, service and opportunity afforded all other industries.
  - Add the sector to [Michigan Boards and Commissions](#) including but not limited to the following; require qualified sector experts be one staff or advisors of these and other agencies.
    - [MEDC Executive Committee](#)
    - [MI State Board of Education](#)
    - [MI Workforce Development Board](#)
    - [MI Department of Health & Human Services](#)

- [MI Travel Commission](#)

- **Regional Economic Development Agencies** – insure appropriate arts + creative industries on boards knowledge:
  - **Require the appointment of one arts + creative and one nonprofit experts to serve on a regional decision-making panels** assigned to review and distribute all MI State grants including emergency relief grants.
  - **Facts & Figures to reference as needed:**
    - **Case in point:** Of the \$4.827 million in COVID emergency and relief grants that MEDC charged Washtenaw County's regional economic development agency to distribute, just \$17,500 was granted to two arts + creative nonprofits. For-profit arts + creative industries did slightly better: 30 businesses received \$247,500 in funding though, in total, less than 5.46% allocated to the arts + creative industries.
    - The [Growing MI Business grant program](#) (\$460 million) was signed into law at the end of 2021 to deliver \$409 million to small businesses across the state. While entertainment venues were among the eligible, nonprofits were excluded.
    - House Bill 5524 -[Michigan's House passed House Bill 5524](#) allocated \$185 million in pandemic relief to cinemas, live music, entertainment venues and other industries – nonprofits venues were excluded. An effort to add \$1 B for nonprofits, artists and museums failed.
    - The FY2023 budget did include the [\\$35 million MI Nonprofit Relief Fund](#) under the direction of the Michigan Department of Labor and Economic Opportunity (LEO) and The Michigan Nonprofit Association (MNA.)
- **Introduce legislation to change or add tax-based funding resources for arts + creative industries:**
  - County and city-based **Property Tax Millage for Arts + Creative Industries** reflecting community values as do parks and recreation, library and other millages.
  - Add cities of any sized population to the county-based [Accommodations Ordinances](#) and allow municipalities the option to establish up to a 3% accommodations tax to be managed by an arts + creative industries commission and invested in the sector.
- **Art therapy (all disciplines) is an integrative mental health and human services profession.** Require licensure and/or credentialing and afford this field the same protections as all medical services.
- **Support the Michigan Arts & Culture Council: Restore its funding to previous level of \$30 million.**
- **[MI 1980 Art In Public Places Act](#)** – update to 2023 realities. Research and if confirmed, change the requirement that public art funds must be tied to the source of the funds: i.e.: renovation of a water plant requires that the public art must be tied to/set at the site. Instead, allow the funds to be used on any municipally owned property.
- **[1975 Charitable Organizations and Solicitations Act](#)** – update the threshold, as adjusted for inflation, requiring nonprofits to conduct CPA audits. Currently a full CPA audit is required if the nonprofit raises more than \$500,000 in donations and a CPA review, if \$250,000 is raised. **Audits cost between \$10,000 - \$15,000. Reviews cost a few thousand less.** If a nonprofit just crosses that \$500,000 floor, an audit can cost 2% or more of their annual budget.
  - \$500,000 in 1975 dollars equals \$2.78M today.
  - \$250,000 = \$1.39M today.

Raise the floor for a full audit to \$2 million and \$1 million for a review. Smaller nonprofits would be able to apply tens of thousands to their mission! The worry about fraud increasing is minimal, if at all.

#### Public funding and measures for other states.

Public Funding Resource	Many Other States	Michigan Available for the Arts + Creative Industries?
<b>Appropriations/budget line items</b>	yes	Currently via MEDC and <u>line</u> items.
<b>Economic development grants</b>	yes	MEDC: MCACA; MI <u>Film Office</u> + a few others
<b>Sales taxes</b>	yes	<b>NO</b>

Use taxes – gas, cigarette, alcohol, soda, gas, lottery, etc.	yes	NO
Property tax millage	yes	If approved by county voters
Hotel/lodging/accommodation taxes	yes	if approved by county voters if said county has at least one city with a population of 35,000 +
Percent for Art programs	yes	If approved by local council or voters

- [Local Municipal Investment Score Card](#) – see ways public policy and investment can add to local arts + creative industries success.
- **Require changes to Municipal Plans** - The state of Michigan requires all municipalities to update and file their Municipal Plan regularly (every five years?) Add the following to all municipal plans as a measure of compliance:
  1. Arts + Creative Industries included in Master Plan
  2. Arts + Creative Industries included Strategic Plan
  3. Arts + Creative Industries included in Economic Plan
  4. Arts + Creative Industries Master Plan, implemented, reviewed and updated regularly to inform items 1 – 3 above,
- **Require by Michigan law, that all municipalities annually assess the following to determine public policy and investment in the arts + creative industries in their budgets.**
  - Arts + Creative Industries Municipal Commissions
  - General Arts + Creative Industries Commission with budget and qualified staff support.
  - Optional: Public Art & Design Commission (standalone) with budget and qualified staff support
  - **Actual Financial Investments in Arts & Creative Industries (appropriations)**
  - [Line items](#) (include funding for Arts + Creative Industries Commissions and qualified staff)
  - Grants for Arts + Creative Industries projects and programs (not public art & design)
  - Integrated public art & design [building projects](#).
  - Economic development support/grants specific to Arts + Creative Industries projects/programs
  - Contributed public safety and [services](#) for special/community events.
  - In-kind support for Arts + Creative Industries special/community events, projects, programs & events.
  - [Government grants/opportunities](#) requiring municipal engagement– with or without community partners, leading, providing staff and financial resources for [planning](#), applications, project implementation and reporting.
  - Other grants/opportunities with or without community partners, leading, providing staff and financial resources for [planning](#), applications, project implementation and reporting.