



September 9, 2020

TO: Members of the Senate Economic Development Committee
FROM: Karen Mittelman, executive director, Vermont Arts Council
RE: Request for CRF Funding

Thank you for the opportunity to meet with your Committee last week, to discuss the impact of COVID-19 on Vermont's cultural sector. All of us at the Arts Council are grateful for the legislature's support and leadership in this incredibly challenging time.

As you know, across our state hundreds of theaters, museums, galleries, and community art centers are shuttered or operating at extremely reduced capacity. These are organizations that are economic anchors for their communities, and their closure has ripple effects throughout the economies of Vermont towns.

The Emergency Economic Relief Grants provided by the state legislature with CRF funds have made a significant difference to many cultural nonprofits. However, as you heard in our testimony last week, these measures are not enough. The data tell us that many of the organizations that are at the heart of Vermont's cultural life will not weather this storm.

We request \$6 million to address the two most urgent needs in Vermont's creative sector.

In consultation with our partners, grantees and colleagues across Vermont's creative sector, we have identified two critical needs in the sector moving forward:

1) Prevent permanent closure of Vermont's core cultural institutions (\$4 million)

Grants are needed to help cover fixed operating expenses for cultural organizations that remain closed or operating at reduced capacity in order to protect public health. These organizations need immediate and direct support to make up for a devastating loss of revenue and to help meet basic operating expenses until they can safely re-open.

- The costs of operating a museum or historic site or maintaining a downtown theater don't disappear when the doors are closed to the public.
- Even with staff furloughed, many cultural organizations face massive monthly expenses: rent/mortgage, utilities, flood insurance, liability insurance, facility maintenance, monthly fees for banking, IT, and accounting contracts.

- A survey of 20 of Vermont's leading cultural organizations demonstrates average fixed monthly costs that exceed \$30,000.
- Many of our downtown theaters – the Chandler Music Hall, the Latchis in Brattleboro, Barre Opera House – are more than economic engines for their communities. They are also in historic buildings that Vermonters have invested in – with both public and private funds – over decades. That investment in Vermont's cultural and historic infrastructure is now in jeopardy.

We propose grants that would cover 40% of an organization's monthly fixed operating costs for 4-6 months, while they remain closed or operating at reduced capacity to protect public health. Grants would be awarded based on demonstrated urgent economic need.

2) Technical support for cultural nonprofits and creative sector businesses to meet the challenges of operating safely in a COVID-19 environment. (\$2 million)

Across our state, artists and cultural organizations are creatively navigating through the economic disruptions caused by COVID-19, re-imagining their missions, offering online concerts, workshops, lectures, and drive-in performances, and struggling to revise their business models. They need assistance, both to manage the high cost of COVID-safe equipment and supplies, and to devise new financial models to survive in this highly uncertain environment.

COVID-adaptation Grants of up to \$10,000 would provide support for expenses such as:

- hand sanitizer dispensers, plastic shield barriers and touchless payment systems
- backpack "foggers" to sanitize public spaces
- camera and audio equipment for streaming events online
- digitization of museum and historic collections to provide widespread online access
- Facility adaptations to comply with health and safety protocols (expanded outdoor seating; ventilation improvements)

Grants would also defray the costs of technical assistance, consultations and training required to adapt business practices and facilities, such as:

- transitioning to an online sales platform
- training in marketing via social media
- legal expertise to secure streaming rights for films, concerts, lectures and performances
- HVAC assessments by industry professionals
- Financial planning

We are forming a partnership with Common Good Vermont to offer technical assistance webinars for the nonprofit field, and to secure group rates for legal services and other consultations across the nonprofit sector. Similarly, we are exploring a partnership with the Center for Women and Enterprise to provide business counseling and trainings for creative businesses.

Through existing partnerships, we are confident we will be able to leverage private support to match a portion of the funds allocated by the state legislature.

Conclusion

These two grant programs will not be enough to prevent many Vermont cultural institutions from closing their doors. We anticipate that at least \$50 million would be necessary to provide relief to Vermont's cultural institutions and creative-sector businesses from the long-term economic impact of the pandemic.

At the requested level of support—\$6 million—we will be able to provide critical, game-changing support to hundreds of our most vital cultural organizations. Without this support, we risk losing those organizations that are both the economic anchor and the heart of so many Vermont communities.

The cultural sector is poised to help Vermont recover. But we need our museums, theaters, galleries and studios to be there for Vermont when the worst of this pandemic is behind us, to bring us back together, inspire us, and enable our communities and businesses to thrive again.