

DATE: February 12, 2025

TO: Members of the Senate Committee on Economic Development, Housing & General Affairs

FROM: Susan Evans McClure, Executive Director, Vermont Arts Council

RE: Vermont's Creative Economy

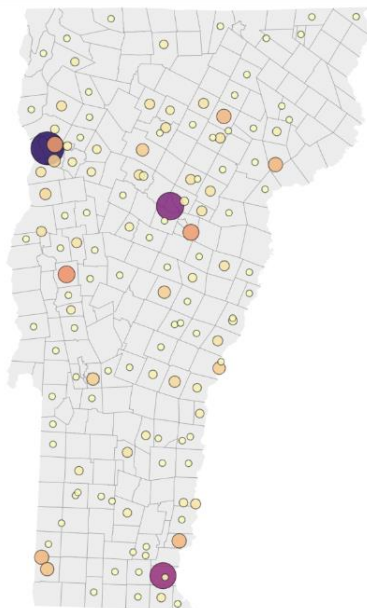


Organizational Background

The Vermont Arts Council is the state's arts agency, and the state affiliate of the National Endowment for the Arts. Our mission is to cultivate and advance the arts and creativity throughout Vermont. We are working to build a state where artists thrive, where creativity is at the heart of our communities, and where everyone has access to the arts in their lives and education.

The Arts Council works primarily as grantmakers, conveners, advocates, and storytellers:

- *Grantmakers:* We invest private, state, and federal funding in the arts through a transparent process that supports artists, arts organizations, arts education, and community building
- *Conveners:* We bring people together to learn, connect, and advance the arts.
- *Advocates:* We raise awareness and work to increase local, state, and federal support for the arts and creativity in our lives and communities.
- *Storytellers:* We are the state's trusted source for information and resources that support and grow Vermont's creative sector. We tell the story of the rich complexity of the arts and creativity in Vermont.



In FY24, the Arts Council awarded \$3,247,415 in funding. Grants were awarded to 131 individuals and 235 organizations and businesses in all of Vermont's fourteen counties. Over the past 5 years, we were able to fund only 45% of the applications that we have received. There continues to be greater demand for these resources than we have the capacity to support.

Grants directly support artists to create new work and deepen their practice, support communities to create public art connected with infrastructure projects, support educators to provide arts education to students in school settings, support arts organizations to add vibrancy to Vermont communities through projects that provide equal and abundant access to the arts, and much more.

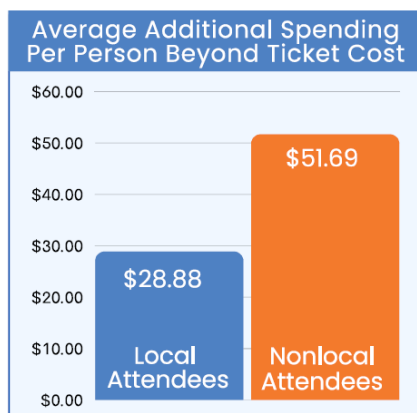
The Council also administers two grant programs on behalf of the state of Vermont- the Cultural Facilities grant program and the Art in State Buildings Program. Cultural Facilities grants help Vermont nonprofit organizations and municipalities enhance, create, or expand the capacity of an existing building to provide cultural activities for the public. This is one of the few programs in the state that directly supports the physical infrastructure needed to create arts experiences for our communities. The Art in State Buildings program commissions Vermont artists to create public art as part of BGS construction projects in new or existing state buildings.

Driving Vermont's Creative Economy

Vermont's creative sector - the collective enterprises, organizations, and individuals whose products and services are rooted in artistic and creative content - is a significant driver of our state's economy. And the Council is committed to growing our creative economy to grow our overall economy on behalf of all Vermonters.

One of the Council's main initiatives is the [Vermont Creative Network](#), which was established by the Vermont Legislature in May 2016. The Creative Network is a broad coalition of organizations, businesses, and individuals working to advance Vermont's creative sector through [research](#), [advocacy](#), and [networking](#).

Investing in art, culture, and creativity as essential infrastructure means we will see a corresponding increase in statewide investment and resources for the creative economy – bolstering our towns, villages, and cities across the state. Vermont's creative sector includes museums and theaters, visual artists and actors, writers, and musicians. It also includes architects and graphic designers, librarians and literary agents, museum curators and media producers, to name a few.



- According to the [U.S. Bureau of Economic Analysis](#), in 2022, the Vermont arts and culture sector was a nearly \$1.2 billion industry, a 10% increase from 2021
- The industry represents 3% of Vermont's GSP and accounts for 10,574 jobs.
- According to the [Arts and Economic Prosperity 6](#) survey, there were 1.4 million attendees to nonprofit arts and culture events in 2022. 25% of those attendees were nonlocal, 75% were local. Nonlocal attendees spent, on average, \$51.69 per person on top of the cost of admission. Local attendees spent, on average, \$28.88 per person on top of the cost of admission.

State funding of the Creative Network bolsters local creative sector efforts in communities across Vermont and establishes Vermont as a thriving hub for creative industries. Cultural events have a demonstrated impact on revenue from tourism, drawing visitors and increasing revenue generated at hotels, bars, restaurants, and shops. Creative sector businesses and activities also engage the younger demographic that is vital to expanding Vermont's workforce and convincing young people to build their lives and careers here.

Our main networking event, the Creative Sector Convening, was held in June in Bellows Falls, a sold-out event with 200 people in attendance.

Business Development Training for Artists

Vermont artists are small businesses, and we hear the need for business development training again and again from the creative sector. This year, with funding from USDA Rural Development and the Vermont Arts Council, we were able to offer free access to business training workshops specifically designed for artists through the organization [Assets for Artists](#).

This year, Vermont artists really took advantage of these trainings, and 76 artists participated. One artist shared “I'm so used to having to figure everything out myself, as a freelancer, so it's a relief to have some guidance.” While another said, “This was truly amazing! My band is about to launch a crowdfunding campaign, and we've been desperate for exactly this information. It was so well-organized and easy to follow.”

We are hoping for continued support from USDA RD and will work to offer these opportunities for Vermonters in the future- as we know the impact that focusing on business training can have on the long-term success of small businesses.

Emergency Response: VACDaRN

Another area of focus for the Council over the past few years has been emergency response and emergency preparedness, an issue that will only continue to be vital to Vermont's creative sector and the future of our state.

The Vermont Arts Council are co-leads of the [Vermont Arts and Culture Disaster and Resilience Network](#) (VACDaRN), along with the Vermont State Archives and Records Administration, in the Secretary of State's Office. VACDaRN is working to build the strength and resilience of Vermont's vital cultural sector and offers trainings, support, and direct assistance.

Through the network, artists and cultural organizations work together to share expertise and resources, mobilize response for mutual assistance during emergencies, and engage collectively with first responders and government emergency management agencies. After

both 2023 and 2024's flooding, the VACDaRN steering team deployed assistance to artists and organizations, providing immediate expertise for conservation needs for impacted cultural heritage materials, supporting the FEMA process, and connecting the sector with Vermont's emergency management response.

After 2023's devastating flooding, we worked closely with other members of the statewide steering team to monitor damages and provide support, especially related to collections salvage and accessing federal relief. In addition, with private funding, we were able to quickly offer an artist flood relief grant program, which distributed \$62,756 to 39 artists impacted by the floods. We also supported collections salvage at flooded organizations including Johnson's Vermont Studio Center. And we offered workshops about saving family treasures after the floods in coordination with the Heritage Emergency National Task Force, the Smithsonian Cultural Rescue Initiative, and Dartmouth College Cultural Heritage Preventative Preservation Program.

This summer, we were again a trusted resource and helped connect artists to support and relief. We heard from an 82-year-old artist whose life's work was flooded in St. Johnsbury. Through the VACDaRN steering team, we were able to connect him with a conservator who visited his home and provided free assessment- his paintings were able to be dried and hopefully many will be saved.

The Council is now encouraging climate-focused projects as part of existing grant programs, specifically the Cultural Facilities Grant program.

Sadly, our office on State Street in Montpelier—our headquarters since our founding in 1965—was [severely damaged](#) after 2023's flood and remains unoccupiable.

Vermont Arts Council Funding Structure and FY26 Budget

The Vermont Arts Council is the only state arts agency in the country that operates as an independent nonprofit. We are a quasi-state agency, created in statute in 1965 (we are marking our 60th anniversary this year!). The Council receives the majority of its revenue (80-90%) from two sources: the National Endowment for the Arts (NEA) and the state of Vermont. The NEA requires that state governments match the federal dollars allocated to state arts agencies, dollar for dollar. Our General Fund allocation, therefore, enables the Arts Council to secure substantial federal funds each year that are distributed to organizations, schools, and communities in all areas of the state.

In FY26, we have been advised by our partners at the NEA that our allocation will be \$1,071,800. Securing 100% of these vital federal funds will result in increased funding going directly to Vermont's artists and arts organizations who are working to meet the needs of our communities and grow our economy. We believe that we are in the Governor's

budget at \$1,003,063 this year, and we will be requesting that the legislature fully match our federal award so that we can bring these funds to Vermont.

Film and Creative Media Workforce Development

In 2022, the Legislature convened the Vermont Film and Media Industry Task Force. Thank you to Senator Brock for being an important member of the working group that was tasked with researching, and reporting on the history of Vermont's efforts to cultivate the film and media industry and making recommendations to invigorate the industry in the future.

The Task Force submitted their report in January of 2023. They summed it best by saying that "Vermont's film industry requires a uniquely Vermont-based approach."

Film and creative media are a vital and growing segment of Vermont's creative economy, and a crucial industry that all Vermont businesses need to thrive in our digital age. Film and creative media are not just large movie productions, they are also the digital storytelling that all small businesses need in our modern commerce landscape. This industry needs state investment to build the structure required to expand and meet the needs of all Vermont businesses. And we are one of only a handful of states nationwide that are not investing in our film and creative media industry.

Data from the Vermont Creative Network's 2019 study estimated that, at that time, there were around 3,500 people working in film and media in the state. We also know that since then, the COVID pandemic brought many remote workers to our state, who are still working here, and based on our conversations and professional connections, a significant number are working remotely in film and media.

From Champlain College's world-renowned video game major to the Digital Media Production certificate program at CCV to many others, Vermont's higher education institutions that are training film and media professionals, who, unfortunately, are not able to stay and work here in Vermont.

And while we know that our state will never offer the level of tax incentives that our neighboring states will for film production, nor do we advocate that we should, we do know that a small investment from the state will yield big returns for this important industry. Evidence from other rural states shows that film has so many benefits: generating tax revenues, providing skilled jobs, and creating opportunities for graduates to stay.

We strongly support state investment in the film and creative media sector, and the Vermont Arts Council is ready to lead that work, in partnership with the professionals at Vermont Production Collective, to build the structure that our film and media industry needs to success in the future.

We are recommending three key investments that were identified by the Film and Media Task Force that we hope the Legislature will move forward this year with a \$120,000 investment through the Film and Creative Media Workforce Development Initiative.

First, we need to **build and sustain a database of our assets and opportunities**. This is a database of film and creative media professionals, equipment, venues, locations, and other resources, as well as job and internship opportunities.

Secondly, we need a **contact person for film production in our state**. Right now, Vermont Production Collective is filling in that gap with volunteer time, but we need to create the infrastructure we need for this industry.

And finally, the Vermont Arts Council will come back the following year with **a long-term, sustainable proposal for production incentives** that will support existing Vermont-based film production and bring production projects to Vermont.

We know that Vermont will never compete with states like New York and Massachusetts when it comes to tax incentives for filming, nor should we. But the investments that we're proposing will make it easier for professionals, including recently graduated students, to work here...and make it easier for filmmakers who are considering filming in Vermont to do just that. The Vermont Arts Council believes that now is the time to build the base for the film industry in our state, and to do so in a way that is both sustainable and scalable...and builds on the incredible talent that is here and the talent that we can bring here.

The Work Ahead

Our top priorities for FY26 are to help stabilize and sustain the creative sector through the challenges of our current moment and to build a vibrant, resilient creative economy for Vermont in the following ways:

- Support individual artists in developing the skills and financial strategies to put their creative businesses on firmer footing.
- Provide cultural organizations and creative businesses with the resources and expertise they need to build resilience.
- Revitalize downtowns and stimulate community recovery through the arts.

We continue to be committed to supporting an inclusive, diverse, accessible artistic landscape in Vermont. And we are committed to leading from our values and responding with flexibility to the ever-changing arts, state, and local landscapes in a way that benefits all Vermonters. Strengthening Vermont's creative economy is not only necessary for the good of humanity, but also for our economy. I know we all agree that Vermont, and all of us, need artists and arts opportunities that connect us with ourselves, with each other, and with our communities now more than ever.