



# TODD NOVAK

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DATE: Wednesday, November 3<sup>rd</sup>, 2021  
RE: Testimony on Assembly Bill 422  
TO: Assembly Committee on Rural Development  
FROM: State Representative Todd Novak

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Thank you, Chair VanderMeer and fellow members of the Assembly Committee on Rural Development for holding this public hearing on Assembly Bill 422 (AB422), which creates a rural creative economy grant program.

I co-authored this bill with Rep. Rozar and Sen. Feyen after having initially worked on this idea during the budget process. I am glad to see this proposal come before the committee for a public hearing because this grant program would surge investment dollars to our rural communities.

Large cities and urban areas often benefit from philanthropic donors that work to advance the creative economy in those spaces. This oftentimes leaves our rural creative economy with the potential to be overlooked when it comes to fostering artistic and cultural efforts in small communities. Beyond the appreciation for these artistic and cultural elements there is also a significant economic component at stake; the creative economy provides jobs.

The proposal before you today would provide grants with a dollar-for-dollar match to businesses, associations, or local governments working to promote and assist creative businesses, products, or services in communities with less than 20,000 people or areas that are not urbanized according to the federal Census Bureau. The Arts Board in the Department of Tourism would distribute these grants on a competitive basis and report back to the Legislature to evaluate the effectiveness of the program. The funding available for the grants would be \$500,000 over the biennium with a maximum grant award of \$40,000 per recipient.

This proposal will assist our rural communities as they recover from the pandemic and will inject critical investment dollars into our local economy to support the creative economy.

Thank you for your consideration of AB422.



# DONNA M. ROZAR

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## Testimony Before the Assembly Committee on Rural Development

AB 422

November 3, 2021

Thank you, Chair VanderMeer and members of the Assembly Committee on Rural Development for holding this hearing on Assembly Bill (AB) 422, relating to: rural creative economy grant program and making an appropriation. As explained by the Legislative Reference Bureau, AB 422 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.

AB 422 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.



# DAN FEYEN

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## STATE SENATOR

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To: The Assembly Committee on Rural Development  
From: Sen. Dan Feyen  
Re: Assembly Bill 422

Hello, Chairman VanderMeer and committee members. Thank you for taking the time today to hear testimony on Assembly Bill 422.

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.

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.

This bill is supported by Arts Wisconsin, Destinations Wisconsin, the League of Wisconsin Municipalities, and the Wisconsin Restaurant Association. At the time of this hearing, no one had registered in opposition.

Thank you again for your time and consideration.



# CLINT P. MOSES

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To: Committee on Rural Development  
From: State Representative Clint P. Moses  
Date: November 3, 2021  
Subject: Testimony in Support of Assembly Bill 422

Thank you Chair VanderMeer and members of the committee for the opportunity to testify in favor of Assembly Bill (AB) 422. I appreciate your time and consideration of this legislation.

AB 422 creates a grant program administered by the Arts Board in the Department of Tourism to benefit rural communities by promoting creative businesses, products and services. The grant program is a 1 for 1 match, since the community must secure non-state sources in the amount equal to the amount of the proposed grant. Another key component of the grant program is the money is directed towards rural communities with populations less than 20,000.

Communities thrive and grow through investments in the arts. Arts involvement and infrastructure increases the capacity of small towns and rural areas to attract and retain businesses and residents. In addition, the arts attract tourist and out-of-town visitors to the community. Arts provide important social and creative outlets for both residents and visitors alike.

The grant program will help small communities revitalize their arts and small businesses. Communities in my District like Menomonie with The Mabel Tainter Center for the Arts Center and New Richmond's Park Art Fair yearly event could benefit from this program especially after the Covid-19 shutdowns last year. Many small communities could benefit from this Arts Grant Program.

I ask you to support Assembly Bill 422 and thank you once again for your time to consider this piece of legislation.



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Ann Vaj

represented as much as 16 percent of all firms in the late 1970s. By 2011, that share had declined to 8 percent.” Those of you that know where Wisconsin ranks among states measured for their entrepreneurship understand these are circumstances worthy of our attention.

The emerging economic development approach coming out of this research focuses on entrepreneurial ecosystem building. If economies grow when new businesses launch, the goal then is to create the conditions within our communities that support repeated and successful launches of new businesses. The Kauffman Foundation sums it up in a simple formula: People + Culture = Everything.

In the early days of extending our support to entrepreneurs, we learned just how essential that culture piece is. Too many people in Wisconsin don't see themselves as entrepreneurs. This state should be incredibly proud of the resources it offers new businesses, but often enough those resources feel on the other side of a fast-moving river that has no bridge.

Fortunately, our roots as an organization were in culture, so we started leveraging that understanding to make strategic investments that bolstered our creative identity, growing social capital through curated experiences, changing the feel of our community through intentional public art, storytelling with local makers and innovators, and designing spaces that built community around shared resources.

Overtime, we realized that our shift to creativity tore down a false wall separating arts and business -- that successful outcomes value the symbiosis between community and economy. The grant program proposed by Assembly Bill 422 will provide essential access to capital for communities looking to make similar investments. It will support projects that elevate the creative identities of more Wisconsin communities and accelerate the creative ventures that grow our economy.

It is time for Wisconsin to build infrastructure that supports this new era of economic development. With statewide programs like Colorado's *Call Yourself Creative* and Minnesota's *LaunchMN*, we are falling behind other states investing in creativity as strategic resources of the new economy. The ideas we need to thrive are sitting in the minds of people across this state. This bill will help to put more of those idea into action.



Board of Directors	Distinguished members of the Assembly Committee on Rural Development, thank you for the opportunity to testify on behalf of Assembly Bill 422.
Bill Schierl President	
Paula Schlice Co-Vice President	My name is Greg Wright. I am the executive director of CREATE Portage County, a nonprofit community and economic development organization in Stevens Point. We accelerate creativity, connection, and collaboration to advance vibrant and welcoming communities.
Maggie Marquardt Co-Vice President	
Michael More Secretary	The organization was founded in 2004 as the Arts Alliance of Portage County and relaunched as CREATE in 2016 having recognized that, in all of its forms, creativity is the true lifeblood of thriving communities. To maximize its impact, then, we continued our support for the arts but added programs to strengthen entrepreneurship, innovation, and creative community impact.
Karin Sieg Treasurer	
Members	
Phillip Blair	
Dawn Brandt	It's working. During the pandemic alone, we converted our 3D printing lab into a PPE production facility and produced more than 6,000 face shields that made their way into 38 hospitals across the state; we raised more than \$85,000 to put artists impacted by COVID-19 to work New-Deal-style, painting murals across our county; we launched a brand new business accelerator program that served 11 counties and supported 30 new start-up ideas; we were the only Wisconsin application to receive a SPRINT Challenge Grant, which expands proven entrepreneurship programs through funding from the Economic Development Administration; and we were named WEDA's Economic Development Initiative of the Year.
Dondi Bueno	
Tom Corcoran	
Brian Elza	
Rebecca Gaboda	
Jon Gadbois	
Karen Ann Hoffman	
Ryan Kernosky	
Eric Kundinger	I am here to testify that our success is available to any small and rural community across the great State of Wisconsin once we start making investments like the one proposed in Assembly Bill 422.
Anello Mollica	
Ben Nusz	
Melissa Sabel	There is a fundamental shift taking place in how successful communities approach economic development. In 2014, the Kauffman Foundation released a study that informed much of this shift, demonstrating that new and young firms (firms in the 0 - 5 age range) accounted for almost all of the net new job creation in the US.
Laura West	
Tom Whelan	
Laura Worth	
Staff	This doesn't mean that older companies can't or don't add jobs; rather, growth for individual companies beyond year five is often the result of displacing workers from another older firm in decline.
Greg Wright	
Chris Klesmith	
Dana Sonnenberg	This study on net job creation is of even greater interest as the US has seen a significant decrease in new businesses over the last decades. "According to Census data, new firms
Ann Vaj	

November 3, 2021

To: Honorable Members of the Assembly Rural  
Development Committee  
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 Assembly Bill 422, 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 \$250,000 in FY-21-22, GPR, 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 unique cultures to celebrate, yet they are also contending 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 the latest 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)

Assembly Bill 422 is also supported by the League of Wisconsin Municipalities, Destinations Wisconsin, the Tourism Federation of Wisconsin, the 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](mailto:akatz@artswisconsin.org) | 608 255 8316.

To the Chair and Committee, thank you for letting me come in today to speak on behalf of Assembly bill 422. My name is Chris Clemens and I'm the Executive Director of the Viroqua Chamber Main Street.

I'm pleased that the Assembly is considering this piece of legislation as it recognizes and demonstrates that the arts are not just something that we look at or listen to, but that the creative industries are powerful tools for economic growth and development, for building community, and for celebrating our common culture.

The city of Viroqua and our surrounding community is home to a number of incredibly talented artists and musicians. We are particularly proud of our stock of public murals with themes that celebrate our common culture and heritage and our history. Just recently we recognized the completion of a new mural and used the opportunity to host a community event that brought folks together to celebrate our common bonds and values. During these times of great social division, Viroqua is using the arts to bring people together in an effort to unite us as a people and as a community. We recognize that once the noise is filtered out, we have much more in common with one another than one might realize by watching the nightly news or the latest inflammatory social media post.

According to data from the most recent United States Census, Vernon County, of which Viroqua is the County Seat, has the fifth-lowest per capita income in the state. The Viroqua Chamber Main Street supports Assembly Bill 422 in recognition of the power of the state to provide not only much needed funding to our region, but perhaps more importantly for its value in providing opportunities for community engagement and cooperation.

Our artwork is a treasured community asset, and we want to make sure it is preserved for future generations. Recently, in collaboration with members of our community, the Viroqua Chamber Main Street agreed to lead the effort for the conservation and preservation of the artwork around our community. Here's how creative economic impact works: We are seeking funds to pay qualified local artists to undertake the painstaking task of repainting the artworks. We'd look to hire out-of-work members of our community to apply sealant to the works on an annual basis. We'd hire a local engineer to design frameworks for those murals that aren't painted directly on building surfaces that will allow for the efficient hanging and removal of the pieces when restoration is required. We'll contract with a local craftsman to build and install those frameworks. We'll need thousands of dollars worth of paint and other supplies to do the actual work, much of which can be procured from local suppliers. AB422's investment in the creative industries would make a difference in my small town and so many others around the state.

In consideration of the value of the arts to the City of Viroqua and its citizens made evident by my testimony today, and of the great need in our county for public support of these critical programs, I ask that this committee approve the bill as written for consideration by the full Assembly.

Thank you.

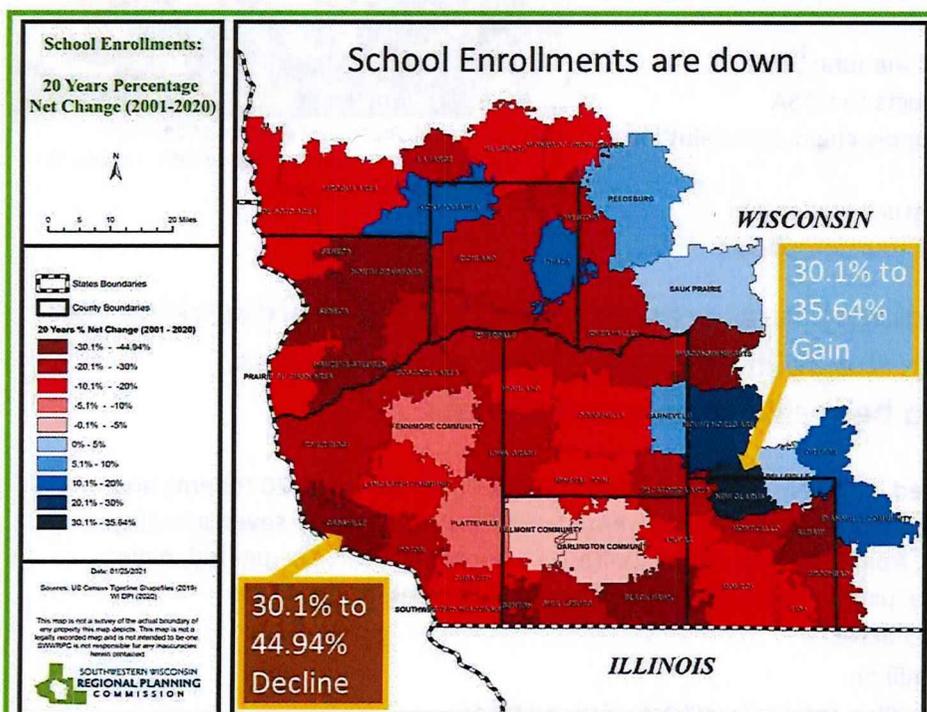
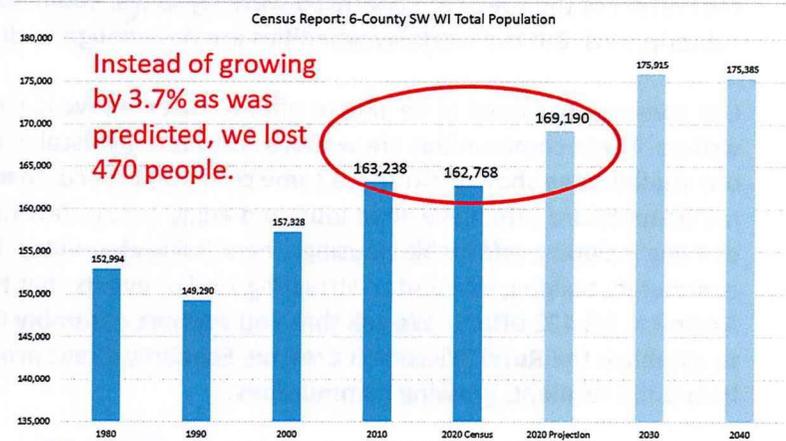
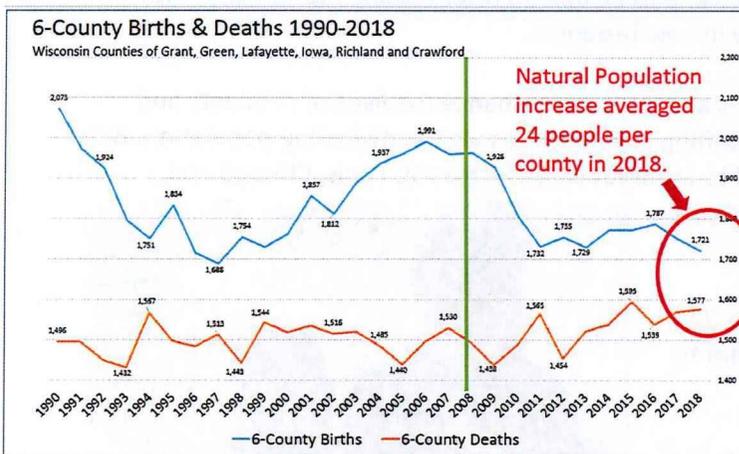
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November 3, 2021

To: Honorable Members of the Assembly Rural Development Committee  
From: Troy Maggied and Kate Koziol, Southwestern Wisconsin Regional Planning Commission  
Re: Support for Legislation to Establish the Rural Wisconsin Creative Economy Grant Program

Wisconsin is full of potential, but is facing constraints:

- Declining Population – our six counties only increased by 144 people in 2018
- Shrinking Schools and School Closures – only four of our 39 school districts – Kickapoo, Ithaca, New Glarus and Barneveld – grew student population from 2001-2020.
- Inability to retain relocated workers due in part the lack of diverse amenities.



We ask for your support of Assembly Bill 422, establishing the Rural Wisconsin Creative Economy Grant Program, to help reverse these negative trends by:

1. Assisting rural communities with robust cultural activities celebrating their unique culture,
2. Drawing new residents into the area,
3. Extracting more tourism money from visitors,
4. Providing a launching pad for new creative ventures, and
5. Enhancing rural life with diverse entertainment and events often limited to urban settings.

November 3, 2021

To: Honorable Members of the Assembly Rural Development Committee  
 From: Kate Koziol, Executive Director for the Platteville Business Incubator  
 Re: Support for Legislation to Establish the Rural Wisconsin Creative Economy Grant Program

Creativity extends well beyond just the arts. Creativity in business is the underpinning of successful entrepreneurial businesses. Creativity at work can be inspired by and can be fostered by creative pursuits outside the workday. Events, celebrations, cultural encounters, public art installations, diverse musical and theatrical presentations drive creative thinking, and support new business ideas.

To attract and support the next generation of entrepreneurs, the Incubator has just undergone a \$400,000 self-funded renovation of the space to provide co-working suites, Zoom Rooms and to be able to offer flexible month-to-month subscriptions. But the workday amenities are not enough to draw in new residents.

Our communities need to be able to offer robust creative activities and events to enhance the lives of residents and visitors. These communities are working to overcome fiscal and staffing constraints as well as dwindling population. But our studies have shown that these same communities, compared to Midwest cities such as St. Louis, Chicago and Minneapolis are safe, have good jobs, and enjoy a more favorable cost of living including affordable housing. The missing element is the community building and visitor-attracting kind of events that the Assembly Bill 422 offers. **We ask that you support Assembly Bill 422 to establish the Rural Wisconsin Creative Economy Grant program to help build resilient, growing communities.**

With additional creative outlets and events we will have the opportunity to retain and grow our creative thinking Incubator tenants and graduates such as the:

- Engineer turned luxury home goods manufacturer
- Chemistry professor who sells products to NASA
- Food manufacturer that turned a supply chain constraint into a new business line
- Entrepreneur that designs off road truck equipment
- Gaming company branching off into tourism support



*Adam Weigman, founder of 4x Innovations with Platteville Business Incubator Director Kate Koziol at his Incubator graduation celebration.*

**By promoting this bill you promote rural prosperity and provide hardworking rural communities with the ability to grow, attract new families, and to be resilient to future threats.**

**Background on the Incubator:**

The Platteville Business Incubator has housed 70 tenants since opening in 2001. Today, we have 20 tenants and combined with the 42 graduate businesses that are still active, they employ 382 people. Our top seven grossing graduates alone – 1UP USA, 4x Innovations, Applied Micro, Avista, Delta 3, Fastenal and L&M Corrugated, have:

- Direct payroll of \$22 million, and the payroll of suppliers and other beneficiaries: \$1.9 million
- Pay \$117,430 property taxes on 20.1 acres
- Assessed real estate value of \$5.5 million
- Pay \$719,000 local taxes and \$1.8 million total in local/state/federal taxes