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Testimony of Representative Melanie Sachs, co-sponsor of LD 1566, “Resolve, Directing the Department of Economic and Community Development To Create and Administer a Fund for Live Entertainment Venue, Performer and Worker and Public Art Recovery Grants” before the Joint Standing Committee on Innovation, Development, Economic Advancement, and Business

Senator Curry, Representative Roberts, and esteemed members of the Joint Standing Committee on Innovation, Development, Economic Advancement, and Business:

My name is Melanie Sachs, and I am honored to represent House District 48, which includes Freeport and part of Pownal. I am before you today as a co-sponsor and strong supporter of LD 1566. This is important legislation addressing the critical recovery needs of a vital sector of our economy.

[The U.S. Bureau of Economic Analysis](#) in 2020 reported that the arts and culture sector (which included artists, university arts, commercial & nonprofit arts organizations) contributed \$1.55 billion to Maine’s economy. This represented 2.5% of the state’s GDP—a larger share than some other industries in the state, including construction and education. This is more than just about supporting what is often called the creative economy – they indeed create significant portions of our economy, and we cannot fail to support them as vigorously as we have other sectors.

There is a new federal program, called the Shuttered Venue Operators Grant (SVOG) program, that targets some pieces of this economic sector. It does not however cover all the entities that LD 1566 proposes to assist. Eligible entities for the SVOG include:

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization operators
- Relevant museum operators, zoos and aquariums who meet specific criteria
- Motion picture theater operators
- Talent Coordinators

There are large swaths of the creative economy that unfortunately are not included, including the range of physical artists (regardless of medium such as fiber arts, painting, sculpture, etc.), children's arts programs, individual musicians and performers, and others.

The total funding nationally for SVOG is also \$16 billion for the entire nation. That sounds like an enormous amount, but with the maximum gift at \$10 million and national large venues eligible (including sports venues) these funds will be quickly depleted. As you also will hear in the coming testimony, even if SVOG funds are allocated, many organizations (after eighteen months and counting) have said they will not be nearly enough to cover the vast scope of their financial losses. Although welcome, it simply does not appear by current metrics it will provide the impact needed by this Maine industry. That is why LD 1566 is so important. It proposes to do what Maine does best – see where the needs are, fill in those gaps, and make sure no one is left behind. There is evidence to indicate that we need both strategies- federal and state- to support this industry.

As you review this bill, please consider designating funds to DECD to be able to market this program and develop comprehensive guidelines for application and monitoring. Many arts organizations have scarce staff for administration (I can say this with confidence having served as an executive director of several nonprofit agencies and being involved in the social services sector for over two decades) and resources for DECD do not always match the need.

As a member of the Tax Committee, I also would encourage the same thoughtful treatment of these grants as we saw in similar programs, with taxes not being levied on the PPP grants or on individuals who received unemployment benefits due to Covid shut-downs. I am encouraged that DECD, in their written submitted testimony to this Committee, is willing to work with the sponsor to craft a program that is solution focused and meets the needs of this community.

I know we are barreling towards the end of the session, and that big bills like this can be a challenge. But I urge you to think again about the cost of not supporting a \$1.55 billion industry, and what that means for our economy. You can make a huge impact on the state of Maine by passing LD 1566.