Coronavirus Relief Bill Network Call
January 5, 2021
10:00 AM – 11:30 AM
OUR MISSION

Imagine MKE convenes, connects and amplifies Milwaukee’s arts and culture ecosystem toward our vision of a thriving region powered by the arts.

OUR WORK

Imagine MKE’s work is rooted in the belief that arts and culture have the power to transform Milwaukee and be the catalyst for social, economic, and civic vitality.

Through our shared agenda, advocacy, and capacity building services, we work to integrate the arts and culture sector into the civic fabric of our region so that Milwaukee can imagine and create the future together.
AGENDA

• Welcome and presenter introductions
• Overview of Federal Coronavirus relief bill and Q+A
• State and Local advocacy and Q+A
• Call to Action and Closing
PRESENTERS AND COHOSTS

Anne Katz  
Executive Director  
Arts Wisconsin

Kendra Whitlock Ingram  
President & CEO  
Marcus Performing Arts Center

Patrick Rath  
President & CEO  
United Performing Arts Fund
FEDERAL CORONAVIRUS RELIEF BILL

Anne Katz, Arts Wisconsin

Kendra Whitlock Ingram, Marcus PAC
Big Thanks to Federal Advocacy Partners

- Sen. Chuck Schumer, D-NY
- Americans for the Arts
- State Arts Action Network
- Cultural Advocacy Group
- Be An #ArtsHero
- Broadway League
- SaveOurStages
- League of American Orchestras
- Black Theatre United
- Department of Professional Employees, AFL-CIO
- National Independent Venue Association (NIVA)
- Association of Chambers of Commerce Executives
- United States Conference of Mayors
- And especially, advocates and leaders throughout Wisconsin and nationally!
Paycheck Protection Program - SBA

- Entities with fewer than 300 employees that can show a 30% reduction of revenue from any single quarter of 2019 to the corresponding quarter of 2020 as a result of the pandemic, may receive a second forgivable Paycheck Protection Program (PPP) loan equal to 2.5 times that entity’s average monthly payroll, up to $2 million. Separate calculations are required for those not in operation for all of 2019.
- Forgivable expenses are expanded to include software or cloud computing services for a wide variety of business purposes, property damage caused by riots, vandalism or looting in 2020 and not covered by insurance, supplier costs necessary for business, and investments in facility modifications and personal protective equipment to operate safely during the COVID-19 pandemic.
- Gross taxable income does not include first and second PPP loans.
- Loan forgiveness process is simplified for borrowers with PPP loans of $150,000 or less.
- $25 billion set aside for PPP loans no greater than $250,000 for small businesses with 10 or fewer employees.
- First round of PPP provided over $13 billion to creative businesses.
Unemployment policies to support cultural workforce

- The Pandemic Unemployment Assistance (PUA) program has been extended to April 5 (with a phase-out beginning in mid-March). This includes an extension of the eligibility period to 50 weeks.
- For salaried/hourly workers, the Pandemic Emergency Unemployment Compensation (PEUC) program has also been extended to April 5 once the applicant exhausts their state Unemployment Insurance (UI).
- “Mixed earners” with 1099/W2 income who were ineligible for PUA will receive a weekly bonus of $100 for the duration of their state UI/PEUC benefits.
- And, all recipients of unemployment (state, PUA, PEUC) will receive an extra $300 week from December 26 to March 14.
FY 2021 Appropriations ($1.4 trillion) Highlights Include

- $167.5 million for both the NEA and NEH (a $5.25 million increase from FY 2020 funding levels) and waiver language that allows FY 2019, FY 2020, and FY 2021 grants to be used for general operating support, as requested by arts advocates;
- $257 million for the Institute of Museum and Library Services
- $475 million for the Corporation for Public Broadcasting
- An increase of $500,000 for the federal Arts In Education grant program, to a level of $30.5 million
Other Federal Relief Funding

- CARES Act relief funds for state, local and tribal government can be spent up to 12/31/21
- Re-establishes $300 above-the-line charitable tax deduction for 2021
- Second round of IRS Direct Stimulus checks
  - $600/person (up to $75K for single filers and $150L for joint filers, based on 2019 tax return)
  - Additional $600/child for eligible dependents
- $20 billion for new EIDL (Economic Injury Disaster Loans)
- $7 billion broadband internet access across the country.
- Funds for speedy, equitable and free vaccine distribution.
Biden Arts Policy

- “embraces the practical usefulness of the arts as an economic engine, political action trigger and community builder”
- negotiated 2009 stimulus bill in the wake of 2008 financial crisis that included $50 million for National Endowment for the Arts
- has supported arts and cultural legislation (American Folklife Center at the Library of Congress, initiatives for cultural diplomacy, an original co-sponsor of legislation establishing the Smithsonian’s National Museum of African American History and Culture)
- Kennedy Center Honors and other celebrations of the arts, culture and creativity
Grants for Shuttered Venues (aka Save Our Stages) 101

Presented by Kendra W. Ingram

with Imagine MKE/UPAF/Arts Wisconsin
Disclaimers...

This is NOT an exhaustive list of requirements, eligibilities, etc. Read the 30 pages of the bill to see how SOS affects your specific organization.

This presentation has more of a performing arts org lens.

I am not an expert!
The basics...

- Total funding - $15 Billion
- Independent motion picture theatre operators and nonprofit museums are in – defined as “relevant museum” per a Museums and Libraries Act definition
- Administration by the SBA
- After qualifying, initial grants awards are limited to 45% of 2019 earned revenue or $10 million whichever is less ($10M total initial and supplemental grants if applicable)
- 20% set-aside for entities that cannot apply during the two priority windows
- $2B is to granted to organizations with less than 50 employees
- Audit and oversight requirements
Eligibility – part I

Must be one of the following:

- Live venue operator or promoter
- Theatrical producer
- Live performing arts organization operator
- Relevant museum operator
- Motion picture theatre operator
- Talent representative

That meets the following requirements*:

- Fully operational as of Feb 29, 2020
- Demonstrated loss of 25 percent reduction from gross earned revenue during the same time frame in 2019
- Currently operating or intends to resume operating future live events described in 14 paragraph (3)(A)(i);

*Extensive details for all eligible entities on pages 202-213 of the bill
Disqualifying characteristics:

- Publicly-traded companies
- 10% federally funded (the Kennedy Center clause)
- Presents live performances of a prurient sexual nature (strip club clause)
- Two or more of the following:
  - Own or operate venues in more than 1 country
  - Own or operate venues in more than 10 states
  - Employee more than 500 FTE
<table>
<thead>
<tr>
<th>Other &quot;Am I eligible?&quot; questions</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-profit organization</td>
<td>X</td>
<td></td>
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<tr>
<td>For-profit venue operator or promoter</td>
<td>X</td>
<td></td>
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<tr>
<td>For-profit museum</td>
<td></td>
<td>X</td>
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<tr>
<td>Government-owned venue (but performing arts or museum operator)</td>
<td>X</td>
<td></td>
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<tr>
<td>Live performing arts organization operator (e.g. symphony, ballet, opera, theatre co.)</td>
<td>X</td>
<td></td>
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<tr>
<td>Individual talent agent</td>
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<td>X</td>
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Funding priority
Schedule and Priority Periods

Initial Priority
Day 1-14 awards
- Eligible orgs who demonstrate > 90% total revenue loss from Apr. 1-Dec. 31, 2020 vs. same time in 2019

Second Priority
Day 15-28 awards
- Eligible orgs who demonstrate > 70% total revenue loss from Apr. 1-Dec. 231, 2020 vs. Same time in 2019

Day 29 and beyond
- All eligible orgs
Award caps: 45% of gross earned revenue in 2019 or $10 million, whichever is less
What expenses are eligible to be covered by grant awards?

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<thead>
<tr>
<th>Expense</th>
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<tr>
<td>Payroll costs</td>
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<tr>
<td>Payments on any covered rent obligation</td>
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<td>Any covered utility payment</td>
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<tr>
<td>Scheduled payments of interest or principal on any covered mortgage obligation (pre-payments not allowed)</td>
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<tr>
<td>Other payments of interest or principal for other loans (see bill details)</td>
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<td>covered worker protection expenditures</td>
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<tr>
<td>Payments made to independent contractors, as reported on Form–1099 24 MISC, not to exceed a total of $100,000 in annual compensation for any individual employee of an independent contractor</td>
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<tr>
<td>&quot;Other ordinary and necessary business expenses, including...&quot; (see p. 226)</td>
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**PROHIBITED expenses - awards may not be used for:**

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<tr>
<th>Description</th>
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<tr>
<td>Purchasing real estate</td>
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<tr>
<td>Payments of interest or principal on loans originated after February 15, 2020</td>
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<tr>
<td>To invest or re-lend funds</td>
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<td>For contributions or expenditures to, or on behalf of, any political party, party committee, or candidate for elective office</td>
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<tr>
<td>Questions</td>
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<td>---------------------------------------------------------------------------</td>
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<tr>
<td>Is funding priority based on when you submit your application?</td>
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<tr>
<td>What does &quot;total revenue&quot; mean?</td>
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<td>Is other CARES Act funding counted in the &quot;total revenue&quot; calculation for priority determination?</td>
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<td>Will there be any money left to receive after priority periods?</td>
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<td>Are there other special funding opportunities for small orgs?</td>
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<td>Once the awards period opens, how long will it remain open?</td>
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<td>How long will we have to spend the award?</td>
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<td>Will there be additional grants awarded after the 60 day window?</td>
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Other things to note:

• There is little clarity on when the SBA will start writing guidelines and applications – before the inauguration or after. The best advice is to begin assembling backup documentation, as best as the bill can be interpreted, to be ready when the time comes.

• There will be increased oversight for SOS grants. As we wait for additional guidelines from the SBA, be sure to thoroughly review reporting expectations from the SBA (pg 227).

• Performing Arts Center Consortium, The Broadway League and NIVA are putting together a working group to monitor the implementation. More service orgs will likely get involved.

• Check in with the government affairs folks from your industry service org for more industry-specific details (League of American Orchestras, TCG, APAP, Americans for the Arts, etc.)
Q+A
STATE AND LOCAL ADVOCACY

Anne Katz, Arts Wisconsin

Patrick Rath, UPAF
STATE AND LOCAL ADVOCACY

• State
  • State Budget
  • Administrative opportunities

• County
  • Fund for the Arts/CAMPAC
  • County contracts with cultural institutions

• City
  • Public Health regulations
  • Milwaukee Arts Board
CALLS TO ACTION/CLOSING

• Join an Imagine MKE Work/affinity/action group: [https://imaginemke.org/our-work-groups/](https://imaginemke.org/our-work-groups/)
  • Policy and Engagement
  • Support for Artists
  • Neighborhood Partnerships
  • Marketing & PR
  • Small Arts and Culture
  • Downtown venues
• Join a future Arts Wisconsin advocacy session: [https://www.artswisconsin.org/actioncenter/](https://www.artswisconsin.org/actioncenter/)