

SENATE BILL REPORT

SB 5238

As of January 26, 2021

Title: An act relating to creating a Washington state creative economy work group.

Brief Description: Creating a Washington state creative economy work group.

Sponsors: Senators Hasegawa, Nguyen, Saldaña, Wellman and Wilson, C..

Brief History:

Committee Activity: Business, Financial Services & Trade: 1/26/21.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Creates a work group to develop a strategic plan to improve the Washington state creative economy.
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SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES & TRADE

Staff: Clinton McCarthy (786-7319)

Background: The concept of creative economy is the income-earning potential of creative activities and ideas. The creative economy encompasses careers in photography, graphic design, fashion design, filmmaking, architecture, publishing, video games, and more. According to the National Assembly of State Arts Agencies, the arts and cultural sector jobs in America accounted for 3 percent of all U.S. jobs in 2015, for a total of 4.9 million jobs.

The duties of the Washington State Arts Commission, as provided in statute, are to meet, study, plan, and advise the Governor, the various departments of the state and the Legislature, and to make such recommendations as it deems proper for the cultural development of the state of Washington.

Summary of Bill: A workgroup to create a strategic plan for the Washington State creative economy is established.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Chair of the Workgroup. The chair of the workgroup is to be a director of a non-profit with the following qualifications:

- experience working in the professional arts; and
- experience drafting business plans and multidisciplinary planning documents, and business development in the professional arts.

Members of the Workgroup. Other members of the workgroup should be selected to ensure representation of the range of demographic diversity across the state, and will include representatives of the following entities:

- the Department of Commerce;
- Washington State Association of Counties;
- the Association of Washington Cities;
- a member of the banking industry with experience in matters involving the small business administration;
- five representatives from the Washington State arts community;
- a certified public accounting firm or other company with experience in financial modeling in the creative arts;
- the Washington State Commission on African American Affairs;
- the Washington State Commission on Hispanic Affairs;
- the Governor's Office of Indian Affairs;
- the Washington State Commission on Asian Pacific American Affairs;
- a federally recognized Indian tribe with a reservation located west of the crest of the Cascade mountains;
- a federally recognized Indian tribe with a reservation located east of the crest of the Cascade mountains; and
- other state agency representatives or stakeholders for the purpose of participating in specific topic discussions.

Workgroup Deliverables and Timelines. Workgroup deliverables and timelines are as follows:

- collect and analyze data on the current state of the Washington State creative economy; and
- develop a strategic plan to improve the Washington state creative economy and deliver it to the appropriate committees of the Legislature by December 1, 2022.

Workgroup Budget. The workgroup is appropriated \$250,000 through the Department of Commerce, annually, for the 2021-23 biennium. Commerce is directed to enter into a contract with a non-profit organization whose sole purpose is to focus on creative arts. Commerce must create a private local account to receive non-state funds and state funds, other than general fund state funds, contributed to Commerce for creating the strategic plan.

Appropriation: The bill contains an appropriation totaling \$500,000 from the general fund.

Fiscal Note: Requested on January 15, 2021.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The state has been lagging behind in the creative arts. The state has a global reputation in this area, but it has been slipping. There have been studies on the components of the creative arts, but the point of this study is to bring it all together and move the economy forward in a cohesive way. Creatives have been dramatically impacted by COVID-19. We need a plan. Other states and provinces are developing plans and comprehensive approaches to the creative economy throughout North America, and we should be no different. This is not simply one group, this is a larger economy that brings a lot of different creative fields together. Our state has advantages it is not taking advantage of. Young people are leaving the state in droves for states that embrace the creative economy like Georgia. We need to be able to function like business, and we need to be able to compete with British Columbia and Ontario.

CON: Without strong support and protections provided by labor unions, we cannot have a meaningful creative economy that pays family wage jobs. We should be investing money in pathways that create sustainable jobs. The bill creates a lens to look at the issue, but these funds should be redirected towards a more immediate solution.

OTHER: There is a concern that this report will be outdated because of the impact of the pandemic. It will take some time to see how the pandemic will impact the creative economy. It would be great to establish someone in the Department of Commerce as a sector lead for the creative economy, someone who could track and help coordinate the work that is being done at the local level. Labor representatives would be great to add to the bill. The creative industries have been hit massively by COVID-19 and need all the help they can get. The local level has been very busy in addressing the needs of creators. A two year study might duplicate efforts that have already been done. The money for this bill would be better served paying for a sector lead in the Department of Commerce. Labor needs representation in this workgroup. The fact that the bill is here shows that there is a true concern with the creative economy. When we evaluate the people on the ground doing the work, how can we scale and make the people be part of the national conversation. Generally, the support of the industry is appreciated. Creators are leaving the state, or contemplating leaving the state. The creative industry is really underneath the burden of this pandemic. We do not have two years to study this, we need to look at ways to drive out immediate assistance. The GDP of the creative sector was growing faster than the GDP as a whole prior to COVID- 19. A high percentage of individuals working in this area have had to file for unemployment. We should fund existing leaders who have already created strategies, rather than duplicate efforts that have already been made. Dedicating someone in Commerce that can convene public private stakeholders would be a better use of the money. Creating apprenticeships would also be great for young people trying to get a

foothold in these types of professions. We do not have two years to plan, The planning has been completed at the local level. Five people is not enough people to represent the artists in the creative economy, and there is a fear that the ones who are most in need are not at the table. Labor not being invited to participate is very counterproductive to the goals of the study.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Lara Lavi, Dreaming In Color Entertainment LLC; Karen Hanan, Washington State Arts Commission; Senator Lisa Wellman.

CON: Maggie Carrido Adams, IATSE Local 887.

OTHER: Melissa Huggins, Spokane Arts; Nate Omdal, American Federation of Musicians Local 76-493; Melissa Purcell, IATSE Local 488; Winfield Ezell, Jr., Obsidian Creative Studios; Manuel Cawaling, Inspire Washington; Meghan Sebold, City of Seattle's Office of Economic Development; Vivian Hua, Northwest Film Forum; Olivia Hamilton, Assistant Organizer, Local 76-493 American Federation of Musicians.

Persons Signed In To Testify But Not Testifying: No one.