

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1406

(Chair, Economic Matters Committee)(By Request -
 Departmental - Business and Economic Development)

Economic Matters

Finance

**Business and Economic Development - Maryland Public Art Initiative - Sunset
 Repeal**

This departmental bill repeals the termination date for the Maryland Public Art Initiative Program (MPAIP) and the Maryland Public Art Fund (MPAF).

Fiscal Summary

State Effect: General fund expenditures increase at the Department of Business and Economic Development (DBED) by \$19,300 beginning in FY 2010 for the current contractual position at the Commission on Public Art to become a permanent full-time program administrator. In addition, general fund expenditures may increase by up to \$1 million annually to the extent that the appropriation authorized for MPAIP is provided; MPAF revenues and expenditures increase correspondingly.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
SF Revenue	\$0	-	-	-	-
GF Expenditure	\$19,300	\$22,300	\$23,600	\$25,000	\$26,500
SF Expenditure	\$0	-	-	-	-
Net Effect	(\$19,300)	(\$22,300)	(\$23,600)	(\$25,000)	(\$26,500)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local government revenues may increase to the extent grants authorized for MPAIP are awarded.

Small Business Effect: DBED has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs in part and advises that the bill may have a minimal beneficial impact on small business artists.

Analysis

Current Law: Chapter 393 of 2005 established MPAIP in order to (1) promote the installation of artwork in public facilities in the State; (2) provide for the acquisition of public art to be owned by the State; (3) provide for the preservation of public art assets; and (4) provide for a grant fund for local governments. Chapter 393 also established MPAF and authorized the Governor to appropriate no more than \$1 million annually in the State operating or capital budget for MPAIP beginning in fiscal 2007. Chapter 393 is scheduled to terminate May 31, 2010.

Chapter 393 established the Commission on Public Art to ensure that new public facilities constructed by State agencies include installation of artwork. The 11-member commission includes four institutional members: a representative from the Maryland State Arts Council (MSAC); a member of the Maryland Historic Trust; a member of the Commission on Artistic Property or the State Archivist; and the Comptroller or the Comptroller's designee. The Secretary of Business and Economic Development appoints the seven public members with the approval of the Governor. The public members must include representatives of the artistic community who have professional experience as artists, curators, art historians, art educators, or architects. MSAC provides staff support for the commission.

MPAF is a special, nonlapsing fund established to satisfy the goals of MPAIP, including providing grants to State agencies and local governments. Local governments must provide a match. The matching funds may not be funded with State funds, and may not consist of real property, in-kind contributions, or funds expended prior to June 1, 2005. Monies from MPAF may only be expended to award grants for the program and pay the costs necessary to administer the fund. The fund is to be administered by the commission. Expenditures from the fund may only be made in accordance with an appropriation approved by the General Assembly in the annual State budget or by an approved budget amendment.

The commission is required to work with the Maryland Department of Transportation (MDOT), the Department of General Services (DGS), and the University System of Maryland (USM). The commission allocates funds from MPAF for installation of artwork at State public facilities. Selection panels make recommendations for the selection of artists and artwork to be funded. The commission must make final recommendations on the allocation of MPAF funds.

All art funded under this program is the property of the Maryland Historic Trust, which, in cooperation with DGS, is responsible for the inventory, maintenance, and preservation of all artwork acquired through the program.

Background: Although Chapter 393 of 2005 established the commission, the commission was not appointed until March 2008. Although Chapter 393 stated that it is the intent of the General Assembly for the Governor to appropriate up to \$1 million to support MPAIP, DBED advises that no money has ever been appropriated, except \$62,000 to hire a contractual program administrator in the Governor's proposed fiscal 2010 budget for MPAIP.

State Fiscal Effect: General fund expenditures increase by \$19,260 in fiscal 2010. This estimate reflects the difference in the fringe benefits for a contractual position and a permanent position beginning July 1, 2009.

	<u>FY 2010</u>	<u>FY 2014</u>
Contractual Salary and Fringe Benefits	\$62,000	\$68,646
Permanent Salary and Fringe Benefits	81,260	45,163
Difference	\$19,260	\$26,517

Future year expenditures reflect 3% employee turnover rather than a 6.8% rate.

By repealing the termination date for Chapter 393, the bill maintains the authorization for an appropriation of up to \$1 million for future fiscal years. To the extent that an appropriation is provided, general fund expenditures and MPAF revenues and expenditures increase by a corresponding amount.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development,
Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2009
ncs/rhh Revised - Updated Budget Information - March 18, 2009

Analysis by: Evan M. Isaacson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Business and Economic Development – Maryland Public Art Initiative –
Sunset Repeal

BILL NUMBER: HB 1406

PREPARED BY: Department of Business and Economic Development

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.