

Department of Legislative Services
 Maryland General Assembly
 2014 Session

FISCAL AND POLICY NOTE

House Bill 732 (Delegate Donoghue)
 Health and Government Operations

Commission on African American History and Culture - Duties

This bill authorizes the Commission on African American History and Culture to provide operational funding to a museum that specializes in African American history and culture.

Fiscal Summary

State Effect: Assuming the commission uses the authority provided by the bill, general fund expenditures increase significantly beginning in FY 2015 to provide grants to museums. *Under one set of assumptions*, general fund expenditures increase by \$454,800 in FY 2015 to implement a grant program. Future year estimates reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	454,800	607,300	614,900	622,700	630,600
Net Effect	(\$454,800)	(\$607,300)	(\$614,900)	(\$622,700)	(\$630,600)

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

Local Effect: None.

Small Business Effect: Potential meaningful impact to the extent that any museums that receive grants from the commission are considered small businesses.

Analysis

Current Law: The Commission on African American History and Culture, a part of the Governor's Office of Community Initiatives (GOCI), was first established, under a different name, by Chapter 435 of 1969. The commission is required to:

- initiate, direct, and coordinate projects that further the understanding of African American history and culture;
- operate the Banneker-Douglass Museum in Annapolis to house and display photographs, objects, oral history tapes, artifacts, and other materials of African American historic and cultural significance;
- locate, preserve, and disseminate to the public information about significant buildings and sites relating to African American history and culture; and
- publish an annual report and any other material that the commission considers necessary.

Chapter 278 of 2010 established the African American Heritage Preservation Program, a capital grant program jointly administered by the commission and the Maryland Historical Trust (MHT) within the Maryland Department of Planning. The purpose of the program is to identify and preserve buildings, communities, and sites of historical and cultural importance to the African American experience in Maryland. The Governor must include \$1.0 million in the annual capital budget for program grant projects. Program applications must include a description of the scope and purpose of the project, a building plan that includes the total cost of the project, and any other information required by MHT and the commission. MHT and the commission recommend a list of projects and grantees for funding. Program grants require matching funds from other sources, and a grantee is required to enter into an agreement to preserve and maintain the property. The program terminates on May 31, 2015.

Background: The commission advises that 38 African American-focused heritage institutions are currently operating in Maryland. The commission notes that this includes archives, foundations, museums, and historical societies. The commission also advises that between fiscal 2012 and 2014, 15 sites that were awarded African American Heritage Preservation grants expressed plans to establish a museum.

The commission currently operates one museum, the Banneker-Douglass Museum. GOCI advises that the Governor's proposed fiscal 2015 budget includes approximately \$559,000 for the operations of the Banneker-Douglass Museum. The commission collects modest revenues from the museum in the form of one-time grants and donations to the museum. In fiscal 2013, the commission had an operating budget approaching \$600,000, with 90% of funding originating from general funds, 5% from special funds,

and 5% from federal funds. The majority of special funds were generated by the Banneker-Douglass Museum.

In fiscal 2014, 12 grants were awarded under the African American Heritage Preservation Program. Grant awards totaled \$1 million, with individual awards ranging from \$13,000 to \$100,000.

State Expenditures: Assuming the commission uses the authority provided by the bill, general fund expenditures increase to establish a grant program. Although the commission can fund any museum that specializes in African American history and culture, for purposes of this fiscal and policy note, the Department of Legislative Services assumes that the total funding provided for operations of other museums under the bill is equivalent to the funding currently provided to operate the Banneker-Douglass Museum (approximately \$559,000 annually).

Thus, general fund expenditures increase by \$454,801 in fiscal 2015, which accounts for the bill's October 1, 2014 effective date. This estimate reflects the cost of hiring one-half of a grant administrator to administer the program and grant funding. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$30,213
Grants	419,250
Equipment/Operating Expenses	<u>5,338</u>
Total FY 2015 State Expenditures	\$454,801

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses, including grant funding.

To the extent the commission implements a more ambitious grant program, costs increase to provide additional grants and to hire additional staff as needed.

Additional Information

Prior Introductions: None.

Cross File: SB 525 (Senators Shank and Benson) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Housing and Community Development,
Governor's Office, Department of Legislative Services

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