

TG00
Department of Commerce – Capital

Capital Budget Summary

Grant and Loan *Capital Improvement Program*
Maryland Arts Capital Grant Program
(\$ in Millions)



GO: general obligation

Key Observations

- ***Capital Grants for Arts Organizations:*** Chapters 394 and 395 of 2021 established the Maryland Arts Capital Grant Program and mandated \$3.0 million of funding annually for fiscal 2024 through 2029. The program provides grant funding for capital projects to nonprofit arts and cultural organizations.

GO Bond Recommended Actions

1. Approve the general obligation bond authorization for the Department of Commerce.

Budget Overview of Grant and Loan Program

Chapters 394 and 395 established the Maryland Arts Capital Grant Program, administered by the Maryland State Arts Council (MSAC) in the Department of Commerce. From fiscal 2024 through 2029, the Governor must include \$3.0 million in the State operating or capital budget for the program. This mandate is met with general obligation (GO) bonds in fiscal 2025, and the *Capital Improvement Program* also plans \$3.0 million in GO bonds annually through the end of the planning period in fiscal 2029.

MSAC must award grants to organizations with an operating budget under \$3.0 million that participate in the council’s Grants for Organizations Program or Community Arts Development Program or are open to the public and provide cultural educational experiences. A grant may be awarded for the acquisition of, expansion of, renovation of, or major repairs to a facility or other infrastructure that is operated by an eligible recipient. For any fiscal year, an organization may not receive a grant of more than \$1.0 million for a single project.

Applications for the first round of grants in fiscal 2024 opened January 1, 2024, and will close February 16, 2024. MSAC intends to award grants ranging from \$5,000 to \$300,000 in fiscal 2024. Organizations may submit only one application in fiscal 2024. To receive funding, a proposed project must fit into one of three categories:

- furniture, fixtures, and equipment (\$5,000 to \$100,000 grants);
- design preparation and planning (\$5,000 to \$100,000 grants); or
- facility improvement (\$10,000 to \$300,000 grants).

Grant applications will be scored using a quantitative system that evaluates criteria such as how the project plan fulfills the organization’s mission and enhances the surrounding community, the capacity of the applicant to manage the funding and complete the project, and how the project will be made available for use by people of color and by individuals living below the federal poverty level.

Funds awarded in the fiscal 2024 funding cycle must be expended by July 1, 2026, and no matching funds are required. MSAC has hired a program coordinator to oversee the grants. Applications for future grant cycles are expected to open in June 2024 and March 2025.

Although fiscal 2024 was the first year of funding for MSAC capital grants, MSAC awards operating grants totaling more than \$25.0 million annually.