

Maryland General Assembly -Senate Finance Committee

Hearing: Thursday, February 16, 2023, 1:00 p.m.

Dear Madam Chair Griffith and Members of the Finance Committee:

It is with a sense of urgency and a concern for both the Walters Art Museum and the State of Maryland that I submit this letter urging the Finance Committee to reject Senate Bill 284, “Trustees of the Walters Art Gallery - Collective Bargaining,” filed by Senator Jill P. Carter.

As the past-President and current Chair of the Trustees of the Walters Art Gallery, I have seen firsthand the challenges of fundraising for the museum but also the successes. During my involvement with the museum we have continued to build its collection, grow its endowment, invest in maintaining its public and back-of-house facilities, and—most recently—continue our investments in our employees through another round of **salary and wage increases, averaging 13%** across the institution.

These many investments in physical and human capital are made possible by private philanthropy: donations that come from people in our community who believe the Walters Art Museum matters, and who recognize that **only 22% of its annual operating costs are covered by public sources** such as the City of Baltimore or the State of Maryland. In fact, these contributions are often predicated on the fundamental independence that the Trustees of the Walters Art Gallery, Inc. has from civic and political control: they *trust* the Trustees, as fiduciaries, to govern the museum’s assets independently and for the long-term good of the community.

SB 284 threatens to undermine that independence—as a matter of perspective as much as law—simply by declaring the museum to be a “unit and instrumentality of the State and the City.” Why would donors make philanthropic donations to an organization that no longer has independence from the City or the State? That would effectively be a voluntary tax paid to one specific government entity.

Yet at the same time, this bill offers no alternative pathway for financial viability for the Walters. It does not direct the City of Baltimore to assume responsibility for the museum’s operating budget. It does not allocate funds for maintenance and upkeep of the buildings, three of which are owned by the City, but maintained through funds raised by the Trustees. And while it expresses an implicit concern for the museum’s employees’ desire to form a union—a union they are **in no way** being prevented from forming by the museum’s own management—it offers neither additional funds to cover our payroll expenses, nor does it state that the museum’s employees should be brought down to the City of Baltimore’s own payscale. Oddly, the financial impact on the City of Baltimore—which would need to step forward to support the museum’s ongoing operations, including payroll, as well as cover capital investments in infrastructure—are not addressed by the Fiscal and Policy Note shared by the Department of Legislative Services.

SB 284 is not merely misguided, it is deeply dangerous to this important Maryland institution because it risks the very separation from City management that has made it successful for decades.

Implicit in this is also that the broad and overreaching nature of the bill will cast a pall over the General Assembly's own desires to position the State of Maryland as a competitive, supportive environment for new businesses and other organizations.

If any and every privately managed entity is potentially subject to legislation by the Maryland General Assembly that could, variably, attempt to take its privately held assets or circumvent existing labor law to intervene unnecessarily on behalf of an organization's employees, I think the broader, negative implications for the business environment in our state are very clear.

James H. DeGraffenreidt, Jr.
Chair, Board of Trustees
The Walters Art Museum