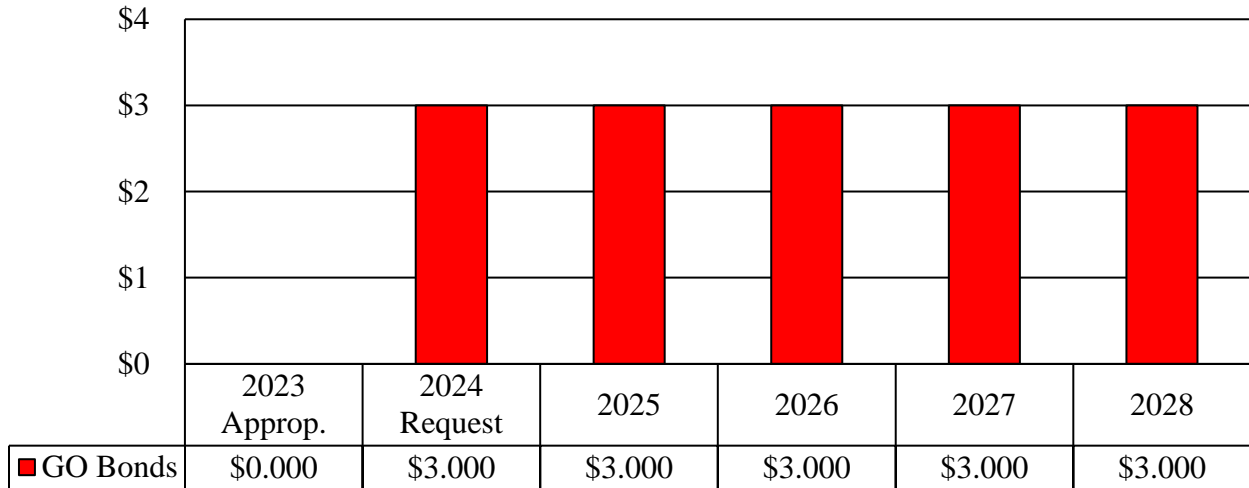


TF00
Department of Commerce – Capital

Capital Budget Summary

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



GO: general obligation

Key Observations

- ***New Mandated Funding for Arts Capital Grants:*** The fiscal 2024 funding of \$3.0 million in general obligation (GO) bonds for the Maryland Arts Capital Grant Program represents the first year of annual funding mandated by Chapters 394 and 395 of 2021. The 2023 *Capital Improvement Program (CIP)* also programs \$3.0 million in GO bonds annually in the out-years to fulfill the mandate.

GO Bond Recommended Actions

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

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Budget Overview of Grant and Loan Programs

Chapters 394 and 395 established the Maryland Arts Capital Grant Program, administered by the Maryland State Arts Council (MSAC) in the Department of Commerce (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 GO bonds in fiscal 2024, and the CIP also plans \$3.0 million in GO bonds annually through the end of the planning period in fiscal 2028.

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.

Commerce advises that the department is in the process of hiring for a new position to manage the program and that the program will be ready to open for applications in July 2023. Based on program criteria, the minimum number of projects for which Commerce can award funding in a fiscal year is 3, although the department anticipates the actual number of awards made will be approximately 10 to 15. 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 complete the project and leverage non-State funding, and how the project will be made available for use by people of color and by individuals living below the federal poverty level.

Although fiscal 2024 will be the first year of funding for MSAC capital grants, MSAC awards operating grants totaling more than \$25.0 million annually. MSAC plans to advertise the capital grant opportunity through its existing grantee lists, social media, and partner networks of county arts agencies, arts and entertainment districts, and regional folklife centers.