



Wes Moore | Governor
Aruna Miller | Lt. Governor
Kevin A. Anderson | Secretary of Commerce
Signe Pringle | Deputy Secretary of Commerce

**TESTIMONY OF KEVIN A. ANDERSON, ACTING SECRETARY
on the
FY 2024 COMMERCE CAPITAL BUDGET ALLOWANCE
before the
SENATE BUDGET AND TAXATION
CAPITAL BUDGET SUBCOMMITTEE
Tuesday, February 21, 2023
and the
HOUSE APPROPRIATIONS
CAPITAL BUDGET SUBCOMMITTEE**

Good afternoon Chairs and members of the subcommittees. Thank you for the opportunity to appear before you today in support of the FY 2024 capital budget allowance for the Maryland Department of Commerce. The proposed \$3 million budget supports the funding for the new Maryland Arts Capital Grant Program within the Maryland State Arts Council (MSAC).

Before proceeding with our testimony, I want to thank Emily Haskell and the staff of the Department of Legislative Services (DLS) for their always thorough and professional review of this budget allowance.

Chapters 394 and 395, Acts of 2021, established the Maryland Arts Capital Grant program to be administered by MSAC. The Governor must include \$3M in the State operating or capital budget for the program in fiscal years 2024 through 2029. As such, the \$3M appropriation in the FY 2024 capital budget allowance is the first round of funding for this program.

The program will allow MSAC, for the first time, to offer grants for the acquisition, expansion, renovation, or major repairs to a facility or other infrastructure operated by organizations with operating budgets under \$3 million that either participate in MSAC's Grants for Organizations or Community Arts Development programs or are open to the public and provide cultural education or experiences. Knowing that this is a highly anticipated program for our constituents, Commerce has allocated a position to MSAC this fiscal year, and we are in the final stages of the hiring process for a program coordinator who will build and administer the program. The new hire will lead a program building process, pulling best practices from other capital grant programs and providing ample opportunity for constituent input to create a program that - like MSAC's other grant programs - is accessible, transparent, and equitable. We anticipate being prepared to accept applications when funding becomes available next fiscal year.

The arts create jobs, attract visitors and visitor spending, improve health outcomes, build understanding, help us interpret our shared history, help strengthen our sense of community, and, where there is pain and division, help us heal. We believe this program is critical for small arts organizations - ones that often serve distinct communities in our state. It will allow access to capital funds, allowing those organizations to leverage additional investment to build and

maintain facilities in order to deliver high-quality programs, ultimately maintaining Maryland's status as an arts leader and getting us closer to ensuring access to the arts for all Marylanders.

We respectfully ask that you approve this proposal as submitted. We thank Emily Haskel and the Department of Legislative Services for their thorough and professional review of the Department's FY 2024 Capital Budget Allowance. Thank you very much, and we'd be happy to answer any questions you may have.

GO Bond Recommended Actions:

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

Commerce concurs with this recommendation.