



Wes Moore | Governor
Aruna Miller | Lt. Governor
Harry Coker, Jr. | Secretary of Commerce

TESTIMONY OF HARRY COKER, JR., SECRETARY
on the
FY 2027 COMMERCE CAPITAL BUDGET ALLOWANCE
before the
HOUSE APPROPRIATIONS
CAPITAL BUDGET SUBCOMMITTEE
Monday, February 23, 2026
and the
SENATE BUDGET AND TAXATION
CAPITAL BUDGET SUBCOMMITTEE
Tuesday, February 24, 2026

Good afternoon, Chairs and members of the subcommittees. Thank you for the opportunity to appear before you today in support of the FY 2027 capital budget allowance for the Maryland Department of Commerce. The proposed \$3 million budget supports the fourth year of the Maryland Arts Capital Grant Program within the Maryland State Arts Council (MSAC).

Before proceeding with our testimony, I want to thank Elizabeth Waibel and the staff of the Department of Legislative Services (DLS) for their 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 2027 capital budget allowance is continued funding for this program.

The program will allow MSAC to continue offering grants for the acquisition, expansion, renovation, or major repairs to a facility or other infrastructure operated by nonprofit 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. MSAC continues to see high volumes of applications for the program, and it is a critical funding stream for the health and sustainability of small and medium-budget arts organizations.

After initial funding was secured in the FY 2024 budget, MSAC created an accessible and transparent program to equitably distribute the allocated funds. The Arts Capital program was built with ample constituent input to ensure it met the needs of Maryland's Arts Sector, and the staff and Council continue to make updates as those needs evolve and MSAC learns from experience. In the first three funding cycles, MSAC hosted "how-to-apply" webinars with 80-100 potential applicants each; fielded questions and provided technical assistance to applicants; processed and reviewed over 140 eligible applications; and made recommendations to award 34 grants total. Geographic diversity in the applicant and grantee pools was an issue the Council identified following the first round of grant recommendations and has been an ongoing focus for MSAC staff, who have addressed it through intentional outreach to applicants, panelist recruitment efforts, and targeted technical assistance. To date the program has received applications from 22 counties and Baltimore City, and while in FY

2024 MSAC received 53 eligible applications from 17 jurisdictions and ultimately recommended 14 grants from 5 jurisdictions, in FY 2025, 51 eligible applications were received from 19 jurisdictions and 13 grants from 9 jurisdictions were recommended, and in FY 2026 34 eligible applications were received from 18 jurisdictions and 9 grants from 9 counties were recommended. Other adjustments were made in the FY 2026 cycle, within the parameters of the statute and with Council and Secretary approval, to applicant eligibility, eligible expenses, and application questions. Two of the FY 2025 recommended awardees, Pennsylvania Avenue Black Arts and Entertainment District and Spotlighter's Theater, with recommended grants totaling \$610,000, were unable to sign the Grant Agreement Forms and therefore could not be presented to the Board of Public Works for approval. Alternate projects that applied to the FY 2026 cycle were selected for awards to utilize the appropriated FY 2025 funds and will be processed with FY 2026 awards. Updated lists of awarded projects by fiscal year are available on MSAC's website, under the Grants Awarded header, [here](#).

If the budget is authorized, MSAC anticipates launching the FY 2027 application in late spring/early summer and advancing the timeline with a goal of having annual awards made and approved by the Board of Public Works before the legislative session begins in future years.

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. Commerce believes this program is critical for small arts organizations - ones that often serve distinct communities in our state. It provides access to capital funds, allowing those organizations to leverage additional investment to build and maintain facilities and deliver high-quality programs, ultimately maintaining Maryland's status as an arts leader and ensuring access to the arts and a high quality of life for all Marylanders.

We respectfully ask that you approve this proposal as submitted. 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.