

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 Third Reader

House Bill 1658
 Appropriations

(Delegate McIntosh, *et al.*)

Budget and Taxation

Economic Development - Baltimore Symphony Orchestra - Funding and Reporting

This bill requires the Governor to include annual appropriations in the State budget for the Baltimore Symphony Orchestra (BSO) for an additional five years, from fiscal 2022 through 2026. The required amount scales down as follows: \$1.5 million in fiscal 2022; \$1.3 million in fiscal 2023; \$1.1 million in fiscal 2024; \$0.9 million in fiscal 2025; and \$0.7 million in fiscal 2026. The bill establishes a related financial reporting requirement for BSO for five years, beginning in 2022. **The bill takes effect June 1, 2020.**

Fiscal Summary

State Effect: No effect in FY 2020 or 2021. General fund expenditures increase by \$1.5 million in FY 2022, \$1.3 million in FY 2023, \$1.1 million in FY 2024, \$0.9 million in FY 2025, and \$0.7 million in FY 2026, under the assumptions discussed below. Revenues are not affected. **This bill continues a mandated appropriation, at a lower amount each year, for five years beginning in FY 2022.**

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.5	1.3	1.1	0.9
Net Effect	\$0.0	(\$1.5)	(\$1.3)	(\$1.1)	(\$0.9)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None; BSO is not a small business.

Analysis

Current Law/Background: BSO is a nonprofit organization whose purpose is to maintain a symphony for the State of Maryland, present musical concerts, and develop a widespread appreciation of fine music. On average, BSO employs 64 full-time staff and 39 part-time administrative staff to plan and implement its scope of services. BSO's annual operating budget has ranged from \$25 million to \$29 million in expenses in recent years.

Chapter 743 of 2019 required the Governor to provide \$1.6 million to BSO in both fiscal 2020 and 2021. The fiscal 2020 budget bill included language in the Department of Commerce (Commerce) restricting \$1.6 million in general funds for BSO. These funds have not been released by the Governor. Chapter 743 also established the Workgroup on BSO, staffed by Commerce, to examine the structural efficiencies of BSO, including health care costs and facility usage, and make recommendations regarding cost containment strategies and audience development. The [final report](#) makes several recommendations, including additional State support for BSO over the next five fiscal years. The bill reflects those recommended funding amounts.

Although there had been no prior requirement that BSO receive State funding, in practice, BSO has received State support averaging \$1.9 million annually for the past 10 years, including \$2.0 million in fiscal 2019 and \$1.6 million in fiscal 2020 (which, as noted above, has not been released by the Governor). Funding is typically provided through the Maryland State Arts Council (MSAC), which receives a general fund appropriation each year for its various grant programs.

Senate Bill 192/House Bill 152 of 2020 (The Budget and Reconciliation and Financing Act), as introduced, proposed repealing the requirement in Chapter 743 that the Governor provide \$1.6 million for BSO in fiscal 2021.

State Expenditures: This estimate assumes that typical State support for BSO through MSAC is not affected by the bill. Under this assumption, general fund expenditures increase by \$1.5 million in fiscal 2022, \$1.3 million in fiscal 2023, \$1.1 million in fiscal 2024, \$0.9 million in fiscal 2025, and \$0.7 million in fiscal 2026.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 1065 (Senator King) - Budget and Taxation.

Information Source(s): Department of Commerce; Baltimore City; Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2020
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Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510