

SB 167 - B&T - Support --- MSAC - Funding Jan 25

Uploaded by: Henry Bogdan

Position: FAV

January 25, 2023

Testimony on Senate Bill 167
Maryland State Arts Council – Funding
Senate Budget and Taxation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1400 nonprofit organizations and institutions. We strongly urge you to support Senate Bill 167, to stabilize and codify the budget process for support of the Maryland State Arts Council, including funding for the Preservation of Cultural Arts.

This legislation will assure that the MD State Arts Council can reliably sustain and grow its support for artists and cultural organizations throughout Maryland. This is a critical contribution to the State's strong quality of life, and its competitive standing among its peers in seeking to attract and retain residents and businesses.

We urge you to give Senate Bill 167 a **favorable report**.

MCA FAV SB167.pdf

Uploaded by: Nicholas Cohen

Position: FAV



January 25, 2023

**Testimony in Favor of SB0167
Maryland State Arts Council - Funding**

Chairman Guzzone, Vice-Chair Rosapepe, and honorable members of the Budget and Taxation Committee,

As the Executive Director of Maryland Citizens for the Arts, a statewide advocacy group for public investment in the arts, I am honored to speak in favor of Senate Bill 167. Our organization represents the interests of over 300 arts organizations, 24 county arts councils, 27 Arts & Entertainment Districts, and thousands of independent artists across Maryland.

The Maryland State Arts Council is a vital source of funding for the arts in our state, providing much-needed investment to hundreds of arts organizations and artists each year. This investment has helped produce thousands of cultural experiences across hundreds of communities in Maryland and provided thousands of arts-related jobs, helping to build a thriving arts-based economy that benefits all Marylanders.

Codifying the annual calculation for the Maryland State Arts Council, as proposed in SB0167, will ensure the continued strong investment in the arts sector, allowing every corner of the state to enjoy incredible artistic experiences. I urge you to vote in favor of this bill and support the arts in Maryland.

Respectfully,

Nicholas Cohen, Executive Director

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Elfreth_FAV_SB167.docx.pdf

Uploaded by: Sarah Elfreth

Position: FAV

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

January 25th, 2023

**Testimony in Favor of SB0167
Maryland State Arts Council - Funding**

Chairman Guzzone, Vice-Chair Rosapepe, & members of the Budget and Taxation Committee,

I respectfully request a favorable report of Senate Bill 167, which would codify and further clarify the annual calculation for determining the annual appropriation of the Maryland State Arts Council (MSAC) to ensure that it includes the intended \$1 million from the admissions and amusement tax revenues on bingo and electronic tip jars.

The FY23 Department of Commerce Budget Analysis summarizes this issue best. “Beginning in fiscal 2022, the Department of Budget and Management (DBM) changed its method for calculating the general fund mandate for MSAC based on a change in interpretation of the language in the BRFA of 2017 on how to include the A&A tax revenues in the calculation compared to prior years. Both methods use the A&A tax revenues as part of the base when calculating the growth, but the new method then removes the \$1.0 million in A&A tax revenues after that growth calculation. The difference grows between years due to the cumulative effect of the lower base on subsequent calculations¹”.

The cumulative impact of this change leads to an underfunding of the MSAC by an estimated \$5.4M in 2026 - meaning significantly less funding for critical community arts programming if we do not find a permanent solution. This Committee has sought to fix this miscalculation in previous BRFAs; however, this legislation, if passed, will finally clarify the formula for the MSAC to ensure that it can continue to do its remarkable work across the State.

Once again, I respectfully request a favorable report of Senate Bill 167 to make good on the State’s commitment to supporting a vibrant and sustainable arts community across Maryland.

Sincerely,

A handwritten signature in black ink that reads "Sarah Elfreth".

Sarah Elfreth

¹<https://mgaleg.maryland.gov/Pubs/BudgetFiscal/2023fy-budget-docs-operating-T00-Department-of-Commerce.pdf> (page 8)