



**Committee:** Education & Culture

**Committee Review:** June 8, 2020

**Staff:** Carolyn Chen, Legislative Analyst *CJC*

**Purpose:** To receive testimony/final action - vote expected

**Keywords:** #Coronavirus, #COVID-19, #arts

AGENDA ITEM #10

July 7, 2020

**Public Hearing/Action**

## SUBJECT

Special Appropriation to the Fiscal Year 2021 Operating Budget, Montgomery County Government, Arts and Humanities Council of Montgomery County (AHCMC) Non-Departmental Account, Arts COVID-19 Relief Fund, \$3,250,000 (Source of Funds: Federal Grant Funds)

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

On [June 8, 2020](#), Councilmember Rice and Councilmember Glass discussed with the Education & Culture Committee the need to explore specific arts and humanities sector relief programs to mitigate the impact of the COVID-19 global pandemic. Councilmember Glass and Councilmember Friedson participated in the worksession. The Education & Culture Committee recommended 3-0 to introduce a special appropriation for an Arts COVID-19 Relief Fund.

## DESCRIPTION/ISSUE

On [June 23, 2020](#), the [Montgomery County Council introduced a resolution](#) to Fiscal Year 2021 Operating Budget, Montgomery County Government, Arts and Humanities Council of Montgomery County (AHCMC) Non-Departmental Account, \$3,250,000 for an Arts COVID-19 Relief Fund. The Source of Funds is Federal Grant Funds.

## SUMMARY OF KEY DISCUSSION POINTS

- Nationwide and in Montgomery County, the arts and culture sector, which includes organizations and individual artists, has experienced a disproportionate negative economic impact as a result of the COVID-19 global pandemic. Compared to surrounding jurisdictions, Montgomery County's arts and humanities sector has experienced the highest loss in revenue due to canceled performances, exhibitions and events since Maryland Governor Hogan's Executive Order to close performing and visual arts, concert and film venues and museums.
- The magnitude of the long-term impact to the arts and humanities sector in Montgomery County is yet to be realized; specifically the capacity and infrastructure of arts and humanities organizations to reopen venues, decreased demand by the public to attend arts-related events, organizational fiscal health to re-employ creative class professionals and feasibility of large-scale annual philanthropic and fundraising events that the arts and humanities sector leverages as a sustaining funding source for operations.

- As Montgomery County’s designated local arts agency, the Arts and Humanities Council of Montgomery County (AHCMC) continues to mitigate the impact of COVID-19 on local arts and humanities organizations. With the institutional knowledge of the arts and humanities landscape in Montgomery County and financial and reporting structures in place for grantmaking, the Arts and Humanities Council of Montgomery County (AHCMC) is an effective disbursement entity to execute COVID-19 arts relief funding to initiate economic recovery.
- This special appropriation is needed to provide emergency grant funding to creative class professionals and arts and humanities organizations that have been impacted by the COVID-19 global pandemic. The County will seek reimbursement from the federal and state government for any eligible costs. The Source of Funds is Federal Grant Funds.

**This report contains:**

Special Appropriation Resolution

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[June 23, 2020 County Council News Release](#)

© 4-5

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Resolution No.: \_\_\_\_\_  
Introduced: June 23, 2020  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead sponsors: County Council

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**SUBJECT:** Special Appropriation to the Fiscal Year 2021 Operating Budget  
Montgomery County Government  
Arts and Humanities Council of Montgomery County Non-Departmental Account  
Arts COVID-19 Relief Fund  
\$3,250,000 (Source of Funds: Federal Grant Funds)

**Background**

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. On March 11, 2020 the World Health Organization declared coronavirus COVID-19 a pandemic and it has spread rapidly throughout the world. As of June 17, 2020, there were 13,819 confirmed cases and 664 confirmed deaths in Montgomery County. To slow the spread of the disease, Maryland Governor Hogan declared a State of Emergency and issued several Executive Orders with actions that include, but are not limited to, limiting the number of people that can gather; which included arts and humanities venues.
3. Nationwide, the continued efforts to contain the spread of the disease and the disease itself has had a disproportionate negative economic impact to the arts and humanities sector with 96% of 12,100 respondents to the American for the Arts national survey reporting cancellation of events. Compared to surrounding jurisdictions, Montgomery County's arts and humanities sector has experienced the highest loss in revenue due to canceled performances, exhibitions and events since Maryland Governor Hogan's Executive Order to close performing and visual arts, concert and film venues and museums.
4. Nationwide, creative class professionals are the leading workforce most severely impacted by the COVID-19 pandemic. Based on 19,100 respondents, 62% of creative class professionals have become fully unemployed, 94% reported income loss and 79%

experienced a decrease in earned income creative work. In an April 2020 survey conducted by the Arts and Humanities Council of Montgomery County (AHCMC), 100% of local arts and humanities organizations reported cancelling, suspending or delaying 712 contracts for independent artists, scholars and educators that organizations can no longer afford to employ. Additionally, creative class professionals have reported difficulty accessing and/or qualifying for federal and state COVID-19 relief programs, including food programs, unemployment benefits, medical insurance and housing assistance.

5. The magnitude of the long-term impact to the arts and humanities sector in Montgomery County is yet to be realized; specifically the capacity and infrastructure of arts and humanities organizations to reopen venues, decreased demand by the public to attend arts-related events, organizational fiscal health to re-employ creative class professionals and feasibility of large-scale annual philanthropic and fundraising events that the arts and humanities sector leverages as a sustaining funding source for operations.
6. As Montgomery County’s designated local arts agency, the Arts and Humanities Council of Montgomery County (AHCMC) continues to mitigate the impact of COVID-19 on local arts and humanities organizations by expediting Fiscal Year 2020 grant disbursements, relaxing award policies, extending project deadlines and authorizing changes to project descriptions. With the institutional knowledge of the arts and humanities landscape in Montgomery County and financial and reporting structures in place for grantmaking, the Arts and Humanities Council of Montgomery County (AHCMC) is an effective disbursement entity to execute COVID-19 arts relief funding to initiate economic recovery.
7. A Fiscal Year 2021 Operating Budget special appropriation is requested for the Arts and Humanities Council of Montgomery County (AHCMC) Non-Departmental Account:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$3,250,000	\$3,250,000	Federal Grant Funds

8. This special appropriation is needed to provide emergency grant funding to creative class professionals and arts and humanities organizations that have been impacted by the COVID-19 global pandemic. The County will seek reimbursement from the federal and state government for any eligible costs. The Source of Funds is Federal Grant Funds.
9. Notice of public hearing was given and a public hearing was held.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

A special appropriation to the Fiscal Year 2021 Operating Budget of the Montgomery County Government, Arts and Humanities Council of Montgomery County (AHC MC) Non-Departmental Account is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$3,250,000	\$3,250,000	Federal Grant Funds

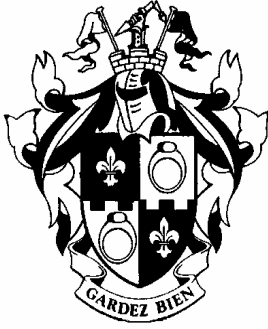
The funds will be to assist creative class professionals and arts and humanities nonprofit organizations in Montgomery County impacted by the COVID-19 public health crisis. The Arts and Humanities Council of Montgomery County (AHC MC) must grant \$250,000 for individual artist emergency relief in the form of mini-grants up to \$3,000 and \$3,000,000 for general operating support COVID-19 emergency relief grants to arts and humanities organizations.

This appropriation is needed address a public health emergency and to act without delay in the public interest.

This is a correct copy of Council action.

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Selena Mendy Singleton, Esq.  
Clerk of the Council



# Montgomery County Council

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*From the Offices of Councilmembers Rice and Glass*

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June 23, 2020

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**Council introduces \$3,250,000 special appropriation to provide assistance to creative professionals and arts and humanities organizations that have been struggling financially during the Covid-19 pandemic**  
*Funding spearheaded by Councilmembers Craig Rice and Evan Glass will enable the Arts and Humanities Council to provide emergency grant funding*

ROCKVILLE, Md., June 23, 2020—Today the Montgomery County Council introduced a special appropriation of \$3,250,000 to support creative professionals and arts and humanities organizations that have been financially impacted by the Covid-19 global pandemic. The full Council is sponsoring the special appropriation, which was initiated by Councilmember Craig Rice, who chairs the Education and Culture Committee, and Councilmember Evan Glass, who serves on the Health and Human Services Committee and is the Lead for Homelessness and Vulnerable Communities.

“The arts, like our education community, help to shape and expand our thoughts, beliefs and values for those it touches,” said Councilmember Craig Rice. “Art plays a vital role in enhancing the vitality of Montgomery County not just economically but also in the quality of life for our residents. We need to ensure our arts and humanities organizations and artists know that the county recognizes their importance and supports them during these very difficult times.”

“These grants will support our local artists and artistic organizations at a time when cultural and civic expression is most needed to heal and unite our community and our nation,” said Councilmember Evan Glass, who served as the executive director of an arts organization before joining the Council. “The arts sector is a vibrant part of Montgomery County’s economic engine and it is important that we provide support during this pandemic so that they are ready to turn their lights on and raise their curtains when it is safe to reopen.”

The special appropriation provides \$250,000 in mini-grants of up to \$3,000 to individual artists and creative workers and \$3 million in general operating support grants to arts and humanities organizations. Compared to surrounding jurisdictions, Montgomery County's arts and humanities sector has experienced the highest loss in revenue due to canceled performances, exhibitions and events, since Maryland Governor Hogan's Executive Order was issued to close performing and visual arts, concert and film venues as well as museums.

Moreover, in an April 2020 survey conducted by the Arts and Humanities Council of Montgomery County, 100 percent of local arts and humanities organizations reported cancelling, suspending or delaying 712 contracts for independent artists, scholars and educators that arts and humanities organizations could no longer employ. This is compounded by the fact that many creative professionals have reported difficulty accessing or qualifying for federal and state Covid-19 relief programs such as unemployment benefits and housing assistance. According to Americans for the Arts, nonprofit arts and cultural organizations have lost an estimated \$5.5 billion and 210 million admissions across the U.S. due to cancelled events through May 18, 2020.

Like other jurisdictions, arts and entertainment venues in Montgomery County are among the last group of activities that are permitted to resume operations because of concerns associated with indoor Covid-19 transmission and large group activities. The long-term impact of the global pandemic on the arts and humanities sector in the County is not yet fully known because it is difficult to schedule opening dates and to gauge the level of public demand once creative arts venues are able to resume operations.

At the June 8 Education and Culture Committee meeting, Councilmember Rice and Councilmember Glass discussed the need to explore specific arts and humanities sector relief programs to mitigate the financial impact of the Covid-19 global pandemic. The Committee unanimously recommended the introduction of a special appropriation for an Arts Covid-19 Relief Fund. The Council is scheduled to hold a public hearing on the special appropriation on July 7 at 1:30 p.m.

The Council staff report can be viewed [here](#).

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