



Committee: Education & Culture
Committee Review: At a future date
Staff: Carolyn Chen, Legislative Analyst *CJC*
Purpose: To introduce agenda item – no vote expected
Keywords: #Coronavirus, #COVID-19, #arts

AGENDA ITEM #2D
October 27, 2020
Introduction

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, \$334,500 (Source of Funds: Federal Grant Funds)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

None

DESCRIPTION/ISSUE

The Montgomery County Council will introduce a Special Appropriation to the Fiscal Year 2021 Operating Budget Arts and Humanities Council of Montgomery County Non-Departmental Account, Arts COVID-19 Relief Funds, \$334,500 (Source of Funds: Federal Grant Funds).

Education & Culture Committee tentatively scheduled for November 2, 2020 and Public Hearing/Action is scheduled for November 10, 2020.

SUMMARY OF KEY DISCUSSION POINTS

- On July 7, 2020, the County Council approved a [special appropriation via Resolution 19-522](#) to create an Arts COVID-19 Relief Fund with \$3,000,000 designated for eligible arts and humanities organizations and \$250,000 designated for eligible artists and scholars.
- The Arts and Humanities Council of Montgomery County (AHCMC) executed the Arts and Humanities COVID-19 Relief Fund grant process in August 2020 with a deadline of September 14, 2020. AHCMC staff conducted an eligibility review and reported that the number of applicants not currently in AHCMC's portfolio exceeded expectations and projections. 25% of eligible arts and humanities organizations and 60% of eligible artists and scholars that applied were new to AHCMC and had not been previously funded by AHCMC arts grants.
- This special appropriation is needed to provide additional emergency grant funding to the Arts and Humanities COVID-19 Relief Fund so that all eligible organizations and individuals will receive equitable grant funding levels. 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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Resolution No.: _____
Introduced: October 27, 2020
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead sponsors: Councilmember Rice and Councilmember Glass

SUBJECT: Special Appropriation to the Fiscal Year 2021 Operating Budget Arts and Humanities Council of Montgomery County Non-Departmental Account, Arts COVID-19 Relief Funds, \$334,500 (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 October 19, 2020, there were 24,395 confirmed cases and 820 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, limiting the number of people that can gather, which included delaying the reopening of 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. 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 and according to a survey conducted by the Arts and Humanities Council of Montgomery County in September 2020, the negative impact to the arts and humanities organizations is 300% greater than originally predicted in April 2020 with \$32.8 million in lost revenue and \$9.3 million in lost philanthropic contributions.
4. Nationwide, creative class professionals are the leading workforce most severely impacted by the COVID-19 pandemic. 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 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. As of September 2020, individual artists and scholars have reported \$1.8 million in aggregate financial impact.

5. On July 7, 2020, the County Council approved a special appropriation via Resolution 19-522 to create an Arts COVID-19 Relief Fund to provide grants to arts and humanities organizations and individual artists and scholars and the flexibility to use the funds for urgent needs, including supporting day-to-day operating costs and furthering the general mission or work. \$3,000,000 was designated for eligible arts and humanities organizations and \$250,000 was designated for eligible artists and scholars.
6. As Montgomery County’s designated local arts agency 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) executed the Arts and Humanities COVID-19 Relief Fund grant process in August 2020 with a deadline of September 14, 2020. AHCMC staff conducted an eligibility review and reported that the number of applicants not currently in AHCMC’s portfolio exceeded expectations and projections. 25% of eligible arts and humanities organizations and 60% of eligible artists and scholars that applied were new to AHCMC and had not been previously funded by AHCMC arts grants.
7. A FY21 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	\$334,500	\$334,500	Federal Grant Funds

8. This special appropriation is needed to provide additional emergency grant funding to the Arts and Humanities COVID-19 Relief Fund so that all eligible organizations and individuals will receive equitable grant funding levels. 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 FY21 Operating Budget of the Montgomery County Government, Arts and Humanities Council of Montgomery County (AHCMC) Non-Departmental Account is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$334,500	\$334,500	Federal Grant Funds

These funds are needed to provide additional emergency grant funding to the Arts and Humanities COVID-19 Relief Fund so that all eligible organizations and individuals will receive equitable grant funding levels. The Arts and Humanities Council of Montgomery County (AHCMC) must use \$44,000 for individual artist emergency relief in the form of mini-grants up to \$3,000 and \$290,500 for general operating support COVID-19 emergency relief grants to arts and humanities organizations up to \$100,000.

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

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council