

OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich
County Executive

Tiffany Ward

Director and Chief Equity Officer

MEMORANDUM

March 29, 2024

To: Jennifer Bryant, Director

Office of Management and Budget

From: Tiffany Ward, Director

Office of Racial Equity and Social Justice

Re: Racial Equity Impact Assessment (REIA) for Supplemental Appropriations #24-67

Blackrock Center for the Arts

- I. <u>FINDING:</u> The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #24-67 BlackRock (BlackRock) Center for the Arts is inconclusive regarding its likelihood of advancing racial equity and social justice in Montgomery County. While BlackRock plays an important role in Upper Montgomery County's civic life, there is insufficient information about the county's overall investments in arts and culture organizations, how equitable the current distribution of resources and opportunities is, and how this supplemental appropriation may affect that distribution.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #24-67 BlackRock Center for the Arts is to allocate \$260,000 in General Fund Undesignated Reserves to the Department of General Services (DGS) for a grant to Germantown Cultural Arts Center, Inc. (BlackRock), supporting continued operations, strategic planning efforts, and indirect costs associated with community use, the artistic program, educational program, equipment, and supplies¹.

¹ Memo from County Executive Marc Elrich to Council President Andrew Friedson. Subject: Supplemental Appropriation #24-67 to the FY24 Operating Budget Montgomery County Government Department of General Services BlackRock Center for the Arts, \$260,000. February 27, 2024.

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> BlackRock is a performing and visual arts venue and provides arts and education programs in Montgomery County, specifically in the Germantown area. The organization's stated mission is: "BlackRock Center for the Arts brings inspiring performing and visual arts experiences to diverse audiences in a welcoming and intimate setting, providing opportunities to explore, celebrate and engage in the arts"². Guided by four key goals, the organization also seeks to "reflect, celebrate and engage the diversity of our communities through programming and participation at all levels of our organization"³. Since moving into its current location—a county-owned property⁴—in 2002, BlackRock has reached 40,000 people per year⁵. According to its FY21 Overview report (the latest publicly available report we were able to locate), BlackRock provided arts education and social-emotional learning, virtual and interactive galleries, and community and family events, as well as numerous theatrical and musical performances⁶, all while managing the economic and public health pressures created by the Covid-19 pandemic. Based on feedback from the FY21 Overview Report, numerous news articles⁷, and information provided along with this supplemental appropriation request, BlackRock plays an important role in Upper Montgomery County's civic life.

> Montgomery County is home to hundreds of cultural assets—places where residents go to experience and express creativity and culture in Montgomery County⁸. Based on ORESJ's review of the Arts and Humanities Council of Montgomery County (AHCMC) and Civic Arts⁹ cultural assets map research project¹⁰, BlackRock is categorized as a traditional place of creativity and culture. It is among 332 other places in the County categorized by being easily recognized within a traditional understanding of the cultural sector and creative economies¹¹. Below is the Germantown map of Creativity and Culture Places. A visual review of the geographic distribution shows that there are more traditionally-named than community-named places in Germantown. Community-named places are those that residents identify as places where people gather to share, create, and enjoy the way creativity and culture come

² BlackRock Center for the Arts Website. Available: https://www.blackrockcenter.org/about

³ Ibid.

⁴ BlackRock Center for the Arts is a county-owned property. Montgomery County Government pays for maintenance and utilities. OLO Report 2019-12. Strathmore and the Arts in Montgomery County. September 10, 2019. Available at: https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/OLOReport2019-12.pdf

⁵ BlackRock Center for the Arts Website. Available: https://www.blackrockcenter.org/about

⁶ BlackRock Center for the Arts FY21 Overview. Presented for 2021 Maryland Arts Day. Available at: https://www.creativemoco.com/wp-content/uploads/2021/02/BlackRock-Center-for-the-Arts-FY21-Overview.pdf

⁷ News coverage and blog posts related to BlackRock Center for the Arts. Available at: https://www.blackrockcenter.org/news-media

⁸ "Project Summary". Montgomery County Cultural Asset Mapping. CivicArts.org and Arts and Humanities Council of Montgomery County. Published August 2022. Available at:

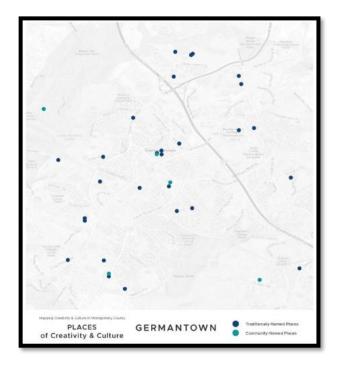
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⁹ Civic Arts provides services in professional policy, evaluation, and engagement both within and outside of our own community. "Services". Civic Arts. Available at: https://www.civicarts.org/services

¹⁰ Arts & Humanities Council of Montgomery County. "Community + Cultural Research". Available at: https://www.creativemoco.com/our-role-impact/community-cultural-research/
¹¹ Ibid.

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into being within their own lives, the lives of their families, and those of their larger communities¹². It's beyond the scope of this REIA to more deeply evaluate the differences between these categories, the geographic patterns created by their distribution across the county, and the funding levels for each type of asset (including historical county support). However, findings from the cultural assets map explain that residents differentiate between how the arts manifest in their own lives compared to the county's cultural life¹³. Better understanding this nuance and utilizing the mapping project's community engagement methods will help ensure that the county's funding of the arts aligns with the needs of all communities and the cultural assets they most value.



Data source: Cultural Asset Mapping Montgomery County. Germantown. Page 55. Available at:

https://creativemoco.sharepoint.com/:b:/g/EZ_duiWR0UxHnocT03816OYBsJX1vDDALA7_ItwiKCwr01Q?e=IJG1Uu

¹² "Project Summary". Montgomery County Cultural Asset Mapping. CivicArts.org and Arts and Humanities Council of Montgomery County. Published August 2022. Available at:

https://creativemoco.sharepoint.com/:b:/g/EZ_duiWR0UxHnocT038160YBsJX1vDDALA7ItwiKCwr01Q?e=IJG1Uu ¹³ Ibid.

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> BlackRock's latest publicly available Form 990¹⁴ is from the 2021 tax year and shows there were 55 employees¹⁵ and 19 voting members on the governing board¹⁶. It's total revenue in 2021 was \$3,689,211, which was primarily made up of grants and program service revenue¹⁷; expenses were reported as \$3,141,084¹⁸. Within the scope of this REIA, ORESJ could not identify all sources of the organization's funding nor the full extent of County government's existing investment (particularly as compared to arts organizations with similar offerings in other parts of the County and other arts organizations primarily serving the Up County area). However, ORESJ noted general operating support from the County's largest arts and humanities funder¹⁹, AHCMC, for FY2019 forward²⁰ (ORESJ reviewed funding since the passage of the RESJ Act). ORESJ also noted that BlackRock is not within any of the County's three Arts and Entertainment (A&E) districts (Wheaton, Silver Spring, and Bethesda)²¹or Urban Districts²². Within Maryland's A&E districts, management entities, resident artists, certain property owners, and arts and entertainment enterprises are eligible for specific tax and other incentives. Eligibility criteria for these incentives are narrowly defined, so it is difficult to anticipate how the absence of an A&E district designation in Germantown impacts BlackRock's fiscal position.

> In considering financial data about BlackRock and the County's larger arts and culture sector, it's important to note that analyzing the county's funding for the sector is challenging. According to a 2019 Office of Legislative Oversight report, the total amount of the County's funding for the arts is unclear; arts-related functions, data, and funding are distributed across county government and budget²³. Therefore, analyzing how investment is distributed, whether it's equitable, and how this supplemental appropriation affects this would require additional time and resources. A more complete picture of the county's arts and culture funding would help decisionmakers better understand how equitable those investments are in terms of scale, ownership demographics, geographic location, communities served, and associated outcomes.

 $\underline{https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco_md/0-0-0-155149}$

¹⁴ Internal Revenue Service. "Form 990 Resources and Tools". Available at: https://www.irs.gov/charities-nonprofits/form-990-resources-and-tools

¹⁵ In the 2021 calendar year.

¹⁶ Germantown Cultural Arts Center, Inc. Form 990. 2021 Tax Year. Available at: https://apps.irs.gov/pub/epostcard/cor/522010744 202206 990 2023060121342265.pdf

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Arts & Humanities Council of Montgomery County. "Impact". Available at: https://www.creativemoco.com/our-role-impact/impact/

²⁰ For grant description and award amount, please see FY19, 20, 21, 22, 23, 24 award reports available here: https://www.creativemoco.com/find-opportunities/previous-grant-awards/

²¹ Maryland Arts Director. Arts and Entertainment Districts. Available at: https://www.msac.org/directory#/districts

²² Sec. 68 A-3. Creation of Urban Districts: purposes. Available at:

²³ OLO Report 2019-12. Strathmore and the Arts in Montgomery County.

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- III. ANALYSIS: BlackRock, its current and future operations, and this supplemental appropriation funding are situated within a larger, and evolving context about arts and culture programming and funding in Montgomery and how racial equity and social justice are operationalized within the sector. ORESJ shed light on some of these dynamics within its REIA of Supplemental Appropriation #22-67 Public Arts Trust (No. 729658), which highlighted the intersection of racial equity and social justice and the arts and culture sector. In its REIA of Supplemental Appropriation #22-44 Office of Grants Management, ORESJ highlighted practices that support racial equity and social justice in grant-making (practices that could be applied to consideration of this and future arts grant funding). These REIAs highlight the ways racial equity can be operationalized within funding strategies for arts and culture organizations as well as the non-profit sector more generally. Since the development of these two REIAs, ORESJ identified additional research on how best to equitably distribute support and center racial equity and social justice in the arts (and through grant-making more generally):
 - Grantmaking with a Racial Justice Lens: A Practical Guide. While much of the guide is geared towards implementation within philanthropic organizations, the tools, checklists, practices, and prompts are all relevant to shaping government funding strategies and grantmaking for racial equity. In partnership with the Philanthropic Initiative for Racial Equity and the Foundation Center, this guide advises users on deepening commitments to racial equity within organizations and in the programs they support.
 - <u>Creating Cultures & Practices for Racial Equity: A Toolbox for Advancing Racial Equity for Arts and Cultural Organizations</u>. This toolkit provides arts and culture organizations with guidance on how to develop racial equity policies and practices.
 - Reflective Conversations on Art and Culture: Observation and Understanding. This brief provides observations about how Montgomery County residents define art and what it means to them. It also offers considerations for the county's cultural plan, including setting goals and developing funding strategies that promote fair resource distribution.

Given that this supplemental appropriation includes support for BlackRock's strategic planning efforts, there is a prime opportunity to consider these and other resources that demonstrate how best to center racial equity and social justice in arts and culture organizations as well as funding strategies.

BlackRock is in Germantown, and while it serves residents across the County and region, it is valuable to consider the demographic composition of the immediate area compared to the county as a whole:

Demographic category	Montgomery County, MD	Germantown, MD
Persons under 5 years, percent	5.70%	6.30%

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Demographic category	Montgomery County, MD	Germantown, MD
Persons under 18 years, percent	22.50%	24.30%
Persons 65 years and over, percent	17.20%	10.70%
White alone, percent	58.40%	33.70%
Black or African American alone, percent	20.70%	25.20%
American Indian and Alaska Native alone, percent	0.90%	0.20%
Asian alone, percent	16.20%	20.40%
Native Hawaiians and Other Pacific Islanders alone, percent	0.10%	0.00%
Two or More Races, percent	3.70%	12.10%
Hispanic or Latino, percent	20.30%	24.10%
Foreign born persons, percent, 2018-2022	32.70%	37.40%

Data sources: Germantown, MD:

 $\frac{https://www.census.gov/quickfacts/fact/table/germantowncdpmaryland/PST045222}{Montgomery County, MD:} \label{eq:montgomery}$

https://www.census.gov/quickfacts/fact/table/montgomerycountymaryland/RHI125222#RH I125222

cc: David Dise, Director, Department of General Services Ken Hartman, Director, Office of Strategic Partnerships, Office of the County Executive