

MARYLAND

OVERVIEW

Established in 1967, the Maryland State Arts Council (MSAC) seeks to encourage and invest in the advancement of the arts for the people of Maryland.¹ In attaining these goals, the Council supports artists and arts organizations in their pursuit of artistic excellence, ensures the accessibility of the arts to all citizens and promotes statewide awareness of arts resources and opportunities. When the Council was founded as an agency of state government in 1967, under the jurisdiction of the Department of Business and Economic Development, Division of Tourism, Film and the Arts, the founding legislation stated its purpose was “to create a nurturing climate for the arts in the State.”

While there are 17 citizens appointed to the Council, 13 of these citizens are named by the governor to three-year terms (renewable once) along with two private citizens and two legislators each appointed by the President of the Senate and Speaker of the

House. In order to implement its mission goals, the Council awards grants to individual artists and not-for-profit, tax-exempt organizations for ongoing arts programming and arts projects. In addition, the Council provides technical and advisory assistance to these

individuals and groups while carrying out programs of its own to enhance the cultural life of the residents of Maryland. The Council’s major source of funds is an annual appropriation from the state, smaller grants from the federal National Endowment for the Arts (NEA), and funds from private, non-governmental sources.

FUNDING FOR THE ARTS

The state economic downturn impacted negatively on state arts appropriations, a development that also gripped Maryland. For some years now, Maryland has enjoyed—and continues to—a fine national reputation as a leader in arts funding. In fact, in both fiscal years 2004 and 2005, Maryland was one of only eight states that appropriated funds to the arts in double digit levels. (Florida was the only other SLC state to do so along with Illinois, Michigan, New Jersey, New York, Ohio and Pennsylvania). Even in terms of per capita spending on the

Table 15

Funding the Maryland State Arts Council Fiscal Years 2001 through 2005

| Fiscal Year | State Funds | Federal Funds | Other Funds | | Total Funds |
|-------------|--------------|---------------|-------------|---|--------------|
| | | | Amount | Source | |
| FY 2001 | \$12,646,294 | \$497,000 | \$278,991 | Private Sector | \$13,474,068 |
| | | | \$51,783 | MD Dept. of Education | |
| FY 2002 | \$13,554,113 | \$572,300 | \$323,159 | Private Sector | \$14,543,432 |
| | | | \$43,860 | MD Dept. of Education | |
| | | | \$50,000 | MD Dept. of Housing and Community Development | |
| FY 2003 | \$12,106,546 | \$608,050 | \$331,498 | Private Sector | \$13,096,094 |
| | | | \$50,000 | MD Dept. of Housing and Community Development | |
| FY 2004 | \$11,072,298 | \$589,800 | \$247,135 | Private Sector | \$11,909,233 |
| FY 2005 | \$11,001,522 | \$612,600 | \$299,865 | Private Sector | \$11,943,987 |
| | | | \$30,000 | MD Dept. of Housing and Community Development | |

Source: Maryland State Arts Council, August 2005

arts, Maryland's \$2.00 in fiscal year 2005 ranked it seventh nationally; in fiscal year 2004, Maryland's \$2.01 per capita spending level ranked it sixth nationally. Given these historic trends, the gravity of the state fiscal crisis is quickly apparent because it forced even a state fully committed to the arts, like Maryland, to cut back on funding levels.

As demonstrated in Table 15, Maryland's legislative appropriations to the arts stayed above \$11 million even during the height of the fiscal downturn. In fact, the appropriation level actually increased by 7 percent to \$13.6 million in fiscal year 2002, from \$12.6 million in fiscal year 2001. Then, it fell by 11 percent in fiscal year 2003 to \$12.1 million and by an additional 9 percent to \$11.1 million in fiscal year 2004. Finally, in fiscal year 2005, the appropriation level diminished further (by 1 percent) to \$11 million. During this time of state cutbacks, the Council's appropriations from the federal NEA fared reasonably well, even increasing by 15 percent between fiscal years 2001 and 2002 (from \$497,000 to \$572,300), then again by 6 percent between fiscal years 2002 and 2003, declining by 3 percent between fiscal years 2003 and 2004 (\$608,050 to \$589,800), before inching upwards by 4 percent between fiscal years 2004 and 2005 (from \$589,800 to \$612,600). Also of significance during the review period are the funds the Council received from both private and other state government agencies. While a majority of the funds received were from the private sector, the contributions from the departments of education and housing and community development remain important.

Another layer of analysis that remains important in the Maryland context is a review of total funds (state, federal and private) received by the Council. In this case, the scenario stands at an impressive \$13.5 million in fiscal year 2001, with an increase of



Olafur Eilasson. *Flower observatory*. 2004 The Baltimore Museum of Art: Fanny B. Thalheimer Memorial Fund, and Collectors Circle Fund. Photo by Mitro Hood, courtesy Baltimore Museum of Art.

8 percent to \$14.5 million in the following fiscal year; this was the highest level secured during the review period. While total funds declined by 10 percent to \$13.1 million in fiscal year 2003, they declined by an additional 9 percent to \$11.9 million in fiscal year 2004. In fiscal year 2005, total funds remained unchanged at \$11.9 million. Between the start and end of the review period, total funds secured by the Council actually declined by 11 percent, from \$13.5 million to \$11.9 million. Another interesting trend that surfaces from a review of the total funds received by the Council is the fact that while in fiscal year 2001, the Council relied on state appropriations for 94 percent of its total funds, by fiscal year 2005, this number had declined marginally to 92 percent.

The Council also noted that cutbacks in total revenues resulted in lower investments in two of the Council's flagship programs: grants that provide operating support for more than 250 arts organizations and programs and the Community Arts Development Program, which provides support to the 24 local arts councils across the state. The Council also delayed filling

a number of staff vacancies in fiscal years 2002 and 2004, given the fact that there was a state hiring freeze.

In an effort to publicize the impact of the Council across the state and preserve funding levels, the Council introduced a new program in fiscal year 2005 entitled *Ambassador Outreach*. This effort involved inviting Council board members to attend Arts Council grant recipient events. In general, the board members made brief remarks at these events where they sought to acknowledge the exemplary work of the arts organization involved, inform audiences about the Arts Council, stress the importance of public funding for the arts, and request that individuals at the event encourage their elected officials

to continue supporting arts programs. In its first year, more than 25 arts organizations participated in the outreach program.

ECONOMIC IMPACT

The Council has been very proactive in publicizing details about the positive economic flows that emerge from the state's expenditures on the arts. An important component of this strategy is the fact that it has sponsored an annual study of the economic impact of the arts in Maryland since 2000. Prior to 2000, reports were generated bi-annually. In order to ensure as complete an evaluation of the arts as possible, the Council works with members of the economic research team within the Maryland Department of Business and Economic Development to produce these studies.

The most recent study, released in 2004, skillfully demonstrated that the arts in Maryland had a huge economic impact and played an important role in enhancing the quality of life enjoyed by the state's residents.² The report noted that the enhanced quality of life was equally valid for those residents living

in small towns and rural areas as it was for those living in the more urban, metropolitan areas. As in the example of so many other states, corporate officials and businesses made the point in Maryland too, that a thriving arts and cultural scene made the state's cities and communities infinitely better places to live and work, often noting the presence of an active arts scene in their business relocation and expansion decisions.

In formulating data for this 2004 study, the Council solicited information from 289 Maryland organizations that produced or presented the arts around the state; received grants from the Maryland State Arts Council for ongoing support of their operations and programs; and featured the activities of individual visual, performing and literary artists in fiscal year 2003. Importantly, the study did not include the economic impact of for-profit arts organizations and it is possible to estimate that the overall economic in-

fluence would have been substantially larger if this sector also was included in the analysis. Based on the report, the Maryland arts industry (arts organizations and arts audience activities) contributed a remarkable \$911 million to the state's economy during the year. Some of the additional details that were highlighted by the report included the following:

- » During the review year, 11.5 million people attended arts events in Maryland;
- » The audiences and attendees at these art events incurred \$284 million in direct spending on goods and services;
- » When combined with the associated secondary spending, the audiences and attendees incurred \$649 million in total spending at these arts events;
- » For every \$1 of direct spending by audiences attending arts events, an additional \$2.30 in secondary expenditures on

goods and services was generated in Maryland;

- » There were 12,475 direct jobs, full-time and part-time, created as a result of the arts industry;
- » Maryland arts organizations incurred \$146.4 million in direct spending on goods and services;
- » There was a total economic impact of \$911 million based on the \$430 million in direct spending by the arts industry (\$284 million + \$146.4 million); and
- » The arts industry generated \$33.4 million in state and local taxes during the year.

The study also emphasized the regional impact of the arts industry in the state to document that the industry's positive economic flows were not limited to a single area of the state. Table 16 presents this information.

As demonstrated in Table 16, positive economic flows from the arts industry also extended to the more rural parts of the state. For instance, even in the Western and the Eastern Shore of Maryland, arguably the most rural parts of the state, the economic impact of the arts industry was significant. Specifically, in these two regions, arts and cultural activities created a total economic impact of \$81.2 and 741 full- and part-time jobs.

Table 16

Regional Economic Impact of the Arts Industry in Maryland

| Region | Total Economic Impact (Direct + Secondary) | Total Jobs in Region (Full-time and Part-time) |
|---|--|--|
| Western Maryland » Alleghany, Garrett and Washington Counties | \$32.8 million | 367 jobs |
| Central Maryland » Anne Arundel, Baltimore, Carroll, Cecil, Harford, Howard Counties and Baltimore City | \$470.5 million | 7,300 jobs |
| Greater Washington » Frederick, Montgomery and Prince George's Counties | \$328.8 million | 3,994 jobs |
| Southern Maryland » Calvert, Charles and St. Mary's Counties | \$7.9 million | 127 jobs |
| Upper Shore » Caroline, Kent, Queen Anne's and Talbot Counties | \$22.7 million | 312 jobs |
| Lower Eastern Shore » Dorchester, Somerset, Wicomico and Worcester Counties | \$48.4 million | 374 jobs |

Source: *Economic Impact of the Arts in Maryland, 2004 Update*, Maryland State Arts Council

CULTURAL HERITAGE TOURISM

According to the Council, the state's Folklife Program is one of its primary strategies to promote cultural tourism in the state.³ This program provides funding for research, documentation and presentations on the state's traditional arts and culture, including those reflecting the skills and artistry of Maryland's immigrants from hundreds of years ago to more recent immigrants. A key publication emerging from this effort is a collaborative one representing the folk arts and cultural attributes of Delaware, Maryland, and Virginia, presented in conjunction with the Mid-Atlantic Arts Foundation, *Folk Arts and Cultural Traditions of*

the Delmarva Peninsula: A Resource Guide. Another step in promoting cultural tourism is a set of audio tours featuring the arts and crafts traditions on Maryland's Eastern Shore.

In a related move, in December 2005, Governor Ehrlich announced that the Maryland Historical Trust will fund six historic preservation projects in historic Anne Arundel County (Annapolis, Edgewater and Shady Side).⁴ The grants, ranging from \$5,000 to \$50,000, will fund museums, archeological digs and restoration projects in multiple locations. Even though the 2005 funds were not substantial, preservationists were grateful for the additional state support given that grants for historic preservation statewide had fallen from about \$1.4 million a year to about \$387,000. The Historic Annapolis Foundation is the largest beneficiary in its effort to build the \$3.4 million St. Clair Wright History Center. The Thomas Point Lighthouse, Anne Arundel Trust for Preservation, Historic London Towns and Gardens, Captain Salem Avery House Museum and the Annapolis Maritime Museum are the remaining recipients of this round of grants. This financial support will play an important role in ensuring the vibrancy of these institutions as sites to attract cultural heritage tourists.

In an effort that is part history and heritage, part tourism and part civic boosterism, 32 sites had their Baltimore "authenticity" certified by the city.⁵ In May 2005, the city designated 33 Baltimore sites, ranging from museums to restaurants to tours to inns, as "unique places that tell the stories of people in the city who have struggled to create what exists today." City officials hope that Authentic Baltimore will be a lure for cultural heritage-minded tourists, who as described in earlier sections, "spend more and stay longer." In addition to giving Baltimore's cultural gems an economic and marketing edge with this program, officials also expect the extra attention and resources to help preserve these historic sites.

BLOCKBUSTER EXHIBITIONS

According to the Council, the *Tour de Clay*, a collaboration among artists, galleries and leaders from the greater Baltimore area and 878 artists from around the world joining together to showcase all possibilities of art in clay, took place at 122 venues throughout the greater Baltimore region between February 19 and April 3, 2005. In fact, *Tour de Clay* was the largest visual arts program ever held in the country and celebrated all forms of art in clay through a collaboration of artists from 47 states and Norway, Switzerland, Korea, Africa, Japan, Taiwan and Scotland, as well as galleries and leaders from the greater Baltimore cultural community.

BUILDING BOOM

Maryland's most populous county, Montgomery County, has experienced a tremendous amount of growth in the area of new arts facilities opening in the last three years. The most significant is the recent opening of the Music Center at Strathmore, a 1,976-seat symphony hall that is a second home to the Baltimore Symphony Orchestra.⁶ Strathmore is a non-profit multi-disciplinary arts center in North Bethesda, Maryland, that hosts concerts, art exhibitions, afternoon teas, family festivals, summer camps, and education classes in dance, music, and arts. The Strathmore campus comprises the Mansion at Strathmore, an outdoor sculpture garden, an outdoor concert pavilion, and the new Music Center at Strathmore. The Music Center at Strathmore features world-class artists for music and dance performances all year long, an education center, rehearsal spaces, classrooms and private studios that have music and dance classes, master classes, mentoring sessions, workshops, private lessons, and summer camps providing educational opportunities for all ages of students.

When the Baltimore Symphony Orchestra (BSO) and internationally famed cellist Yo-Yo Ma played in the

inaugural concert at the \$100 million Strathmore Center in early February 2005, it replicated a trend evident in a number of other major cities: the construction of major performing arts centers being established just outside major metropolitan areas.⁷ Joining Washington, D.C. in this trend are such cities as Atlanta, Los Angeles and Minneapolis and St. Paul, where impressive performance venues have been built or are under construction outside city limits. "Analysts say the advent of major arts organizations in the suburbs is part of the natural maturing of what were once primarily bedroom communities. With population and jobs migrating beyond the city limits, many suburbs are now closer to being self-contained."

Another interesting development related to the Strathmore Center and the Baltimore Symphony Orchestra is that the orchestra will play virtually every program that it performs at its home auditorium, the Joseph Meyerhoff Symphony Hall in Baltimore, at the Music Center. This makes the orchestra one of the first in the country to offer regular weekly concerts in two communities throughout the season. In its inaugural year, the Strathmore Center was to feature 26 annual presentations by the BSO. Strathmore also is slated to become the primary venue for a local philharmonic orchestra, dance company, youth orchestra, music school and the Washington Performing Arts Society. It also will host concerts by the Choral Arts Society of Washington and other established performance groups in the region. Its non-profit foundation, which will operate the hall, is planning to offer programming for school groups.

In raising the significant finances to complete the Strathmore Center, Montgomery County officials, county arts patrons and corporate donors were encouraged by a 2002 Urban Institute study that demonstrated that Washington area residents attend live performances far more often than sporting events. Then, a marketing study for Montgomery County suggested that convenience often was a factor when people decided to avoid



Concert Hall in the Music Center at Strathmore, one of the Baltimore Symphony Orchestra's two homes. The BSO is the only major orchestra in the United States to have two performance spaces. Photo courtesy the Music Center at Strathmore.

going downtown or to such locations as the Kennedy Center. Hence, officials were confident that the Strathmore would attract a growing audience given its proximity to the Washington subway system (the Metro) and the covered walkway that takes concertgoers directly to the hall. The sheer size of the county—almost 1 million, double the size of the District and 50 percent bigger than the city of Baltimore—along with the relative affluence and education levels of residents was another factor that spurred the construction of the Strathmore. In terms of raising the funds, supporters had to tap into a corporate base that included Washington and Baltimore and then pull together “a coalition of state lawmakers from Baltimore and Montgomery County, often at odds over issues such as funding for school construction,” to find “common cause in Strathmore as a way of helping Montgomery County and Baltimore’s financially ailing symphony.”

Several other arts locations in Maryland have enjoyed a renaissance with expansions and new facilities as well.

Imagination Stage, the largest and most respected multidisciplinary theater arts organization for young people in the Washington, D.C. metropolitan area, began construction on a new facility in downtown Bethesda (in Montgomery County) in 2002, and

later moved into the state-of-the-art, 400-seat professional theater.⁸ Imagination Stage, which was founded as the Bethesda Academy of Performing Arts (BAPA) in 1979 in response to the urgent need for arts education for young people, currently provides a range of programs for children of all abilities through participation in professional theater and arts education experiences.

The Round House Theatre is another Montgomery County organization that features a wide variety of theater experiences through performance and education at three different sites: with theaters in Bethesda and Silver Spring and an education center in Silver Spring.⁹ Finally, the Olney Theatre Center for the Arts in Olney, Maryland, is another Montgomery County arts organization that continues to play an increasingly important role in the state’s cultural scene.¹⁰

The Olney Theatre Center, founded in 1938, operates under an Actors’ Equity Association Council of Stock Theaters (COSTI) contract, one of only three theaters in the country to operate under such a contract. It is located on a 14-acre property (in Montgomery County) with easy access to Washington, D.C., Baltimore and Frederick. In 2000, the Olney Theatre Center began a major \$10.5 million expansion that included a new main stage theater, intermission gallery/lobby and educational/administrative facilities.

In terms of its featured productions, the Olney Theatre Center’s main stage season features 20th century American classics, new works, area premieres, re-interpretations of classics and musical theater. Among its other programs, the Center sponsors the National Players, America’s longest running classical touring company (since 1949), which performs for high school and college audiences in more than 25 states; Potomac Theater Project, which offers experimental and alternative plays that explore provocative and challenging human situations, ideas and visions; special school performances of main stage shows; a free Summer Shakespeare Festival; and post-show discussions.

In Prince George’s County, **the Clarice Smith Center** on the campus of the University of Maryland is another premier performing arts venue in the state. Additionally, several colleges and universities are expanding and/or building new campus centers for the fine and performing arts. Howard Community College, Towson State University and the Brown Center on the campus of the Maryland Institute College of Art in Baltimore serve as examples. Also, in spring 2005, the new Reginald Lewis Museum of African-American History opened in Baltimore.

Finally, the **Baltimore Symphony Orchestra's Joseph Meyerhoff Symphony Hall**, in the city of Baltimore, was the focal point of a \$35 million project that began in 2000. By early 2002, the first phase of the project, two rectangular office buildings and a 650-space parking garage, were completed adjoining the Hall. The second phase of the project includes a 135-unit residential building along with retail shops and restaurants. The goal of this public-private project is to use the presence of the Symphony Hall as the fulcrum in an economic and cultural revitalization effort of the area. In addition to enhancing the economic potential of the area, this project also seeks to concentrate resources and control sprawl in improving the quality of life for area residents and others. The "walkability" factor and access to public transportation (light rail and the Metro subway) all were important considerations in the progress of the project.

OTHER

Maryland was the first state in the nation to establish legislation that allows for the designation of Arts and Entertainment Districts on a statewide basis. An Arts and Entertainment district has been defined by *Americans for the Arts* as "a well-recognized, labeled, mixed-use area of the city in which a high concentration of arts and cultural facilities serve as the anchor attraction."¹¹ While arts and entertainment districts may be located in cities and towns of different sizes, they each uniquely reflect a local mission, history, and cultural development. In terms of their appearance, some districts succeed with landscaping and signage, while others renovate existing buildings and seek to attract related businesses. While they generally are located in downtown areas, they also can be located in suburban and rural locations. As noted by the Maryland State Arts Council, the components of a successful arts and entertainment district are "its location, management, content and funding."

The arts and entertainment legislation, enacted by the General Assembly in 2001, provides tax benefits for developers that renovate or construct spaces for arts and entertainment purposes, as well as income tax benefits to individual artists. In addition, the benefits offered to selected districts include property tax credits for renovation of certain buildings that create live-work space for artists and/or space for arts and entertainment enterprises; an income tax subtraction modification for income derived from artistic work sold by "qualifying residing artists;" an exemption from the Admissions and Amusement tax levied by an "arts and

Maryland was the first state in the nation to establish legislation that allows for the designation of Arts and Entertainment Districts on a statewide basis...While arts and entertainment districts may be located in cities and towns of different sizes, they each uniquely reflect a local mission, history, and cultural development.

entertainment enterprise" or "qualifying residing artist" in a district; and access to financial assistance from the Maryland Economic Development Assistance Fund.

To date, Maryland has 12 designated districts in both rural and urban areas. One of the first districts designated, Silver Spring, in Montgomery County, is home to Discovery Communications, the American Film Institute, Round House Theatre and Pyramid Atlantic studios. These sites, along with a myriad other retail establishments, restaurants and other arts and cultural attractions in the area, have been crucial in revitalizing downtown Silver Spring. The remaining districts are:

- » Station North Arts and Entertainment District (Baltimore)
- » Highlandtown Arts and Entertainment District (Baltimore)

- » Bethesda Arts and Entertainment District (Montgomery County)
- » Cambridge Arts and Entertainment District (Dorchester County)
- » Cumberland Arts and Entertainment District (Allegany County)
- » Downtown Frederick Arts and Entertainment District (Frederick County)
- » Gateway Arts District (Prince George's County)
- » Hagerstown Arts and Entertainment District (Washington County)
- » Denton Arts and Entertainment District (Caroline County)
- » Berlin Arts and Entertainment District (Worcester County)
- » Wheaton Arts and Entertainment District (Montgomery County)

Maryland was also one of the first states (1976-1977) to establish a network of local arts councils to ensure that the arts are accessible to Marylanders in each region of the state. Maryland currently has designated local arts council in each of its 23 counties and the city of Baltimore. This network of 24 local arts councils receives almost \$2 million annually for local granting, programming and operating expenses. Each state dollar must be matched on a 1:1 basis at the local level. An example of this active local government involvement in cultural initiatives involves the Baltimore Symphony Orchestra (BSO). The BSO, organized in 1916, is the only major American orchestra originally established as a branch of the municipal government.¹² While it was reorganized as a private institution in 1942, the BSO continues to maintain close links with the governments and communities of the city and surrounding counties, as well as with Maryland state government.