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FROM	NAME & TITLE	Robert Cenname, Budget Director	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 21-0023R – Informational Hearing-“1% for Art” Program		

DATE:

TO

The Honorable President and  
Members of the City Council  
City Hall, Room 400

April 19, 2021

The Department of Finance is herein reporting on City Council Bill 21-0023R, Informational Hearing-“1% for Art” Program, the purpose of which is to invite representatives from multiple agencies and offices to discuss the administration of the “1% for Art” Program.

### Background

In 1964, the City of Baltimore passed a “1% for Art” law with the intention of creating a public art program that would encourage the commission of art for municipally supported projects and facilitate the creation of art in public places. In 2007, the law was amended to establish a Public Art Commission to administer the program, which is staffed by the Baltimore Office of Promotion and the Arts (BOPA). When this law was initially enacted, the City’s capital program focused on building new infrastructure, while current capital projects are renovations.

The law requires that at least 1% of capital funding for eligible construction project costs is allocated for artwork for those projects or other public art uses. Article 5, Subtitle 21-2 defines eligible construction projects for the legislation as projects that “involve the construction, reconstruction, or renovation” of publicly-owned property, exceed \$100,000 in costs, are required to be publicly bid, and are paid for “wholly or in part by the City”. In addition, construction costs exclude property acquisition, soil remediation, and architectural or engineering fees. Finally, certain projects are ineligible for inclusion in the “1% for Art” program due to restrictions based on the fund sources.

### Other Considerations

The Department of Finance plays a limited role in the process since this program is associated with the capital budget, which is managed by the Department of Planning. The Bureau of Accounting and Payroll Services (BAPS) manages the capital accounting process and disburses funds for capital projects and costs as required. Finance and BAPS are prepared to support this program as possible, such as providing capital spending reports to the necessary agency or office.

Finance estimates that there is a backlog of over \$1 billion on capital needs. This is mainly due to the major decrease in Highway User Revenue (HUR), which is funding received from the State and is used for transportation related projects, at the time of the great recession. HUR has been slowly increasing since then, but is estimated at \$156.3 million for Fiscal 2022, \$71 million less than the peak of \$227.3 million Fiscal 2007. In addition, the City has worked to increase General Fund support for the capital budget, but due to COVID-19 the General Fund portion of the capital budget for Fiscal 2021 was reduced to \$500,000. With these factors in mind, it is worth noting that programs such as this ultimately reduce the amount of

funding for capital projects. While Finance recognizes that not all costs are eligible under the law, one percent of the \$80 million in General Obligation bonds issued through the capital budget is \$800,000, which is equivalent to replacing the roof of 1.6 Fire Stations or the Fiscal 2022 recommended capital funding for the Walter P Carter Pool construction and improvements at the Mt Pleasant Ice Arena facility.

**Conclusion**

The Department of Finance will attend the hearing for this Resolution and respond to any inquiries.

cc: Natasha Mehu  
Nina Themelis