



Committee: EC
Committee Review: At a future date
Staff: Christine Wellons, Chief Legislative Attorney
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #1D
February 10, 2026
Introduction

SUBJECTS

Expedited Bill 10-26, Arts and Humanities Council - Amendments

Lead Sponsors: Council President at the Request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

Expedited Bill 10-26 would:

- (1) establish requirements for the board of directors of the Arts and Humanities Council;
- (2) establish appointment and confirmation requirements for members of the board of the Arts and Humanities Council;
- (3) establish certain operational requirements of the Arts and Humanities Council;
- (4) require the establishment of a racial equity and social justice policy by the Arts and Humanities Council;
- (5) establish a plan and timeline for implementation; and
- (6) generally amend the law regarding the Arts and Humanities Council.

SUMMARY OF KEY DISCUSSION POINTS

- The County Executive has explained: "This bill updates and clarifies the Arts and Humanities Council's statutory role and responsibilities and strengthens its relationship with the County to reflect current governance standards. It establishes the structure and requirements of the Council's Board of Directors; clarifies appointment and confirmation processes; and sets forth policies and procedures to ensure that Council actions are ethical, fair, unbiased, non-partisan, and compliant with applicable rules and policies."
- "The amendments align the Council's governing framework with other County public-private entities that receive most or all of their funding from the County, as well as with comparable regional arts and humanities councils. These updates are intended to provide clearer guidance and strengthen accountability, while continuing to support the Arts and Humanities Council's mission to promote and expand the arts and humanities in Montgomery County."

This report contains:

Expedited Bill 10-26

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Memorandum of the County Executive

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Expedited Bill No. 10-26
Concerning: Arts and Humanities Council -
Amendments
Revised: 2/3/2026 Draft No. 1
Introduced: February 10, 2026
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) establish requirements for the board of directors of the Arts and Humanities Council;
- (2) establish appointment and confirmation requirements for members of the board of the Arts and Humanities Council;
- (3) establish certain operational requirements of the Arts and Humanities Council;
- (4) require the establishment of a racial equity and social justice policy by the Arts and Humanities Council;
- (5) establish a plan and timeline for implementation; and
- (6) generally amend the law regarding the Arts and Humanities Council.

By amending

Montgomery County Code
Chapter 5A, Arts and Humanities
Sections 5A-2, 5A-3, 5A-4, 5A-5, 5A-6, and 5A-7

By adding

Sections 5A-8, 5A-9 and 5A-10

Boldface	<i>Heading or a defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

Sec 1. Sections 5A-2, 5A-3, 5A-4, 5A-5, and 5A-6 are amended, and Sections 5A-8, 5A-9, and 5A-10 are added, as follows:

✿ ✿ ✿

5A-2. Definitions.

In this Chapter, the following words and phrases have the following meanings:

Arts and Humanities Council. The [organization] nonprofit corporation designated under this Chapter as the [County] County's arts and humanities organization.

[*Director.* An individual who serves on the governing board of the Arts and Humanities Council.] *Executive Director.* Highest-ranking officer, who reports to the board of directors, and who is responsible for the day-to-day management, strategic direction, and operational performance of an organization.

Humanities. Modern and classical language; linguistics; literature; history; jurisprudence; philosophy; archeology; comparative religion; ethics; history, criticism, and theory of the arts; historic preservation humanistic aspects of the social sciences; application of the humanities to the various environments; and education regarding these subjects.

[*Member.* An individual who supports the Arts and Humanities Council by satisfying that organization's requirements for membership, consistent with this Chapter.]

The arts. The acts of creating, writing, composing, designing, studying, interpreting, executing, performing, exhibiting, and presenting music (instrumental and vocal); dance; drama; literature; poetry; painting; sculpture; graphics; craft and folk arts; and the selecting and exhibiting of such arts as well as historic memorabilia; photography; industrial design; costume and fashion design; motion

pictures; television; radio; puppetry; tape and sound recording; architecture and the construction and conserving of same; publishing, printing, and collection of books, papers and media prints; the history, criticism, theory, and practice of the arts; and the study and application of the arts to the human environment.

5A-3. Arts and Humanities Council[-]; Establishment and recognition.

- (a) [The County government should help establish a County-based, nonprofit organization to develop, promote, advocate, and coordinate efforts to support, investigate, encourage, and present arts and humanities in the County.] A designation under this Chapter expires at the end of the fifth full fiscal year after the effective date of the resolution making the designation, unless the County Council extends the designation by another resolution.
- (b) [The County Council, after considering any recommendations of the County Executive, may designate by resolution a qualified organization as the Arts and Humanities Council.] At least one year before a designation under subsection (a), the Office of Legislative Oversight must evaluate the performance and effectiveness of the Arts and Humanities Council. The evaluation should include a survey of stakeholders, including artists, arts and humanities organizations, grantees, and members of the public.
- (c) The County Council at any time may suspend or revoke the designation of a corporation as the County's Arts and Humanities Council by resolution, adopted after at least 15 days public notice, that is approved by the Executive, or, if the Executive disapproves the resolution within 10 days after receiving it, is readopted by a vote of at least 7 Councilmembers.

5A-4. [Council Membership and Organization.] Board of Directors.

- (a) [Membership on the Arts and Humanities Council must be open to all private and public agencies, organizations, and individuals who support, participate in, contribute to, and generally enhance and promote the arts and humanities in the County. Membership on the governing board of the Arts and Humanities Council must be nonpartisan.] Board Composition. The Arts and Humanities Council of Montgomery County must be governed by a Board of Directors consisting of no fewer than 11 and no more than 15 voting members, appointed by the County Executive and confirmed by the County Council.
- (b) Voting members of the Board of Directors of the Arts and Humanities Council must represent:
- (1) [Private citizens] residents, organizations, and groups recognized for their knowledge of or interest in the arts and humanities[.];
 - (2) [Practicing] practicing artists and writers, both professional and amateur; scholars and researchers; civic cultural leaders; members of the professions; and other individuals and groups concerned with the arts and humanities[.];
 - (3) [The] the various disciplines in the arts and humanities[.];
 - (4) [The] the general public, including ethnic, racial, linguistic, and cultural minorities[.];
 - (5) [Geographic] geographic balance regarding where members live or work in the County[.]; and
 - (6) voting members of the board must be residents of, work in, or have strong local ties to Montgomery County.

- (c) [The Arts and Humanities Council may provide for separate classes of membership for organizations and individuals to recognize and give representative weight to the size and nature of the interests a member represents.
- (d)] The Arts and Humanities Council must require each officer and director, and the executive director to annually disclose, confidentially and in writing, all activities and interests related to arts and humanities organizations, programs, or funding to the governing board of directors for the Arts and Humanities Council. Each officer and director, and the executive director of the Arts and Humanities Council is a public employee under Sections 19A-11 and 19A-14 for any matter in which the person participates for the Arts and Humanities Council. The Council must adopt and apply policies and procedures to ensure that its Arts and Humanities actions are fair, unbiased, and non-partisan.
- (d) Ex Officio Voting Members. The County Executive must designate 2 current county employee representatives, including one employee representative of the Department of Recreation, to serve as ex-officio members of the Board, effective upon the effective date of this Act. Ex-officio members must vote and must be counted for quorum.
- (e) [Before the County may contract with the Arts and Humanities Council, the Council must provide a copy of its current articles of incorporation and bylaws to the County Executive and the County Council. The Council must submit to the County Executive and County Council for review and comment any proposed amendment to the articles of incorporation or bylaws, at least 60 days before the Arts and Humanities Council takes final action on the amendment. The Council

must submit a copy of all adopted amendments to the Executive and County Council within 5 working days after adoption. The articles of incorporation and bylaws are subject to all County laws, including those enacted after the County contracts with the organization.] Terms. Each voting member, other than an ex-officio member, serves a three-year term. Terms shall be staggered so that approximately one-third of the members' terms expire each year. Members may be reappointed and may serve until a successor is appointed and confirmed.

(f) [The Arts and Humanities Council must give the County regular and complete financial reports, including an annual independent audit and any accompanying management letter, and any other report required under a contract with the County.] Removal. The County Executive may remove a voting member for good cause, including a violation of law or a violation of the board's bylaws, after providing at least 15 days' notice to the County Council.

(g) [The Arts and Humanities Council is a public body under the State open meetings law.] Compensation. Board members serve without compensation, but may be reimbursed for reasonable and necessary expenses.

5A-5. [Reserved.] Duties of the Board.

(a) Governance and Oversight. The Board of Directors must govern the Arts and Humanities Council and provide independent oversight of its operations, finances, and compliance with applicable laws, contracts, and ethical standards.

(b) Executive Director. The Board shall appoint, supervise, evaluate, and, if necessary, remove the Executive Director in accordance with the

board's bylaws and County-approved governance procedures.

(c) *Fiduciary Responsibility.* The Board acts in a fiduciary capacity on behalf of the public interest and must ensure that all County funds and other public funds are used solely for authorized purposes consistent with County agreements and appropriations.

(d) *Financial and Program Responsibilities.* The Board must oversee grantmaking and programmatic activities funded by the County and may secure and administer private-sector funding to support the Board's activities.

(e) *Planning and Assessment.* The Board must conduct a countywide needs assessment at least once every 2 years and shall adopt and maintain a strategic plan at least once every 5 years.

(f) *Officers.* The Board must elect annually from among its voting members a Chair, Vice Chair, and Secretary.

5A-6. [Council] Authority and Reporting.

(a) The Arts and Humanities Council is authorized to:

- (1) plan and manage special events (which may include arts shows, performances, fairs, festivals, galas, and exhibitions);
- (2) conduct workshops and seminars related to the arts;
- (3) solicit funds from the private sector and third parties to support the activities of the Arts and Humanities Council; and
- (4) undertake any activity authorized pursuant to a contract with the County.

(b) [The Arts and Humanities Council, in cooperation with the County government and other local public agencies, should:] On August 31 of each year, the Arts and Humanities Council must report to the County

Executive regarding its operations, activities, finances, and plans
designed to:

~~[(a)]~~ (1) ~~[Support]~~ support, encourage, and promote the arts and humanities in the County, including projects, performance, research, education, information exchange, historic preservation, and other activities that advance the artistic, cultural, and intellectual environment in the County~~[.]~~;

~~[(b)]~~ (2) ~~[Promote]~~ promote creativity, scholarship, and professionalism in the arts and humanities~~[.]~~;

~~[(c)]~~ (3) ~~[Provide]~~ provide and coordinate funding for the arts and humanities in the County~~[.]~~; and

~~[(d)]~~ (4) ~~[Advise]~~ advise local, State, and federal agencies about financial and other needs of arts and humanities programs in the County, including the needs of any underserved or underrepresented populations in the County.

(c) On August 31 of each year, the Arts and Humanities Council must report to the County Executive on the status of the Public Arts Trust (PAT), including:

(1) current PAT fund balance;

(2) expenditures from the PAT fund during the prior fiscal year;

(3) a list of all works of art purchased with PAT funds during the prior fiscal year;

(4) a complete inventory of works of art owned by the County, along with the current condition and location of each piece; and

(5) a list of all private donations to the PAT received during the fiscal year.

(d) The Arts and Humanities Council must avoid duplication in arts and humanities activities by coordinating Arts and Humanities Council activities with other existing and planned governmental programs and activities.

(e) The Arts and Humanities Council must give the County regular and complete financial reports, including an annual independent audit and any accompanying management letter, and any other report required under a contract with the County.

[(e) Report annually in writing to the County Council, County Executive, and public on the operations and activities of the Arts and Humanities Council and on the state of the arts and humanities in the County, including how these activities affect any underserved or underrepresented populations in the County.]

(f) Avoid duplication in arts and humanities activities by coordinating Arts and Humanities Council activities with other existing and planned governmental programs and activities.]

5A-7. [County Support for Arts and Humanities Council.] Status; incorporation; bylaws.

[The County may provide administrative and financial support for the operations and activities of the Arts and Humanities Council.]

(a) Before the County may contract with the Arts and Humanities Council, the Board must provide a copy of its current articles of incorporation and bylaws to the County Executive and the County Council. The Board must submit to the County Executive and County Council for review and comment any proposed amendment to the articles of incorporation or bylaws, at least 60 days before the Board takes final

209 action on the amendment. The Board must submit a copy of all adopted
 210 amendments to the Executive and County Council within 5 working
 211 days after adoption. The articles of incorporation and bylaws are subject
 212 to all County laws, including those enacted after the County contracts
 213 with the organization.

214 (b) Articles of incorporation. To qualify as the County's Arts and
 215 Humanities Council, the corporation's articles of incorporation must
 216 provide for the appointment of the members of its Board of Directors
 217 as required under this Chapter. The articles of incorporation also must
 218 provide that the corporation is:

219 (1) a Maryland nonprofit, non-stock corporation the purposes and
 220 activities of which are limited to those that are permitted to be
 221 promoted or performed by a corporation that is recognized as
 222 exempt from federal income tax under 26 U.S.C. § 501, as
 223 amended;

224 (2) not an instrumentality of the County;

225 (3) incorporated for the purpose of serving as the County's Arts and
 226 Humanities Council;

227 (4) organized and operated under the laws of the State of Maryland;
 228 and

229 (5) headquartered in the County.

230 (c) Bylaws. The Arts and Humanities Council's bylaws:

231 (1) may contain any provision necessary to govern and manage the
 232 Arts and Humanities Council that does not conflict with this
 233 Chapter; and

234 (2) must require the Arts and Humanities Council to comply with the

Maryland Open Meetings Act and the Maryland Public Information Act.

Sec. 5A-8. Meetings.

(a) The Board must meet at least 4 times a year.

(b) The Board must meet in public session, except as permitted or required under Maryland law.

(c) Board meetings must comply with Maryland Open Meetings Act and the Maryland Public Information Act.

Sec. 5A-9. Racial Equity and Social Justice.

To effectively address the complex needs of the County's racially, economically, and culturally diverse community and strategically expand access to Arts and Humanities Council resources to underrepresented populations, the Board must adopt and implement a racial equity and social justice policy that applies a racial equity and social justice lens into all aspects of the Board's operations in alignment with the County's racial equity and social justice strategic plan. The racial equity and social justice policy must include:

(a) a statement of commitment to racial equity and social justice as part of the Board's core values;

(b) active recruitment of potential Board members from diverse backgrounds and outreach to communities of color for consideration by the County Executive and County Council;

(c) a formal process to assess Board culture and identify barriers to inclusion in Board participation and leadership;

(d) communications and business practices that are tailored to the needs of communities of color and other marginalized communities;

- (e) a process to identify and address discriminatory or non-inclusive behaviors;
- (f) organizational policies and procedures that address diversity and inclusion; and
- (g) a clear, realistic, actionable, and measurable commitment to addressing racial equity that is woven into the governance, culture, and membership of the Arts and Humanities Council.

Sec. 2. Transition.

- (a) Continuation of Existing Board. Notwithstanding any other provision of this Chapter, individuals serving on the Board of Directors of the Arts and Humanities Council on the effective date of this Act may continue to serve on an interim basis until appointments are made in accordance with this Chapter.
- (b) Application to Continue Service. Each individual serving on the Board on the effective date of this Act who seeks to continue service must submit an application for appointment under the procedures established by the County Executive.
- (c) Appointments Under New Process. Appointments to the Board made after the effective date of this Act, including the appointment of current Board members, must be made by the County Executive and confirmed by the County Council in accordance with this Chapter.
- (d) Term Alignment and Staggering. The County Executive may assign initial term lengths to newly appointed board members, including reappointed current members, as necessary to achieve staggered terms required under this Chapter.
- (e) Expiration of Interim Service. An individual serving in an interim

capacity under subsection (a) may not continue to serve beyond 6 months (180 days) after the effective date of this Act unless appointed and confirmed in accordance with this Chapter.

(f) Submission of Updated Bylaws. Within 180 days after the effective date of this Act, the Arts and Humanities Council must submit revised bylaws to the County Executive that conform to the requirements of this Chapter, as amended.

Sec. 2. Expedited Effective Date. The Council declares that this Act is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

February 2, 2026

TO: Natali Fani-González, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Expedited Bill XX-26 Arts and Humanities Council; and
Supplemental Appropriation #26-59 to the FY26 Operating Budget
Montgomery County Government - Department of Recreation
Arts and Humanities Council of Montgomery County (AHCMC), \$53,788.45

For your consideration, I am submitting Bill XX-26, which will amend Montgomery County Code, Chapter 5A, Arts and Humanities. The Arts and Humanities Council (AHCMC) was established in County Code (Chapter 5A, Arts and Humanities; Sections 5A-7) in 1976 to support and expand the arts and humanities in Montgomery County. In FY2025, the County appropriated \$7,053,955 in General Fund support and \$408,000 from the Public Arts Trust to the Arts and Humanities Council of Montgomery County. Over the last five decades, the County's good governance and accountability framework, financial control systems, funding practices, and public-private partnership models have evolved significantly, while the statutory provisions governing the Council have not kept pace with those changes

A recent internal audit and subsequent internal reviews identified misappropriation of funds related to the Public Arts Trust and the AHCMC Cultural Plan. In response, the County is submitting, concurrently with this legislation, a supplemental appropriation to restore those funds so that the Cultural Plan may move forward in a financially appropriate and compliant manner.

The Department of Recreation is requesting a supplemental appropriation of \$53,788.45 for the AHCMC for the FY26 Operating Budget.

The total Cultural Plan contract amount with Metris Arts Consulting was \$371,298. Of that amount, a portion was paid prior to issuance of the cure memorandum, and \$53,788.45 remains outstanding. At this time, the County is continuing to reconcile the funding sources used for certain payments and is working with AHCMC to obtain complete documentation to confirm how those expenses were paid.

Concurrently, as prescribed in the audit, the County is requesting that the remaining balance of deferred revenue, of which the majority is restricted in its use, be returned by the AHCMC no later than Feb. 6, 2026. Those funds are broken down as follows:

- \$367,299.96 from the PAT NDA
- \$28,598 from the AHCMC NDA

The Department has also requested supporting documentation related to Cultural Plan expenditures to help bring this matter to closure.

This supplemental request is narrow in scope and is intended solely to address the remaining Cultural Plan obligation to Metris Arts Consulting. It does not resolve all audit-related matters, which are being addressed through ongoing administrative and legal review.

The County has also updated the Arts and Humanities Council's contract and directed the Department of Recreation, as the contract administrator, to dedicate additional staff capacity to enhance contract review and ongoing monitoring. Together, these actions underscore the importance of updating the underlying legislation to clarify roles, responsibilities, and accountability going forward.

The Arts and Humanities Council was established pursuant to County law and is funded almost entirely through County appropriations. Accordingly, the County bears a duty to ensure that the Council's governance framework, particularly its processes for appointment, oversight, and accountability, conforms to contemporary standards applicable to entities entrusted with the stewardship of public resources. Given that AHCMC relies predominantly on Montgomery County taxpayer funding, it is imperative that the County demonstrate that such funds are administered within a transparent, compliant, and well-defined governance structure. Consequently, this legislation is being advanced concurrently with the proposed supplemental appropriation to guarantee that any additional public investment is supported by modernized governance provisions that reinforce accountability and maintain public confidence.

This bill updates and clarifies the Arts and Humanities Council's statutory role and responsibilities and strengthens its relationship with the County to reflect current governance standards. It establishes the structure and requirements of the Council's Board of Directors; clarifies appointment and confirmation processes; and sets forth policies and procedures to ensure that Council actions are ethical, fair, unbiased, non-partisan, and compliant with applicable rules and policies.

The amendments align the Council's governing framework with other County public-private entities that receive most or all of their funding from the County, as well as with comparable regional arts and humanities councils. These updates are intended to provide clearer guidance and strengthen accountability, while continuing to support the Arts and Humanities Council's mission to promote and expand the arts and humanities in Montgomery County.

If you have any questions regarding this legislation, please do not hesitate to contact Luisa Cardona at Luisa.Cardona@montgomerycountymd.gov.

Enclosures: Expedited Bill XX-26 – Arts and Humanities Council
 Supplemental Appropriation #26-59

cc: Tommy Heyboer, Chief of Staff to the Council President, Montgomery County Council
 Craig Howard, Executive Director, Montgomery County Council
 Richard S. Madaleno, Chief Administrative Officer
 Fariba Kassiri, Deputy Chief Administrative Officer
 Luisa, Cardona, Assistant Chief Administrative Officer
 Tricia Swanson, Director of Strategic Partnership
 Gabe Alboroz, Director, Department of Recreation
 Jennifer Bryant, Director, Office of Management and Budget
 Adriane Clutter, Division Chief, Department of Recreation
 Michele El-Gamil, Internal Audit Manager, Office of County Executive

Bill No.: _____
Concerning: Arts and Humanities -
Amended
Revised: _____ Draft No.: _____
Introduced: _____
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

AN ACT to:

- (1) establish requirements for Arts and Humanities Council board of directors;
- (2) establish appointment and confirmation requirements for Arts and Humanities Council;
- (3) establish policies and procedures to ensure that Arts and Humanities Council actions are ethical, fair, unbiased, and non-partisan;
- (4) add racial equity and social justice policy; and
- (5) establish a plan and timeline for implementation.

By amending

Montgomery County Code
Chapter 5A, Arts and Humanities
Sections 5A-2, 5A-3, 5A-4, 5A-5, 5A-6, and 5A-7

By adding

Montgomery County Code
Chapter 5A, Arts and Humanities
Sections 5A-8, 5A-9 and 5A-10

Boldface	<i>Heading or a defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
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[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

Sec 1. Sections 5A-2, 5A-3, 5A-4, 5A-5, and 5A-6 are amended, and Sections 5A-8, 5A-9, and 5A-10 are added, as follows:

* * *

Sec. 5A-2. Definitions.

In this Chapter, the following words and phrases have the following meanings:

Arts and Humanities Council. The [organization] nonprofit corporation designated under this Chapter as the [County] County's arts and humanities organization.

[*Director*. An individual who serves on the governing board of the Arts and Humanities Council.] Executive Director. Highest-ranking officer responsible for the day-to-day management, strategic direction, and operational performance of an organization. Reporting to the board of directors.

Humanities. Modern and classical language; linguistics; literature; history; jurisprudence; philosophy; archeology; comparative religion; ethics; history, criticism, and theory of the arts; historic preservation humanistic aspects of the social sciences; application of the humanities to the various environments; and education regarding these subjects.

[*Member.* An individual who supports the Arts and Humanities Council by satisfying that organization's requirements for membership, consistent with this Chapter.]

The arts. The acts of creating, writing, composing, designing, studying, interpreting, executing, performing, exhibiting and presenting music (instrumental and vocal); dance; drama; literature; poetry; painting; sculpture; graphics; craft and folk arts; and the selecting and exhibiting of such arts as well as historic

memorabilia; photography; industrial design; costume and fashion design; motion pictures; television; radio; puppetry; tape and sound recording; architecture and the construction and conserving of same; publishing, printing and collection of books, papers and media prints; the history, criticism, theory and practice of the arts and the study and application of the arts to the human environment.

Sec. 5A-3. Arts and Humanities Council[-]; Establishment and recognition.

(a) [The County government should help establish a County-based, nonprofit organization to develop, promote, advocate, and coordinate efforts to support, investigate, encourage, and present arts and humanities in the County.] Any designation under this Chapter expires at the end of the fifth full fiscal year after the resolution is adopted unless the County Council extends the designation by adopting another resolution under this Section.

(b) [The County Council, after considering any recommendations of the County Executive, may designate by resolution a qualified organization as the Arts and Humanities Council.] At least one year before redesignation, the Office of Legislative Oversight must evaluate the performance and effectiveness of the Arts and Humanities Council. The evaluation should include a survey of stakeholders, including artists, arts and humanities organizations, grantees, and members of the public.

(c) The County Council at any time may suspend or revoke the designation of a corporation as the County's Arts and Humanities Council by resolution, adopted after at least 15 days public notice that is approved by the Executive, or, if the Executive disapproves the resolution within ten days after receiving it, is readopted by a vote of at least seven

Councilmembers.

Sec. 5A-4. [Council Membership and Organization.] Board of Directors.

- (a) [Membership on the Arts and Humanities Council must be open to all private and public agencies, organizations, and individuals who support, participate in, contribute to, and generally enhance and promote the arts and humanities in the County. Membership on the governing board of the Arts and Humanities Council must be nonpartisan.] Board Composition. The Arts and Humanities Council of Montgomery County shall be governed by a Board of Directors consisting of no fewer than 11 and no more than 15 voting members, appointed by the County Executive and confirmed by the County Council.
- (b) Voting members of the Board of Directors of the Arts and Humanities Council must represent:
- (1) [Private] private citizens, organizations, and groups recognized for their knowledge of or interest in the arts and humanities[.];
 - (2) [Practicing] practicing artists and writers, both professional and amateur; scholars and researchers; civic cultural leaders; members of the professions; and other individuals and groups concerned with the arts and humanities[.];
 - (3) [The] the various disciplines in the arts and humanities[.];
 - (4) [The] the general public, including ethnic, racial, linguistic, and cultural minorities[.]; and
 - (5) [Geographic] geographic balance regarding where members live or work in the County.

(6) Voting members of the board must be residents of, work in or have strong local ties to Montgomery County.

[(c) The Arts and Humanities Council may provide for separate classes of membership for organizations and individuals to recognize and give representative weight to the size and nature of the interests a member represents.]

[(d)]c) The Arts and Humanities Council must require each officer and director, and the executive director to annually disclose, confidentially and in writing, all activities and interests related to arts and humanities organizations, programs, or funding to the governing board of directors for the Arts and Humanities Council. Each officer and director, and the executive director of the Arts and Humanities Council is a public employee under Sections 19A-11 and 19A-14 for any matter in which the person participates for the Council. The Council must adopt and apply policies and procedures to ensure that its actions are fair, unbiased, and non-partisan.

(d) Ex Officio Voting Members. The County Executive shall designate two current county employee representatives, one of whom shall be the Department of Recreation, to serve as ex-officio members of the Board, effective upon the effective date of this Act. Ex-officio members shall vote and shall be counted for quorum.

(e) [Before the County may contract with the Arts and Humanities Council, the Council must provide a copy of its current articles of incorporation and bylaws to the County Executive and the County Council. The Council must submit to the County Executive and County Council for

review and comment any proposed amendment to the articles of incorporation or bylaws, at least 60 days before the Arts and Humanities Council takes final action on the amendment. The Council must submit a copy of all adopted amendments to the Executive and County Council within 5 working days after adoption. The articles of incorporation and bylaws are subject to all County laws, including those enacted after the County contracts with the organization.] Terms. Each voting member serves a three-year term. Terms shall be staggered so that approximately one-third of the members' terms expire each year. Members may be reappointed and shall serve until a successor is appointed and confirmed.

(f) [The Arts and Humanities Council must give the County regular and complete financial reports, including an annual independent audit and any accompanying management letter, and any other report required under a contract with the County.] Removal. The County Executive may remove a voting member for good cause, including violation of law or bylaws, after providing at least 15 days' notice to the County Council.

(g) [The Arts and Humanities Council is a public body under the State open meetings law.] Compensation. Board members serve without compensation but may be reimbursed for reasonable and necessary expenses.

Sec. 5A-5. [Reserved.] Duties of the Board.

(a) Governance and Oversight. The Board of Directors shall govern the Arts and Humanities Council and provide independent oversight of its

126 operations, finances, and compliance with applicable laws, contracts,
127 and ethical standards.

128 (b) Executive Director. The Board shall appoint, supervise, evaluate, and,
129 if necessary, remove the Executive Director in accordance with the
130 Council's bylaws and County-approved governance procedures.

131 (c) Fiduciary Responsibility. The Board acts in a fiduciary capacity on
132 behalf of the public interest and shall ensure that all County funds and
133 other public funds are used solely for authorized purposes consistent
134 with County agreements and appropriations.

135 (d) Financial and Program Responsibilities. The Board shall oversee
136 grantmaking and programmatic activities funded by the County and
137 may secure and administer private-sector funding to support the
138 Council's activities.

139 (e) Planning and Assessment. The Board shall conduct a countywide needs
140 assessment at least once every two years and shall adopt and maintain
141 a strategic plan at least once every five years.

142 (f) Officers. The Board shall annually elect from among its voting
143 members a Chair, Vice Chair, and Secretary.

144 **Sec. 5A-6. [Council] Authority and Reporting.**

145 (a) The Arts and Humanities Council is authorized to:

146 (1) plan and manage special events (which may include arts shows,
147 performances, fairs, festivals, galas, and exhibitions);

148 (2) conduct workshops and seminars related to the arts;

149 (3) solicit funds from the private sector and third parties to support
150 the activities of the Council; and

- (4) undertake any activity(ies) authorized pursuant to a contract with the County.
- (b) [The Arts and Humanities Council, in cooperation with the County government and other local public agencies, should:] On August 31 of each year the Arts and Humanities Council must report to the County Executive on its operations, activities, finances, and plans designed to:
- [a] (1) [Support] support, encourage, and promote the arts and humanities in the County, including projects, performance, research, education, information exchange, historic preservation, and other activities that advance the artistic, cultural, and intellectual environment in the County[.];
- [(b)] (2) [Promote] promote creativity, scholarship, and professionalism in the arts and humanities[.];
- [(c)] (3) [Provide] provide and coordinate funding for the arts and humanities in the County[.]; and
- [(d)] (4) [Advise] advise local, State, and federal agencies about financial and other needs of arts and humanities programs in the County including the needs of any underserved or underrepresented populations in the County.
- (c) On August 31 of each year the Arts and Humanities Council must report to the County Executive on the status of the Public Arts Trust (PAT), including:
- (1) current PAT fund balance;
- (2) expenditures from the PAT fund during the prior fiscal year;
- (3) a list of all works of art purchased with PAT funds during the

- 176 prior fiscal year;
- 177 (4) a complete inventory of works of art owned by the County, along
- 178 with the current condition and location of each piece; and
- 179 (5) a list of all private donations to the PAT received during the fiscal
- 180 year.
- 181 (d) The Arts and Humanities Council must avoid duplication in arts and
- 182 humanities activities by coordinating Arts and Humanities Council
- 183 activities with other existing and planned governmental programs and
- 184 activities.
- 185 (e) The Arts and Humanities Council must give the County regular and
- 186 complete financial reports, including an annual independent audit and
- 187 any accompanying management letter, and any other report required
- 188 under a contract with the County.
- 189 [(e) Report annually in writing to the County Council, County Executive,
- 190 and public on the operations and activities of the Arts and Humanities
- 191 Council and on the state of the arts and humanities in the County,
- 192 including how these activities affect any underserved or
- 193 underrepresented populations in the County.
- 194 (f) Avoid duplication in arts and humanities activities by coordinating
- 195 Arts and Humanities Council activities with other existing and
- 196 planned governmental programs and activities.]

197 **Sec. 5A-7. [County Support for Arts and Humanities Council.] Status;**

198 **incorporation; bylaws.**

199 [The County may provide administrative and financial support for the operations and

200 activities of the Arts and Humanities Council.]

- (a) Before the County may contract with the Arts and Humanities Council, the Council must provide a copy of its current articles of incorporation and bylaws to the County Executive and the County Council. The Council must submit to the County Executive and County Council for review and comment any proposed amendment to the articles of incorporation or bylaws, at least 60 days before the Arts and Humanities Council takes final action on the amendment. The Council must submit a copy of all adopted amendments to the Executive and County Council within 5 working days after adoption. The articles of incorporation and bylaws are subject to all County laws, including those enacted after the County contracts with the organization.
- (b) To qualify as the County's Arts and Humanities Council, the corporation's articles of incorporation must provide for the appointment of the members of its Board of Directors as set forth in this Chapter. The articles of incorporation must also provide that the corporation is:
- (1) a Maryland nonprofit, non-stock corporation the purposes and activities of which are limited to those that are permitted to be promoted or performed by a corporation that is recognized as exempt from federal income tax under 26 U.S.C. § 501;
 - (2) not an instrumentality of the County;
 - (3) incorporated for the purpose of serving as the County's Arts and Humanities Council;
 - (4) organized and operated under the laws of the State of Maryland;
and

(5) headquartered in the County. The Arts and Humanities Council's bylaws may contain any provision necessary to govern and manage the Arts and Humanities Council that does not conflict with this Chapter.

(c) The bylaws must require the Arts and Humanities Council to comply with the Maryland Open Meetings Act and the Maryland Public Information Act.

Sec. 5A-8. Meetings.

(a) The Board shall meet at least four times a year.

(b) The Board shall meet in public session, unless required by otherwise provided by law, as provided in its bylaws as required to perform its duties and exercise its responsibility.

(c) Board meetings must comply with Maryland Open Meetings Act and the Maryland Public Information Act.

(d) The Arts and Humanities Council is a public body under the State open meetings law.

Sec. 5A-9. Racial Equity and Social Justice.

To effectively address the complex needs of the County's racially, economically and culturally diverse community and strategically expand access to Arts and Humanities Council resources to underrepresented populations, the Council must adopt and implement a racial equity and social justice policy that applies a racial equity and social justice lens into all aspects of the Council's operations in alignment with the County's racial equity and social justice strategic plan. The racial equity and social justice policy must include:

- (a) a statement of commitment to racial equity and social justice as part of the Council's core values;
- (b) active recruitment of potential Board members from diverse backgrounds and outreach to communities of color for consideration by the County Executive and County Council;
- (c) a formal process to assess Board culture and identify barriers to inclusion in Board participation and leadership;
- (d) communications and business practices that are tailored to the needs of communities of color and other marginalized communities;
- (e) a process to identify and address discriminatory or non-inclusive behaviors;
- (f) organizational policies and procedures that address diversity and inclusion; and
- (g) a clear, realistic, actionable, and measurable commitment to addressing racial equity that is woven into the governance, culture, and membership of the Arts and Humanities Council.

Sec. 5A-10. Transition.

- (a) Continuation of Existing Board. Notwithstanding any other provision of this Chapter, individuals serving on the Board of Directors of the Arts and Humanities Council on the effective date of this Act may continue to serve on an interim basis until appointments are made in accordance with this Chapter.
- (b) Application to Continue Service. Each individual serving on the Board on the effective date of this Act who seeks to continue service must submit an application for appointment under the procedures established

by the County Executive.

(c) Appointments Under New Process. Appointments to the Board made after the effective date of this Act, including the appointment of current Board members, must be made by the County Executive and confirmed by the County Council in accordance with this Chapter.

(d) Term Alignment and Staggering. The County Executive may assign initial term lengths to newly appointed board members, including reappointed current members, as necessary to achieve staggered terms required under this Chapter.

(e) Expiration of Interim Service. An individual serving in an interim capacity under subsection (a) may not continue to serve beyond six months (180 days) after the effective date of this Act unless appointed and confirmed in accordance with this Chapter.

(f) Submission of Updated Bylaws. Within 180 days after the effective date of this Act, the Arts and Humanities Council must submit revised bylaws to the County Executive that conform to the requirements of this Chapter, as amended.

Approved:

Natali Fani-González, President, County Council

Date

Approved:

Marc Elrich, County Executive

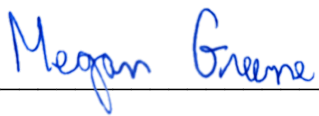
Date

This is a correct copy of Council action.

Sara Tenenbaum, Clerk of the Council

Date

Approved as to Form and Legality:



2/2/2026

Megan Greene, Assistant County Attorney

Date

Resolution: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #26-59 to the FY26 Operating Budget
Montgomery County Government - Department of Recreation
Arts and Humanities Council of Montgomery County (AHCMC), \$53,788.45

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY26 Operating Budget appropriation increases for the Department of Recreation:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0.00	\$53,788.45	\$53,788.45	General Fund Undesignated Reserves

3. This request represents the remaining balance owed to Metris Arts Consulting for work completed under the AHCMC Cultural Plan. The supplemental is being advanced to allow this outstanding obligation to be resolved so that work already performed is paid in a timely and appropriate manner. The County recognizes the value of the Cultural Plan to the community and remains committed to seeing it move forward in a way that is both programmatically meaningful and financially compliant.

This request follows the findings of MCIA-24-5, Contract Management Audit, which identified issues related to the use of restricted funds and deferred revenue associated with the Public Arts Trust (PAT) and the Cultural Plan. In response, the County issued a cure memorandum on May 14, 2025, outlining corrective steps and reinforcing the requirement that PAT funds be used only for the limited purposes authorized by County Code and the contract, including the purchase and installation of permanent art on public property and the maintenance of County-owned public art.

As part of the County's review of Cultural Plan expenditures, AHCMC has indicated that it believed certain Cultural Plan costs could be paid using deferred Public Arts Trust (PAT) revenue. However, as clarified through the audit and subsequent County review, PAT funds, including deferred balances, may be used only for the limited purposes authorized by County Code and the applicable contract, and Cultural Plan consulting expenses are not among those authorized uses.

The total Cultural Plan contract amount with Metris Arts Consulting was \$371,298. Of that amount, \$86,148.03 was paid prior to issuance of the cure memorandum, \$231,361.52 was paid after the issuance of the cure memorandum and \$53,788.45 remains outstanding. At this time, the County is continuing to reconcile the funding sources used for certain payments and is working with AHCMC to obtain complete documentation to confirm how those expenses were paid.

Concurrently, as prescribed in the audit, the County is requesting that the remaining balance of deferred revenue, of which the majority is restricted in its use, be returned by the AHCMC no later than Feb. 6, 2026. Those funds are broken down as follows:

- \$367,299.96 from the PAT NDA
- \$28,598 from the AHCMC NDA

The Department has also requested supporting documentation related to Cultural Plan expenditures to help bring this matter to closure.

In parallel, and while related questions are being reviewed in consultation with the Office of the County Attorney, the Department believes it is appropriate to advance a limited and targeted supplemental appropriation to address the remaining balance owed to Metris Arts Consulting. This approach allows the County to resolve an outstanding payment for work already completed while broader audit follow-up, reconciliation, and oversight measures continue.

Looking ahead, once the County has full clarity regarding funding sources, repayment of restricted funds, and the implementation of strengthened financial controls, the County may consider restoring Public Arts Trust funds so that they may be used for their intended purposes.

Any such action would be contingent upon resolution of outstanding compliance issues and confirmation that appropriate governance and financial safeguards are in place.

This supplemental request is narrow in scope and is intended solely to address the remaining Cultural Plan obligation to Metris Arts Consulting. It does not resolve all audit-related matters, which are being addressed through ongoing administrative and legal review.

4. The County Executive recommends a supplemental appropriation to the FY26 Operating Budget in the amount of \$53,788.45 for the Arts and Humanities Council of Montgomery County (AHCMC) and specifies that the source of funds will be General Fund Undesignated Reserves.
5. 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 supplemental appropriation to the FY26 Operating Budget of the Department of Recreation is approved as follows.

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0.00	\$53,788.45	\$53,788.45	General Fund Undesignated Reserves

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council