

News Release

Comptroller's Workgroup on Pandemic Spending Hears Challenges from Arts, Entertainment, Tourism Leaders

Delays in delivery of aid hampered effectiveness of grant programs

ANNAPOLIS, Md. (February 22, 2022) - Comptroller Peter Franchot today hosted the sixth meeting of the [Comptroller's Workgroup on Pandemic Spending](#), hearing from leaders in the arts, entertainment and tourism industries who all lamented the amount of time it took for grant funding to reach needed recipients.

“We shut everything down and then we waited,” said Comptroller Franchot. “It was one of the lessons we learned that we have to improve on. If there’s no gigs, there’s no money.”

When COVID-19 forced widespread cancellations, closures and travel disruptions, the impact was felt across the board. Venues went dark as performances and festivals were called off, artists had to find another way to market and sell their products and employees who depend on the gig economy were suddenly left with no way to make income.

“The lights went out. The doors were locked. Thousands of layoffs occurred and spending in Maryland in the entertainment business was completely shut down,” said Ted Mankin, Senior Vice President of Booking for Live Nation, a national global entertainment company that produces concerts in large and small venues.

That sudden halt to everyday life had major trickle-down effects – tax revenues fell, advertising spending plummeted, production vendors and event staff had no work, while restaurants, hotels and other hospitality sectors saw major revenue declines.

Even when grant funding was made available, the process to apply, determine and receive aid took far too long. By the time money for one grant was delivered, the needs were considerably greater.

“The relief came, but the relief came too late,” said Ruth Toomey, executive director of the [Maryland Tourism Coalition](#), which advocates and promotes the industry for its 200 members. She pointed to the Coronavirus Economic Relief for Transportation Services, or CERTS program, as one example. The grant program, designed for bus, motorcoach, school bus and passenger companies, did not open until July 2021 and money wasn’t received until the end of 2021.

A few month into the pandemic, Comptroller Franchot met with entertainment industry leaders to learn about the challenges they faced. He urged them to speak with one voice to better advocate for the industry, which led to the formation of the [Maryland Entertainment Industry Association \(MEIA\)](#).

“There is no template for surviving a pandemic,” said Jean Parker, general manager of Merriweather Post Pavilion and a co-founder of MEIA, along with Mankin. “It was like learning to fly a plane while it was already in the air.”

MEIA now has more than 30 members, representing small and large venues and many different genres. Although relief aid eventually came, the funding for each facility was capped, meaning larger venues still had big shortfalls.

The recent Omicron surge, coupled with concertgoers’ hesitation to return to big events, has disrupted hopes of a quick recovery, Mankin said. That, combined with labor shortages and competition for booking popular artists, means individual venues and the industry as a whole continue to struggle.

At the onset of the pandemic, many artists had to quickly pivot away from generating income at events that were no longer taking place. Steven Skerritt-Davis, executive director of the [Maryland State Arts Council \(MSAC\)](#), noted that despite artists’ ability to adapt and innovate, the demand for assistance was evident.

In a typical year, MSAC awards \$25 million in grants to 800 recipients. From April 2020 to June 2021, the agency issued an additional 1,579 emergency grants totaling more than \$12 million.

The Comptroller expressed frustration at the small amount of grant assistance for the arts and entertainment industries, given how critical it is to the state’s economy.

“Tourism and the arts are a keystone of Maryland’s economy and the ecosystem has been severely pummeled,” Franchot said. “It’s frustrating to me to know there is federal and state money in checking accounts that the state controls, and we are simply sitting on it.”

One common complaint Toomey said her members expressed was the lack of a central listing of all available grants that would have helped businesses and

individuals determine what assistance they were eligible for. “When it came to the grant process, we had no communication on where do we go from here,” she said.

Mankin also indicated that the flow of communication was a major hurdle to getting assistance.

“In the beginning, we got passed around a lot,” he said. “You tried to reach someone who understands your plight or your industry.”

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