

**R15P00**  
**Maryland Public Broadcasting Commission**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$8,308	\$8,234	\$8,048	-\$186	-2.3%
Adjustments	0	0	-21	-21	
<b>Adjusted General Fund</b>	<b>\$8,308</b>	<b>\$8,234</b>	<b>\$8,027</b>	<b>-\$207</b>	<b>-2.5%</b>
Special Fund	17,031	19,426	19,573	147	0.8%
Adjustments	0	0	-29	-29	
<b>Adjusted Special Fund</b>	<b>\$17,031</b>	<b>\$19,426</b>	<b>\$19,544</b>	<b>\$118</b>	<b>0.6%</b>
Federal Fund	506	4,026	3,846	-180	-4.5%
<b>Adjusted Federal Fund</b>	<b>\$506</b>	<b>\$4,026</b>	<b>\$3,846</b>	<b>-\$180</b>	<b>-4.5%</b>
Reimbursable Fund	592	0	0	0	
<b>Adjusted Reimbursable Fund</b>	<b>\$592</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Adjusted Grand Total</b>	<b>\$26,437</b>	<b>\$31,686</b>	<b>\$31,417</b>	<b>-\$269</b>	<b>-0.8%</b>

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- The adjusted 2018 allowance decreases by \$269,000 from the fiscal 2017 working appropriation. General funds decrease by \$207,000, including a \$21,000 decrease for the across-the-board contingent reduction for a supplemental pension payment.
- Special funds increase by \$118,000, and federal funds decrease \$180,000.

Note: Numbers may not sum to total due to rounding.

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## ***Personnel Data***

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	<b><u>FY 16 Actual</u></b>	<b><u>FY 17 Working</u></b>	<b><u>FY 18 Allowance</u></b>	<b><u>FY 17-18 Change</u></b>
Regular Positions	147.00	145.00	145.00	0.00
Contractual FTEs	<u>13.33</u>	<u>17.37</u>	<u>17.24</u>	<u>-0.13</u>
<b>Total Personnel</b>	<b>160.33</b>	<b>162.37</b>	<b>162.24</b>	<b>-0.13</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	7.55	5.21%
Positions and Percentage Vacant as of 12/31/16	10.00	6.90%

- Regular positions remain the same in the fiscal 2018 allowance.

## ***Analysis in Brief***

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### **Major Trends**

***Thinkport Website Activity:*** The Thinkport website had to be redeveloped for security reasons and, as a result, there has been a decline in site activity.

***Original Programs Produced and Educational Program Hours:*** There has been an increase in the number of original programs produced. There has also been a significant decline in the number of hours of educational programs broadcast, because educational programming has been transitioned to an online format.

### **Recommended Actions**

1. Concur with Governor's allowance.

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**Maryland Public Broadcasting Commission**

***Operating Budget Analysis***

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**Program Description**

The Maryland Public Broadcasting Commission (MPBC) is responsible for operating a system of State, regional, and local facilities to provide educational and cultural radio and television programs in Maryland. MPBC is responsible for the preparation and content of all its programming. MPBC is also a federal licensee for all broadcasting stations operated by Maryland Public Television (MPT). MPBC has six broadcast transmitters throughout the State and a headquarters facility in Owings Mills.

The goals of MPBC are to:

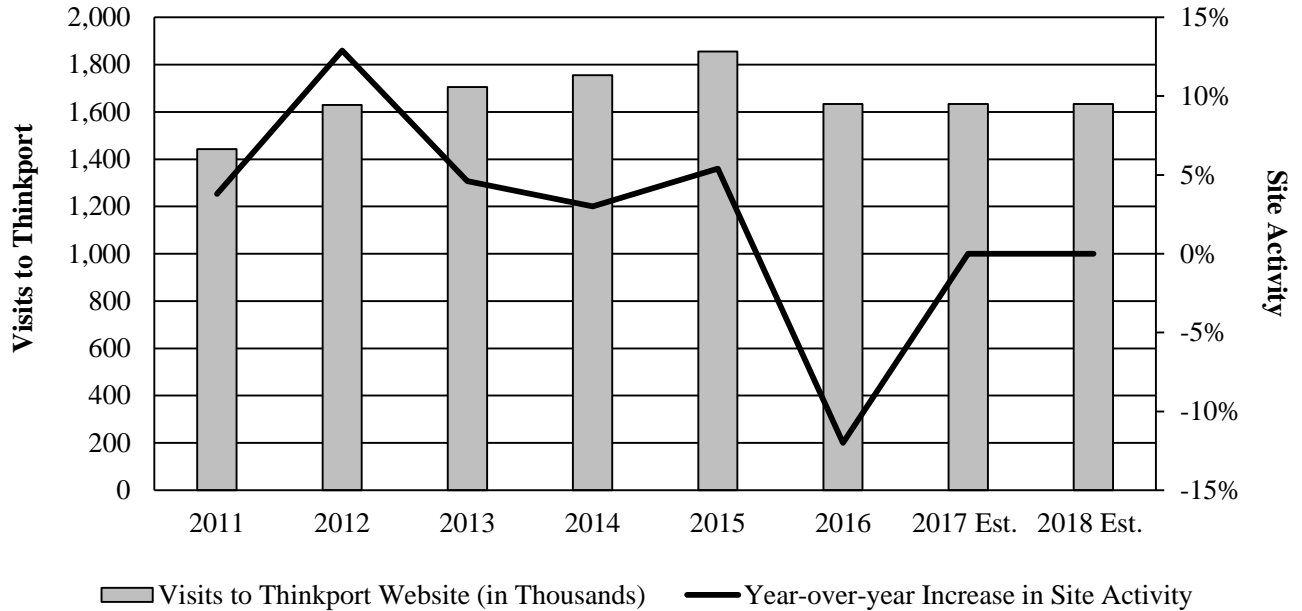
- create and continuously enhance programming and services that recognize the values and meet the needs of the people of Maryland and surrounding areas and to secure high-quality programming for Marylanders;
- effectively use the conversion to a digital environment as the foundation upon which to create and innovate, especially in the area of educational multimedia delivery systems, in ways that extend the reach of MPBC and increase its value; and
- build MPBC into an organization with the vision, leadership, and institutional capacity to fulfill its mission and ensure long-term growth and stability.

**Performance Analysis: Managing for Results**

**1. Thinkport Website Activity**

Thinkport is MPBC's free online learning portal for the community to be utilized by teachers, parents, child care providers, and public libraries. Since fiscal 2015, there has been a significant decrease in the site activity and the overall number of visits to the website. This is largely due to the fact that Thinkport had to be rebuilt. The site now has a new platform, site architecture, content, and traffic analytics system. While the most popular content from the old site has been transferred to the updated site and new content has also been added, there are several modules and activities that are no longer available. **Exhibit 1** shows the decline in site activity since fiscal 2015.

**Exhibit 1**  
**Thinkport Website Activity**  
**Fiscal 2011-2018 Est.**



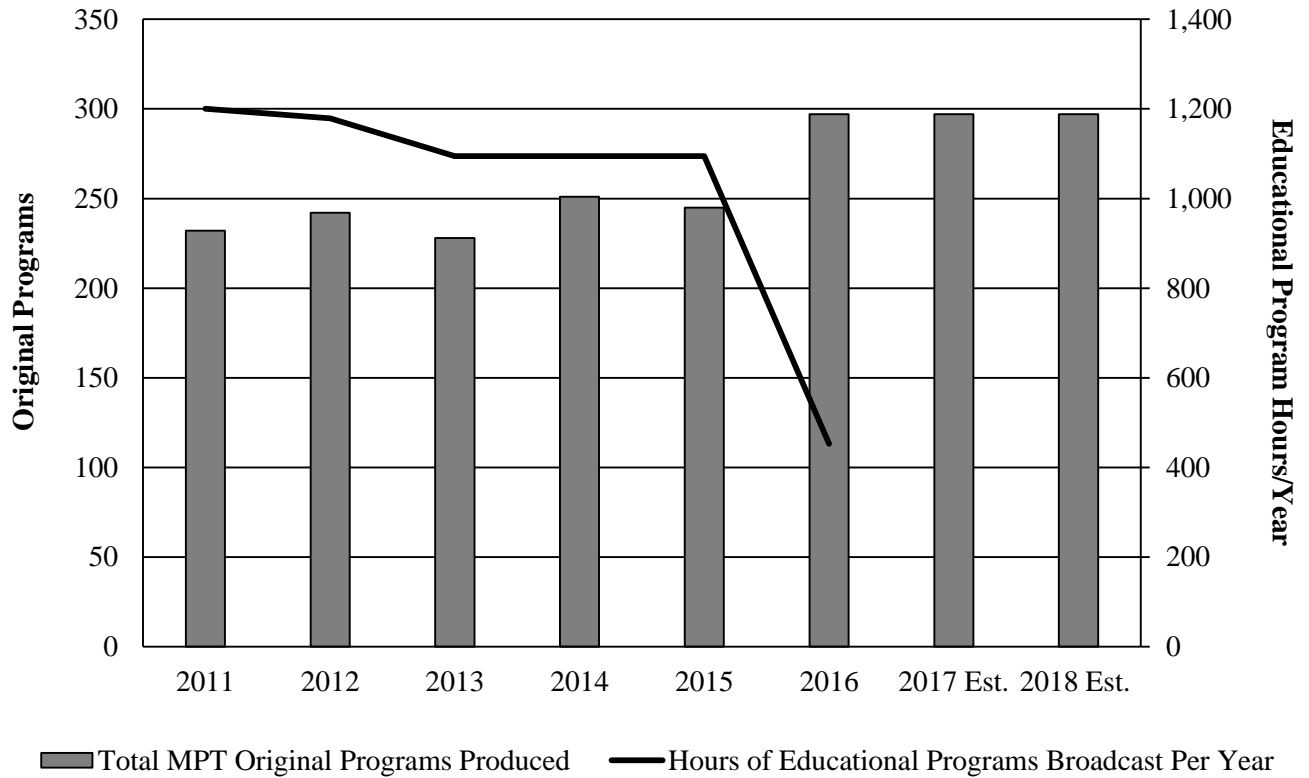
MPT: Maryland Public Television

Source: Maryland Public Broadcasting Commission

## 2. Original Programs Produced and Educational Program Hours

**Exhibit 2** outlines the number of original MPBC shows produced and the hours of educational programs broadcast. While there has been an increase in the number of original programs produced, there has also been a significant decline in the number of hours of educational programs broadcast. This is largely because the educational programs previously broadcast are now only offered online. Since educational television programs are only offered online, moving forward the amount of children programming offered by MPBC will be used for measurement purposes.

**Exhibit 2  
Programs Produced and Educational Program Hours  
Fiscal 2011-2018 Est.**



MPT: Maryland Public Television

Source: Maryland Public Broadcasting Commission

**Fiscal 2017 Actions**

**Section 20 Position Abolitions**

Section 20 of the fiscal 2017 budget bill required the Governor to abolish 657 regular positions and cut \$20 million in general funds and \$5 million in special funds. As a part of the abolished positions, MPBC abolished 2 positions and cut \$35,000 in general funds.

## Proposed Budget

As seen in **Exhibit 3**, there is a \$269,000 decrease in the adjusted fiscal 2018 allowance from the fiscal 2017 working appropriation, with a \$207,000 general fund decrease, a \$118,000 special fund increase, and a \$180,000 federal fund decrease.

There is a \$73,000 increase in overtime to meet demand caused by recent vacancies. The largest increase for the agency is \$407,000 for maintenance and facility work to be done in the MPT building. There is also a \$291,000 increase for contracts, including production costs for new original shows.

There are some significant decreases in the budget, including \$147,000 for contractual payroll because contractual staff worked less hours on smaller projects. There was also a \$227,000 decrease for supplies and materials, including lower than anticipated funding for membership gifts.

With the transition in the federal administration, it has been mentioned that the model currently used to fund public television and radio through the federal government could change, including the potential privatization of public broadcasting. This could result in funding challenges for the commission.

**Exhibit 3**  
**Proposed Budget**  
**Maryland Public Broadcasting Commission**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
Fiscal 2016 Actual	\$8,308	\$17,031	\$506	\$592	\$26,437
Fiscal 2017 Working Appropriation	8,234	19,426	4,026	0	31,686
Fiscal 2018 Allowance	<u>8,027</u>	<u>19,544</u>	<u>3,846</u>	<u>0</u>	<u>31,417</u>
Fiscal 2017-2018 Amount Change	-\$207	\$118	-\$180	\$0	-\$269
Fiscal 2017-2018 Percent Change	-2.5%	0.6%	-4.5%		-0.8%

**Where It Goes:**

**Personnel Expenses**

Overtime .....	\$73
Regular earnings .....	29
Retirement contributions (including contingent reduction of \$50,000).....	6
Turnover adjustments .....	-43
Workers' compensation premium assessment .....	-63
Employee and retiree health insurance .....	-237

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**Where It Goes:**

**Other Changes**

Facility renovations costs .....	407
Production costs for original shows .....	291
Fixed charges (equipment, insurance, association dues, <i>etc.</i> ).....	69
Printing .....	39
Food services and security services .....	33
Travel .....	29
Vehicle purchase .....	-11
Advertising .....	-58
Applications software .....	-70
Equipment replacement and additional .....	-90
Contractual support.....	-147
Communications (align to most recent actual) .....	-151
Utilities (align to most recent actual).....	-152
Supplies and materials (including membership premium gifts) .....	-227
Other .....	4
<b>Total</b>	<b>-\$269</b>

Note: Numbers may not sum to total due to rounding.

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## ***Recommended Actions***

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1. Concur with Governor's allowance.



**Appendix 1**  
**Current and Prior Year Budgets**  
**Maryland Public Broadcasting Commission**  
**(\$ in Thousands)**

	<b><u>General</u> <u>Fund</u></b>	<b><u>Special</u> <u>Fund</u></b>	<b><u>Federal</u> <u>Fund</u></b>	<b><u>Reimb.</u> <u>Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2016</b>					
Legislative Appropriation	\$7,854	\$18,860	\$3,999	\$1,260	\$31,973
Deficiency Appropriation	325	0	0	0	325
Budget Amendments	128	108	0	0	236
Reversions and Cancellations	0	-1,936	-3,493	-668	-6,097
<b>Actual Expenditures</b>	<b>\$8,308</b>	<b>\$17,031</b>	<b>\$506</b>	<b>\$592</b>	<b>\$26,437</b>
<b>Fiscal 2017</b>					
Legislative Appropriation	\$8,128	\$19,291	\$4,026	\$0	\$31,445
Cost Containment	0	0	0	0	0
Budget Amendments	106	135	0	0	241
<b>Working Appropriation</b>	<b>\$8,234</b>	<b>\$19,426</b>	<b>\$4,026</b>	<b>\$0</b>	<b>\$31,686</b>

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

## **Fiscal 2016**

The fiscal 2016 legislative appropriation for the Maryland Public Broadcasting Commission increased by \$325,000 for a fiscal 2016 deficiency appropriation for an event in conjunction with the broadcast of the Maryland Vietnam War Stories documentary. Budget amendments increased the appropriation by \$236,000. General funds increased by \$128,318, with \$86,000 to restore a 2% pay reduction and \$42,318 for telecommunications.

The special fund appropriation increased by \$108,000 for the restoration of a 2% pay cut. There was \$1,936,395 in canceled special funds because of lower than anticipated fundraising.

Federal fund cancellations totaled \$3.5 million including:

- \$3.0 million that was anticipated from the reverse spectrum auction that was supposed to take place in fiscal 2016 but was delayed;
- \$440,013 related to grants that were anticipated but not received; and
- \$53,099 for the production of the Motorweek programming that was not received.

Reimbursable fund cancellations totaled \$667,519, all for services to the Maryland State Department of Education.

## **Fiscal 2017**

To date, the fiscal 2017 legislative appropriation increased by \$240,977 due to a budget amendment for statewide adjustments including \$105,947 in general funds and \$135,030 in special funds.

**Appendix 2**  
**Audit Findings**

Audit Period for Last Audit:	December 1, 2011 – June 30, 2015
Issue Date:	June 2016
Number of Findings:	6
Number of Repeat Findings:	1
% of Repeat Findings:	17%
Rating: (if applicable)	n/a

**Finding 1:** The Maryland Public Broadcasting Commission’s (MPBC) procurement policy did not contain certain provisions required by State law for entities with procurement exemptions, and contracts awarded under its exemption were not always reported to or approved by MPBC’s governing commission.

**Finding 2:** MPBC did not always comply with State procurement regulations for sole source and competitively bid contracts that were not part of its procurement exemption.

**Finding 3:** MPBC significantly understated the approximate quantity of mailings in a procurement solicitation for direct marketing and fundraising services, which could have affected the bid process received.

**Finding 4:** **MPBC did not adequately monitor contract terms and payments for three contracts related to fundraising services.**

**Finding 5:** MPBC did not have an adequate process to evaluate the reasonableness of the amount it was charged by the Public Broadcasting Service for its annual subscription dues, which exceeds \$3 million.

**Finding 6:** MPBC did not periodically review user access capabilities for critical fundraising systems, and numerous users had unnecessary access to information required to be kept confidential by State law.

\*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3  
Object/Fund Difference Report  
Maryland Public Broadcasting Commission**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	147.00	145.00	145.00	0.00	0%
02 Contractual	13.33	17.37	17.24	-0.13	-0.7%
<b>Total Positions</b>	<b>160.33</b>	<b>162.37</b>	<b>162.24</b>	<b>-0.13</b>	<b>-0.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 12,992,630	\$ 13,844,460	\$ 13,659,377	-\$ 185,083	-1.3%
02 Technical and Spec. Fees	862,906	1,195,902	1,048,803	-147,099	-12.3%
03 Communication	584,969	735,677	584,449	-151,228	-20.6%
04 Travel	180,488	166,636	195,883	29,247	17.6%
06 Fuel and Utilities	765,686	941,818	789,880	-151,938	-16.1%
07 Motor Vehicles	81,192	70,105	59,099	-11,006	-15.7%
08 Contractual Services	8,842,708	9,185,784	9,831,297	645,513	7.0%
09 Supplies and Materials	1,084,407	1,479,245	1,252,321	-226,924	-15.3%
10 Equipment – Replacement	112,425	3,160,207	3,062,690	-97,517	-3.1%
11 Equipment – Additional	345,806	371,325	379,378	8,053	2.2%
13 Fixed Charges	584,108	534,654	603,630	68,976	12.9%
<b>Total Objects</b>	<b>\$ 26,437,325</b>	<b>\$ 31,685,813</b>	<b>\$ 31,466,807</b>	<b>-\$ 219,006</b>	<b>-0.7%</b>
<b>Funds</b>					
01 General Fund	\$ 8,307,706	\$ 8,233,878	\$ 8,047,921	-\$ 185,957	-2.3%
03 Special Fund	17,031,202	19,425,871	19,572,602	146,731	0.8%
05 Federal Fund	506,211	4,026,064	3,846,284	-179,780	-4.5%
09 Reimbursable Fund	592,206	0	0	0	0.0%
<b>Total Funds</b>	<b>\$ 26,437,325</b>	<b>\$ 31,685,813</b>	<b>\$ 31,466,807</b>	<b>-\$ 219,006</b>	<b>-0.7%</b>

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 4  
Fiscal Summary  
Maryland Public Broadcasting Commission**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Executive Direction and Control	\$ 877,375	\$ 848,231	\$ 843,960	-\$ 4,271	-0.5%
02 Administration and Support Services	8,675,596	12,124,126	12,233,286	109,160	0.9%
03 Broadcasting	10,864,220	12,465,812	11,671,932	-793,880	-6.4%
04 Content Enterprises	6,020,134	6,247,644	6,717,629	469,985	7.5%
<b>Total Expenditures</b>	<b>\$ 26,437,325</b>	<b>\$ 31,685,813</b>	<b>\$ 31,466,807</b>	<b>-\$ 219,006</b>	<b>-0.7%</b>
General Fund	\$ 8,307,706	\$ 8,233,878	\$ 8,047,921	-\$ 185,957	-2.3%
Special Fund	17,031,202	19,425,871	19,572,602	146,731	0.8%
Federal Fund	506,211	4,026,064	3,846,284	-179,780	-4.5%
<b>Total Appropriations</b>	<b>\$ 25,845,119</b>	<b>\$ 31,685,813</b>	<b>\$ 31,466,807</b>	<b>-\$ 219,006</b>	<b>-0.7%</b>
Reimbursable Fund	\$ 592,206	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Funds</b>	<b>\$ 26,437,325</b>	<b>\$ 31,685,813</b>	<b>\$ 31,466,807</b>	<b>-\$ 219,006</b>	<b>-0.7%</b>

Note: Does not include targeted reversions, deficiencies, and contingent reductions.