

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

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 17</u> <u>Actual</u>	<u>FY 18</u> <u>Working</u>	<u>FY 19</u> <u>Allowance</u>	<u>FY 18-19</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$8,234	\$8,027	\$8,312	\$285	3.6%
Adjustments	0	-86	48	134	
<b>Adjusted General Fund</b>	<b>\$8,234</b>	<b>\$7,941</b>	<b>\$8,360</b>	<b>\$419</b>	<b>5.3%</b>
Special Fund	17,761	19,544	18,163	-1,380	-7.1%
Adjustments	0	-111	64	176	
<b>Adjusted Special Fund</b>	<b>\$17,761</b>	<b>\$19,432</b>	<b>\$18,227</b>	<b>-\$1,205</b>	<b>-6.2%</b>
Federal Fund	513	3,846	508	-3,338	-86.8%
Adjustments	0	-3,000	0	3,000	
<b>Adjusted Federal Fund</b>	<b>\$513</b>	<b>\$846</b>	<b>\$508</b>	<b>-\$338</b>	<b>-39.9%</b>
<b>Adjusted Grand Total</b>	<b>\$26,508</b>	<b>\$28,219</b>	<b>\$27,096</b>	<b>-\$1,124</b>	<b>-4.0%</b>

Note: FY 18 Working includes targeted reversions, deficiencies, and across-the-board reductions. FY 19 Allowance includes contingent reductions and cost-of-living adjustments.

- The adjusted fiscal 2019 allowance decreases \$1.1 million, or 4%, from the fiscal 2018 working appropriation.
- The fiscal 2019 allowance does not meet the mandated funding requirements in Chapter 816 of 2017.
- There is currently \$500,000 in the fiscal 2018 Department of Information Technology budget restricted for the video streaming of various legislative activities outlined in Chapter 816. The Governor has yet to release those funds.

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

For further information contact: Sierra S. Boney

Phone: (410) 946-5530

*R15P00 – Maryland Public Broadcasting Commission*

- There is a \$3 million negative deficiency that transfers fiscal 2018 funding from the administration and operations section of the Maryland Public Broadcasting Commission (MPBC) to a capital appropriation. This is federal funding from the Federal Communications Commission to support MPBC’s efforts in the national repacking process for public stations across the country.

***Personnel Data***

---

	<u>FY 17 Actual</u>	<u>FY 18 Working</u>	<u>FY 19 Allowance</u>	<u>FY 18-19 Change</u>
Regular Positions	145.00	145.00	145.00	0.00
Contractual FTEs	<u>10.65</u>	<u>15.55</u>	<u>15.55</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>155.65</b>	<b>160.55</b>	<b>160.55</b>	<b>0.00</b>

*Vacancy Data: Regular Positions*

Turnover and Necessary Vacancies, Excluding New Positions	7.93	5.47%
Positions and Percentage Vacant as of 12/31/17	10.00	6.90%

- There are no changes in personnel for MPBC.

***Analysis in Brief***

---

**Major Trends**

**MPBC Membership:** Members are a primary source of funding for MPBC. Both membership and member contributions have trended upward in recent years as the economy has improved.

**Programs Produced:** MPBC produces original content for Marylanders. There was a decrease in the number of programs produced in fiscal 2017 because fiscal 2016 included the mayoral and senate debate specials.

**Operating Budget Recommended Actions**

1. Concur with Governor’s allowance.

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

***Operating Budget Analysis***

---

**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. MPBC has six broadcast transmitters throughout the State and a headquarters facility in Owings Mills.

The goals of MPBC are to:

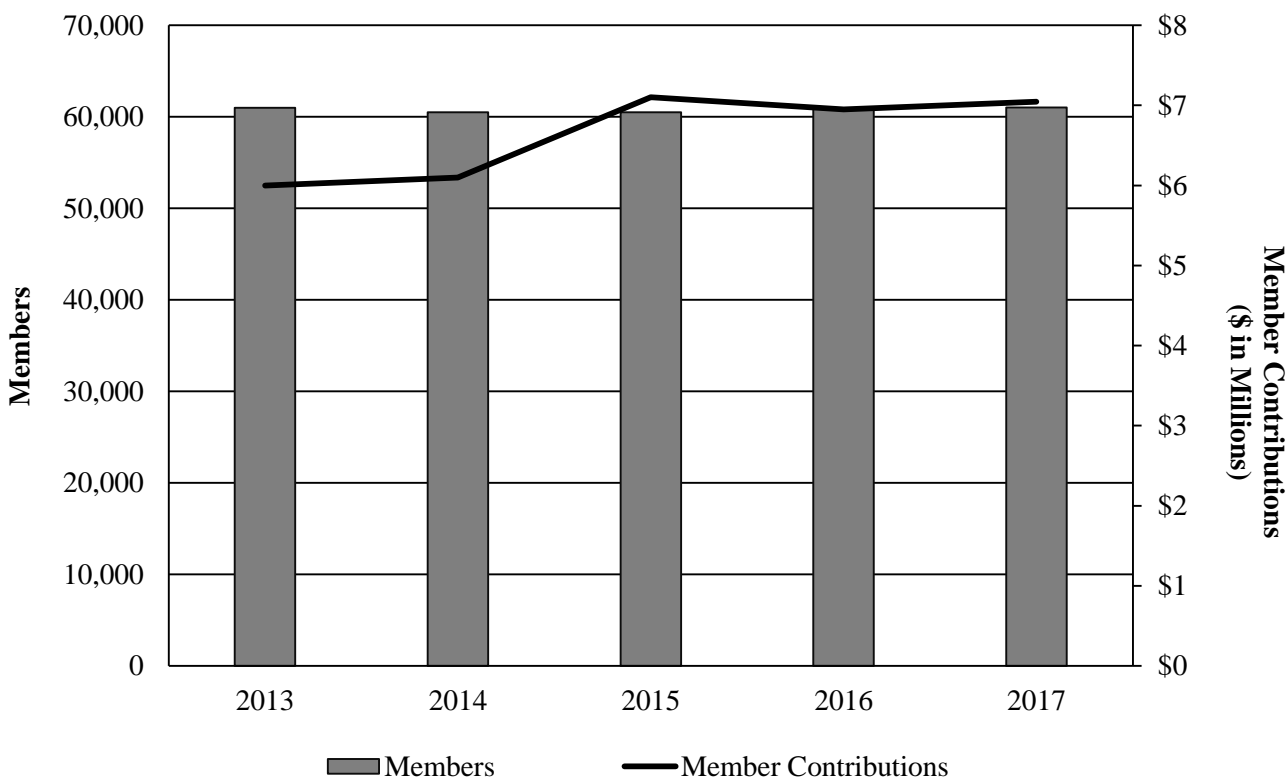
- create and continuously enhance programming and services that recognize the values and meet the needs of the people of Maryland and surrounding areas and to secure high-quality programming for Marylanders;
- effectively use the conversion to a digital environment as the foundation upon which to create 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. MPBC Membership**

MPBC membership is an essential element of funding to support MPBC operations. Membership is offered to anyone who supports MPBC through charitable giving in the amount of \$35 or more. **Exhibit 1** shows the number of members and the amount of member contributions from fiscal 2013 to 2017. It is not unusual to see fluctuations in membership and contributions based on economic factors but there has been an upward trend in both number of members and membership contributions since fiscal 2014.

**Exhibit 1  
Membership and Member Contributions  
Fiscal 2013-2017**

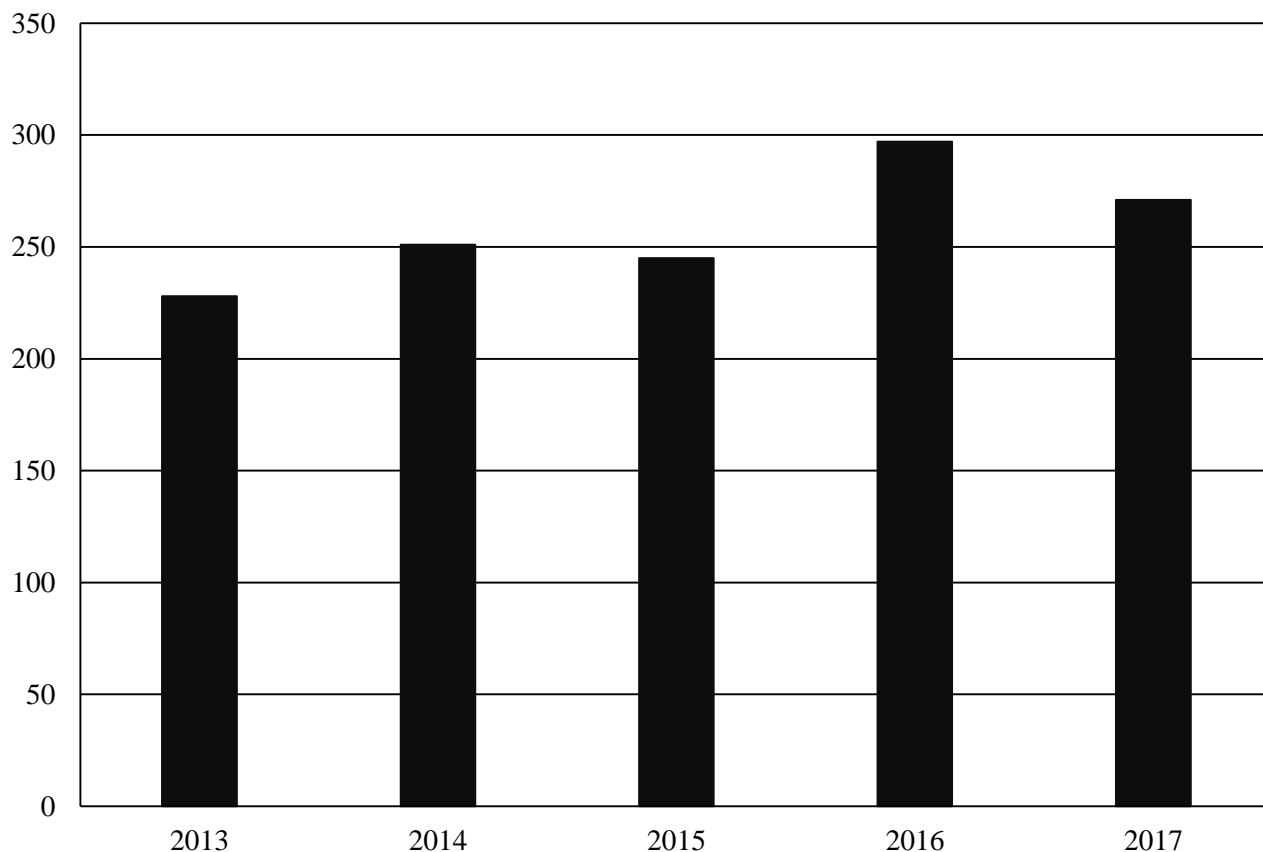


Source: Maryland Public Broadcasting Commission

**2. Programs Produced**

MPBC produces original content that is aired locally. **Exhibit 2** shows that there has been a slight decrease in the number of shows produced in fiscal 2017. This is due in part to the increase in original content in fiscal 2016 resulting from the mayoral and senate debate specials. There has also been a slight decrease in the number of episodes for Outdoors Maryland and Artworks, due to both scheduling and personnel.

**Exhibit 2  
Programs Produced  
Fiscal 2013-2017**



Source: Maryland Public Broadcasting Commission

---

## **Fiscal 2018 Actions**

### **Across-the-board Employee and Retiree Health Insurance Reduction**

The budget bill includes an across-the-board reduction for employee and retiree health insurance in fiscal 2018 to reflect a surplus balance in the fund. This agency's share of this reduction is \$86,174 in general funds and \$111,468 in special funds.

## Proposed Budget

As shown in **Exhibit 3**, there is a \$1.1 million decrease in the fiscal 2019 allowance from the fiscal 2018 working appropriation. There is a \$392,000 increase in personnel, largely due to the fiscal 2019 general salary increase and the fiscal 2018 health insurance deduction holidays. The fiscal 2019 allowance includes funds for a 2% general salary increase for all State employees, effective January 1, 2019. These funds are budgeted in the Department of Budget and Management’s statewide program and will be distributed to agencies during the fiscal year. This agency’s share of the general salary increase is \$111,961.

**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>Total</u></b>
Fiscal 2017 Actual	\$8,234	\$17,761	\$513	\$26,508
Fiscal 2018 Working Appropriation	7,941	19,432	846	28,219
Fiscal 2019 Allowance	<u>8,360</u>	<u>18,227</u>	<u>508</u>	<u>27,096</u>
Fiscal 2018-2019 Amount Change	\$419	-\$1,205	-\$338	-\$1,124
Fiscal 2018-2019 Percent Change	5.3%	-6.2%	-39.9%	-4.0%

**Where It Goes:**

**Personnel Expenses**

Health insurance, impact of the fiscal 2018 health deduction holidays.....	\$198
General salary increase .....	112
Salaries and other compensation.....	68
Workers’ compensation .....	32
Retirement contributions.....	16
Turnover adjustment .....	-34

**Other Changes**

Master lease program for video routing and transmitting equipment, an encoder, and other equipment.....	277
Utilities.....	33
Computer repairs.....	-88
Supplies.....	-162
Contractual positions .....	-220
Fixed charges .....	-254

*R15P00 – Maryland Public Broadcasting Commission*

**Where It Goes:**

One-time repairs .....	-299
Education program grants .....	-777
Other .....	-26
<b>Total</b>	<b>-\$1,124</b>

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

---

There is a \$277,000 increase for the master lease program equipment that includes video routing and transmitting equipment, an encoder, and other equipment. Decreases include \$162,000 for supplies and \$220,000 for contractual positions, which represent a reduction in necessary supplies and contractual staff working hours because of the decline in MPBC produced shows. There is also a \$777,000 decrease for education program grants. MPBC has received funding from the Maryland State Department of Education and the federal Department of Education for educational programming to support classroom curriculum and to develop a variety of educational projects in conjunction with the federal Race to the Top program. As these funding streams have ended and MPBC has transitioned to more web-based educational tools, like the Thinkport.org website, the funding for the education programs has ended.

Chapter 816 of 2017 established a minimum funding level for MPBC by requiring, beginning in fiscal 2019, the Governor to include general funds in the MPBC budget at the prior year general fund appropriation plus an amount equal to projected general fund revenue growth. A second provision required additional funding based on the actual level of Community Service and Corporation for Public Broadcasting (CPB) grant funding attained versus that assumed in the budget in the second preceding year, *e.g.*, for fiscal 2019, the assumptions for, and attainment in, fiscal 2017.

Based on these funding requirements, the fiscal 2019 general fund allowance should be \$526,000 above the fiscal 2018 legislative appropriation derived from:

- an increase in the general fund appropriation of \$265,000 to reflect projected general fund revenue growth; and
- an additional \$261,000, based on the actual community service and CPB grant funding levels versus that originally budgeted.

The actual increase between the fiscal 2018 legislative appropriation and the fiscal allowance (including the funding for the general salary increase), is \$333,000.

There were also general funds in the fiscal 2018 budget to support video streaming of specified legislative proceedings stated in Chapter 816. Specifically, funds for this project were restricted in the Department of Information Technology budget to be transferred to MPBC for the purchase of video streaming equipment and labor costs associated with implementation of Chapter 816. While a

*R15P00 – Maryland Public Broadcasting Commission*

plan was developed to provide streaming services for the State of the State address, the State of the Judiciary address, and the floor sessions during the last two weeks of session in fiscal 2018; the Governor has not determined whether the funding for this project should be released. The 2018 State of the State address was January 31, 2018, and there was no State of the Judiciary address in 2018. **MPBC should comment on the status of proposed video streaming of legislative floor sessions.**



## ***Operating Budget Recommended Actions***

---

1. Concur with Governor's allowance.

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

	<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Special</u></b> <b><u>Fund</u></b>	<b><u>Federal</u></b> <b><u>Fund</u></b>	<b><u>Reimb.</u></b> <b><u>Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2017</b>					
Legislative Appropriation	\$8,128	\$19,291	\$4,026	\$0	\$31,445
Deficiency Appropriation	0	0	0	0	0
Cost Containment	0	0	0	0	0
Budget Amendments	106	135	0	0	241
Reversions and Cancellations	0	-1,665	-3,513	0	-5,178
<b>Actual</b> <b>Expenditures</b>	<b>\$8,234</b>	<b>\$17,761</b>	<b>\$513</b>	<b>\$0</b>	<b>\$26,508</b>
<b>Fiscal 2018</b>					
Legislative Appropriation	\$8,027	\$19,544	\$846	\$0	\$28,417
Cost Containment	0	0	0	0	0
Budget Amendments	0	0	0	0	0
<b>Working</b> <b>Appropriation</b>	<b>\$8,027</b>	<b>\$19,544</b>	<b>\$846</b>	<b>\$0</b>	<b>\$28,417</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. Numbers may not sum to total due to rounding.

**Fiscal 2017**

The fiscal 2017 legislative appropriation for the Maryland Public Broadcasting Commission decreased by \$4.9 million. Budget amendments added \$241,000, \$106,000 in general funds and \$135,000 in special funds, for centrally budgeted salary adjustments.

This increase was more than offset by \$5.2 million in cancellations, including \$1.67 million in special funds because special fund revenues were lower than anticipated and \$3.5 million in federal funds for the Spectrum Auction and Repack of channels that has not yet occurred.

**Fiscal 2018**

To date, the fiscal 2018 legislative appropriation has not changed.

**Appendix 2**  
**Object/Fund Difference Report**  
**Maryland Public Broadcasting Commission**

<u>Object/Fund</u>	<u>FY 17</u> <u>Actual</u>	<u>FY 18</u> <u>Working</u> <u>Appropriation</u>	<u>FY 19</u> <u>Allowance</u>	<u>FY 18 - FY 19</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	145.00	145.00	145.00	0.00	0%
02 Contractual	10.65	15.55	15.55	0.00	0%
<b>Total Positions</b>	<b>155.65</b>	<b>160.55</b>	<b>160.55</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 13,336,764	\$ 13,609,290	\$ 13,692,049	\$ 82,759	0.6%
02 Technical and Spec. Fees	569,345	1,048,803	828,391	-220,412	-21.0%
03 Communication	608,780	584,449	617,666	33,217	5.7%
04 Travel	186,894	195,883	189,537	-6,346	-3.2%
06 Fuel and Utilities	822,981	789,880	822,981	33,101	4.2%
07 Motor Vehicles	61,595	59,099	61,351	2,252	3.8%
08 Contractual Services	5,293,930	6,364,636	5,197,575	-1,167,061	-18.3%
09 Supplies and Materials	965,796	1,252,321	1,079,378	-172,943	-13.8%
10 Equipment – Replacement	27,684	3,062,690	35,482	-3,027,208	-98.8%
11 Equipment – Additional	436,666	379,378	643,370	263,992	69.6%
13 Fixed Charges	4,197,477	4,070,291	3,815,793	-254,498	-6.3%
<b>Total Objects</b>	<b>\$ 26,507,912</b>	<b>\$ 31,416,720</b>	<b>\$ 26,983,573</b>	<b>-\$ 4,433,147</b>	<b>-14.1%</b>
<b>Funds</b>					
01 General Fund	\$ 8,233,878	\$ 8,026,847	\$ 8,311,867	\$ 285,020	3.6%
03 Special Fund	17,760,765	19,543,589	18,163,272	-1,380,317	-7.1%
05 Federal Fund	513,269	3,846,284	508,434	-3,337,850	-86.8%
<b>Total Funds</b>	<b>\$ 26,507,912</b>	<b>\$ 31,416,720</b>	<b>\$ 26,983,573</b>	<b>-\$ 4,433,147</b>	<b>-14.1%</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.

**Appendix 3  
Fiscal Summary  
Maryland Public Broadcasting Commission**

<u>Program/Unit</u>	<u>FY 17 Actual</u>	<u>FY 18 Wrk Approp</u>	<u>FY 19 Allowance</u>	<u>Change</u>	<u>FY 18 - FY 19 % Change</u>
01 Executive Direction and Control	\$ 845,585	\$ 841,678	\$ 893,934	\$ 52,256	6.2%
02 Administration and Support Services	8,803,857	12,211,142	9,262,042	-2,949,100	-24.2%
03 Broadcasting	10,200,541	11,660,434	9,991,302	-1,669,132	-14.3%
04 Content Enterprises	6,657,929	6,703,466	6,836,295	132,829	2.0%
<b>Total Expenditures</b>	<b>\$ 26,507,912</b>	<b>\$ 31,416,720</b>	<b>\$ 26,983,573</b>	<b>-\$ 4,433,147</b>	<b>-14.1%</b>
General Fund	\$ 8,233,878	\$ 8,026,847	\$ 8,311,867	\$ 285,020	3.6%
Special Fund	17,760,765	19,543,589	18,163,272	-1,380,317	-7.1%
Federal Fund	513,269	3,846,284	508,434	-3,337,850	-86.8%
<b>Total Appropriations</b>	<b>\$ 26,507,912</b>	<b>\$ 31,416,720</b>	<b>\$ 26,983,573</b>	<b>-\$ 4,433,147</b>	<b>-14.1%</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.