

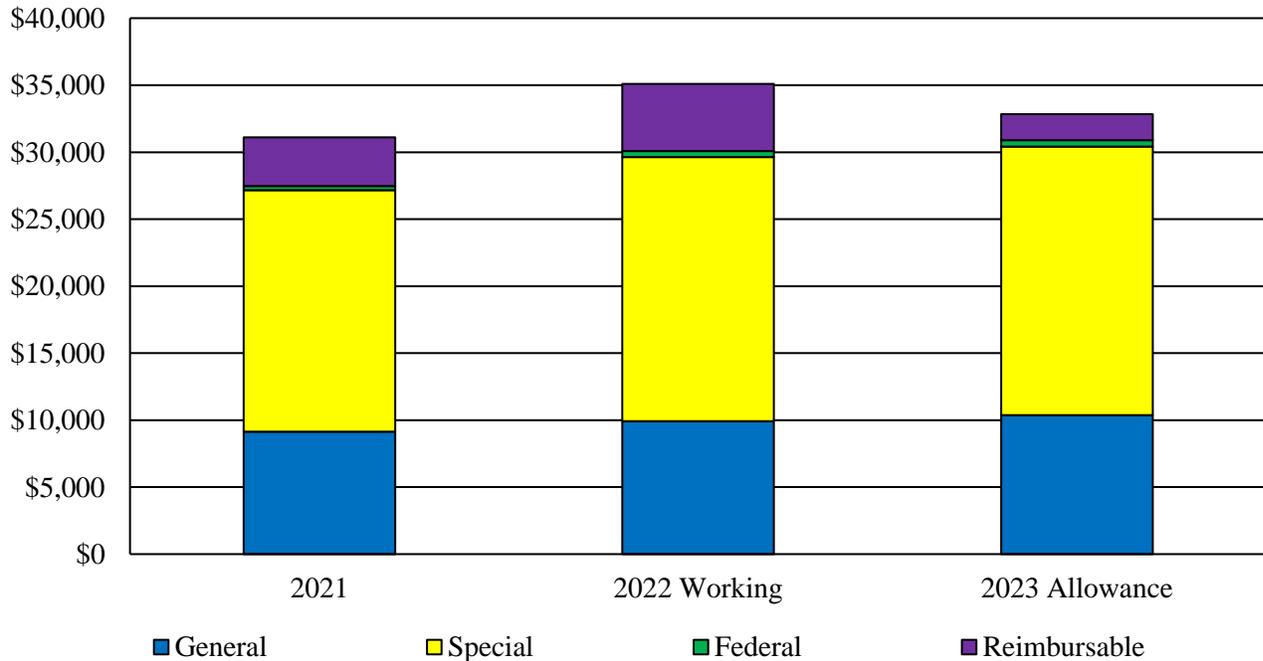
R15P00
Maryland Public Broadcasting Commission

Program Description

The Maryland Public Broadcasting Commission (MPBC) oversees Maryland Public Television (MPT), which operates and maintains a statewide broadcasting network for educational and cultural television programming. MPT is responsible for the preparation, content, and presentation of its programming, and is also a member of the Public Broadcasting Service (PBS). MPBC is the federal licensee for all broadcasting stations operated by MPT and has six broadcast transmitters located throughout the State. MPBC is governed by an 11-member commission whose members are appointed by the Governor.

Operating Budget Summary

Fiscal 2023 Budget Decreases \$2.3 Million, or 6.5%, to \$32.8 Million
(\$ in Thousands)



Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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- The net decrease in the fiscal 2023 allowance is driven by a decrease in reimbursable funds of \$3.1 million due to one-time funding received from the Maryland State Department of Education (MSDE) in fiscal 2022 for online course development.

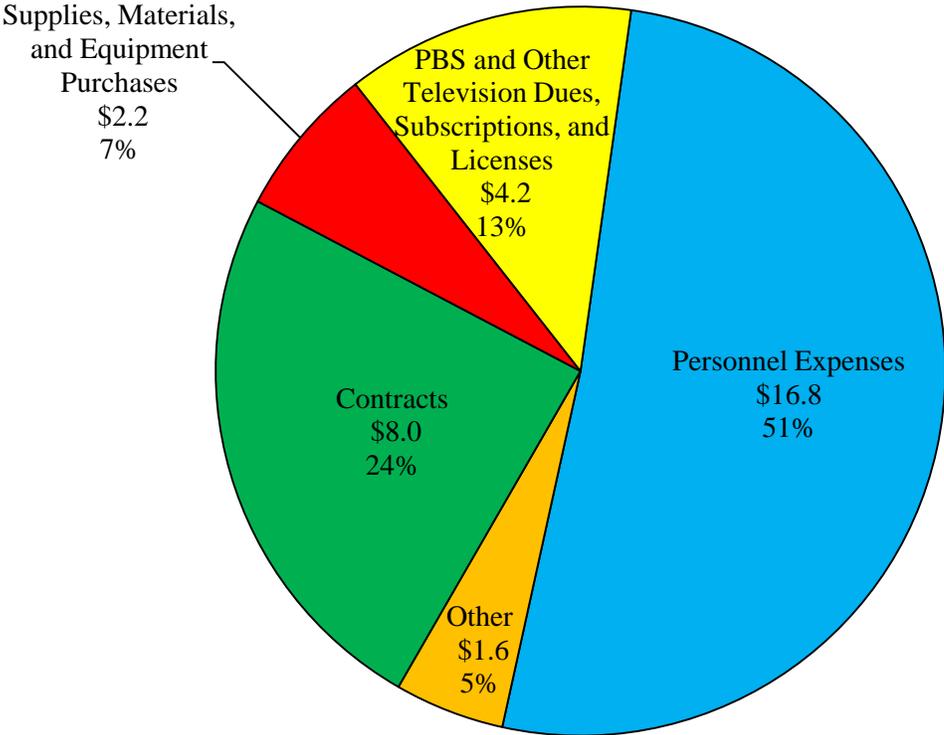
Fiscal 2022

A reimbursable fund budget amendment of \$1.9 million has been approved but due to timing is not reflected in the fiscal 2022 working appropriation. These funds are from the Maryland Department of Health to fund several television media campaigns, including public awareness of the opioid crisis.

Fiscal 2023 Overview of Agency Spending

As shown in **Exhibit 1**, the fiscal 2023 allowance for MPBC totals \$32.8 million. Slightly over half (51%) of the budget consists of regular and contractual personnel expenses, which total \$16.8 million and support 145 regular positions and 12.7 contractual full-time equivalents (FTE). The remainder of the budget consists of the operating expenses for MPT, of which the largest category is contracts mainly related to television production and broadcasting that total \$8 million, or 24% of the budget. PBS and other public television dues, subscriptions, and licenses total \$4.2 million, or 13% of the budget.

Exhibit 1
Overview of Agency Spending
Fiscal 2023 Allowance
(\$ in Millions)



PBS: Public Broadcasting Service

Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor’s Fiscal 2023 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2023 allowance decreases by \$2.3 million, or 6.5%, from the fiscal 2022 working appropriation. The largest change is a decrease in reimbursable funds of \$3.5 million corresponding to a grant from MSDE for the purpose of online course development, which concludes in September 2022. MPT is responsible for developing customized online courses for students and educators, as well as training modules, which will provide additional opportunities for distance learning delivery.

Exhibit 2
Proposed Budget
Maryland Public Broadcasting Commission
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
Fiscal 2021 Actual	\$9,143	\$18,029	\$295	\$3,646	\$31,113
Fiscal 2022 Working Appropriation	9,930	19,691	467	5,004	35,091
Fiscal 2023 Allowance	<u>10,363</u>	<u>20,056</u>	<u>467</u>	<u>1,942</u>	<u>32,827</u>
Fiscal 2022-2023 Amount Change	\$434	\$364	\$0	-\$3,062	-\$2,264
Fiscal 2022-2023 Percent Change	4.4%	1.8%		-61.2%	-6.5%
 Where It Goes:					<u>Change</u>
Personnel Expenses					
Regular earnings.....					\$496
Employee retirement system contributions					122
Employee and retiree health insurance.....					88
Social Security contributions					43
Turnover adjustments.....					32
Other fringe benefit adjustments					1
Other Changes					
Replacement equipment purchases					420
Maryland Public Television advertising contracts					168
Public Broadcasting Service association dues					100
Other.....					32
Capital lease payments to State Treasurer.....					-313
Reimbursable funds from MSDE online course development grant.....					-3,454
Total					-\$2,265

MSDE: Maryland State Department of Education

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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The largest area of increase is for personnel expenses, which increase by \$782,000 due to salary plan adjustments for MPT employees. Equipment purchases increase by \$420,000, which fund the purchase of new cameras as part of television studio equipment upgrades, as well as computer upgrades throughout the agency. Capital lease payments to the State Treasurer’s Office, which have also been used to fund equipment purchases for studio upgrades in prior years, decrease by \$313,000.

Personnel Data

	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 22-23</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	145.00	145.00	145.00	0.00
Contractual FTEs	<u>6.98</u>	<u>12.20</u>	<u>12.70</u>	<u>0.50</u>
Total Personnel	151.98	157.20	157.70	0.50

Vacancy Data: Regular Positions

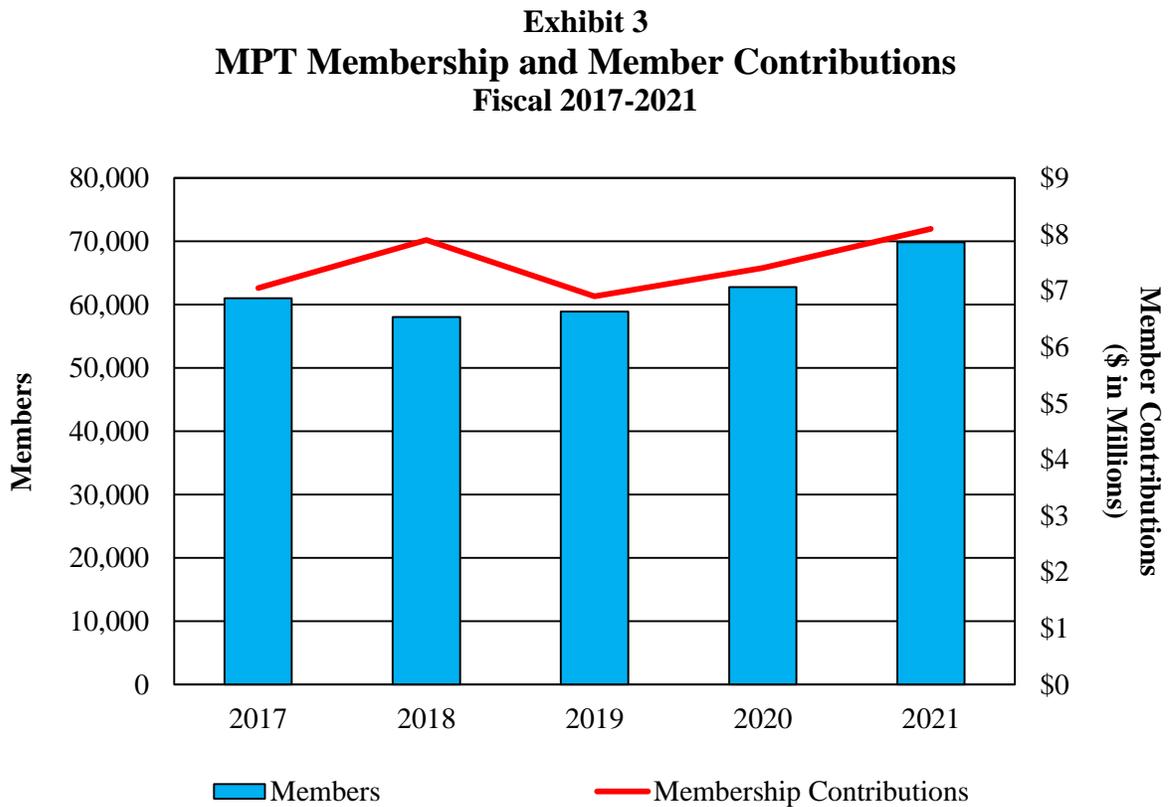
Turnover and Necessary Vacancies, Excluding New Positions	6.37	4.39%
Positions and Percentage Vacant as of 12/31/21	16.00	11.03%
Vacancies Above Turnover	9.63	

- The fiscal 2023 allowance contains an additional 0.5 contractual FTE for a production assistant within MPT’s Maryland State Ad Agency.
- There are 16 vacant positions, which is 9.63 above the turnover expectancy. MPT indicates that due to economic uncertainty in prior fiscal years, it held between 10 and 12 positions open in order to assist in keeping the budget balanced. Starting in fiscal 2022, there is adequate funding to fill these positions, and active recruitment is underway for most open positions.

Key Observations

1. MPT Membership and Member Contributions Increase

Membership contributions from MPT members make up the largest share of special funds in the MPBC budget and are an essential element of funding for MPT operations. MPT membership is offered to anyone who makes a donation of \$35 or more. As shown in **Exhibit 3**, despite initial concerns that individual membership contributions would decrease due to the economic disruptions caused by the COVID-19 pandemic and individuals seeking to cancel their memberships, both the total number of MPT members and membership contributions increased in fiscal 2021. Membership has increased by 18.6% since fiscal 2019, and membership contributions increased by 17.3% over the same two-year period. At the end of fiscal 2021, MPT membership stood at 69,886 members, and member contributions totaled \$8.1 million. Fiscal 2021 marked the third consecutive year in which membership contributions increased, and the fourth in which membership has increased.



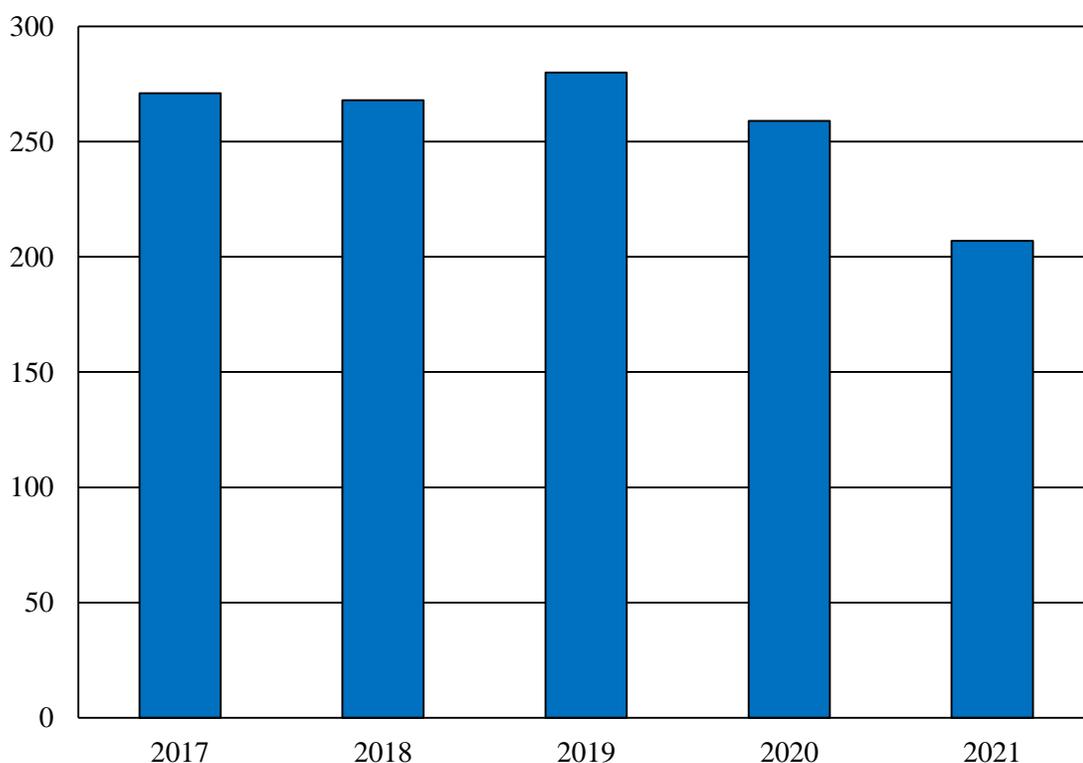
MPT: Maryland Public Television

Source: Department of Budget and Management; Maryland Public Broadcasting Commission

2. Interruption to Some MPT Programming Production Due to the Pandemic

In addition to broadcasting national programming such as programs produced and distributed by PBS, MPT also produces and broadcasts its own original programming, which has a local focus. Popular examples of local programming highlighting Maryland include *Maryland Farm and Harvest*, *State Circle*, and *Direct Connection*. As shown in **Exhibit 4**, the total number of original programs produced by MPT declined in fiscal 2021 and has declined by 26% since fiscal 2019 due to interruptions and limits on production activities resulting from the COVID-19 pandemic. Interruptions in production also impacted production contracts for some programs, impacting overall production funding in fiscal 2021. However, MPT states that it is currently developing new pilots for original programming production in fiscal 2022.

Exhibit 4
MPT Original Programming Produced
Fiscal 2017-2021



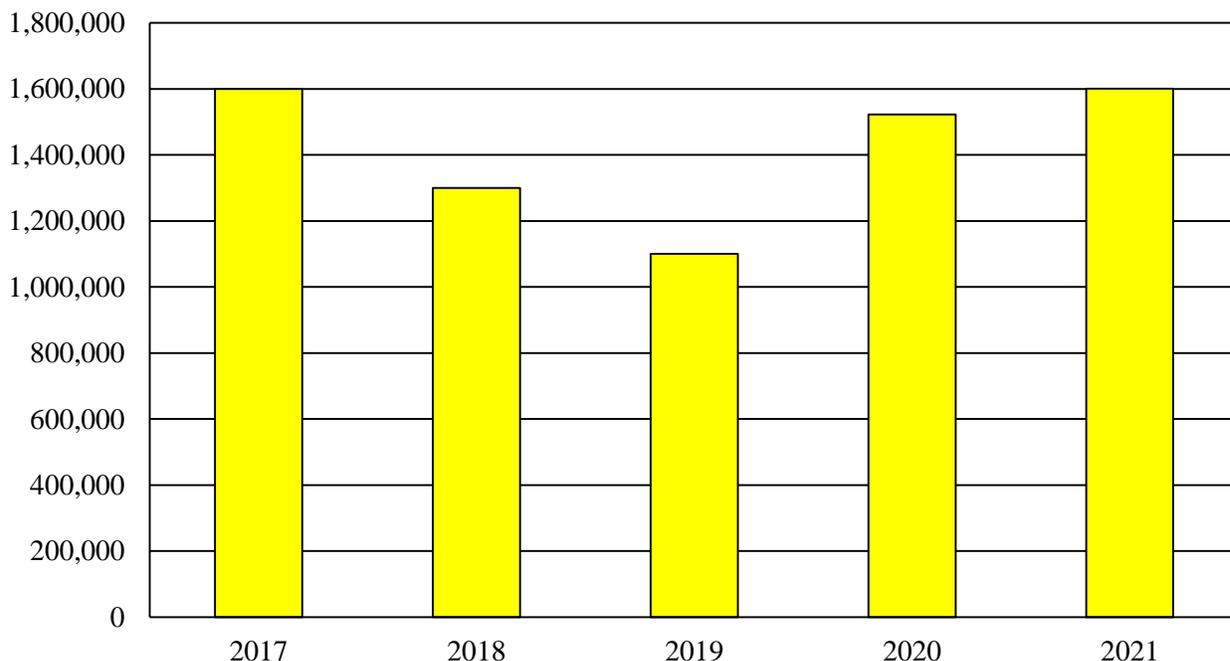
MPT: Maryland Public Television

Source: Department of Budget and Management; Maryland Public Broadcasting Commission

3. MPT Viewership Increases

Exhibit 5 shows the total estimated viewership for MPT, according to Nielsen television ratings. Viewership is defined as the total number of viewers ages two and older in the Baltimore and Washington designated market area during the year. Viewership increased slightly in fiscal 2021 to an estimated 1.6 million total viewers. Viewership in recent years has fluctuated and has been impacted by changing nationwide television viewing trends, where all television broadcasters have lost viewers to online streaming services. However, MPT viewership has increased over the past two years, consistent with nationwide trends of increased television viewership as a result of the COVID-19 pandemic, as Americans have spent more of their time at home.

Exhibit 5
MPT Viewership
Fiscal 2017-2021



MPT: Maryland Public Television

Source: Department of Budget and Management; Maryland Public Broadcasting Commission

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

**Appendix 1
Object/Fund Difference Report
Maryland Public Broadcasting Commission**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	145.00	145.00	145.00	0.00	0%
02 Contractual	6.98	12.20	12.70	0.50	4.1%
Total Positions	151.98	157.20	157.70	0.50	0.3%
Objects					
01 Salaries and Wages	\$ 14,912,073	\$ 15,403,832	\$ 16,185,850	\$ 782,018	5.1%
02 Technical and Special Fees	425,177	624,970	660,774	35,804	5.7%
03 Communication	371,097	483,562	496,562	13,000	2.7%
04 Travel	18,189	195,143	195,143	0	0%
06 Fuel and Utilities	688,952	820,361	790,361	-30,000	-3.7%
07 Motor Vehicles	61,087	65,894	67,776	1,882	2.9%
08 Contractual Services	8,774,375	11,228,982	7,986,418	-3,242,564	-28.9%
09 Supplies and Materials	707,072	1,422,765	1,388,141	-34,624	-2.4%
10 Equipment – Replacement	57,825	98,482	518,482	420,000	426.5%
11 Equipment – Additional	680,176	581,521	268,966	-312,555	-53.7%
13 Fixed Charges	4,416,600	4,165,950	4,269,018	103,068	2.5%
Total Objects	\$ 31,112,623	\$ 35,091,462	\$ 32,827,491	-\$ 2,263,971	-6.5%
Funds					
01 General Fund	\$ 9,142,586	\$ 9,929,528	\$ 10,363,310	\$ 433,782	4.4%
03 Special Fund	18,029,314	19,691,462	20,055,522	364,060	1.8%
05 Federal Fund	295,144	466,551	466,551	0	0%
09 Reimbursable Fund	3,645,579	5,003,921	1,942,108	-3,061,813	-61.2%
Total Funds	\$ 31,112,623	\$ 35,091,462	\$ 32,827,491	-\$ 2,263,971	-6.5%

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.