

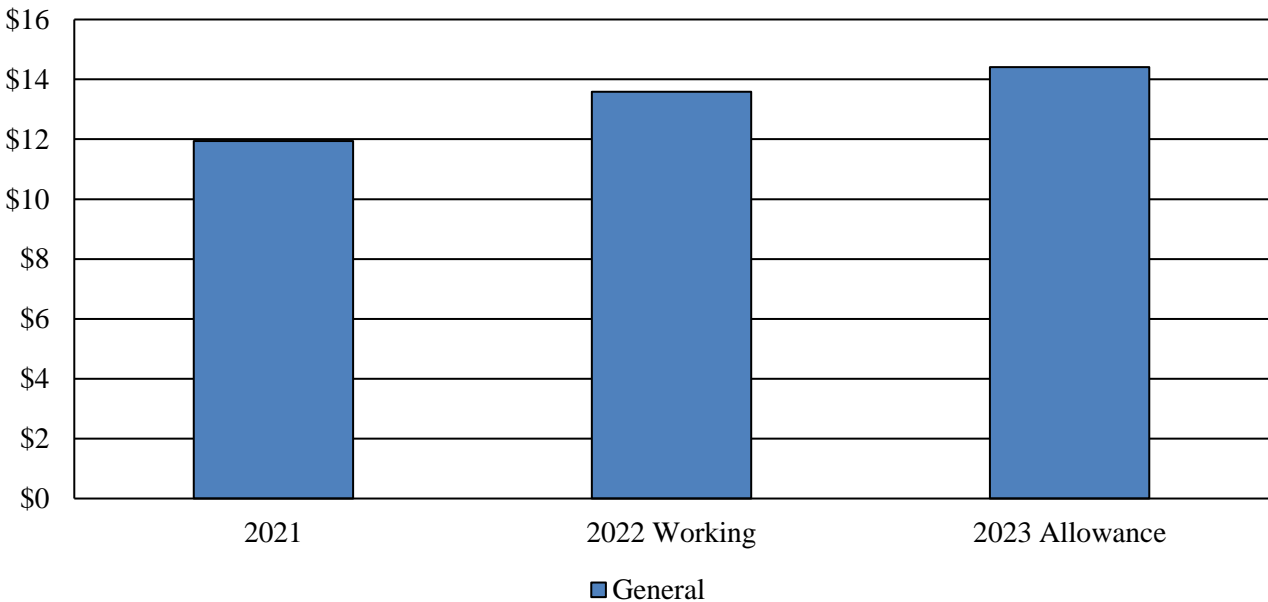
D05E01
Board of Public Works

Program Description

The Governor, the State Comptroller, and the State Treasurer comprise the Board of Public Works (BPW). The board approves leases and contracts executed by State agencies. It adopts and promulgates rules, regulations, and procedures for the administration of the State’s procurement law. The board approves the amount and timing of bond sales. BPW owns multiple properties in Annapolis for which the Historic Annapolis Foundation receives a grant to manage. **Appendix 2** has a map that lists the properties. The Wetlands Administration is a division of the board that is also responsible for the issuance of licenses to people seeking to dredge in or to place fill on State tidal wetlands. This program coordinates the State’s wetlands licensing program with other governmental agencies, landowners, and the general public. Primary goals include ensuring that procurements are necessary, fiscally responsible, lawful, and comply with Minority Business Enterprise procedures as well as that wetlands licenses are efficiently administered and environmentally sound.

Operating Budget Summary

Fiscal 2023 Budget Increases \$823,509, or 6.1%, to \$14.4 Million
(\$ in Millions)



Note: The fiscal 2022 working appropriation includes deficiency appropriations. 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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Fiscal 2021

The fiscal 2021 general fund appropriation, including deficiency appropriations, totaled \$12.7 million. Cost containment reduced available funds by \$661,132. The largest cost containment reductions were grants to nonprofits, which were reduced by 10%, or a total of \$624,867, including \$520,967 to the Maryland Zoo in Baltimore, \$78,900 to Historic Annapolis, Inc., and \$25,000 to the Western Maryland Scenic Railroad.

At the end of fiscal 2021, \$90,390 was reverted to the General Fund. The Contingent Fund reverted \$80,390. **Exhibit 1** shows that fiscal 2021 awards from the contingent fund supported grants for erroneous convictions and the Wall of Remembrance Project at the Korean War Memorial.

Exhibit 1 Contingent Fund Activity Fiscal 2021

<u>Fund Activity</u>	<u>Amount</u>
Fiscal 2021 Legislative Appropriation	\$500,000
Fiscal 2021 Deficiency Appropriation in Fiscal 2022 Budget Bill	156,973
Total Appropriations	\$656,973
Erroneous Conviction and Incarceration Grants	\$326,583
Korean War Veterans Memorial Foundation	250,000
Total Board of Public Works Approvals	\$576,583
Unspent Funds Reverted to the General Fund	\$80,390

Source: Board of Public Works

Fiscal 2022

Proposed Deficiency

The operating budget bill includes the following deficiencies for BPW:

- \$1,294,991 for judgements against the State related to grants to individuals erroneously convicted and incarcerated. This is done in two separate appropriations: \$242,637 for an award made at the BPW meeting on April 21, 2021; and \$1,052,354 for three awards made in October

D05E01 – Board of Public Works

and November 2021 for individuals that had previously received smaller awards from 1985 to 2004, as allowed by Chapters 76 and 77 of 2021. The General Assembly has approved similar deficiency appropriations to the Contingent Fund in fiscal 2020 and 2021. These grants are discussed in more detail in Key Observation 2;

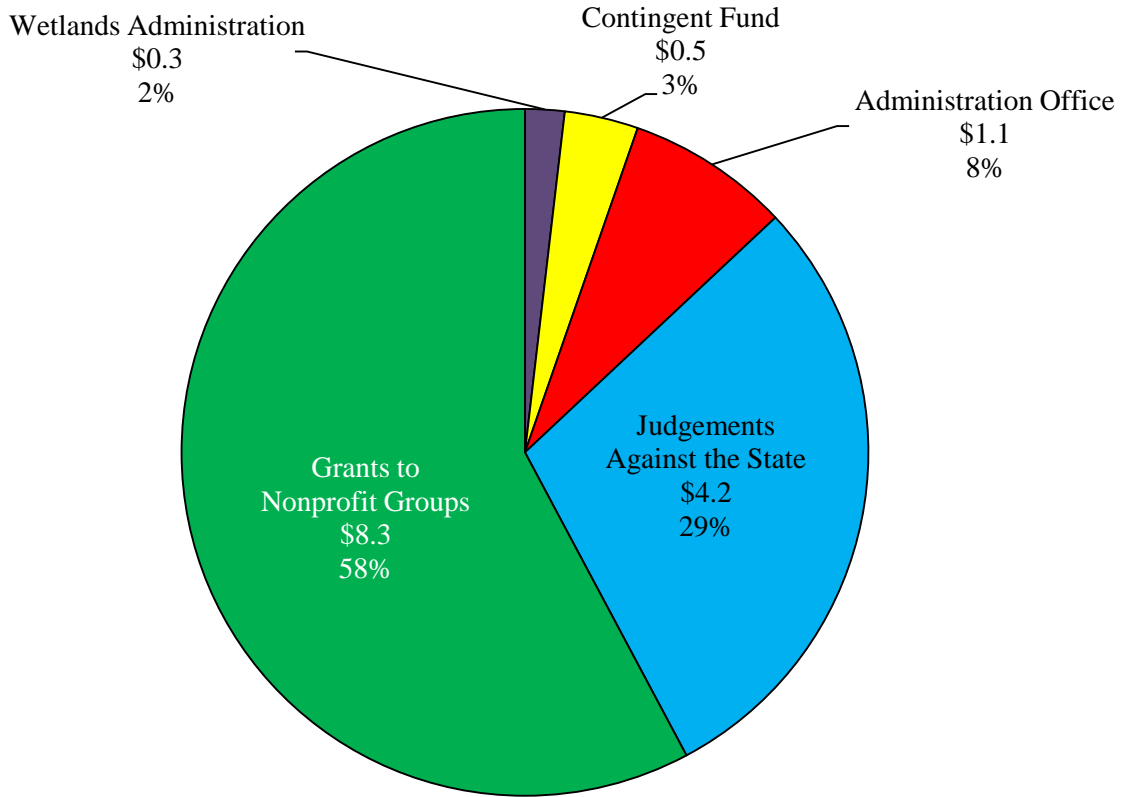
- \$286,738 for the Contingent Fund. In October and November 2021, BPW approved a total of \$286,738 in grants for erroneous convictions and related attorney fees to be paid out of the Contingent Fund. This proposed appropriation restores the unused fund balance to \$500,000. The General Assembly approved similar deficiency appropriations to the Contingent Fund in fiscal 2020 and 2021; and
- \$89,900 for grants to private nonprofit groups. On August 11, 2021, BPW approved adding the Shaw House, located on State Circle in Annapolis, to the Historic Annapolis Master Lease between the Department of General Services (DGS) and Historic Annapolis.¹ The grant supports the Historic Annapolis' costs.

Fiscal 2023 Overview of Agency Spending

Exhibit 2 shows that 90% of the BPW budget supports grants to nonprofits, judgements against the State, and the Contingent Fund. Costs of administering the board and wetlands program total \$1.4 million, which is the remaining 10% of the fiscal 2023 allowance.

¹ The cost of the lease is \$1. DGS advises that the Clearinghouse conducted an intergovernmental review of the project and recommended to declare approximately 7,358 square feet (improved) of the Shaw House excess to the need of DGS, who proposes to lease the area to Historic Annapolis. DGS' review concluded that none of the local or State agencies that provide review comments expressed an interest in acquiring the property.

Exhibit 2
Overview of Board of Public Works Spending by Program
Fiscal 2023 Allowance
(\$ in Millions)



Source: Department of Budget and Management

Proposed Budget Change

Exhibit 3 shows that the fiscal 2023 allowance increases by approximately \$824,000 when compared to the fiscal 2022 working appropriation and proposed deficiencies. All changes in excess of \$100,000 relate to grants or the Contingent Fund. The most uncommon change is attributable to a recently hired employee’s pension contribution. In prior years, a BPW employee in that position had already retired from the State so was not paying into the State pension fund. This employee left State service, and the new employee is required to pay into the pension fund, which adds just over \$13,000 to the BPW budget.

Exhibit 3
Proposed Budget
Board of Public Works
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Total</u>
Fiscal 2021 Actual	\$11,940	\$11,940
Fiscal 2022 Working Appropriation	13,585	13,585
Fiscal 2023 Allowance	<u>14,408</u>	<u>14,408</u>
Fiscal 2022-2023 Amount Change	\$824	\$824
Fiscal 2022-2023 Percent Change	6.1%	6.1%
Where It Goes:		<u>Change</u>
Personnel Expenses		
Employee and retiree health insurance		\$59
Other changes to salaries, pensions, Social Security, and workers' compensation		30
Pension costs attributable to replacing a pensioned employee with employee paying into the pension plan.....		13
Grants and Contingent Fund		
New grant to support operations of the Justice Thurgood Marshall Center.....		1,750
Maryland Zoo in Baltimore grant		610
Historic Annapolis grant		80
Western Maryland Scenic Railroad grant		25
One-time grant for West North Avenue Development Authority.....		-250
One-time deficiency for Contingent Fund		-287
Erroneous conviction and incarceration grants		-1,216
Administrative Costs		
Office and library supplies.....		5
Other Changes		
		3
Total		\$824

Note: The fiscal 2022 working appropriation includes deficiency appropriations. 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. Numbers may not sum to total due to rounding.

Grants to Private Nonprofits

The fiscal 2023 allowance for grants to private nonprofits totals \$8.3 million in general funds. There is a new grant totaling \$1.8 million for the Justice Thurgood Marshall Center to support the operations of the center. This is expected to be an ongoing grant. The National Park Service (NPS) is preparing a Special Resource Study to determine if Justice Marshall’s school (Public School 103) should be designated as a national park. The criteria for recommending this designation are that the location (1) contains nationally significant natural or cultural resources; (2) represents a resource that is not adequately represented; (3) is sufficient in size and has appropriate configuration to ensure long-term protection and visitor enjoyment; and (4) requires direct NPS management that is clearly superior to other management approaches.

The allowance does not include a one-time \$250,000 grant appropriated in fiscal 2022 for the West North Avenue Development Authority, which was established in Chapter 81 of 2021. The continuing grants provide:

- \$5.6 million for the Maryland Zoo in Baltimore, which is approximately \$610,000 more than the fiscal 2022 working appropriation with the proposed deficiency appropriation;
- approximately \$880,000 for the Historic Annapolis Foundation, which is \$170,000 more than in fiscal 2022; and
- \$137,500 for the Western Maryland Scenic Railroad, which is \$25,000 more than in fiscal 2022.

Personnel Data

	<u>FY 21</u> <u>Actual</u>	<u>FY 22</u> <u>Working</u>	<u>FY 23</u> <u>Allowance</u>	<u>FY 22-23</u> <u>Change</u>
Regular Positions	9.00	9.00	9.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	9.00	9.00	9.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/21	n/a	n/a
Vacancies Above Turnover	0.00	

Key Observations

1. Annual Review of Maryland Zoo in Baltimore Attendance and Financial Statement

As in recent years, the zoo submitted financial statements and attendance reports to the budget committees. Attendance reports are provided monthly, and the audited fiscal 2021 financial statement was received in November 2021. This year, in addition to reviewing financial statements, the analysis will examine the effect of the pandemic on attendance and revenues.

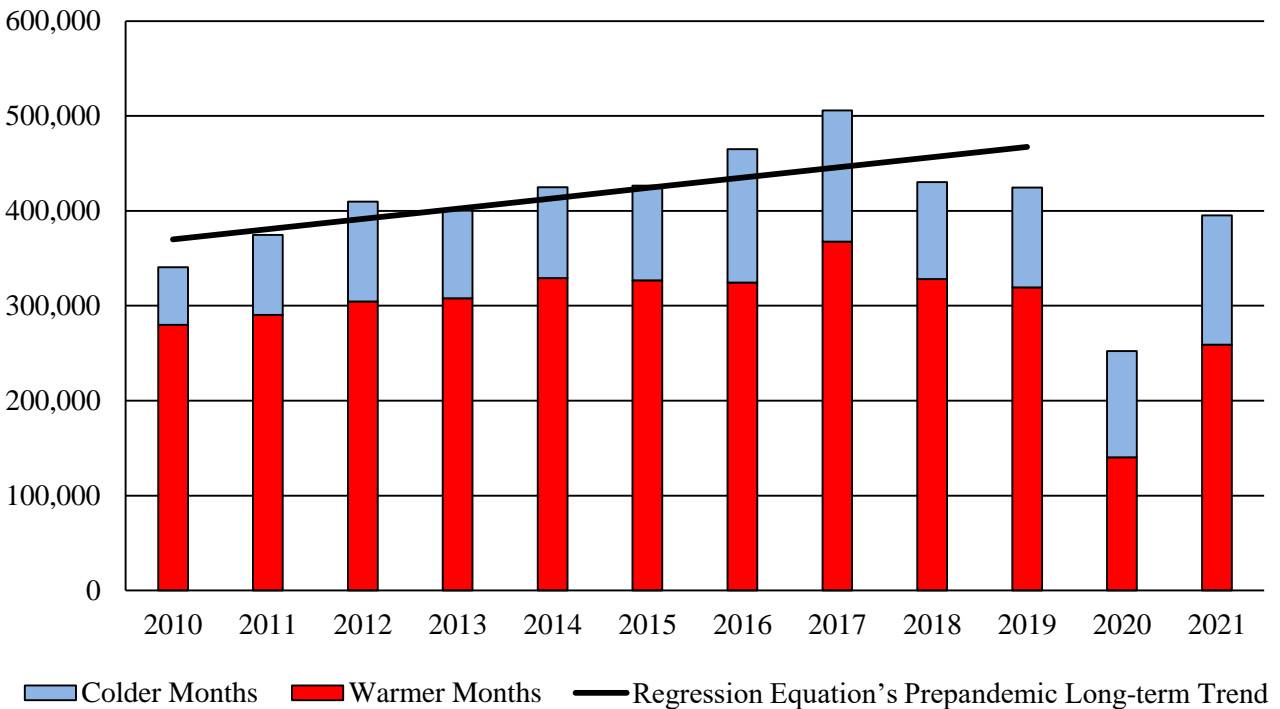
Zoo Attendance Declined Sharply Due to the COVID-19 Pandemic and Has Not Fully Recovered

The Department of Legislative Services (DLS) has monthly attendance data since June 2009. Prior to the pandemic, which forced the zoo to close from March 16, 2020, to June 23, 2020, attendance ranged from 46 (in February 2010) to 97,367 (May 2017). This attendance is seasonal, so certain months tend to have lower attendance, such as February, while others commonly have higher attendance, such as May.

Long-term Trends Were Favorable Prior to the Pandemic

Exhibit 4 shows annual attendance and the growth trend from fiscal 2010 through 2021, which shows that attendance tends to be much higher in the warmer months (April through September) than the colder months (October through March). There is a limited boom and bust cycle beginning in 2017. Attendance was unusually high in fiscal 2016 and 2017 and dropped off in fiscal 2018 and 2019. The unusually high attendance in fiscal 2017 is attributed to good weather, animal births, and new animals. A giraffe calf was born in February, and the Presidents' Day weekend had 70-degree weather. The zoo also added new species, grizzly bears and bobcats, which the zoo believes led to higher attendance.

**Exhibit 4
Zoo Attendance and Long-term Trend Prior to the Pandemic
Fiscal 2010-2021**



Note: Warmer months are July through September and April to June of each fiscal year while colder months are October through March of each fiscal year. Pearson's correlation is used to compute the long-term trend slope with monthly data from June 2009 to December 2019, so the data excludes the months affected by the pandemic.

Source: Maryland Zoo in Baltimore

The lower attendance in fiscal 2018 and 2019 was attributable to weather and construction. The zoo's attendance tends to be lower when it rains, and fiscal 2018 had more rainy days. Market research indicates that 60% of memberships are purchased while visitors are at the zoo, so rain affects both general admission and membership sales. A second factor is the construction at the elephant/giraffe/lion exhibit. The zoo anticipated that this would reduce attendance.

The exhibit also shows the effects of the pandemic, which resulted in a shutdown of the zoo for over three months, resulting in lower fiscal 2020 attendance.

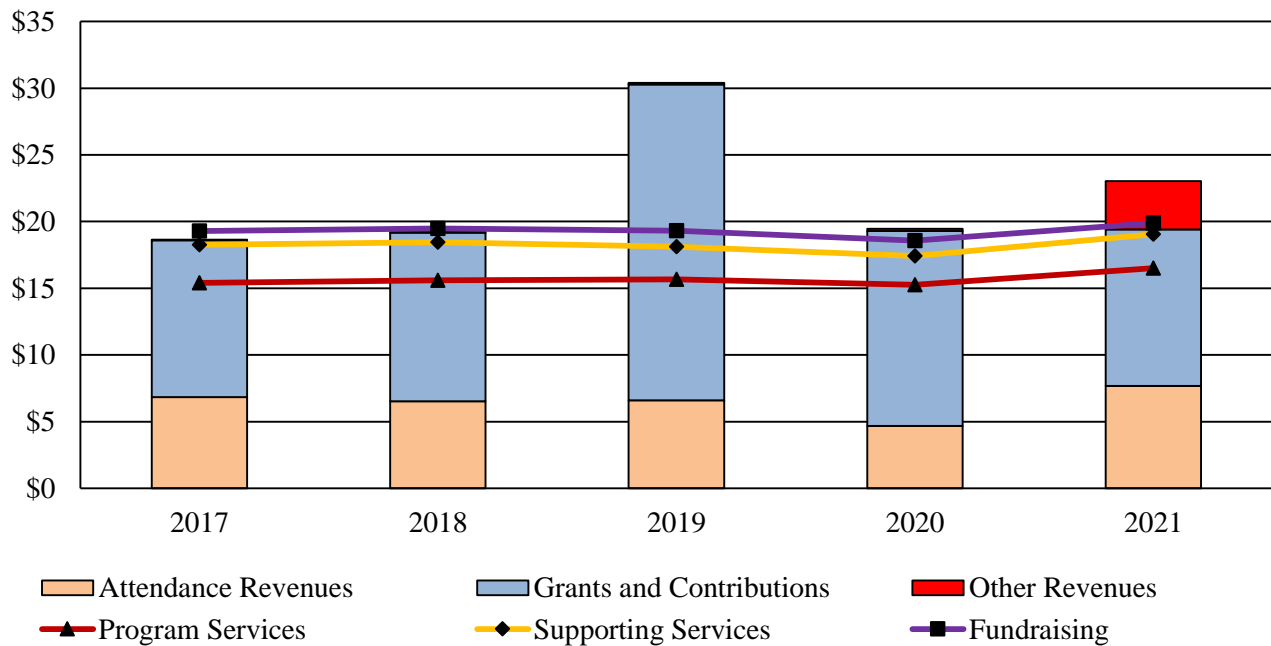
To get a sense of the prepandemic trend, DLS calculated a simple regression long-term trend. The slope of the trend line suggests that attendance was increasing at an average rate of 75 individuals per month prior to the pandemic. Attendance in fiscal 2021 was below the prepandemic trend, as attendance in the warmer months is less than it has been in prior years.

Attendance in the first six months of fiscal 2022 has been strong. The zoo has had almost 212,000 visitors. Since fiscal 2010, this is higher than all but two years – fiscal 2016 and 2018. This is even more than fiscal 2017, the fiscal year with the highest attendance. This underscores the importance of the spring quarter (April to June) of the fiscal year; even though fiscal 2017 had fairly average attendance for the first half of the fiscal year, high attendance in the second half made it the zoo’s highest attended year. From fiscal 2010 to 2019, the spring quarter averaged 46% of annual attendance. For the zoo to catch up to the pre-pandemic trend line, it will also need high attendance in the spring quarter.

Earned Income and Expenses Are Also Affected by the Pandemic

Exhibit 5 shows the changes in zoo revenues and expenses from fiscal 2016 to 2021 as detailed in the audited financial statements. Fiscal 2019 grants supporting capital projects were unusually high and attendance revenues declined in fiscal 2020. **Appendix 3** shows a detailed list of the various grants, revenues, and expenses.

Exhibit 5
Maryland Zoo in Baltimore – Audited Consolidated Statement of Activities
Fiscal 2017-2021
(\$ in Millions)



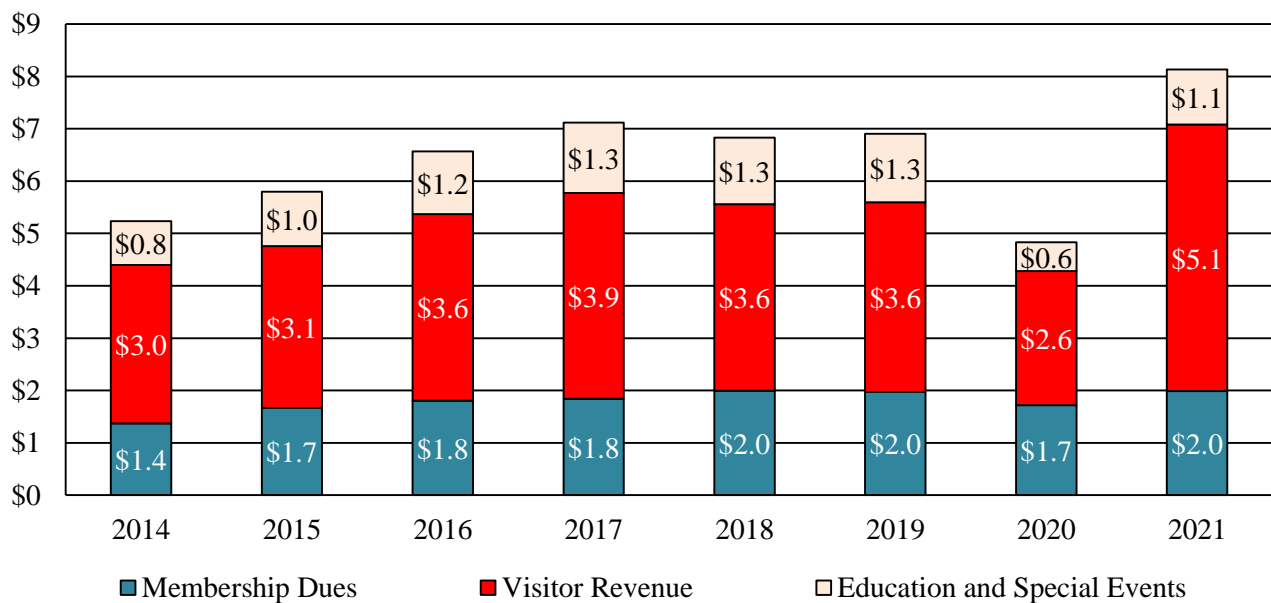
Note: Revenues are stacked bars and expenses are stacked lines.

Source: Maryland Zoological Society Consolidated Financial Statements, Years Ending June 30, 2017 to 2021

Attendance Revenues

Prior to the pandemic, attendance revenues were increasing at an average rate of 4% to 5%. These revenues are generated from activities such as admission ticket sales, concession commissions, membership dues, education programs, and special events. The pandemic had a substantial negative effect on attendance revenues. As a group, these revenues declined by \$1.9 million, or 29%. However, in fiscal 2021, revenues bounced back to a point greater than in prior years. **Exhibit 6** shows that visitor revenue almost doubled from fiscal 2020 to 2021.

Exhibit 6
Change in Zoo Attendance Revenues by Type of Revenue
Fiscal 2014-2021
(\$ in Millions)



Source: Maryland Zoological Society Consolidated Financial Statements, Years Ending June 30, 2014 to 2021

Key revenues are:

- Visitor revenue** obtained from admission ticket sales, concession commissions, enjoyment of rides (net of revenue sharing paid to vendors), and facility rentals. The category of visitor revenue does not include membership sales. These revenues are linked to attendance and fees. The zoo advises that factors leading to higher revenues include (1) higher admissions prices; (2) lower reliance on discounted pricing for events and group visits since these were not offered; and (3) that the Maryland Zoo was the only open zoo within a three-state area for a number of months, as the Philadelphia Zoo and National Zoo did not reopen until March 2021 and May 2021, respectively.

D05E01 – Board of Public Works

- **Membership dues** have been quite stable over the period. It was the revenue that was least affected by the pandemic and has increased least since the zoo reopened in June 2020. The zoo has attempted to boost these revenues in recent years. The zoo attributes three changes that helped contribute to the increase in member dues prior to the pandemic. The first change was a discount program that incentivized existing members to renew their memberships before they expired, thereby increasing the retention rate of members and increasing total revenues. The second change involved restructuring membership levels to simplify the sales process. The third change was an increase in membership pricing; prices for the most popular family membership levels, basic and plus, were increased by \$3 and \$10, respectively.
- **Special events** revenue declined substantially in fiscal 2020 as events were canceled. For example, the most popular event is Brew at the Zoo that takes place over the Memorial Day weekend, which, along with other events, was canceled during the pandemic. These revenues have rebounded but not to prepandemic levels.
- **Education programs** generate revenues through ZOOMobile visits as well as educational breakfasts, lectures, and guided tours. Not surprisingly, these programs were also canceled. In fiscal 2019, approximately 83,000 individuals, of which 58,000 were students, attended educational events. This dropped substantially in fiscal 2020 to 14,000, of which 10,000 were students. While students, teachers and chaperones are not charged a fee, additional parents or extra chaperones (above the zoo's standard student-teacher-chaperone ratio) pay a reduced fee of \$11 per person. When the zoo was forced to close in March 2020, scheduled field trip reservations for over 57,260 participants could not be fulfilled.

Grants, Contributions, and In-kind Donations

Grants and contributions have fluctuated in recent years, ranging from a high of \$23.7 million in fiscal 2019 to a low of \$11.9 million in fiscal 2016. In fiscal 2020, grants and contributions account for 77% of total revenues. Trends include:

- **Grants and awards** primarily consist of public funding from State and local jurisdictions for both operating and capital funds. The unusually high level of grants in fiscal 2019 is attributable to State capital grants, which totaled \$12.1 million in fiscal 2019. State capital grants total \$4.6 million in fiscal 2020, and the Department of Budget and Management's *Capital Improvement Program* proposes \$4.75 million annually through fiscal 2027. As shown in **Exhibit 7**, the State provides most grants. In fiscal 2021, the zoo received approximately \$230,000 in private foundation funds in addition to grants from State and local governments.

Exhibit 7
Grants and In-kind Contributions from State and Local Governments
Fiscal 2021
(\$ in Thousands)

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Maryland Board of Public Works – Operating Grant	\$4,949	48%
Maryland Board of Public Works – Capital Grant	2,484	24%
Maryland State Department of Education School Children Grant	767	8%
City of Baltimore – In-kind Contributions	994	10%
City of Baltimore – Operating Grant	615	6%
Baltimore County Commission on the Arts and Sciences Operating Grant	380	4%
Howard County – Operating Grant	30	0%
Total	\$10,219	100%

Source: Maryland Zoological Society Consolidated Financial Statements, Year Ending June 30, 2021

Other Revenues

In most years, the largest component of other revenues is interest earnings. In fiscal 2021, other revenues include forgiving a \$2 million loan from the Paycheck Protection Program (PPP) established in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. Other fiscal 2021 revenues also include \$1.4 million for the Employee Retention Credit/Employee Retention Tax Credit. This tax credit was created in the CARES Act to encourage businesses, including nonprofits, to keep employees on their payroll. The tax credit has been subsequently modified and extended through the fourth quarter of calendar 2021.

Expenses

From fiscal 2016 to 2019, expenses increased 1.5% annually. The zoo's total expenses decreased 4% in fiscal 2020 and increased 7% in fiscal 2021. Program services costs ranged between 81% and 83% of total spending from fiscal 2019 to 2021. Program services expenses are costs related to maintaining the zoo, such as facilities maintenance, care of the animals, and education programs. Supporting services reflect activities such as accounting, personnel administration, and strategic direction. Expenses associated more closely with programs, such as credit card fees incurred when tickets are purchased, are included in program services.

Over half of the zoo's budget supports payroll. In fiscal 2021, payroll totaled \$10.4 million, which is 52% of total expenditures. Other large expenses include maintenance (\$1.8 million), utilities (\$1 million), and expensing depreciation and amortization (\$3.8 million).

The Zoo’s Response to the Pandemic

Closing the zoo for more than three months reduced revenues and strained the zoo’s operations. In response, the zoo reduced costs, received federal stimulus funds, and borrowed funds.

- **Cost Reductions:** Reduced revenues forced the zoo to reduce costs in fiscal 2020. Prior to the COVID-19 pandemic, there were 231 budgeted positions at the zoo, including full-time, part-time, and seasonal positions, of which 204 were filled. On April 1, 2020, the zoo laid off 66 positions. The fiscal 2021 budget had been reduced to 184 positions. Staff has been added to the zoo, which had 30 staff return to work when the zoo reopened. At the end of calendar 2021, the budgeted number of positions was 202, of which 182 are filled.
- **Federal PPP:** Included in the federal CARES Act was the PPP, which provides loans to small businesses to support operations. The loans could be forgiven if employees are retained and at least 60% of the loan supports payroll costs. The zoo received \$1.99 million in PPP loans, and over 60% of the funds supported payroll with the remaining used for utility costs (including water bills and technology infrastructure). The loans were forgiven.
- **Short-term Borrowing:** The line of credit outstanding as of June 30, 2020, was \$1,109,000. There was no outstanding balance on the line of credit outstanding at the end of fiscal 2017, 2018, and 2019. The end of fiscal 2020 balance reflects the pressures that the closure had on the zoo’s cash flows. The zoo borrowed additional amounts against the line of credit after the end of fiscal 2020 but repaid the full amount upon receipt of the State operating grant proceeds in accordance with the terms of the bank agreement. The audited financial statement notes that, as in most previous years, there was no outstanding balance at the end of fiscal 2021.

Zoo Outlook

While the early months of the COVID-19 pandemic were difficult for the zoo, the zoo was able to use short-term borrowing, PPP loans, and cost reductions to stay solvent. Since the zoo has reopened, attendance has bounced back, and the most recent six months from July to December 2021 had higher than average attendance. These are encouraging signs. However, it still appears that zoo attendance is below the trend line. **The zoo should be prepared to brief the committees on its plans to increase attendance and strengthen its balance sheet. The zoo should also be prepared to discuss how it will use the State operating grant’s additional \$610,000 to further these objectives.**

2. Grants for Erroneous Convictions and Confinement

BPW is authorized by statute to award compensation to individuals who have been erroneously convicted, sentenced, and confined if they have received from the Governor a full pardon stating that the individual’s conviction was shown conclusively to be in error. Chapters 799 and 800 of 2017 broadened eligibility to add individuals who may not have received a gubernatorial pardon but have received a State’s Attorney certification that the individual’s conviction was in error under

D05E01 – Board of Public Works

Section 8-301 of the Criminal Procedure Article. Under these chapters, grants were at the discretion of BPW.

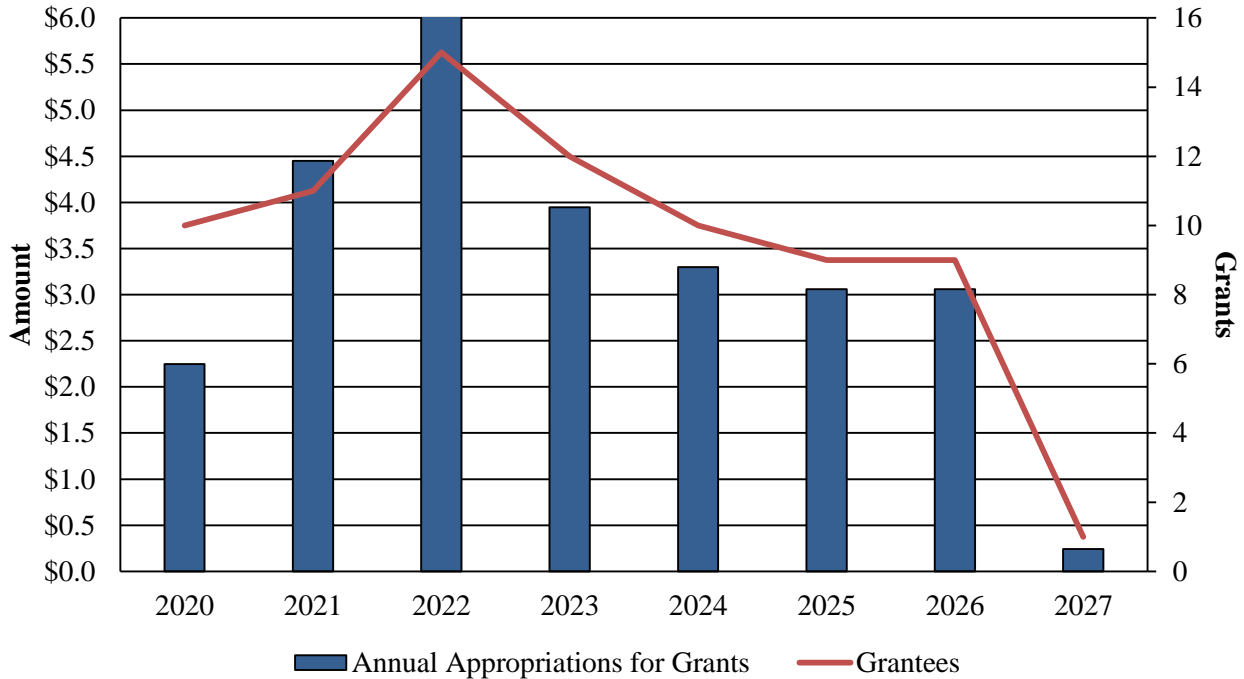
Chapters 76 and 77 amended Section 10-501 of the State Finance and Procurement Article so that BPW is now required to make awards. The legislation also defined the amount of the award as the number of days an individual is wrongfully confined, divided by 365, and multiplied by the State's most recent annual median household income as published in the American Community Survey of the U.S. Census Bureau. The administrative law judge at the Office of Administrative Hearings that is issuing an order may also direct the State to provide benefits free of charge, including:

- State identification card;
- housing accommodations upon release not to exceed five years;
- health care and dental care for at least five years;
- education and training relevant to life skills, job training, or financial literacy as well as access to enrollment at and payment of tuition and fees for attending a public senior higher education institution, regional higher education center, and/or Baltimore City Community College; and
- reimbursement for court fines, fees, and restitution paid by the individual for the crime for which the individual was erroneously confined.

The administrative law judge may also award reasonable attorney's fees and expenses.

Since 2018, when the law no longer required a gubernatorial pardon, BPW has awarded 14 grants to individuals, and a fifteenth award is expected in early calendar 2022. The first five awards were made on October 30, 2019, and the most recent award was made on November 3, 2021. When BPW approved the grants, the BPW item specified that the payments would be annuities paid over a period of years. Some data suggest that it may be easier for individuals to manage a large grant as an annuity rather than as a one-time payment. Annuities also reduce the State's immediate financial exposure and makes it easier to manage the State budgetary impact. New grants to individuals eligible for Social Security are three years, and other grants are seven years. **Exhibit 8** shows that grant payments peak in fiscal 2022. Additional awards are anticipated, so out-year costs are expected to increase.

Exhibit 8
Grants Awarded for Erroneous Confinement by Year of Payout
Fiscal 2020-2027
(\$ in Millions)



Note: Awards include a January 2022 finding by the Office of Administrative Hearings that is expected to be approved by the Board of Public Works in fiscal 2022.

Source: Board of Public Works

The changes in the 2021 legislation retroactively allow a person to apply for modification of any compensation awarded by BPW between January 1, 1984, and July 1, 2005, inclusive. Three individuals that previously received awards have received additional awards in October and November 2021, with another expected to be awarded early in calendar 2022. These awards have been smaller since they are the difference between the amount in the law and the amount of their previous award. Grants are given in one to three fiscal years, instead of three to seven years. Legal fees for these three cases totaled approximately \$94,100, or a little over \$23,500 per case.

Exhibit 9 compares the awards through fiscal 2023 to appropriations through fiscal 2023. The appropriations to the Contingent Fund and judgements against the State provide more than has been awarded to date, so there are funds available if new awards are made late in fiscal 2022 or in fiscal 2023.

Exhibit 9
Appropriations and Awards for Individuals Erroneously Convicted and Incarcerated
Fiscal 2020-2023
(\$ in Thousands)

<u>Appropriations</u>	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Estimate</u>	<u>2023</u> <u>Estimate</u>
Contingent Fund (Excludes Undesignated Funds)	\$395	\$327	\$287	\$0
Judgement Against the State	1,889	4,209	5,422	4,206
Total Appropriations	\$2,284	\$4,536	\$5,709	\$4,206
Total Awards	\$2,249	\$4,452	\$6,130	\$3,946
Appropriations in Excess of Awards	\$35	\$84	-\$421	\$260

Note: Awards include a January 2022 finding by the Office of Administrative Hearings that is expected to be approved by the Board of Public Works in fiscal 2022.

Source: Board of Public Works; Department of Budget and Management

Operating Budget Recommended Actions

1. Adopt the following narrative:

Maryland Zoo Operational Reporting: In continuance of the practice that began in July 2008, the committees request that the Maryland Zoological Society submit audited financial statements for fiscal 2022 and quarterly reports showing monthly attendance figures for the zoo for fiscal 2023 by visitor group. This should include a breakdown of the kinds of passes allocated.

Information Request	Author	Due Date
Audited financials	Maryland Zoological Society	November 1, 2022
Quarterly reports showing monthly attendance	Maryland Zoological Society	Quarterly report by July 15, 2022 October 15, 2022 January 15, 2023 April 15, 2023

2. Adopt the following narrative:

Justice Thurgood Marshall Center: To support the operations of the Justice Thurgood Marshall Center, the Board of Public Works' appropriation includes a new grant totaling \$1.75 million. This is expected to be an ongoing grant. The National Park Service (NPS) is preparing a Special Resource Study to determine if Justice Marshall's school (Public School 103) should be designated as a national park. The criteria for recommending this designation are that the location (1) contains nationally significant natural or cultural resources; (2) represents a resource that is not adequately represented; (3) is sufficient in size and has appropriate configuration to ensure long-term protection and visitor enjoyment; and (4) requires direct NPS management that is clearly superior to other management approaches. The center should report to the budget committees on the status of the NPS' Special Resource Study and how the center will use the State grant funds.

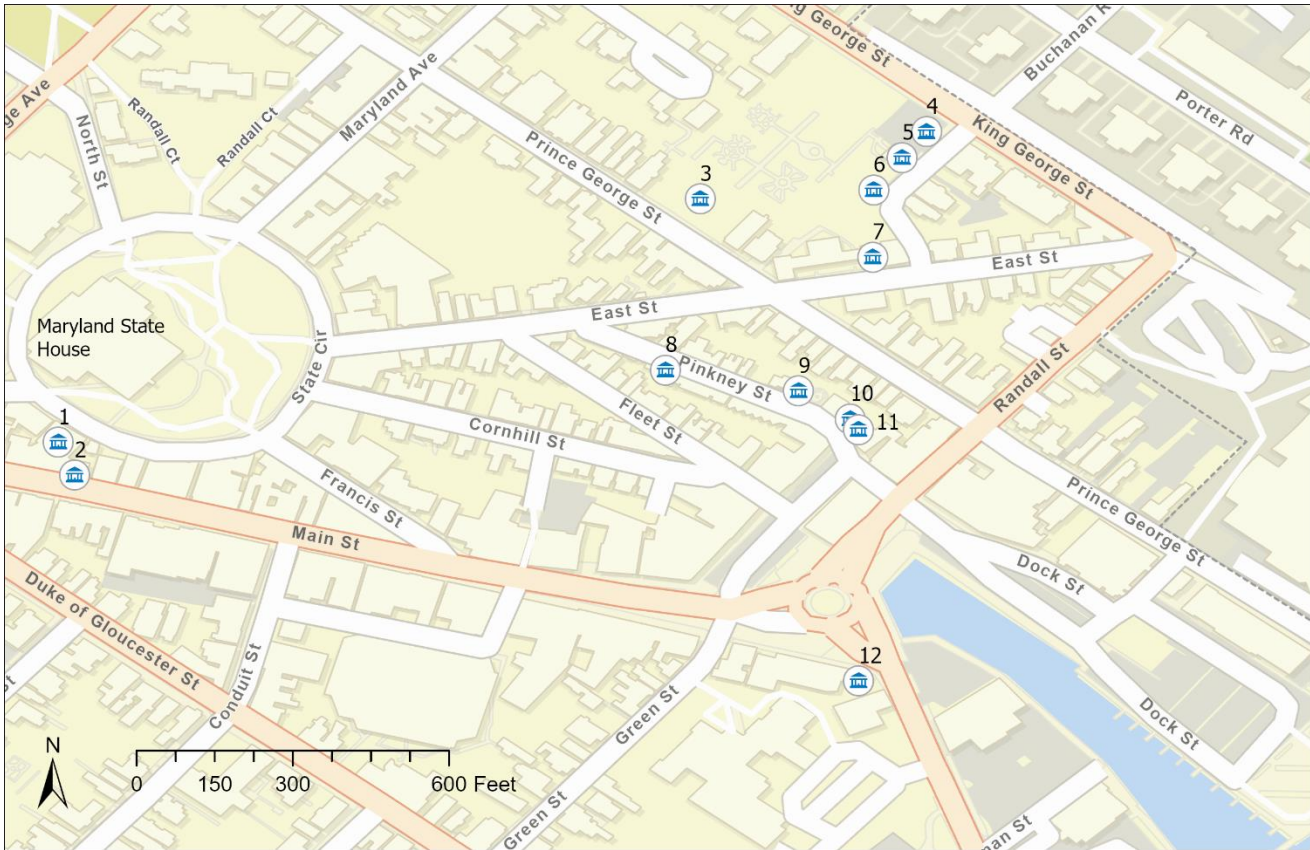
Information Request	Author	Due Date
Report on status of NPS study and use of grant funds	Justice Thurgood Marshall Center	December 2, 2022

Appendix 1
2021 Joint Chairmen’s Report Responses from Agency

The 2021 *Joint Chairmen’s Report* (JCR) requested that BPW prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- **Operational Reporting:** The Maryland Zoological Society was asked to submit audited financial statements for fiscal 2021 and monthly attendance figures for fiscal 2022 by visitor group. The reports have been submitted on time. The zoo’s finances and attendance are discussed in Key Observation 1.

Appendix 2
State Properties Leased to Historic Annapolis, Inc.



- | | |
|----------------------------------|--|
| 1. Shaw House | 2. Maryland Federation of Art/Alpaca International |
| 3. William Paca House and Garden | 4. Parking Lot |
| 5. Preservation Center | 6. Middendorf Horticulture Center |
| 7. James Brice House | 8. Hogshead Barracks |
| 9. Shiplap House | 10. Waterfront House |
| 11. The Found House/McGarvey's | 12. Victualling Warehouse |

Source: Board of Public Works, Agenda Item 36-LL-MOD, August 11, 2021

Appendix 3
Maryland Zoo in Baltimore – Audited Financial Statements
Fiscal 2017-2021
(\$ in Thousands)

<u>Revenues</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Change 2020-2021</u>	<u>% Change 2020-2021</u>	<u>Annual % Change 2017-2021</u>
Attendance Revenues								
Visitor Revenue	\$3,932	\$3,562	\$3,631	\$2,561	\$5,091	\$2,530	98.8%	6.7%
Membership Dues	1,840	1,998	1,967	1,720	1,992	272	15.8%	2.0%
Special Events	672	636	652	275	527	251	91.1%	-5.9%
Education Programs	397	334	340	127	68	-60	-46.8%	-35.7%
Subtotal	\$6,841	\$6,530	\$6,592	\$4,684	\$7,677	\$2,993	63.9%	2.9%
Grants and Contributions								
Grants and Awards	\$10,011	\$10,604	\$19,565	\$12,109	\$9,459	-\$2,650	-21.9%	-1.4%
Contributions	793	1,046	3,131	1,483	1,264	-219	-14.8%	12.4%
In-kind Donations	949	989	981	1,027	1,004	-23	-2.2%	1.4%
Subtotal	\$11,754	\$12,638	\$23,676	\$14,619	\$11,728	-\$2,891	-19.8%	-0.1%
Other Revenues								
Insurance Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	n/a	n/a
Investment Income	20	14	28	22	55	33	148.3%	29.1%
PPP Loan Forgiveness	0	0	0	0	1,994	1,994	n/a	n/a
Employee Retention Credit	0	0	0	0	1,387	1,387	n/a	n/a
Other Revenue	37	32	94	124	190	66	53.4%	50.2%
Subtotal	\$57	\$45	\$122	\$146	\$3,625	\$3,480	2,388.4%	182.4%
Total Revenues	\$18,652	\$19,213	\$30,389	\$19,449	\$23,030	\$3,581	18.4%	5.4%
Expenses								
Program Services	\$15,407	\$15,598	\$15,675	\$15,255	\$16,500	\$1,245	8.2%	1.7%
Supporting Services	2,860	2,846	2,439	2,175	2,551	376	17.3%	-2.8%
Fundraising	1,035	1,044	1,193	1,140	835	-305	-26.8%	-5.2%
Total Expenses	\$19,301	\$19,488	\$19,307	\$18,570	\$19,886	\$1,315	7.1%	0.7%
Change in Net Assets	-\$649	-\$275	\$11,082	\$878	\$3,144			
Net Assets End of Year	\$53,633	\$53,358	\$64,440	\$65,319	\$68,463			

PPP: Paycheck Protection Program

Source: Maryland Zoological Society Consolidated Financial Statements, Years Ending June 30, 2017 to 2021

**Appendix 4
Object/Fund Difference Report
Board of Public Works**

<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	9.00	9.00	9.00	0.00	0%
Total Positions	9.00	9.00	9.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 1,173,797	\$ 1,143,932	\$ 1,245,898	\$ 101,966	8.9%
02 Technical and Special Fees	13,453	17,687	17,880	193	1.1%
03 Communication	993	1,089	1,238	149	13.7%
04 Travel	387	2,131	2,147	16	0.8%
08 Contractual Services	64,969	83,767	84,592	825	1.0%
09 Supplies and Materials	13,387	11,652	16,864	5,212	44.7%
10 Equipment – Replacement	0	524	589	65	12.4%
12 Grants, Subsidies, and Contributions	10,669,890	10,649,091	13,033,448	2,384,357	22.4%
13 Fixed Charges	3,618	3,145	4,962	1,817	57.8%
14 Land and Structures	0	0	538	538	N/A
Total Objects	\$ 11,940,494	\$ 11,913,018	\$ 14,408,156	\$ 2,495,138	20.9%
Funds					
01 General Fund	\$ 11,940,494	\$ 11,913,018	\$ 14,408,156	\$ 2,495,138	20.9%
Total Funds	\$ 11,940,494	\$ 11,913,018	\$ 14,408,156	\$ 2,495,138	20.9%

Note: The fiscal 2022 working appropriation includes deficiency appropriations. 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.