

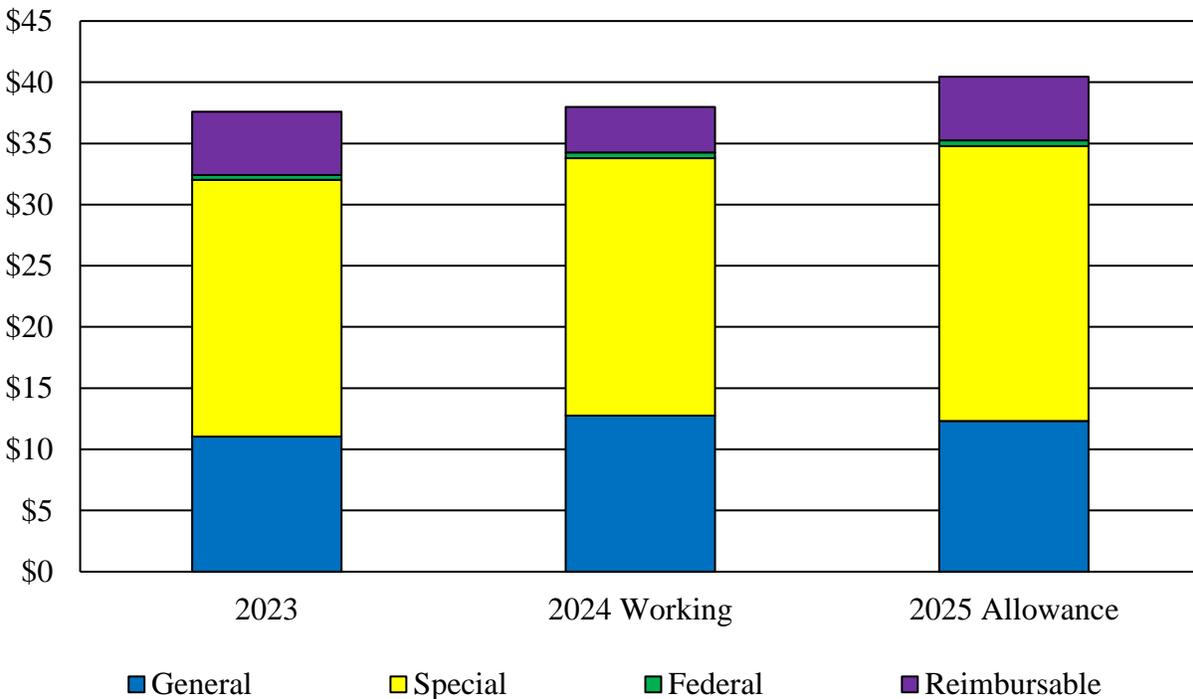
R15P00
Maryland Public Broadcasting Commission

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 2025 Budget Increases \$2.5 Million, or 6.5%, to \$40.5 Million
(\$ in Millions)



Note: The fiscal 2025 allowance accounts for a contingent reduction. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Fiscal 2024

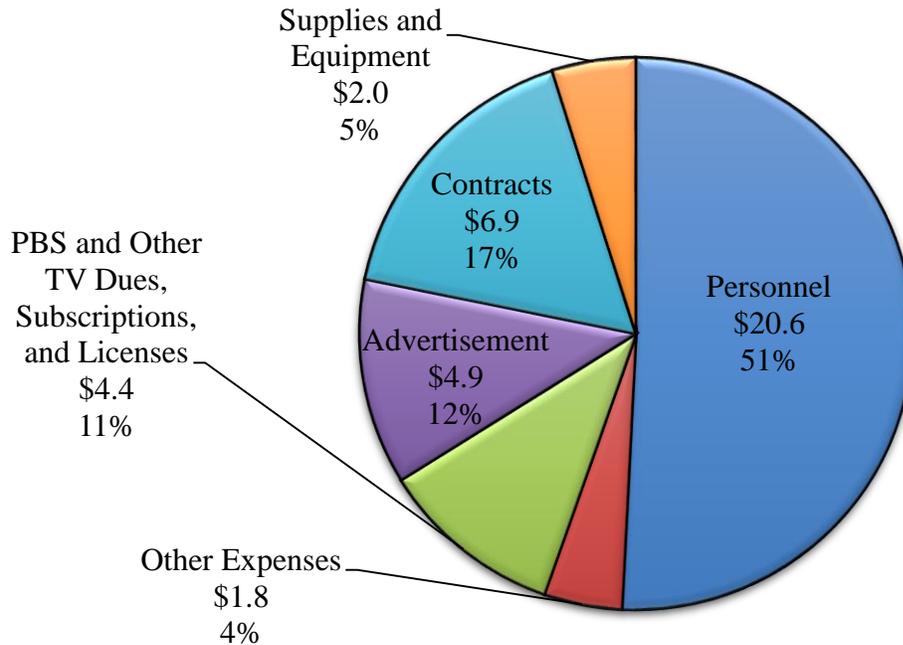
Implementation of Legislative Priorities

Section 19 of the fiscal 2024 Budget Bill added \$1.0 million in general funds for MPBC for the purpose of supporting development of additional original documentary and feature programming to be widely distributed to public television stations nationwide. MPBC used these funds for the production of a documentary about Thurgood Marshall for PBS national distribution. **MPT should discuss the development of additional original documentary and feature programming in further detail.**

Fiscal 2025 Overview of Agency Spending

The fiscal 2025 allowance for MPT totals \$40.5 million accounting for a contingent reduction. As shown in **Exhibit 1**, \$20.6 million (51%) of the fiscal 2025 allowance supports spending for regular and contractual personnel. The fiscal 2025 allowance allocates 17% of the budget to contracts, which includes maintaining MPT computer systems, hardware, online education courses, and servicing check deposits. Advertisement comprises 12% of the budget, which supports spending for purchasing media for public service announcements, buys for Maryland State Ad Agency projects, and promoting MPT products on the radio. An additional 11% of the fiscal 2025 allowance supports PBS and other television association dues, subscriptions, and licenses to access national and local programming and spots.

Exhibit 1
Overview of Agency Spending
Fiscal 2025 Allowance
(\$ in Thousands)



PBS: Public Broadcasting Service

Note: The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget. The fiscal 2025 allowance includes a contingent reduction of \$1.0 million.

Source: Governor's Fiscal 2025 Budget Books

Proposed Budget Change

The proposed fiscal 2025 allowance is \$40.5 million, a \$2.5 million, or 6.5%, increase compared to the fiscal 2024 working appropriation after accounting for the contingent reduction. As shown in **Exhibit 2**, general funds decrease by \$1.4 million, or 3.5%, primarily due to a \$1.0 million contingent reduction. MPBC indicates that this reduction would occur within contractual services. Reimbursable funds increase by \$1.5 million, or 40%, primarily due to advertisement and account for the majority of the overall increase in advertising. Outside of the contingent reduction, the largest decrease is in contractual employee payroll (\$119,200) due to a decrease in contractual full-time equivalents (FTE).

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

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2023 Actual	\$11,033	\$20,990	\$392	\$5,172	\$37,588
Fiscal 2024 Working Appropriation	12,762	21,029	477	3,714	37,982
Fiscal 2025 Allowance	<u>12,313</u>	<u>22,461</u>	<u>477</u>	<u>5,201</u>	<u>40,453</u>
Fiscal 2024-2025 Amount Change	-\$449	\$1,433	\$0	\$1,487	\$2,471
Fiscal 2024-2025 Percent Change	-3.5%	6.8%		40.0%	6.5%

Where It Goes:

Personnel Expenses

Salary increases and related fringe benefits including fiscal 2024 COLA and increments	\$1,010
Turnover expectancy decreases from 4.06% to 2.98%	183
Two contractual conversions	110
Workers’ compensation	-2
Overtime earnings	-6

Other Changes

Advertisement	1,519
Maintenance of Maryland Public Television buildings, landscape, and roads	343
Radios and electronic equipment	136
Cost allocations	150
Database software for membership, automated marketing, and direct mail marketing	100
Electricity	80
Capital lease payments	66
Contract for lockbox to service check deposits	30
Service to access Public Broadcasting Service national programming	30
Design, media, and communication consulting	27
Contract with a television production company	25
Acquisition to purchase television shows, documentaries, and movies	20
Production equipment rentals for location shooting of shows	-20
Insurance	-26
Equipment maintenance	-80

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Where It Goes:	<u>Change</u>
Maintaining computer systems and hardware	-86
Contractual employee payroll due to a decrease of 4.6 contractual full-time equivalents including 2 contractual conversions	-119
Contingent reduction that will occur within contractual services.....	-1,000
Other changes	-20
Total	\$2,471

COLA: cost-of-living adjustment

Note: Numbers may not sum to total due to rounding. The fiscal 2025 allowance includes contingent reductions. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Impact of the Budget Reconciliation and Financing Act of 2024

A provision in the Budget Reconciliation and Financing Act of 2024 would repeal the statutory requirement that the Governor fund MPBC at the level of the current year appropriation, increased by the general fund growth. In addition, it repeals the requirement that the Governor include a general fund appropriation in an amount equal to the difference between the special fund expenditures from two specific federal grants and the amount budgeted in the second preceding year. The Governor’s proposed fiscal 2025 allowance includes a \$1.0 million general fund reduction, contingent on legislation reducing the mandate. The Department of Legislative Services (DLS) estimates that based on the general fund growth, the general fund appropriation would have been required to be \$12.9 million in fiscal 2025. Prior to the contingent reduction, the actual fiscal 2025 appropriation is \$13.3 million. However, due to the \$1.0 million contingent reduction, the fiscal 2025 appropriation would be \$12.3 million. This level would result in a 3.5% decrease, or approximately \$449,000, in fiscal 2025 compared to fiscal 2024. **Exhibit 3** shows the changes in the out-years reflecting the impact of not requiring the formula to increase by the estimated general fund growth. In fiscal 2026, DLS estimates the repeal would reduce the appropriation by \$280,000, which would increase to \$1.8 million in fiscal 2029, assuming MPBC continues receiving funding at the fiscal 2025 level prior to the contingent reduction.

Exhibit 3
Estimated Impact of Repealing the Mandated Growth
Fiscal 2026-2029
(\$ in Thousands)

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Projected General Fund Growth	2.10%	3.30%	4.00%	3.50%
Previous Year’s General Fund Appropriation	\$13,313	\$13,593	\$14,042	\$14,603
Required Growth Based on General Fund Growth	280	449	562	511
Estimated Mandated General Fund				
Appropriation (Current Law)	\$13,593	\$14,042	\$14,603	\$15,114
Estimated Reduction Due to Mandate Repeal	-\$280	-\$728	-\$1,290	-\$1,801
Estimated General Fund Appropriation (BRFA)	\$13,313	\$13,313	\$13,313	\$13,313

BRFA: Budget Reconciliation and Financing Act

Note: Assumes the future funding is based on the level included in the fiscal 2025 allowance prior to the contingent reduction. Assumes only the impact of the repeal of the requirement to increase the appropriation by general fund growth.

Source: Department of Legislative Services

Personnel Data

	<u>FY 23</u> <u>Actual</u>	<u>FY 24</u> <u>Working</u>	<u>FY 25</u> <u>Allowance</u>	<u>FY 24-25</u> <u>Change</u>
Regular Positions	145.00	145.00	147.00	2.00
Contractual FTEs	<u>14.40</u>	<u>15.70</u>	<u>11.10</u>	<u>-4.60</u>
Total Personnel	159.40	160.70	158.10	-2.60

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	4.32	2.98%
Positions and Percentage Vacant as of 12/31/23	5.00	3.45%
Vacancies Above Turnover	0.68	0.46%

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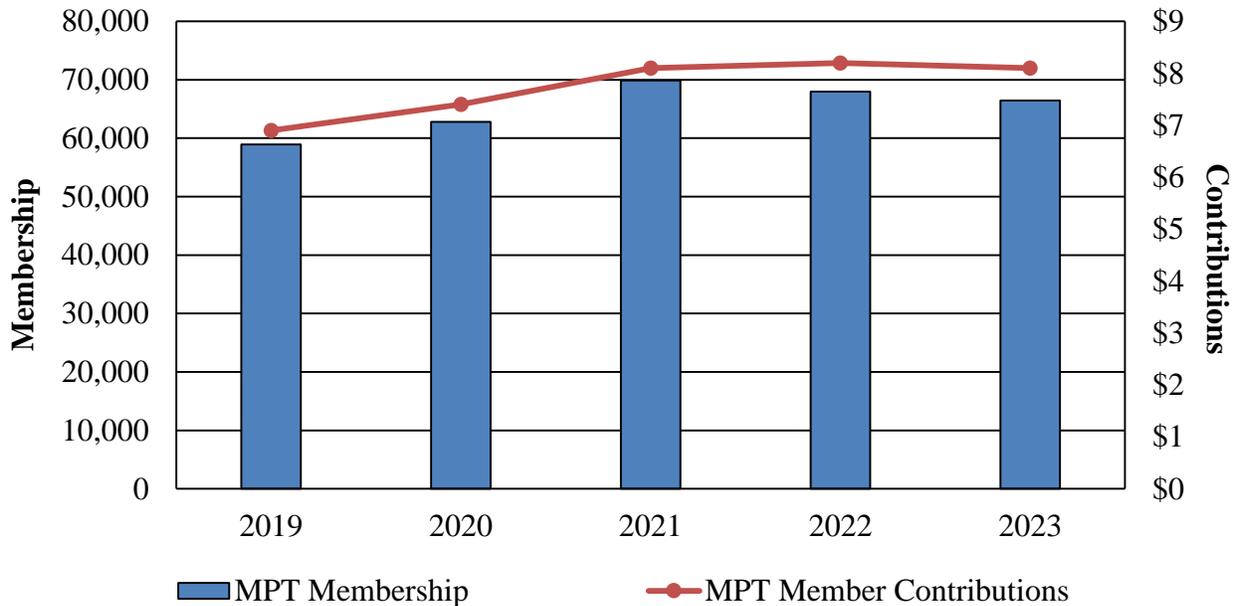
- As of December 31, 2023, the 5 vacant positions have been vacant for less than nine months.
- There is an increase of 2 positions, which are contractual conversions in the development area.
- MPBC has a decrease of 4.6 FTEs between the fiscal 2024 working appropriation and fiscal 2025 allowance of which 2 are converted to regular positions.

Key Observations

1. MPT Membership and Contributions

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 available to anyone who donates \$35 or more. As shown in **Exhibit 4**, MPT membership decreased by 3% in fiscal 2022 compared to fiscal 2021 to 67,950, following increases in the total number of members over the previous four fiscal years. In fiscal 2023, membership decreased by an additional 2.2% compared to fiscal 2022. Membership contributions increased slightly, by 1%, to \$8.2 million in fiscal 2022 compared to fiscal 2021. Fiscal 2022 was the third consecutive year in which MPT member contributions had increased. However, member contributions decreased by 1.2% to \$8.1 million in fiscal 2023 compared to fiscal 2022. **MPT should discuss the decreases in both membership and contributions in fiscal 2023.**

Exhibit 4
MPT Membership and Member Contributions
Fiscal 2019-2023
(\$ in Millions)



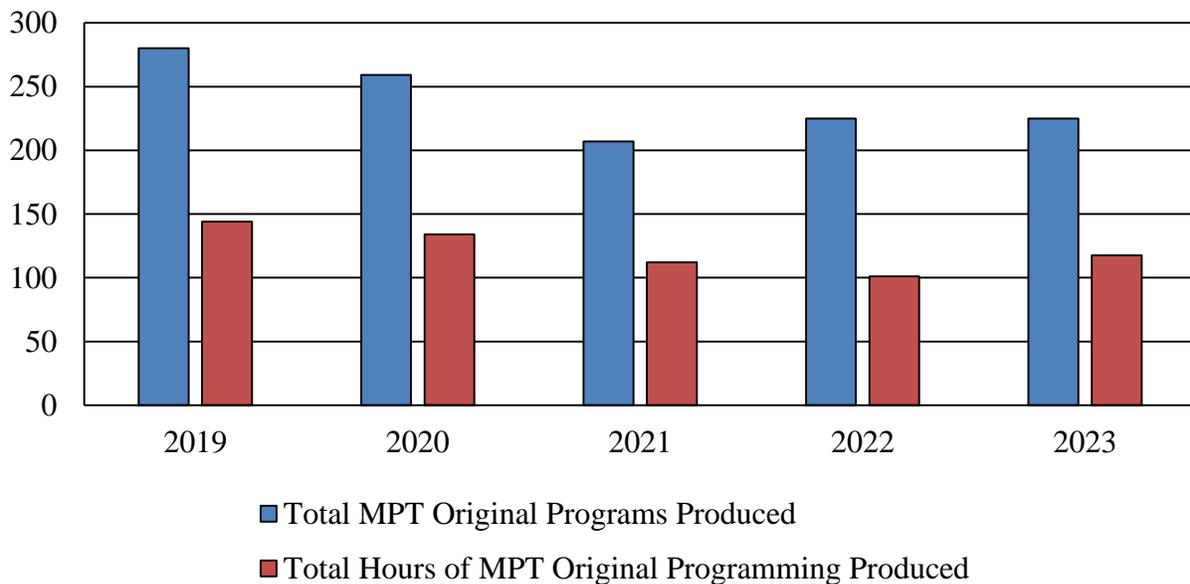
MPT: Maryland Public Television

Source: Maryland Public Broadcasting Commission

2. MPT Original Programming

In addition to broadcasting nationally available programming such as programs produced and distributed by PBS and other PBS member stations, 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*. Additionally, in October 2022, two original documentaries co-produced by MPT, *Harriet Tubman: Visions of Freedom* and *Becoming Frederick Douglass*, premiered on MPT and nationally on PBS stations. As shown in **Exhibit 5**, in fiscal 2022, the total number of original programs produced by MPT increased by 18 to 225, following declines in fiscal 2020 and 2021 due to interruptions and limits on production activities resulting from the COVID-19 pandemic. Despite the increase, the number of original programs remains below levels prior to the pandemic. The total number of MPT original programs produced remained at 225 in fiscal 2023. The total number of hours of original MPT programming produced in fiscal 2022 was 101, a slight decrease from fiscal 2021, even with the higher number of original programs. This decrease was due to differences in program lengths. The total hours of MPT original programming produced increased by 16.3% to 117.5 hours in fiscal 2023 compared to fiscal 2022.

Exhibit 5
MPT Original Programming
Fiscal 2019-2023



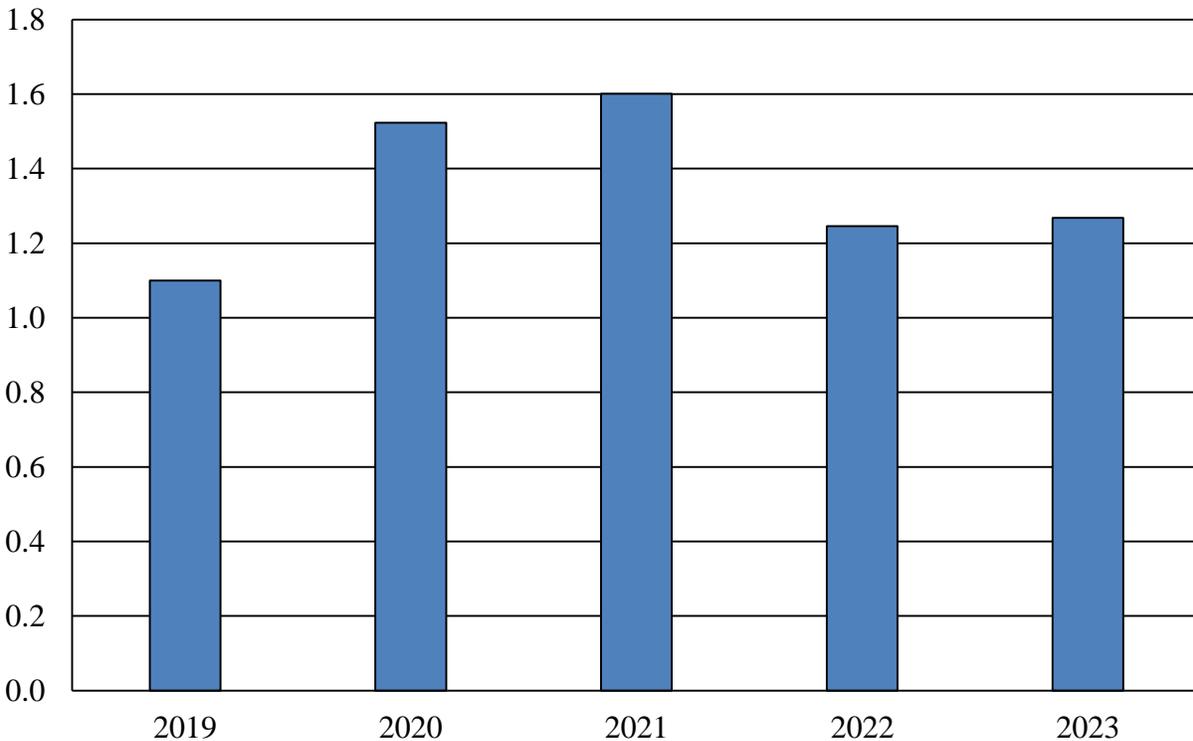
MPT: Maryland Public Television

Source: Maryland Public Broadcasting Commission

3. MPT Viewership

As shown in **Exhibit 6**, in fiscal 2022, total estimated viewership for MPT declined in fiscal 2022 following heightened viewership in fiscal 2020 and 2021, according to Nielsen television ratings. Viewership is defined as the total number of viewers ages two and older in the Baltimore City and Washington, D.C. designated market area during the year.

Exhibit 6
Maryland Public Television Viewers
Fiscal 2019-2023
(in Millions)



Source: Maryland Public Broadcasting Commission

Viewership trends in recent years have fluctuated and were impacted in part by nationwide trends of increased television viewership during the height of the COVID-19 pandemic, as Americans spent more time at home. Despite the decrease in fiscal 2022, viewership was at comparable levels to the period prior to the pandemic. In fiscal 2023, MPT viewership increased by 1.8% to approximately 1.27 million in fiscal 2023 compared to fiscal 2022. **MPT should discuss the increase in viewers in fiscal 2023.**

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 23</u> <u>Actual</u>	<u>FY 24</u> <u>Working</u> <u>Appropriation</u>	<u>FY 25</u> <u>Allowance</u>	<u>FY 24 - FY 25</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	145.00	145.00	147.00	2.00	1.4%
02 Contractual	14.40	15.70	11.10	-4.60	-29.3%
Total Positions	159.40	160.70	158.10	-2.60	-1.6%
Objects					
01 Salaries and Wages	\$ 17,805,366	\$ 18,490,972	\$ 19,787,070	\$ 1,296,098	7.0%
02 Technical and Special Fees	840,694	879,774	764,942	-114,832	-13.1%
03 Communication	478,807	499,762	505,474	5,712	1.1%
04 Travel	153,233	186,150	230,107	43,957	23.6%
06 Fuel and Utilities	914,584	879,489	960,194	80,705	9.2%
07 Motor Vehicles	63,609	139,711	152,074	12,363	8.8%
08 Contractual Services	11,637,403	10,788,267	12,725,560	1,937,293	18.0%
09 Supplies and Materials	710,362	957,069	950,251	-6,818	-0.7%
10 Equipment – Replacement	634,411	691,147	847,593	156,446	22.6%
11 Equipment – Additional	241,987	110,957	176,665	65,708	59.2%
13 Fixed Charges	4,107,560	4,358,978	4,353,077	-5,901	-0.1%
Total Objects	\$ 37,588,016	\$ 37,982,276	\$ 41,453,007	\$ 3,470,731	9.1%
Funds					
01 General Fund	\$ 11,033,443	\$ 12,762,180	\$ 13,313,424	\$ 551,244	4.3%
03 Special Fund	20,990,221	21,028,660	22,461,311	1,432,651	6.8%
05 Federal Fund	392,063	477,452	477,453	1	0%
09 Reimbursable Fund	5,172,289	3,713,984	5,200,819	1,486,835	40.0%
Total Funds	\$ 37,588,016	\$ 37,982,276	\$ 41,453,007	\$ 3,470,731	9.1%

Note: The fiscal 2025 allowance does not include contingent reductions or salary adjustments budgeted within the Department of Budget and Management.