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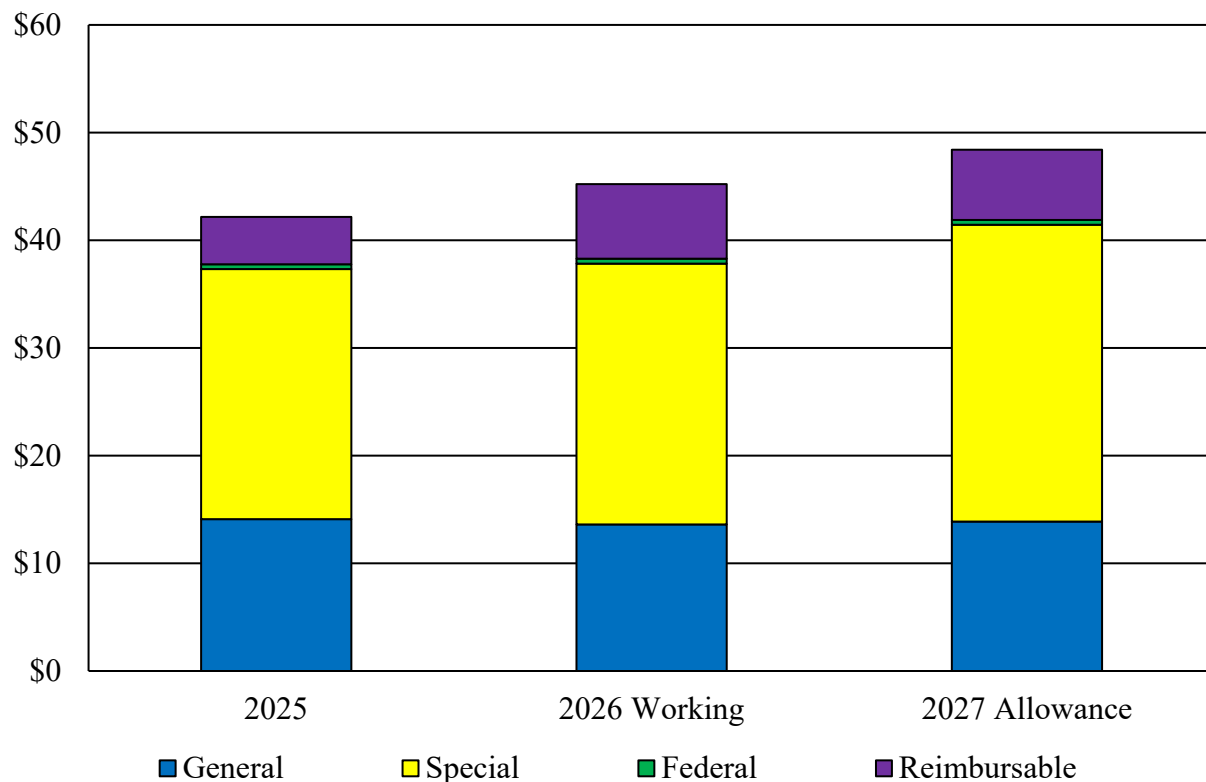
Maryland Public Broadcasting Commission

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 2027 Budget Increases \$3.2 Million, or 7.1%, to \$48.4 Million
(\$ in Millions)



Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

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Analysis of the FY 2027 Maryland Executive Budget, 2026

Fiscal 2026 Federal Rescissions

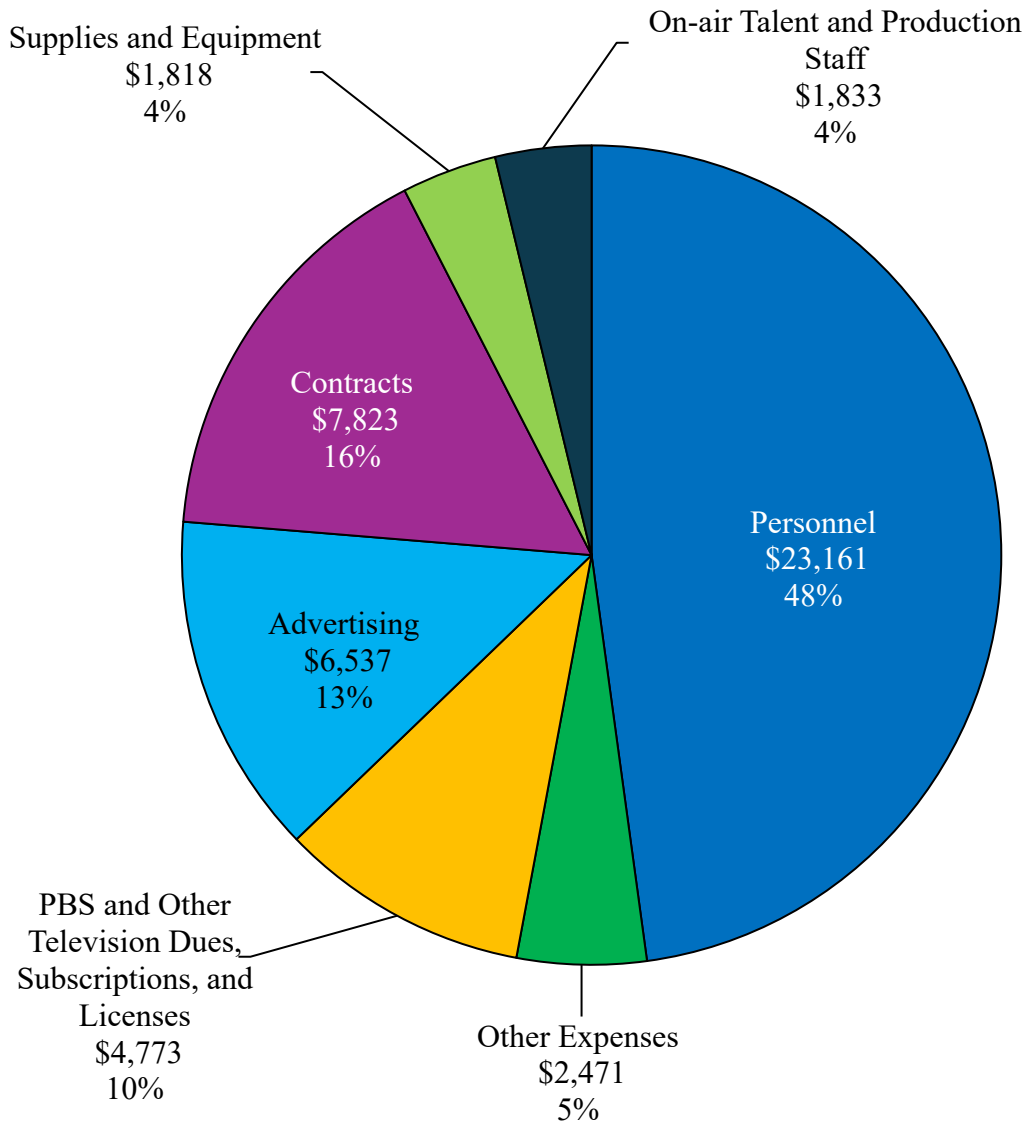
The federal Rescissions Act of 2025, enacted on July 24, 2025, reduced \$1.1 billion for the Corporation for Public Broadcasting (CPB) in federal fiscal 2026 and 2027 and as a result, MPT and roughly 1,500 other public radio and television stations nationwide have subsequently lost significant portions of their budgets. MPT relies on CPB grant dollars (special funds) for approximately 8% of its budget, or nearly \$3.5 million. Because the State fiscal year runs from July 1 to June 30, MPT will ultimately receive about 25% of its expected amount for fiscal 2026 and nothing for fiscal 2027. These funds helped MPT broadcast cultural and educational programming as well as operate an emergency alert system for public safety. After 58 years, CPB announced on January 5, 2026, that its board had voted to dissolve the organization fully after completing its federal mandate to distribute its remaining funds. MPT stated that it has already received all expected funds from CPB.

Chapter 816 of 2017 requires the Governor to annually appropriate general funds to offset any decline in CPB revenue from certain federal grants in the second preceding fiscal year by supplementing the budget with the difference between actual and budgeted special funds. Because the actual CPB grant amount in fiscal 2025 was larger than the amount budgeted in that year, the Governor is not required to provide a supplement in the fiscal 2027 budget. However, because the Governor budgeted \$3.5 million for the CPB grant that was rescinded in fiscal 2026, MPBC will see a significant general fund supplement reflected in the fiscal 2028 budget.

Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance for MPBC totals approximately \$48.4 million. **Exhibit 1** shows the major spending categories, with regular and contractual personnel accounting for 48% of the budget, or about \$23.2 million. Further, advertising comprises an additional 13% of the budget (roughly \$6.5 million). These dollars support airing public service announcements, marketing on behalf of State agencies, and promoting MPT programming on the radio. PBS dues and other subscriptions to access national programming represent an additional 10% of the budget, or approximately \$4.8 million.

Exhibit 1
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Thousands)



PBS: Public Broadcasting Service

Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2027 Budget Books

Proposed Budget Change

As shown in **Exhibit 2**, the proposed fiscal 2027 allowance increases by \$3.2 million, or 7.1%, from the fiscal 2026 working appropriation. The biggest net increases are related to personnel (\$1.7 million) and contracts with on-air and production talent, including directors, producers, and videographers (\$530,000). An annual contract for fundraising services for public broadcasting stations also increases by \$461,012. Moreover, MPBC's allowance includes a reduction of \$72,145 in its subscription costs after PBS's Board of Directors voted to reduce member station dues by \$35 million overall following federal cuts to public broadcasting stations. Advertising costs also decrease by \$126,300 due to MPBC transitioning from printed to digital materials.

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

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2025 Actual	\$14,107	\$23,226	\$438	\$4,395	\$42,166
Fiscal 2026 Working	13,604	24,230	458	6,929	45,220
Fiscal 2027 Allowance	<u>13,880</u>	<u>27,554</u>	<u>458</u>	<u>6,524</u>	<u>48,416</u>
Fiscal 2026-2027 \$ Change	\$276	\$3,324	\$0	-\$405	\$3,195
Fiscal 2026-2027 % Change	2.03%	13.72%	-0.02%	-5.84%	7.07%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Salary adjustments and associated fringe benefits.....					\$906
Employee and retiree health insurance					792
Deferred compensation match due to change in statewide budgeting.....					23
Turnover decreases from 4.01% to 3.93%.....					16
Other fringe benefit adjustments					11
Other Changes					
Contracts with on-air and program-related personnel					530
Annual increase to MPT's contract with Contributor Development Partnership, an organization that fundraises on behalf of public broadcasting stations					461
Contractual personnel costs driven by the addition of 4.15 full-time equivalent positions					333
Member registration platforms and call center contract to manage spike in memberships and donations					213
Radios, audiovisual, and electronic equipment for production use					111

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Where It Goes:	<u>Change</u>
Utilities	103
Association dues	47
Postage for mailing program guides and other MPT materials	35
PBS fees.....	-72
Cost allocations.....	-139
Printing and advertising costs have declined, as MPBC transitions from printed to digital advertising materials	-126
Other	-48
Total	\$3,195

MPBC: Maryland Public Broadcasting Commission
MPT: Maryland Public Television

PBS: Public Broadcasting Service

Note: Numbers may not sum to total due to rounding. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

In addition to requiring the Governor to supplement CPB funding gaps with general funds, Chapter 816 established an annual mandated appropriation for State funding for MPBC overall by requiring the Governor to increase the MPBC general fund appropriation each year by the same rate of increase as the State's projected general fund revenues. In December 2025, the Board of Revenue Estimates projected that the General Fund will grow by 1.4% in fiscal 2027 compared to the prior year, which translates to a \$198,000 increase in MPBC's mandated general fund appropriation from fiscal 2026. The fiscal 2027 allowance of approximately \$13.9 million in general funds exceeds the mandated \$13.8 million.

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	151.00	151.00	151.00	0.00
Contractual FTEs	<u>12.45</u>	<u>5.95</u>	<u>10.10</u>	<u>4.15</u>
Total Personnel	163.45	156.95	161.10	4.15

Vacancy Data: Regular Positions

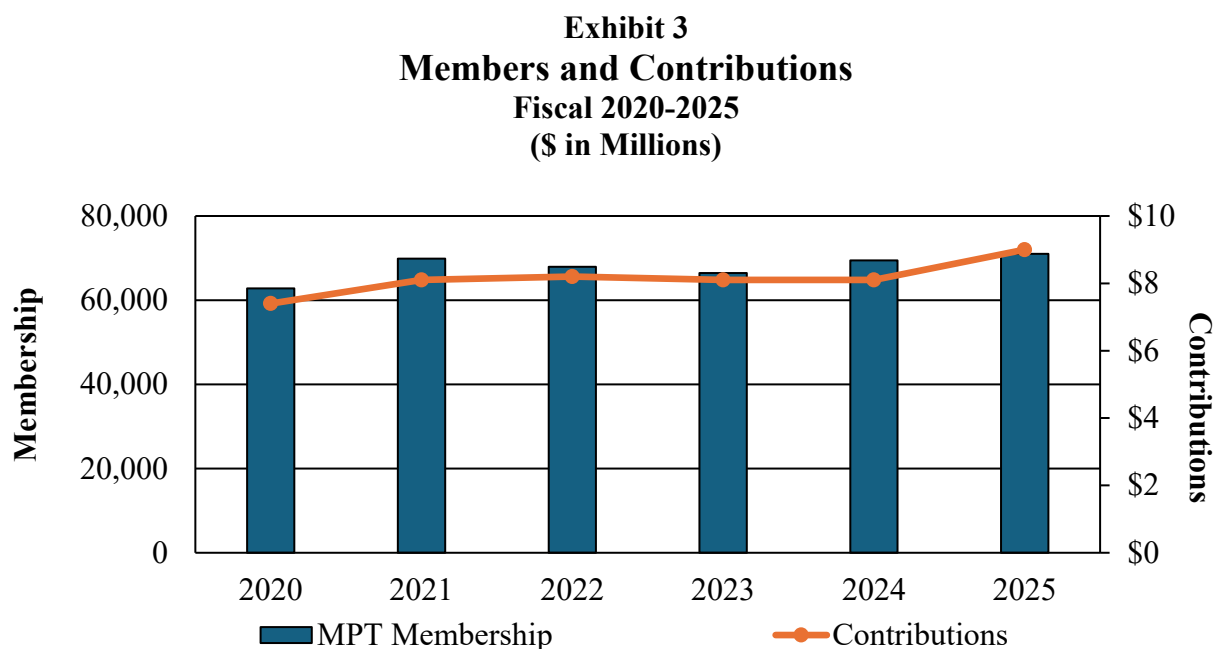
Turnover and Necessary Vacancies, Excluding New Positions	5.94	3.93%
Positions and Percentage Vacant as of 12/31/2025	9.00	5.96%
 Vacancies Above Turnover	 3.06	

- The fiscal 2027 allowance adds 4.15 new full-time equivalent contractual positions to support operations for the Maryland Center for Media Literacy, which promotes the development of critical thinking skills in the digital age.
- As of December 31, 2025, MPBC had 9 vacant positions, 3 of which have been vacant for more than nine months, and 2 positions – MPT transmitter maintenance engineer and MPT director II – have remained vacant for over a year.

Key Observations

1. Members and Contributions Increase Following Federal Rescissions

Memberships, which are available to donors of over \$35 per year, and member contributions comprise the largest share of special funds in the MPBC budget and are an essential funding source for MPT operations. As shown in **Exhibit 3**, MPT reported an 11.1% increase in contributions from \$8.1 million in fiscal 2024 to \$9.0 million in fiscal 2025. Similarly, memberships increased by 2.3% from 69,438 to 71,000. MPT attributes the increase in memberships and contributions to public support following federal funding cuts to public broadcasting nationwide. The agency anticipates the growth will be temporary.



MPT: Maryland Public Television

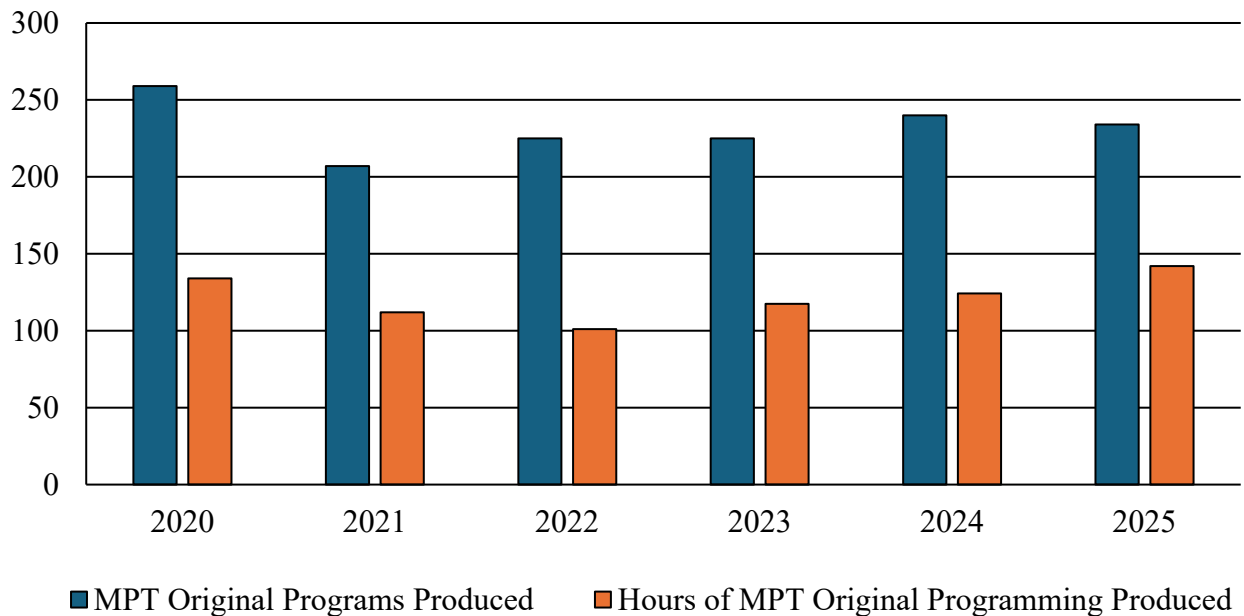
Source: Department of Budget and Management; Maryland Public Broadcasting Commission

2. MPBC Reduces Number of Original Programs

In addition to broadcasting nationally available programming through PBS and its member stations, MPT also produces and broadcasts its own original programming, which has a local focus. Popular programs include Maryland Farm and Harvest, State Circle, and Direct Connection. MPT also coproduced documentaries alongside PBS about Maryland natives Frederick Douglass (2022), Harriet Tubman (2022), and Thurgood Marshall (2025), which continue to air nationally.

Exhibit 4 shows a decline in original programming in fiscal 2021 due to interruptions and limits on production activities that resulted primarily from the COVID-19 pandemic. In addition to the declines caused by the pandemic, MPT also eliminated 1 of its public affairs series and began focusing on both digital and short-form programming. The number of original programs decreased by 2.5%, from 240 in fiscal 2024 to 234 in fiscal 2025. MPT indicated that federal funding cuts may limit its ability to produce original programs and may force the station to reduce its offerings. The number of original programs continues to remain below prepandemic levels.

Exhibit 4
Original Programming
Fiscal 2020-2025



MPT: Maryland Public Television

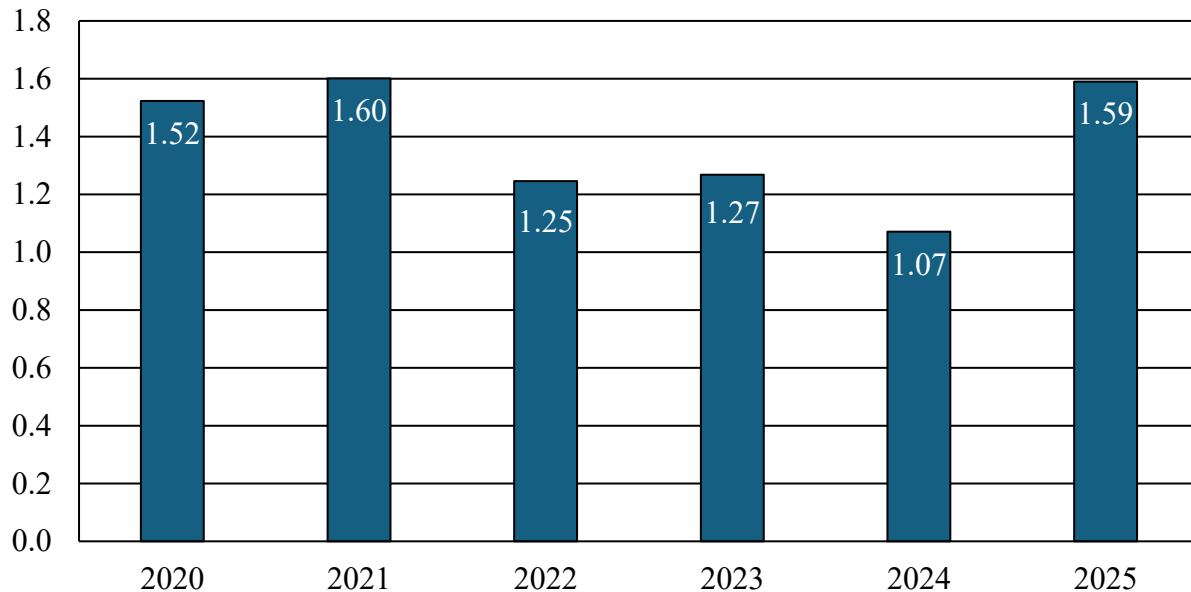
Source: Department of Budget and Management; Maryland Public Broadcasting Commission

Despite the reduction in the number of original programs, the total production hours of MPT original programming increased to 142 hours in fiscal 2025, a 14.3% increase compared to fiscal 2024. According to MPT, the increase in production hours despite fewer original programs is due to a shift from 30-minute to 1-hour programs, which take longer to produce.

3. Viewership Spikes Despite Federal Cuts

Viewership is defined as the total number of viewers aged two and older in the Baltimore City and Washington, D.C. designated market area during the year. **Exhibit 5** shows viewership trends from fiscal 2020 through 2025. Views increased during the height of the pandemic and dropped in the subsequent years. In fiscal 2025, public broadcasting organizations received widespread public support following federal budget cuts, resulting in significant growth in MPT's reach. Total viewership increased by 48.5%, from 1.07 million in fiscal 2024 to 1.59 million in fiscal 2025. It is unclear whether this is a one-time increase in support or if viewership will continue at this elevated level. MPT noted that the current viewership metrics do not capture digital streaming, and it is working to update its Managing for Results performance measures to more accurately capture programmatic reach in future years.

Exhibit 5
Viewership
Fiscal 2020-2025
(in Millions)



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

4. MPBC Addresses Fiscal Compliance Audit Findings

In October 2024, the Office of Legislative Audits (OLA) released a fiscal compliance audit for the period from June 18, 2019, to June 20, 2023. OLA indicated that MPBC had not taken corrective actions to resolve findings related to the affiliated foundation and the retention and provision of documents to OLA. Language in the fiscal 2026 Budget Bill restricted \$100,000 in general funds pending a report from MPBC on the status of the corrective actions. The audit contained the following six findings, of which two were repeated from the prior audit (bolded).

- **MPBC would not provide documentation to support corrective action taken to address concerns with its affiliated foundation in response to a preceding audit report recommendations and a Joint Audit and Evaluation Committee letter of concern.**
- MPBC could not justify the diversion of approximately \$1.3 million in State revenue to the affiliated foundation during the period of fiscal 2020 through 2023.
- MPBC continued to use the services of a vendor for several years after the related contract had expired and did not adequately ensure amounts invoiced were proper.
- **MPBC did not always comply with State procurement regulations for its nonexempt procurements and intergovernmental cooperative purchasing agreements, including documenting bid openings and publishing contract awards on eMaryland Marketplace Advantage.**
- Supervisory reviews of corporate purchasing card activity logs were not always documented and did not use available Level 3 data to help ensure the propriety of the purchases, as required.
- MPBC did not segregate the duties of cash receipts and maintaining accounts receivable records, as required.

OLA determined that MPBC did not establish formal policies for the revenue-generating activities of its affiliated foundation, MPT Foundation, Inc. MPBC could not provide documented guidelines for revenue management; the rates charged for program underwriting and sponsorship; or the disclosure of board members' conflicts of interest. According to OLA, MPBC has failed to provide documentation of its review and monitoring activities during the two most recent fiscal compliance audits.

Collections, Underwriting and Sponsorship, and Revenue-generating Activities

In its report submitted on October 6, 2025, MPBC stated that it has revised its structure and procedures for revenue-generating activities and contract agreements. Underwriting and

sponsorship agreements with private entities are now executed through the MPT Foundation, while State agencies contract directly with MPBC. Additionally, as of June 30, 2025, MPBC has implemented a formal tracking system for monitoring contract terms and obligations, sponsor compliance and satisfaction, and the collection process.

Payments of State Funds to MPBC’s Affiliated Foundation

In addition to revising its contracts so that State agencies pay MPBC rather than the foundation, MPBC has stopped transferring State funds to the foundation for compensation or services. Likewise, the agency reported that it addressed issues with the documentation of these transfers by implementing a tracking system that specifies the program and operational uses for each fund amount.

The report indicated that the agency’s assistant Attorney General has conducted a review of the agreement between MPBC and its affiliated foundation, which resulted in policy revisions and the amendment of the “Foundation Agreement” and “Foundation Guidelines.” In response to the Department of Legislative Services’ (DLS) request for supplemental information, MPBC provided documentation of its updated policies, which were ratified on May 27, 2025, and will be reviewed annually. Among those documents, the amended Foundation Purchasing Guidelines describe the requirements for how the foundation engages with vendors, including specific bid processes for a range of purchase amounts. The supplemental information also contained clarifying language about the relationship between the commission and the affiliated foundation along with procedural language addressing the other elements of the audit.

Conflicts of Interest

Over the period of the OLA audit, Foundation board members did not submit any conflict-of-interest (COI) forms. For this reason, MPBC stated it could not provide documentation to OLA. In response to OLA feedback, MPBC has directed its affiliated foundation to update its disclosure procedures. If the foundation receives a COI form in the future, it will prepare and retain a written memorandum indicating the areas impacted by the conflict. MPBC will be able to refer OLA to a maintained record of memoranda during future audits.

DLS determined the report to be in compliance with the language and recommends the release of \$100,000 in withheld general funds and will process a letter to this effect if no objections are raised by the committees.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
2025 Joint Chairmen's Report Responses from Agency

The 2025 *Joint Chairmen's Report* (JCR) requested that MPBC prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Report on Actions Taken to Address Certain Audit Findings:*** Language in the fiscal 2026 Budget Bill requested a report on corrective actions taken in response to an October 2024 OLA fiscal compliance audit that found that MPBC lacked formal policies for revenue management, the rates charged for underwriting and sponsorship, and the disclosure of board members' COIs. MPBC's report described how the agency has addressed these elements of the audit, including developing revenue-tracking protocols; drawing clearer lines between MPBC and its affiliated foundation; establishing additional procedures for the execution of contracts, sponsorships, and underwriting; and maintaining records of COIs. Further discussion of this response can be found in Key Observation 4.

Appendix 2

Object/Fund Difference Report

Maryland Public Broadcasting Commission

<u>Object/Fund</u>	<u>FY 25 Actual</u>	<u>FY 26 Working Appropriation</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
Positions					
01 Regular	151.00	151.00	151.00	0.00	0.0%
02 Contractual	12.45	5.95	10.10	4.15	69.7%
Total Positions	163.45	156.95	161.10	4.15	2.6%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$21,460,147	\$20,402,486	\$22,150,788	\$1,748,302	8.6%
02 Technical and Special Fees	994,841	711,982	1,010,444	298,462	41.9%
03 Communications	487,025	621,590	659,549	37,959	6.1%
04 Travel	201,647	234,012	197,551	-36,461	-15.6%
06 Fuel and Utilities	916,810	960,194	1,063,357	103,163	10.7%
07 Motor Vehicle Operation and Maintenance	29,427	99,165	60,914	-38,251	-38.6%
08 Contractual Services	12,024,574	15,430,730	16,638,023	1,207,293	7.8%
09 Supplies and Materials	1,020,388	1,145,152	962,733	-182,419	-15.9%
10 Equipment – Replacement	27,299	582,093	674,000	91,907	15.8%
11 Equipment – Additional	248,038	181,376	181,075	-301	-0.2%
13 Fixed Charges	4,755,712	4,851,669	4,817,498	-34,171	-0.7%
Total Objects	\$42,165,908	\$45,220,449	\$48,415,932	\$3,195,483	7.1%
Funds					
01 General Funds	\$14,106,786	\$13,604,071	\$13,880,144	\$276,073	2.0%
03 Special Funds	23,226,096	24,229,790	27,554,273	3,324,483	13.7%
05 Federal Funds	438,124	457,914	457,801	-113	0.0%
09 Reimbursable Funds	4,394,902	6,928,674	6,523,714	-404,960	-5.8%
Total Funds	\$42,165,908	\$45,220,449	\$48,415,932	\$3,195,483	7.1%

Note: The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.