

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

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$10,912	\$9,993	\$9,975	-\$17	-0.2%
Special Fund	14,797	16,043	15,886	-157	-1.0%
Federal Fund	<u>3,605</u>	<u>3,432</u>	<u>4,786</u>	<u>1,354</u>	<u>39.5%</u>
<b>Total Funds</b>	<b>\$29,314</b>	<b>\$29,468</b>	<b>\$30,647</b>	<b>\$1,179</b>	<b>4.0%</b>

- The Maryland Public Broadcasting Commission's (MPBC) budget increases \$1,179,390, or 4.0% in the fiscal 2009 allowance. The fiscal 2009 budget change for this agency, absent health insurance and Other Post Employment Benefits funding which distort year-to-year comparisons, is an increase of \$159,414, or 0.6%.

***Personnel Data***

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>
Regular Positions	157.00	156.00	155.00	-1.00
Contractual FTEs	<u>24.36</u>	<u>17.60</u>	<u>24.36</u>	<u>6.76</u>
<b>Total Personnel</b>	<b>181.36</b>	<b>173.60</b>	<b>179.36</b>	<b>5.76</b>

***Vacancy Data: Regular Positions***

Turnover, Excluding New Positions	6.18	3.99%
Positions Vacant as of 12/31/07	6.00	3.85%

- There are 6.0 full-time equivalent (FTE) positions vacant as of January 1, 2008. The turnover rate budgeted by the agency requires that 6.81 FTE positions remain open through the fiscal year.
- 1.0 FTE Maryland Public Television technician position is abolished in the fiscal 2009 allowance.

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

For further information contact: Richard H. Harris

Phone: (410) 946-5530

- 4.76 FTE contractual positions are added in the allowance, primarily for a grant to train educational workers. An additional 2.0 FTE contractual positions are added to work as telemarketers.

## *Analysis in Brief*

---

### **Major Trends**

***Future of Special Fund Revenue:*** Special funds totaled \$21.1 million in fiscal 2001 but have fallen to \$15.9 million in the 2009 allowance. The loss of corporate support is one of the biggest contributing factors to this trend. **MPBC is asked to comment on the loss of corporate support and other special fund revenue over the past decade and discuss plans to raise additional revenues in the future.**

### **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 and controls the preparation, content, and programming of all its programs for the general public. The commission is the federal licensee for all broadcasting stations operated by Maryland Public Television (MPT) and consists of six broadcast transmitters throughout the State and a headquarters facility in Owings Mills.

MPBC has two primary responsibilities: to prepare, schedule, and program all educational television programs to be used in the public schools and adult education classes including college-level courses and to prepare programs for the general public.

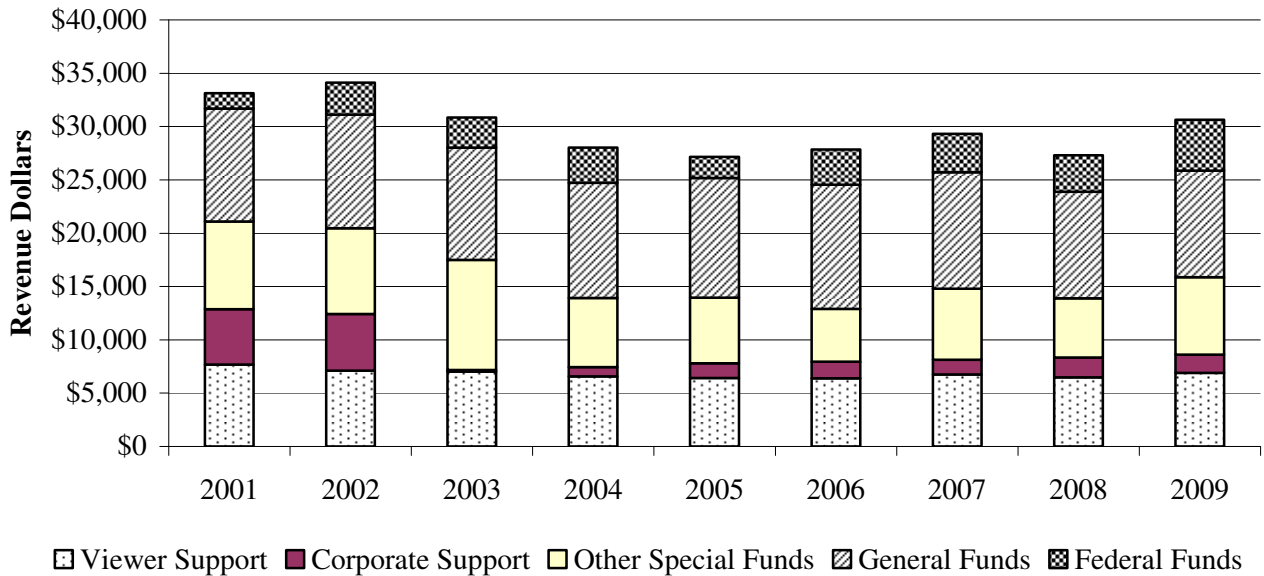
To measure its progress in fulfilling its responsibilities, MPBC's goals are:

- 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 secure high quality programming for Marylanders;
- to 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 MPT's reach and increase its value; and
- to build MPT into an organization with the vision, leadership, and institutional capacity to fulfill its mission and ensure its long-term growth and stability.

**Performance Analysis: Managing for Results (MFR)**

MPBC's total funding has been fluctuating since a high of \$34.1 million in fiscal 2002. Fiscal 2006 and 2007 slightly reversed a downward trend, but the fiscal 2008 working appropriation falls below fiscal 2006 levels. The Governor's fiscal 2009 allowance totals \$30.6 million, the highest since fiscal 2003 with most of the increase from federal and special funds. **Exhibit 1** shows funding by revenue source from fiscal 2001 to 2009. The amount of general funds received has been steady, as well as support from viewers. Federal funds have grown over time, from \$1.5 million in fiscal 2001 to \$4.8 million in the fiscal 2009 allowance. The areas of greatest loss are in corporate support and other special funds, such as Corporation for Public Broadcasting and community service grants. **MPBC is asked to comment on the loss of corporate support and other special fund revenue over the past decade and discuss plans to raise additional revenues in the future.**

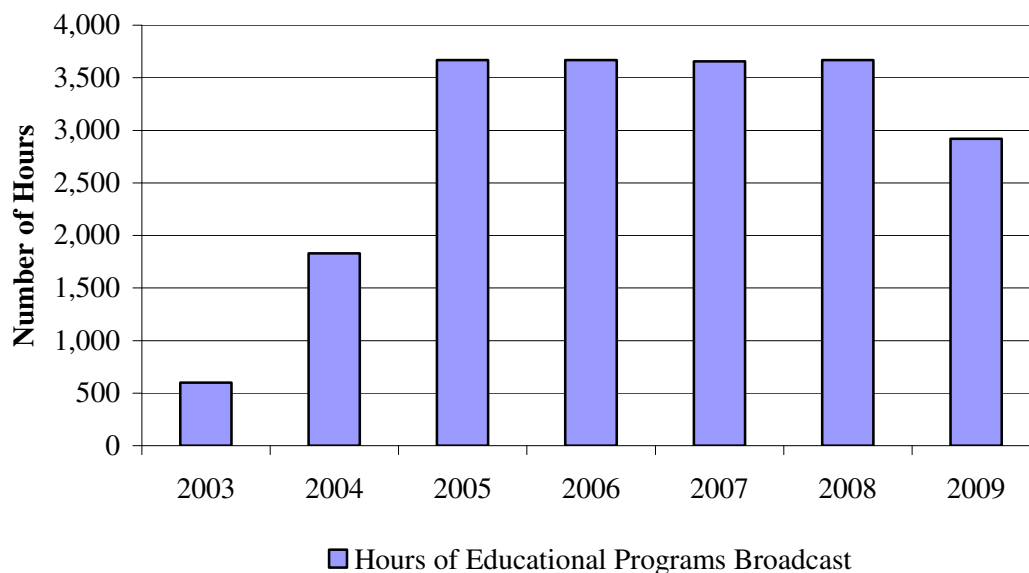
**Exhibit 1  
Maryland Public Television Sources of Revenue  
Fiscal 2001-2009**



Source: Maryland Public Broadcasting Commission

Education programs continue to be a success for MPBC. One aspect of this is College of the Air, broadcasting for over 30 years. MPT purchases college courses in math, science, English, and other disciplines, and State colleges enroll students for credit. In fiscal 2008, 115 courses were developed and available to colleges with an estimated 315 course licenses issued. The station also continues to broadcast thousands of hours of educational programs, having rapidly expanded such broadcasting until fiscal 2005. Fiscal 2009 will see a drop, however, by about 750 hours due to the conclusion of a project with the Annenberg Foundation. **Exhibit 2** shows MPT’s number of educational program hours since fiscal 2003.

**Exhibit 2**  
**Maryland Public Television’s Educational Program Hours**  
**Fiscal 2003-2008**

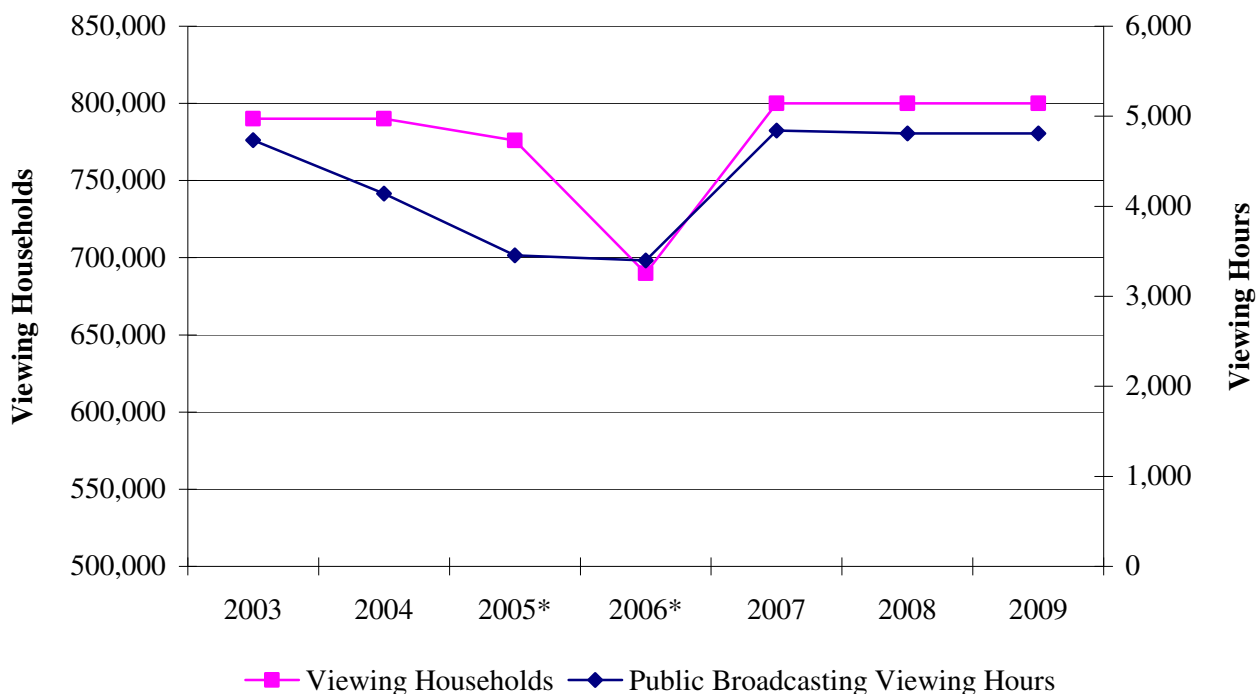


Source: Maryland Public Broadcasting Commission

---

Fiscal 2005 and 2006 saw a drop in the number of viewing households and viewing hours reported, as shown in **Exhibit 3**. This was due to an error in counting that left out the Washington, DC area. That error was corrected for the fiscal 2007 actual, and the agency believes the figures would have been consistent with the current ones had the Washington, DC area not been omitted. Having corrected the error in the current fiscal year, the channel counted 800,000 viewing households in fiscal 2007 and hopes to maintain that level in the future despite an expanding channel base from which viewers may choose.

**Exhibit 3**  
**Maryland Public Television’s Viewing Households and Hours**  
**Fiscal 2003-2008**



\*Data does not include the Washington, DC area market.

Source: Maryland Public Broadcasting Commission

**MFR Does Not Show Whole Picture**

MPBC’s MFR submission does not show the entire picture of its operations. An example of this is its successful web site thinkport.org, an on-line resource for schools. Lesson plans from MPT as well as the U.S. Department of Education, Library of Congress, and other education leaders are available for teachers to use. Educational video downloads and virtual fieldtrips can be taken on the site. With almost 36,000 page views a day and 17,000 registered users, many from out of State, MPT’s success has interested other public television stations nationwide in receiving it for their communities. Programs like thinkport.org should find a place on the commission’s MFR so that it encompasses the full scope of MPBC’s activities. **MPBC is asked to identify new performance measures that would better summarize its functions.**

## **Fiscal 2008 Actions**

### **Impact of Cost Containment**

In August 2007, the Board of Public Works cost containment action decreased MPBC's budget by \$150,000, resulting in the deferral of replacing digital electronics purchased in fiscal 2001.

### **Governor's Proposed Budget**

For the most part, there are no major changes in MPBC's fiscal 2009 allowance. Electricity savings are expected to total \$514,390 when the station converts to exclusive digital transmission – currently, it is broadcasting in digital and analog. The largest increase comes from a \$1.1 million rise in grant funding, largely due to growth in the Star Schools program. Funded by a grant from the U.S. Department of Education, it supports improving distance education instruction, especially in mathematics, science, and foreign languages. **Exhibit 4** shows the major changes in MPBC's budget.

**Exhibit 4**  
**Governor’s Proposed Budget**  
**Maryland Public Broadcasting Commission**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General</u> <u>Fund</u></b>	<b><u>Special</u> <u>Fund</u></b>	<b><u>Federal</u> <u>Fund</u></b>	<b><u>Total</u></b>
2008 Working Appropriation	\$9,993	\$16,043	\$3,432	\$29,468
2009 Governor’s Allowance	<u>9,975</u>	<u>15,886</u>	<u>4,786</u>	<u>30,647</u>
Amount Change	-\$17	-\$157	\$1,354	\$1,179
Percent Change	-0.2%	-1.0%	39.5%	4.0%
 <b>Where It Goes:</b>				
<b>Personnel Expenses</b>				
Abolished/transferred positions .....				-\$49
Increments and other compensation.....				-105
Employee and retiree health insurance .....				407
Other Post Employment Benefits.....				626
Turnover adjustments.....				-85
Other fringe benefit adjustments.....				13
<b>Other Changes</b>				
Public Broadcasting Service dues and grants.....				1,093
Grants to train daycare providers on using public televisions educational programming .....				179
Payments to contractual employees .....				135
Broadcasting and programming fees and permits.....				109
Travel expenses.....				93
Department of Budget and Management telecommunications costs .....				31
Legal services.....				22
Telephone charges based on fiscal 2007 actuals.....				-40
Postage costs to reflect fiscal 2007 actuals .....				-76
Equipment rental and purchase .....				-109
New program guide printing contract .....				-164
Long-term payments for digital conversion completed .....				-386
Electricity savings from discontinued dual transmission.....				-514
Other changes.....				-1
<b>Total</b>				<b>\$1,179</b>

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

## ***Recommended Actions***

---

1. Concur with Governor's allowance.

## *Current and Prior Year Budgets*

---

### Current and Prior Year Budgets Maryland Public Broadcasting Commission (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2007</b>					
Legislative Appropriation	\$10,628	\$15,487	\$4,200	\$0	\$30,315
Deficiency Appropriation	500	0	0	0	500
Budget Amendments	-19	89	0	0	71
Reversions and Cancellations	-198	-780	-595	0	-1,572
<b>Actual Expenditures</b>	<b>\$10,912</b>	<b>\$14,797</b>	<b>\$3,605</b>	<b>\$0</b>	<b>\$29,314</b>
<b>Fiscal 2008</b>					
Legislative Appropriation	\$10,053	\$13,880	\$3,432	\$0	\$27,364
Cost Containment	-150	0	0	0	-150
Budget Amendments	90	2,164	0	0	2,254
<b>Working Appropriation</b>	<b>\$9,993</b>	<b>\$16,043</b>	<b>\$3,432</b>	<b>\$0</b>	<b>\$29,468</b>

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

---

## **Fiscal 2007**

The legislative appropriation for MPBC was \$10,628,275. A number of general fund budget amendments adjusted this figure, including a cost-of-living adjustment (COLA) amendment adding \$67,952. An additional salary increase from the general fund came with the annual salary review, adding an additional \$3,841 to MPBC's budget for the station's security guards.

These increases were offset by two general fund budget reductions. The first was a minor realignment of \$1,319, representing funding for the comprehensive salary study being moved from the individual agencies to the Department of Management and Budget (DBM). The second and much larger general fund reduction came from cost containment by the Board of Public Works, reducing MPBC's budget by \$89,204 due to health insurance overpayment. Overall, general fund amendments reduced the agency's budget by \$18,730.

An amendment in the amount of \$89,282 was added to the budget for special fund employee COLA.

A deficiency appropriation was made to MPBC in the amount of \$500,000. These funds were needed to cover unexpectedly high utility costs.

A reversion of \$197,676 in general funds reflects two different DBM reductions. Special funds were cancelled in the amount of \$779,596 due to difficulties in projecting grants on an annual basis. MPBC projected more grants in fiscal 2007 than were received.

Cancelled federal funds totaled \$594,686 from a U.S. Department of Education grant to develop educational games in a program called Learning Games to Go. Fiscal 2007 did not progress as far as expected, although it is expected to move at a faster pace beginning in fiscal 2009.

## **Fiscal 2008**

The MPBC legislative appropriation of \$10,628,275 was reduced by a cost containment reduction of \$150,000, deferring the purchase of video equipment. The statewide employee COLA added \$90,043 of general funds.

An additional \$2,062,032 in special funds was budgeted when a number of grants became available for immediate use. They are being used to produce educational and cultural programming for MPT. Furthermore, a special fund COLA added \$101,523 to MPBC's budget.

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

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	157.00	156.00	155.00	-1.00	-0.6%
02 Contractual	24.36	17.60	24.36	6.76	38.4%
<b>Total Positions</b>	<b>181.36</b>	<b>173.60</b>	<b>179.36</b>	<b>5.76</b>	<b>3.3%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 11,837,251	\$ 12,193,315	\$ 12,999,604	\$ 806,289	6.6%
02 Technical and Spec. Fees	764,312	596,613	748,054	151,441	25.4%
03 Communication	565,168	761,340	667,558	-93,782	-12.3%
04 Travel	264,622	170,389	263,842	93,453	54.8%
06 Fuel and Utilities	1,550,906	1,906,169	1,399,160	-507,009	-26.6%
07 Motor Vehicles	89,794	73,844	76,067	2,223	3.0%
08 Contractual Services	8,982,367	9,254,460	10,385,965	1,131,505	12.2%
09 Supplies and Materials	1,176,963	1,000,114	1,177,284	177,170	17.7%
10 Equip. – Replacement	43,386	152,391	57,277	-95,114	-62.4%
11 Equip. – Additional	3,016,600	2,288,957	1,902,509	-386,448	-16.9%
13 Fixed Charges	1,022,435	1,070,351	970,013	-100,338	-9.4%
<b>Total Objects</b>	<b>\$ 29,313,804</b>	<b>\$ 29,467,943</b>	<b>\$ 30,647,333</b>	<b>\$ 1,179,390</b>	<b>4.0%</b>
<b>Funds</b>					
01 General Fund	\$ 10,911,869	\$ 9,992,604	\$ 9,975,214	-\$ 17,390	-0.2%
03 Special Fund	14,796,621	16,043,155	15,885,893	-157,262	-1.0%
05 Federal Fund	3,605,314	3,432,184	4,786,226	1,354,042	39.5%
<b>Total Funds</b>	<b>\$ 29,313,804</b>	<b>\$ 29,467,943</b>	<b>\$ 30,647,333</b>	<b>\$ 1,179,390</b>	<b>4.0%</b>

Note: The fiscal 2008 appropriation does not include deficiencies.

**Fiscal Summary  
Maryland Public Broadcasting Commission**

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
01 Executive Direction and Control	\$ 862,167	\$ 824,235	\$ 883,161	\$ 58,926	7.1%
02 Administration and Support Services	11,788,555	11,436,522	10,975,824	-460,698	-4.0%
03 Broadcasting	12,609,838	12,603,241	14,553,311	1,950,070	15.5%
04 Content Enterprises Productions	4,053,244	4,603,945	4,235,037	-368,908	-8.0%
<b>Total Expenditures</b>	<b>\$ 29,313,804</b>	<b>\$ 29,467,943</b>	<b>\$ 30,647,333</b>	<b>\$ 1,179,390</b>	<b>4.0%</b>
General Fund	\$ 10,911,869	\$ 9,992,604	\$ 9,975,214	-\$ 17,390	-0.2%
Special Fund	14,796,621	16,043,155	15,885,893	-157,262	-1.0%
Federal Fund	3,605,314	3,432,184	4,786,226	1,354,042	39.5%
<b>Total Appropriations</b>	<b>\$ 29,313,804</b>	<b>\$ 29,467,943</b>	<b>\$ 30,647,333</b>	<b>\$ 1,179,390</b>	<b>4.0%</b>

Note: The fiscal 2008 appropriation does not include deficiencies.