

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

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$9,993	\$9,273	\$9,143	-\$130	-1.4%
Contingent & Back of Bill Reductions	0	0	-62	-62	
<b>Adjusted General Fund</b>	<b>\$9,993</b>	<b>\$9,273</b>	<b>\$9,081</b>	<b>-\$192</b>	<b>-2.1%</b>
Special Fund	16,491	16,468	17,643	1,174	7.1%
Contingent & Back of Bill Reductions	0	0	-36	-36	
<b>Adjusted Special Fund</b>	<b>\$16,491</b>	<b>\$16,468</b>	<b>\$17,607</b>	<b>\$1,139</b>	<b>6.9%</b>
Federal Fund	2,990	4,758	3,243	-1,514	-31.8%
Contingent & Back of Bill Reductions	0	0	-5	-5	
<b>Adjusted Federal Fund</b>	<b>\$2,990</b>	<b>\$4,758</b>	<b>\$3,238</b>	<b>-\$1,519</b>	<b>-31.9%</b>
<b>Adjusted Grand Total</b>	<b>\$29,474</b>	<b>\$30,499</b>	<b>\$29,926</b>	<b>-\$573</b>	<b>-1.9%</b>

- The fiscal 2009 allowance declines by \$572,579, or 1.9%, after accounting for contingent and across-the-board reductions.
- Special funds increase \$1.1 million, or 6.9%, over the fiscal 2009 working appropriation.
- Federal funds decline \$1.5 million, or 31.9%, after accounting for contingent and across-the-board reductions.

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

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***Personnel Data***

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	<b><u>FY 08</u></b> <b><u>Actual</u></b>	<b><u>FY 09</u></b> <b><u>Working</u></b>	<b><u>FY 10</u></b> <b><u>Allowance</u></b>	<b><u>FY 09-10</u></b> <b><u>Change</u></b>
Regular Positions	155.00	155.00	155.00	0.00
Contractual FTEs	<u>17.69</u>	<u>24.06</u>	<u>17.69</u>	<u>-6.37</u>
<b>Total Personnel</b>	<b>172.69</b>	<b>179.06</b>	<b>172.69</b>	<b>-6.37</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	6.15	3.97%
Positions and Percentage Vacant as of 12/31/08	3.00	1.94%

- There are 3.00 regular positions vacant as of December 31, 2008. The budgeted turnover rate requires that 6.15 positions remain open through the fiscal year.
- 6.37 contractual positions are deleted in the allowance to align with fiscal 2008 actuals.

## *Analysis in Brief*

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### **Major Trends**

**Revenue Sources:** Viewer and corporate support are expected to increase in fiscal 2010, while other special fund sources are expected to remain steady. The full extent of the weakening economy was not known when the allowance was formulated, however. The Maryland Public Broadcasting Commission (MPBC) reports two major corporate underwriters have pulled sponsorship of a program, and membership revenue is down \$100,000 over a year ago. **MPBC should comment on the outlook for non-State funding in the upcoming year.**

**New Performance Measures:** The MPBC Managing for Results submission includes several new indicators of the off-television educational initiatives, including [www.thinkport.org](http://www.thinkport.org) and Learning Games to Go. Use of these resources by educators has grown rapidly over the past few years, with web site usage growing 18% in fiscal 2008. **MPBC should comment on the educational programs offered apart from what is broadcast on television.**

### **Recommended Actions**

1. Concur with Governor's allowance.

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

***Operating Budget Analysis***

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**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. MPBC has also fostered off-the-air products in the form of Internet-based resources for educators.

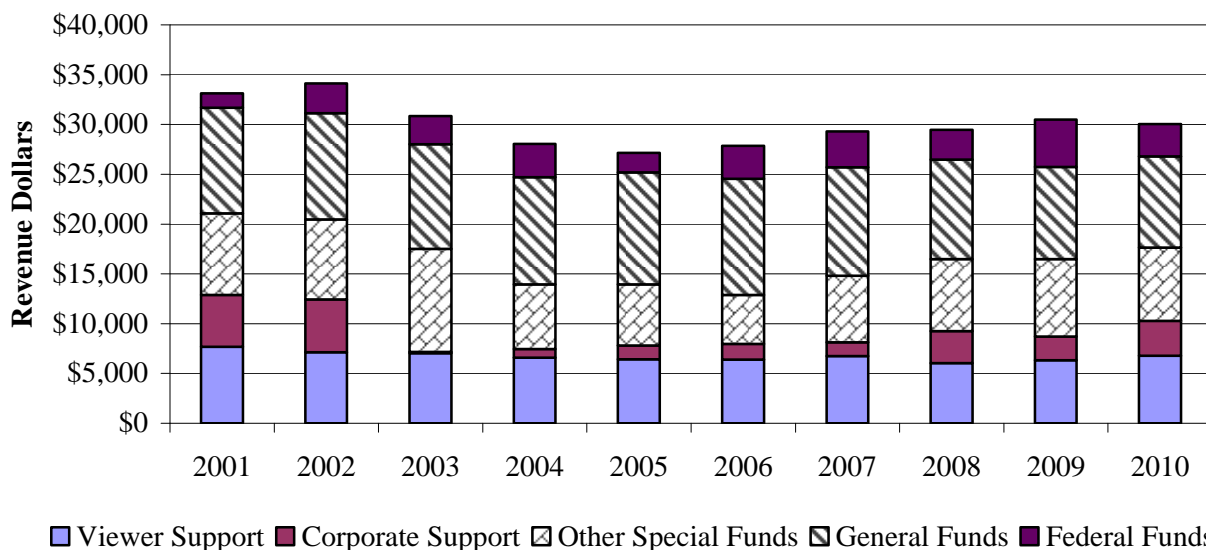
To measure the progress in fulfilling these responsibilities, MPBC's goals are:

- 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 long-term growth and stability.

**Performance Analysis: Managing for Results**

Total funding has grown since the low of \$27.1 million in fiscal 2005. The fiscal 2009 working appropriation totals \$30.5 million, which is 12.4% higher than fiscal 2005. The fiscal 2010 allowance is \$30.0 million, which is slightly lower than the working appropriation. **Exhibit 1** shows funding by revenue source from fiscal 2001 to 2010. General and special funds, apart from viewer and corporate support, are steady. Viewer and corporate support are expected to increase in fiscal 2010, although the full extent of the weakening economy was not known when the allowance was formulated. MPBC reports it is down \$100,000 in membership revenue and that two major underwriters for one of its programs have been lost. **MPBC is asked to comment on the outlook for non-State funding in the upcoming year.**

**Exhibit 1**  
**Maryland Public Broadcasting Commission Sources of Revenue**  
**Fiscal 2001-2010**  
**(\$ in Thousands)**

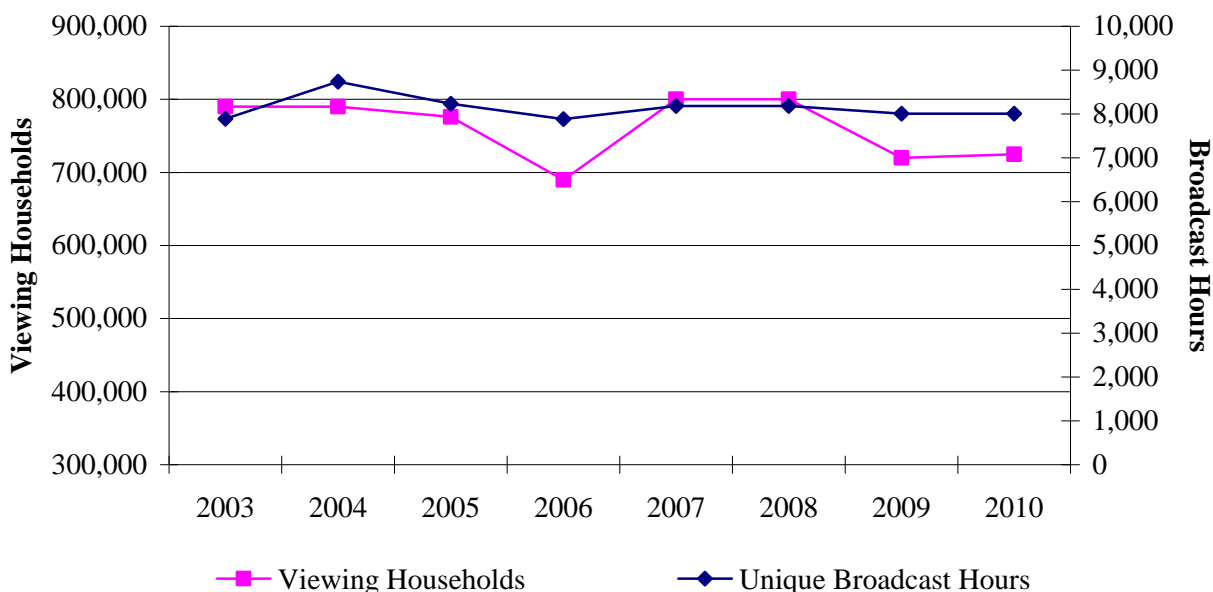


Source: Governor’s Budget Books, Fiscal 2010

Federal funds decline compared to fiscal 2009, totaling \$3.2 million. While MPBC will not receive funds directly from the American Recovery and Reinvestment Act (ARRA) of 2009, the station reports that it may benefit indirectly if local education agencies support the [www.thinkport.org](http://www.thinkport.org) web site with these funds. MPBC is also considering out-of-state support from recipients of ARRA money.

A decline in viewership of 10% is predicted between fiscal 2008 and 2009, and a modest increase to 725,000 viewing households is predicted in fiscal 2010. This aligns with MPBC’s goal of holding declines in viewership to 10%, in light of expanded television offerings. **Exhibit 2** shows viewership information as well as unique broadcast hours. Unique broadcast hours refer to programming MPT broadcasts obtained from the Public Broadcasting Service, other media sources, and that which is produced in-house. Unique broadcast hours are expected to remain steady at just above 8,000 hours through fiscal 2010.

**Exhibit 2**  
**Maryland Public Television’s Viewing Households and Hours**  
**Fiscal 2003-2010**



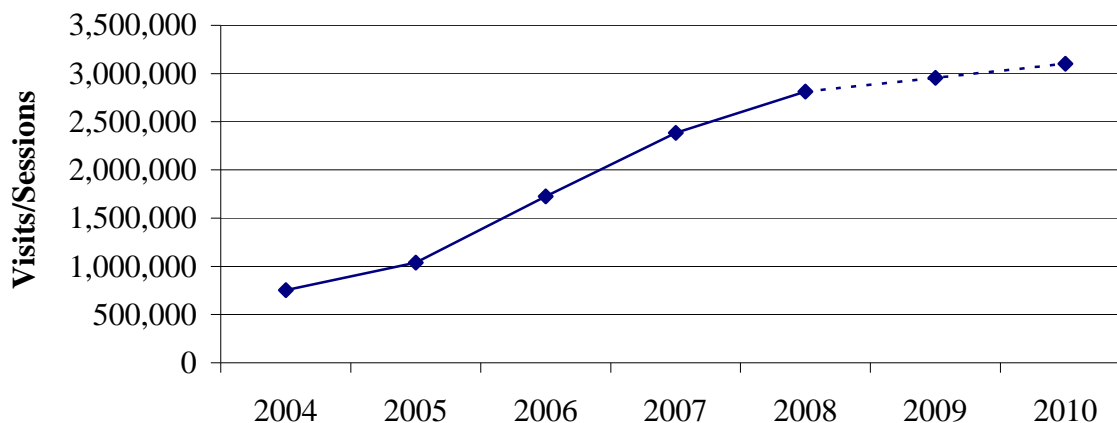
Source: Governor’s Budget Books, Fiscal 2010

**Growth in Education Programs**

Education programs continue to be successful for MPBC. One aspect of this is the College of the Air, broadcasting for over 30 years. The commission purchases courses in science, math, English, and other subject areas, and public colleges and universities enroll students for credit. In fiscal 2008, there were 111 courses available, and 5,135 students enrolled. However, as colleges pay for each student enrolled, it has a neutral effect on the budget.

This fiscal 2010 Managing for Results submission includes new measures to demonstrate MPBC’s expanding education programs off the air. One web site, [www.thinkport.org](http://www.thinkport.org), is a particularly useful one for teachers. Lesson plans from the U.S. Department of Education, Library of Congress, and other education leaders are available for teachers. Learning Games to Go creates educational Internet-based games for school children to play. Created only a couple of years ago, these web sites have experienced rapid growth. Between fiscal 2007 and 2008, the number of visitors grew by 18%. MPBC does not expect to sustain such growth rates but does predict 5% in fiscal 2009 and 2010. **Exhibit 3** shows growth in web site usage since fiscal 2004, the first year data was available. Over 3.1 million page views are expected in fiscal 2010. **MPBC should comment on the educational programs offered apart from what is broadcast on television.**

**Exhibit 3**  
**Maryland Public Broadcasting Commission Education Web Sites Usage**  
**Fiscal 2004-2010**



Source: Governor's Budget Books, Maryland Public Broadcasting Commission

## Fiscal 2009

Like all broadcasters, MPT was planning to convert to an entirely digital broadcast on February 17, 2009. However, the federal government postponed digital conversion until June 12, 2009. While MPT has been broadcasting both analog and digital signals for several years now, electricity costs were budgeted to cover only until February 17, 2009. It is likely that a deficiency appropriation will be needed to cover three additional months of analog broadcast.

### Impact of Cost Containment

MPBC had a total of \$701,631 in cost containment reductions during fiscal 2009. The agency increased turnover from 4 to 5% and achieved a savings of \$185,329. Of this, \$137,842 was in general funds. An additional action reduced general funds by \$516,302, although special funds were able to be used. MPBC is also participating in the statewide furlough and is expected to save \$62,557.

## Proposed Budget

The major changes to the MPBC budget can be found in **Exhibit 4**. The biggest increase is in employee and retiree health insurance costs, which grows by \$413,524. The largest nonpersonnel increase is fuel and utilities cost, which grows \$264,317. On the other hand, federal grants decline \$957,161. This is due to the deletion of the Learning Games to Go grant, which is not funded in the current federal budget. Public broadcasting dues also decline by \$337,672.

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

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Total</b>
2009 Working Appropriation	\$9,273	\$16,468	\$4,758	\$30,499
2010 Allowance	<u>9,143</u>	<u>17,643</u>	<u>3,243</u>	<u>30,029</u>
Amount Change	-\$130	\$1,174	-\$1,514	-\$470
Percent Change	-1.4%	7.1%	-31.8%	-1.5%
Contingent Reductions	-\$62	-\$36	-\$5	-\$103
Adjusted Change	-\$192	\$1,139	-\$1,519	-\$573
Adjusted Percent Change	-2.1%	6.9%	-31.9%	-1.9%

**Where It Goes:**

**Personnel Expenses**

Employee and retiree health insurance pay-as-you-go costs (after reducing fiscal 2010 for contingent reductions).....	\$414
Salary annualization .....	378
Retirement contribution.....	130
Workers' compensation premium assessment.....	14
Turnover adjustments .....	-21
Deferred compensation (after reducing fiscal 2010 for contingent reductions) .....	-72
Other Post Employment Benefits' unfunded liability .....	-200
Other fringe benefit adjustments .....	74

**Other Changes**

Fuel and utilities .....	264
Increased membership mailings .....	207
Payments to ratings services.....	121
Electronic supplies .....	48
Broadcasting licenses .....	47
Management studies and consultants .....	34
Travel.....	29
Security services.....	26
Fees – registrations and copywriting .....	-81
Payments to contractual employees.....	-99
On-air talent costs.....	-252
Master lease payments on digital broadcasting equipment .....	-306

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**Where It Goes:**

Public Broadcasting dues .....	-338
Federal Learning Games to Go grant .....	-957
<b>Contingent and Across-the-board Reductions</b>	
Savings from contract rebidding .....	-29
Reduced contractual employee funding .....	-2
<b>Total</b>	<b>-\$573</b>

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

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**Impact of Cost Containment**

Several across-the-board reductions in the Governor’s fiscal 2010 budget plan affect the MPBC budget. The largest reduction is the deletion of the State’s deferred compensation match. General funds are reduced by \$30,400. Special funds are reduced by \$35,600, and federal funds are reduced by \$5,200 for this same reason. Rebidding of contracts in weak economic conditions is expected to save \$29,456 in general funds. Finally, reduced spending on contractual employees will save \$2,006 in general funds.

## ***Recommended Actions***

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1. Concur with Governor's allowance.

***Current and Prior Year Budgets***

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

<b>Fiscal 2008</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
Legislative Appropriation	\$10,053	\$13,880	\$3,432	\$0	\$27,364
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	90	3,314	0	0	3,404
Cost Containment	-150	-15	0	0	-165
Reversions and Cancellations	0	-687	-442	0	-1,129
<b>Actual Expenditures</b>	<b>\$9,993</b>	<b>\$16,491</b>	<b>\$2,990</b>	<b>\$0</b>	<b>\$29,474</b>
<b>Fiscal 2009</b>					
Legislative Appropriation	\$9,837	\$15,733	\$4,764	\$0	\$30,334
Cost Containment	-654	-41	-6	0	-702
Budget Amendments	90	1,350	0	0	1,440
<b>Working Appropriation</b>	<b>\$9,273</b>	<b>\$16,468</b>	<b>\$4,758</b>	<b>\$0</b>	<b>\$31,072</b>

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

## **Fiscal 2008**

The general fund legislative appropriation to MPBC was \$10,052,561, increased by \$90,043 with a general fund cost-of-living adjustment (COLA). This figure was reduced by \$150,000 due to a Board of Public Works (BPW) cost containment action, which delayed the replacement of video equipment.

The MPBC special fund appropriation was \$13,879,600, which was increased by \$101,523 for a special fund COLA and reduced \$15,257 by the BPW to eliminate one position for cost containment. Two additional budget amendments, in the amounts of \$2,062,032 and \$1,150,000, were due to grants and contracts awarded after the fiscal year began to produce programming related to science, technology, engineering, and mathematics.

The legislative appropriation included \$3,432,184 in federal funds.

There were cancellations of both special and federal funds. Due to the difficulty of accurately projecting grant and contract revenue, \$686,557 in special funds were cancelled. In terms of the federal funds, a U.S. Department of Education grant of \$442,346 called Ready to Teach concluded.

## **Fiscal 2009**

The MPBC legislative appropriation totaled \$9,837,172 in general funds, again increased by \$89,963 due to a COLA. This amount was first reduced by \$137,842 and then by \$516,302 due to two BPW cost containment actions that reduced funds for equipment purchases and maintenance, electricity payments, and master lease payments.

The special fund appropriation was \$15,732,990, also increased by \$97,767 for a COLA. This appropriation was increased by a budget amendment of \$1,252,051 from various grants to produce locally focused programs and documentaries. BPW actions reduced special funds by \$41,342, affecting contractual services.

The federal fund appropriation was \$4,763,749, also reduced by BPW, with a \$6,163 reduction to federal grant programs.

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

<u>Object/Fund</u>	<u>FY08 Actual</u>	<u>FY09 Working Appropriation</u>	<u>FY10 Allowance</u>	<u>FY09 - FY10 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	155.00	155.00	155.00	0	0%
02 Contractual	17.69	24.06	17.69	-6.37	-26.5%
<b>Total Positions</b>	<b>172.69</b>	<b>179.06</b>	<b>172.69</b>	<b>-6.37</b>	<b>-3.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 11,976,024	\$ 12,545,281	\$ 13,260,832	\$ 715,551	5.7%
02 Technical and Spec. Fees	661,040	748,054	648,109	-99,945	-13.4%
03 Communication	654,316	667,558	733,641	66,083	9.9%
04 Travel	292,485	263,842	292,485	28,643	10.9%
06 Fuel and Utilities	1,657,612	1,249,160	1,513,477	264,317	21.2%
07 Motor Vehicles	131,651	76,067	66,985	-9,082	-11.9%
08 Contractual Services	9,609,798	10,991,864	9,991,416	-1,000,448	-9.1%
09 Supplies and Materials	1,205,564	1,177,284	1,240,911	63,627	5.4%
10 Equipment – Replacement	103,293	57,277	129,883	72,606	126.8%
11 Equipment – Additional	2,273,308	1,752,509	1,440,513	-311,996	-17.8%
13 Fixed Charges	908,663	970,013	710,740	-259,273	-26.7%
<b>Total Objects</b>	<b>\$ 29,473,754</b>	<b>\$ 30,498,909</b>	<b>\$ 30,028,992</b>	<b>-\$ 469,917</b>	<b>-1.5%</b>
<b>Funds</b>					
01 General Fund	\$ 9,992,574	\$ 9,272,991	\$ 9,143,000	-\$ 129,991	-1.4%
03 Special Fund	16,491,342	16,468,332	17,642,652	1,174,320	7.1%
05 Federal Fund	2,989,838	4,757,586	3,243,340	-1,514,246	-31.8%
<b>Total Funds</b>	<b>\$ 29,473,754</b>	<b>\$ 30,498,909</b>	<b>\$ 30,028,992</b>	<b>-\$ 469,917</b>	<b>-1.5%</b>

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

**Fiscal Summary  
Maryland Public Broadcasting Commission**

<u>Program/Unit</u>	<u>FY08 Actual</u>	<u>FY09 Wrk Approp</u>	<u>FY10 Allowance</u>	<u>Change</u>	<u>FY09 - FY10 % Change</u>
01 Executive Direction and Control	\$ 821,024	\$ 881,590	\$ 894,842	\$ 13,252	1.5%
02 Administration and Support Services	11,186,929	10,269,030	10,736,962	467,932	4.6%
03 Broadcasting	12,460,751	14,471,449	13,119,962	-1,351,487	-9.3%
04 Content Enterprises	5,005,050	4,876,840	5,277,226	400,386	8.2%
<b>Total Expenditures</b>	<b>\$ 29,473,754</b>	<b>\$ 30,498,909</b>	<b>\$ 30,028,992</b>	<b>-\$ 469,917</b>	<b>-1.5%</b>
General Fund	\$ 9,992,574	\$ 9,272,991	\$ 9,143,000	-\$ 129,991	-1.4%
Special Fund	16,491,342	16,468,332	17,642,652	1,174,320	7.1%
Federal Fund	2,989,838	4,757,586	3,243,340	-1,514,246	-31.8%
<b>Total Appropriations</b>	<b>\$ 29,473,754</b>	<b>\$ 30,498,909</b>	<b>\$ 30,028,992</b>	<b>-\$ 469,917</b>	<b>-1.5%</b>

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