



April 6, 2023

MEMORANDUM

TO: Krystal Oriadha, Chair
Health, Human Services and Public Safety (HHSPS) Committee

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Anya Makarova 
Senior Budget and Policy Analyst

RE: The Prince George's Arts and Humanities Council
Fiscal Year 2024 Budget Review (Non-Departmental Grants & Transfer Payments)

The Prince George's Arts and Humanities Council (PGAHC) is a not-for-profit organization, established through County Charter, and funded, in part, by Prince George's County government grants through non-Departmental allocations.

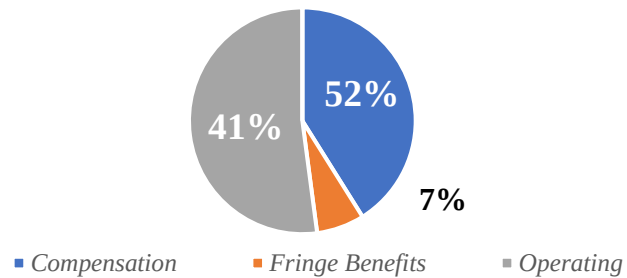
Budget Overview

FY 2024 Proposed Budget

- FY 2024 proposed revenues for PGAHC total \$1,265,800, a decrease of \$524,400, or 29.3%, below the FY 2023 Approved Budget. In FY 2024, proposed revenues include:
 - *County sources:* A grant from the County Executive in the amount of \$414,000, which represents a \$14,000 (3.5%) increase from the FY 2023 funding level of \$400,000.
 - *County sources:* Historically, in addition to grant from the County Executive, PGAHC has received funds from County Council grant. No County Council grant funds are included in the proposed budget to support PGACH, representing a decrease of \$100,000 from the FY 2023 funding level. The Council typically provides funding for PGAHC through Non-Departmental allocation.
 - *Other funding sources:* PGAHC's other main sources of revenue include funding from Maryland State Capital Grants (\$300,000), Maryland State Arts Council (\$244,800), M-NCPPC (\$120,000), and other sources.

- In FY 2024 PGAHC proposes to spend \$659,400 on operating expenses (52%), \$520,000 on compensation (41%), and the remaining \$86,400 on fringe benefits (7%).

FY 2024 Proposed Budget Expenditures by Category



Multi-Year Revenues and Expenditures by Category

Category	FY 2021 Actual	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimated	FY 2024 Proposed	Change Amount	Percentage Change
REVENUES:							
County Grant-County Executive	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 414,000	\$ 14,000	3.5%
County Grant-County Council	300,000	100,000	100,000	100,000	-	\$ (100,000)	-100.0%
Office of Central Services-Arts in Public Places	66,600	375,176	75,000	457,400	75,000	\$ -	0.0%
M-NCPPC	47,500	125,946	120,000	120,000	120,000	\$ -	0.0%
Maryland State Arts Council	189,100	296,342	210,200	499,800	244,800	\$ 34,600	16.5%
Emergency Relief Funds	237,400	-	-	-	-	\$ -	n/a
American Rescue Plan Act Grant	-	164,714	500,000	677,400	-	\$ (500,000)	-100.0%
Maryland State Capital Grants	-	-	300,000	537,500	300,000	\$ -	0.0%
Public/Private/Other Revenue	78,300	409,115	50,000	350,000	77,000	\$ 27,000	54.0%
Facility-Based Revenue	-	142,091	-	180,000	-	\$ -	n/a
Film Office Revenue	-	-	-	50,000	-	\$ -	n/a
Other Service Contracts	362,900	6,932	10,000	20,000	10,000	\$ -	0.0%
Special Events	-	-	25,000	25,000	25,000	\$ -	0.0%
Total Revenues	\$ 1,681,800	\$ 2,020,316	\$ 1,790,200	\$ 3,417,100	\$ 1,265,800	\$ (524,400)	-29.3%
EXPENDITURES:							
Compensation	\$ 451,100	\$ 339,311	\$ 493,300	\$ 802,900	\$ 520,000	\$ 26,700	5.4%
Fringe Benefits	35,800	209,653	78,900	128,400	86,400	\$ 7,500	9.5%
Sub-Total	\$ 486,900	\$ 548,964	\$ 572,200	\$ 931,300	\$ 606,400	\$ 34,200	6.0%
Operating:							
Accounting & Audit	\$ 46,200	\$ 52,568	\$ 38,500	\$ 60,000	\$ 38,500	\$ -	0.0%
Program & Marketing	79,500	12,679	100,000	70,000	40,000	\$ (60,000)	-60.0%
General Arts Programming	555,600	188,715	493,000	225,000	270,000	\$ (223,000)	-45.2%
Facility Based Arts Program	0	272,235	0	240,000	191,800	\$ 191,800	n/a
General & Administrative	120,300	128,073	86,500	150,000	97,100	\$ 10,600	12.3%
Film Office Program	61,800	174,906	500,000	677,400	0	\$ (500,000)	-100.0%
Public Art Creating Placemaking	281,300	413,342	0	1,016,400	0	\$ -	n/a
Office of Poet Laureate	0	22,000	0	47,000	22,000	\$ 22,000	n/a
Total Operating Expenditures	\$ 1,144,700	\$ 1,264,518	\$ 1,218,000	\$ 2,485,800	\$ 659,400	\$ (558,600)	-45.9%
Total Expenditures:	\$ 1,631,600	\$ 1,813,482	\$ 1,790,200	\$ 3,417,100	\$ 1,265,800	\$ (524,400)	-29.3%
Excess Revenues over Expenditures:	\$ 50,200	\$ 206,834	\$ 0	\$ 0	\$ 0	\$ 0	

FY 2023 Spending

- FY 2023 estimated revenues for PGAHC total \$3,417,100, representing an increase of \$1,626,900, or 91%, above the FY 2023 Approved Budget of \$1,790,200. The top categories where estimated revenues have significantly exceeded initial budget include:
 - Office of Central Services – Arts in Public Places (\$382,400 increase in estimated spending above the initial budget)
 - Public/private/other revenues (\$300,000 increase in estimated spending above the initial budget)
 - Maryland State Arts Council (\$289,600 increase in estimated spending above the initial budget)
 - According to the PGAHC, some projects, such as the County’s Arts in Public Places and Maryland State Capital Grant program are being realized at a significantly higher level in FY 2023 because construction projects experienced significant delays and cost increases in FY 2021 and FY 2022, contributing to the increased revenues in FY 2023.
 - All categories in which FY 2023 estimated level of revenues and expenditures is different from the FY 2023 initial budget level are depicted in the accompanying table.

Category	FY 2023 Approved	FY 2023 Estimated	Change Amount	Percentage Change
<u>REVENUES:</u>				
County Grant-County Executive	\$ 400,000	\$ 400,000	\$ -	0.0%
County Grant-County Council	100,000	100,000	\$ -	0.0%
Office of Central Services-Arts in Public Places	75,000	457,400	\$ 382,400	509.9%
M-NCPPC	120,000	120,000	\$ -	0.0%
Maryland State Arts Council	210,200	499,800	\$ 289,600	137.8%
Emergency Relief Funds	-	-	\$ -	n/a
American Rescue Plan Act Grant	500,000	677,400	\$ 177,400	35.5%
Maryland State Capital Grants	300,000	537,500	\$ 237,500	79.2%
Public/Private/Other Revenue	50,000	350,000	\$ 300,000	600.0%
Facility-Based Revenue	-	180,000	\$ 180,000	100.0%
Film Office Revenue	-	50,000	\$ 50,000	100.0%
Other Service Contracts	10,000	20,000	\$ 10,000	100.0%
Special Events	25,000	25,000	\$ -	0.0%
Total Revenues	\$ 1,790,200	\$ 3,417,100	\$ 1,626,900	90.9%
<u>EXPENDITURES:</u>				
Compensation	\$ 493,300	\$ 802,900	\$ 309,600	62.8%
Fringe Benefits	78,900	128,400	\$ 49,500	62.7%
Sub-Total	\$ 572,200	\$ 931,300	\$ 359,100	62.8%
Operating:				
Accounting & Audit	\$ 38,500	\$ 60,000	\$ 21,500	55.8%
Program & Marketing	100,000	70,000	\$ (30,000)	-30.0%
General Arts Programming	493,000	225,000	\$ (268,000)	-54.4%
Facility Based Arts Programming	0	240,000	\$ 240,000	100.0%
General & Administrative	86,500	150,000	\$ 63,500	73.4%
Film Office Program	500,000	677,400	\$ 177,400	35.5%
Public Art Creating Placemaking	0	1,016,400	\$ 1,016,400	100.0%
Office of Poet Laureate	0	47,000	\$ 47,000	100.0%
Total Operating Expenditures	\$ 1,218,000	\$ 2,485,800	\$ 1,267,800	104.1%
Total Expenditures:	\$ 1,790,200	\$ 3,417,100	\$ 1,626,900	90.9%

Staffing Changes and Compensation

- In FY 2024, compensation is proposed at \$520,000, which is an increase of \$26,700, or 5.4%, above the FY 2023 approved level. FY 2024 proposed compensation includes a cost-of-living and merit increase for PGAHC employees. FY 2024 proposed compensation budget represents a 35% decrease from the FY 2023 estimated level of compensation expenditures.
- Currently, PGAHC uses Prince George's County Government funding sources to fund four (4) full-time employees, and two (2) funded vacant positions, which are expected to be filled in FY 2023. PGAHC also has three (3) part-time employees at Arts'tination, two (2) non-County grant funded positions that support its operations (Director of Film Office and Administrative Coordinator), and PGAHC uses contractors when necessary.
- The FY 2024 proposed budget includes Prince George's County Government funding sources to fund six (6) full-time employees.

Fringe Benefits

- Fringe benefit expenditures are proposed at \$86,400 in FY 2024. This is an increase of \$7,500, or 9.5%, from the FY 2023 approved level, to align with anticipated costs. FY 2024 proposed fringe budget represents a 33% decrease from the FY 2023 estimated level of fringe expenditures.

Operating Expenses

- In FY 2024, operating expenditures are proposed at \$659,400, which is a decrease of \$558,600, or 45.9%, below the FY 2023 approved operating expenses level. FY 2024 proposed compensation budget represents a 73.5% decrease from the FY 2023 estimated level of compensation expenditures.
- The most significant dollar increase/decreases between the FY 2024 Proposed Budget and the FY 2023 Approved Budget are in the following categories:
 - *Film Office Program* – proposed to decrease by \$500,000, or 100%, from the FY 2023 approved budget (or \$177,000, 26%, decrease from FY 2023 estimated level of expenditures). The decrease is related to the end of the American Rescue Plan Act (ARPA) grant proceeds. The grant was a two (2) year award with funding of \$500,000/per year, which ends in FY 2023.
 - *General Arts Programming* – proposed to decrease by \$223,000, or 45% below the FY 2023 approved level (or \$45,000, 20%, decrease from FY 2023 estimated level of expenditures).

Program Management

- PGAHC is governed by a 15-member Board of Directors with a mission to promote artistic excellence and expand arts opportunities for all citizens of Prince George's County and beyond. PGAHC provides advocacy, education, and financial support, and its core services include:
 - Administer grant programs for individual artists, arts organizations and other entities including the County's signature Community Grants Program (Artist Fellowships, County Arts, Arts-in-Education, and Public Art);
 - Administer the County's Arts In Public Places (AIPP) program on behalf of the County's Office of Central Services as well as other public art and creative placemaking programs throughout Prince George's County;
 - Provide industry standard best practices and professional development training for educators and artists to build a creatively engaging and vibrant arts community;
 - Manage the Prince George's County Office of the Poet Laureate which highlights literary arts and culture by promoting literacy and a countywide appreciation of poetry; and
 - Administer the Prince George's Film Office which promotes the advancement of the film and digital media industries in Prince George's County.
- FY 2024 PGAHC's goals remain unchanged:
 - To provide diverse and high-quality arts experiences, cultural engagement and humanities programming with a focus on equity and inclusion.
 - To enhance equitable learning environments with a focus on increasing high quality artisan education programs that support and enrich learning priorities for students and teachers, and diverse cultural experiences for K-12 aged children.
 - To expand high-quality multicultural programming to the residents of Prince George's County with a focus on arts deserts and underrepresented populations.
 - To advance arts-centered economic development through beautification initiatives revitalization programs and services to the County's creative community and industry sectors.
 - Transform/revitalize neighborhood and public spaces in the County through public art projects, creative placemaking initiatives and community engagement.
 - To increase film, television and entertainment industry projects in the County.
- Film Office:
 - The Film Grant Program launched in April 2022 funded by the American Rescue Plan Act grant received over \$2.2 million in grant requests for FY 2022 and FY 2023. A total of

\$173,971 in grant funds was awarded in FY 2022 and additional awards in the amount of \$135,000 were made in March 2023. Two (2) Film Grant Recipients have completed film projects and the remaining one (1) is expected to complete the project by June 2023. All productions were filmed in the County.

Film Grant Program	FY22 Round 1	FY23 Round 2	TOTAL
Funds Requested	\$ 934,500	\$ 1,310,563	\$2,245,063
Number of Applicants	24	30	
Grant Funds Awarded	\$ 173,971	\$ 135,000	\$ 308,971
Number of Grant Awards	4	3	

- In collaboration with the Bowie State University's Department of Fine Arts, the PGAHC Film Office held its inaugural Prince George's Film Festival, which provided technical assistance to the local film community through panel discussions, workshops and a juried film screening opportunities.
- PGAHC reports that *"the revamped website and platform, the Film Grant program and the inaugural film festival have catalyzed and strengthened the film industry and business."* The Council also notes that *"sustaining continued impact necessitates a full-time Film Office general Manger and a dedicated source for film industry grants and technical assistance."*
- Office of the Poet Laureate:
 - The Office focuses on literary arts and culture by promoting literacy and appreciation of poetry. Key programs administered by the Office are the Festival of Literary Arts (FOLA), and the inaugural Poetry Anthology.
 - In April 2022, PGAHC hosted the Festival of Literary Arts (FOLA) *"celebrating rich literary culture, engaging readers, supporting poets, writers, and literary scholars, facilitating conversations, and inspiring the next generation through great literature and poetry"* in a three-day online event.
 - In FY 2022 the Office of the Poet Laureate launched a call for poems for the County's first poetry anthology tentatively entitled "Poets That Dance with Words." Over 250 poems were submitted, and 160 poems were selected through a juried process to be published with publication date by the end of December 2023.
 - A new Prince George's County Poet Laureate will be announced in April, National Poetry Month. They will serve a 3-year term.
- Art in Public Places and Creative Placemaking:
 - Blue Line Corridor Public Art Strategy: PGAHC has secured funding to develop and implement a public art strategy that includes McCormick Drive, UMD Regional Medical Center Garage, Largo Metro Station, and the Addison Road/Central Avenue Corridor.
 - In spring of 2022 PGAHC partnered with LISC and Capital Market to develop enrichment activities focused on wellness, education and beautification at Addison Plaza, along the Blue

- Line Corridor, Addison Road metro location. Key initiatives are expected to take place in spring – fall of 2023.
- In FY 2023 PGAHC implemented an installation in Upper Marlboro for the Washington International Horse Show and completed a conservation installation at New Carrollton metro. In addition, PGAHC is working with municipalities to implement a public art bus shelter pilot program and develop public art strategies for transit-oriented development projects in the Blue Line Corridor and in Suitland community.
 - In addition to various public art initiatives, PGAHC continues to administer the County's Arts in Public Places program on behalf of the Office of Central Services.
 - Additional details about art in public places are provided in response to the *FY 2024 Budget Review First Round Question No. 15 (section 3)*.
- PGAHC operates two (2) facility-based arts incubator programs: DPark331 (Design Park 3311) and Arts'tination at National Harbor.
 - DPARK3311, which is located at 3311 Rhode Island Ave. in Mount Rainier, MD, is a creative arts incubator which is home to PGAHC's Fashion Design Residency Program & Media Lab. It also houses the Welcome Center for the City of Mount Rainier. DPARK3311 provides the following services 24 hours/day, at below market pricing to resident artists of the Gateway Lofts and non-resident members which include two (2) PC workstations and media suites (a Recording Studio, Film Editing Booth, Podcast Booth and a SMART Conference Room).
 - Arts'tination at the National Harbor is an experiential gallery and artist marketing hub that allows Artists to exhibit and sell their artwork and allows the community to participate in creative workshops. According to PGAHC, based on the recent survey for CY 2022, Arts'tination enabled resident and exhibiting artists and artisans to generate approximately \$172,000 in revenue through Arts'tination and in direct sales from their platforms. In FY 2023, over 8,300 visitors came to Arts'tination.
 - Other:
 - PGAHC, in partnership with the Prince George's County Community College's Center for Performing Arts, offer Community Voucher program, which provides discounted rates for art organizations, artists and arts businesses who otherwise may not afford the venue. Five (5) vouchers were awarded in FY 2022 and two (2) are in the process for FY 2023.
 - In March 2022, the PGAHC sponsored 50 Bowie State University students to travel and experience Broadway "MJ: The Musical".
 - In April 2022, in collaboration with the Prince George's County Memorial Library System, the Pebble Pop-Up Branch Library opened at the National Harbor at the Arts'tination gallery space. The library offers a collection of over 400 books with a focus on fine and performing arts for children, arts entrepreneurship books for adults, and offers various community events (book discussions, art workshops, story times, etc.).

- On June 19, 2022, PGAHC partnered with National Harbor to hold the first Juneteenth Freedom Day Celebration at National Harbor, which was attended by over 250 people.
 - Since April 2022, PGAHC partnered with the Brandywine Revitalization Committee and various community stakeholders to assist with the development of a revitalization strategy for historic Brandywine. In October of 2022 “Oasis for the Arts: Celebrating Our Community, It’s History, and The Land” was held in Upper Marlboro. Additional activities are planned for FY 2023 and FY 2024 to implement “Oasis for the Arts”, South County Strategy as explained in response to the *FY 2024 First Round Budget Review Question No. 14*.
 - In collaboration with Employ Prince George’s, PGAHC participates in the Maryland State Certified Public Art Apprenticeship Program. The Public Art Apprenticeship Program currently has one (1) apprentice with a goal of hiring three (3) or more participants by the end of FY 2023.
 - Beginning in January 2023, PGAHC has partnered with PGCPS to provide six (6) professional development workshops and events for PGCPS teachers from January through May of 2023.
- PGAHC has established strategic partnerships with an array of organizations. These partnerships have allowed PGAHC to pursue collaborative environments for programs and facilities. For details on the existing partnerships, please refer to the response to the *FY 2024 Budget Review First Round Question No. 19*.
 - PGAHC has identified the following most critical issues it faces:
 - Sustainable County funding for critical positions
 - Securing increased financial support from business sector and private sector foundations
 - Website and social media platform upgrade (\$50,000 is needed to fund critical upgrades to the website. The current website can’t support current secure technology or data capacity/infrastructure needed for its art activities).
 - Please refer to the response to the *FY 2024 Budget Review First Round Question No. 16* for details.
 - *Key Challenge:* restoring Non-Departmental funding for Community Grants Program.
 - Due to pandemic, PGAHC lost \$200,000 in County Council’s Non-Departmental grant, which supports PGAHC’s Community Grants program. In FY 2021 and in prior years PGAHC received \$300,000 County Council’s Non-Departmental grant award annually. In both FY 2022 and FY 2023 the annual award was reduced by \$200,000 and was \$100,000, significantly reducing the number and amounts of awards PGAHC could make to artists and art organization in the County.
 - PGAHC reports that “we were told that our funding was not awarded due to COVID, and that our funding could be partially or fully restored in FY 2023.”

- Prior to the reduction in funding, PHAHC made annual awards in four (4) categories: Artist Fellowships, Arts in Education, County Arts and Public Art to individual artists, arts organizations, and schools for a variety of projects.
- To support Community Grants program, in FY 2023 PGAHC applied for and was awarded \$50,000 from the National Endowment for the Arts matching grant for Local Arts Agencies for regranting. PGAHC needs to identify matching funds to begin the award process.
- PGAHC reports that *“to compensate for the loss of grants funding for our Community Grants Program... PGAHC hosted two well attended technical assistance workshops with the Maryland State Arts Council (MSAC) – for Prince George’s County artists and organizations, to increase the capacity and numbers of the Prince George’s County creative community”*.

PGAHC Community Grants Program				
FY20	Number of Applicants	Funds Requested	Number of Grant Recipients	Funds Awarded
Artist Fellowships	16	\$ 76,004	5	\$18,079
Arts in Education	20	\$ 75,475	9	\$29,645
County Arts	11	\$ 78,573	2	\$12,180
Public Art (not offered)	N/A			
FY21	Number of Applicants	Funds Requested	Number of Grant Recipients	Funds Awarded
Artist Fellowships	72	\$347,841	29	\$125,213
Arts in Education	6	\$23,500	3	\$8,550
County Arts	9	\$77,750	6	\$41,250
Public Art	6	\$40,000	5	\$25,000
FY22*	Number of Applicants	Funds Requested	Number of Grant Recipients	Funds Awarded
(One category)				
Artist Fellowships	N/A			
Arts in Education	21	\$120,460	10	\$32,000
County Arts	N/A			
Public Art	N/A			
FY23	Number of Applicants	Funds Requested	Number of Grant Recipients	Funds Awarded
(Not announced - TBD)				
Artist Fellowships	N/A			
Arts in Education	N/A			
County Arts	N/A			
Public Art	N/A			

- PGAHC top priorities in FY 2024 are:
 - Restore funding for Community Grants program and Film Grants Program
 - Develop PGAHC 5 Year Strategic Plan
 - Work with municipalities on creative place-making strategies including Blue Line Corridor