

Prince George's Arts and Humanities Council Fiscal Year 2023 Budget Review Summary

Proposed FY 2023 Operating Budget

Income Sources

Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	% Change Est vs App	FY 2023 Proposed	\$ Change	% Change
County Grant	\$ 700,000	\$ 500,000	\$ 500,000	0.0%	\$ 400,000	\$ (100,000)	-20.0%
Other Sources	981,800	990,200	1,704,800	72.2%	1,290,200	300,000	30.3%
Total	\$ 1,681,800	\$ 1,490,200	\$ 2,204,800	48.0%	\$ 1,690,200	\$ 200,000	13.4%

FY 2023 Proposed Budget – Key Highlights

- FY 2023 Proposed Budget for the Prince George's Arts and Humanities Council (PGAHC) is approximately \$1.7 million, an increase of \$200,000, or 13.4%, above the FY 2022 Approved Budget. In FY 2023, PGAHC County funding is proposed at \$400,000 and will be received from the County Executive through an annual County grant in the Non-Departmental section of the budget. Historically, PGAHC has received additional County funding from County Council grants.
- In FY 2023, compensation is proposed at \$493,300, which is a decrease of \$13,700, or 2.7%, below the FY 2022 approved level. FY 2023 proposed compensation includes a cost-of-living/merit increase for PGAHC employees (a total of 3%). The FY 2023 proposed budget includes funding for six (6) full-time employees and one (1) part-time employee.
- In FY 2023, operating expenditures are proposed at approximately \$1.1 million, which is an increase of \$215,800, or 23.9%, above the FY 2022 approved level. The most significant dollar increase between the FY 2023 Proposed Budget and the FY 2022 Approved Budget are in Film Office program expenses and is attributed to the receipt and anticipated usage of American Rescue Plan Act grant funding (The grant is a two (2) year grant with funding of \$500,000/per year). The most significant dollar decrease between the FY 2023 Proposed Budget and the FY 2022 Approved Budget are in Arts Programming and is attributed to the reduction in County Council Non-Departmental funding which impacts PGAHC's ability to fund the Community Grants Program.
- PGAHC is requesting additional funds in their FY 2023 budget of \$182,200 for the following:
 - Conversion of existing part-time Administrative Officer position to a full-time position at a cost of \$42,500. Currently, the part-time position manages PGAHC's human resources, intern program, board operation and development, and other administrative duties. The FY 2023 Proposed Budget has \$42,500 allocated for this part-time position.
 - Film Business Developer position at a cost of \$89,700. This position is responsible for administering and running PGAHC's American Rescue Plan Act (ARPA) grant. This position was covered by grant funding in FY 2022, however due to a 10% cap imposed by the County for program staff and administrative expenses grant funding can't be utilized for this position.
 - Fund critical upgrades to its website at cost of \$50,000. The current website can't support current secure technology or data capacity/infrastructure needed for its art activities.
- PGAHC top priorities in FY 2023 are to (1) catalyze artistic excellence and innovation through an equity lens, expand grant making programs, and revitalize neighborhood and public spaces through capacity building, innovative design and creative placemaking; (2) advance arts-centered economic development by fueling economic recovery and job growth with a focus on the film and entertainment and creative industry sectors; (3) elevate and strengthen community arts and social practice by building equitable learning environments and programs for residents of all ages, with a focus on K-12 programs and underserved populations; and (4) build connections, community engagement and pride throughout Prince George's County.

Expenditure Categories

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
Compensation	\$ 451,100	\$ 507,000	\$ 471,600	\$ 493,300	\$ (13,700)	-2.7%
Fringe Benefits	35,800	81,000	78,000	78,900	\$ (2,100)	-2.6%
Operating Expenses	1,144,700	902,200	1,655,200	1,118,000	\$ 215,800	23.9%
Total	\$ 1,631,600	\$ 1,490,200	\$ 2,204,800	\$ 1,690,200	\$ 200,000	13.4%



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

May 5, 2022

MEMORANDUM

TO: Sydney J. Harrison, Chair
 Health, Human Services and Public Safety (HHS) Committee

THRU: Turkessa M. Green, County Auditor *TMG*

FROM: Larry Whitehurst Jr., Audit Manager *LW*

RE: The Prince George's Arts and Humanities Council
 Fiscal Year 2023 Budget Review (Non-Departmental Grants & Transfer Payments)

Budget Overview

The Prince George's Arts and Humanities Council (PGAHC) receives its County funding through an annual County grant in the Non-Departmental section of the budget. PGAHC's proposed FY 2023 budget reflects County grant funding in the amount of \$400,000, a decrease of \$100,000 compared to the FY 2022 County approved funding level.

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023:

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	Change Amount	Percentage Change
Prince George's County Grant	\$ 700,000	\$ 500,000	\$ 500,000	\$ 400,000	\$ (100,000)	-20.0%

Budget Comparison - Consolidated Budget

FY 2023 proposed revenues for PGAHC total \$1,690,200, an increase of \$200,000, or 13.4%, above the FY 2022 Approved Budget. The organization's grant from the County Executive remains consistent with the FY 2022 approved level of \$400,000. Historically, PGAHC has received additional County funding from County Council grants. PGAHC's other main sources of revenue include funding from the American Rescue Plan Act (\$500,000), Maryland State Capital Grants (\$300,000), and Maryland State Arts Council (\$210,000).

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	Change Amount	Percentage Change
<u>REVENUES:</u>						
County Grant-County Executive	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ -	0.0%
County Grant-County Council	300,000	100,000	100,000	-	(100,000)	-100.0%
Office of Central Services-Arts in Public Places	66,600	75,000	75,000	75,000	-	0.0%
M-NCPPC	47,500	120,000	120,000	120,000	-	0.0%
Maryland State Arts Council	189,100	210,200	244,800	210,200	-	0.0%
Emergency Relief Funds	237,400	200,000	-	-	(200,000)	-100.0%
American Rescue Plan Act Grant	-	-	500,000	500,000	500,000	N/A
Maryland State Capital Grants	-	300,000	500,000	300,000	-	0.0%
Public/Private/Other Revenue	78,300	50,000	230,000	50,000	-	0.0%
Other Service Contracts	362,900	10,000	10,000	10,000	-	0.0%
Special Events	-	25,000	25,000	25,000	-	0.0%
Total Revenues	\$ 1,681,800	\$ 1,490,200	\$ 2,204,800	\$ 1,690,200	\$ 200,000	13.4%
<u>EXPENDITURES:</u>						
Compensation	\$ 451,100	\$ 507,000	\$ 471,600	\$ 493,300	\$ (13,700)	-2.7%
Fringe Benefits	35,800	81,000	78,000	78,900	(2,100)	-2.6%
Sub-Total	\$ 486,900	\$ 588,000	\$ 549,600	\$ 572,200	\$ (15,800)	-2.7%
Operating:						
Accounting & Audit	\$ 46,200	\$ 51,000	\$ 44,000	\$ 38,500	\$ (12,500)	-24.5%
Program & Marketing	79,500	100,000	100,000	100,000	0	0.0%
Arts Programming	555,600	664,700	573,200	401,500	(263,200)	-39.6%
General & Administrative	120,300	86,500	78,000	78,000	(8,500)	-9.8%
Film Office Program	61,800	0	500,000	500,000	500,000	N/A
Artist Commissions Phase 1 Installations	281,300	0	360,000	0	0	N/A
Total Operating Expenditures	\$ 1,144,700	\$ 902,200	\$ 1,655,200	\$ 1,118,000	\$ 215,800	23.9%
Total Expenditures:	\$ 1,631,600	\$ 1,490,200	\$ 2,204,800	\$ 1,690,200	\$ 200,000	13.4%
Excess Revenues over Expenditures:	\$50,200	\$0	\$0	\$0	\$0	

Funded Positions

	FY 2022 Staffing Level	FY 2023 Staffing Level	Change Amount	Percentage Change
Full-Time	6	6	0	0.0%
Part-Time	1	1	0	0.0%
Total	7	7	0	0.0%

Staffing Changes and Compensation

- In FY 2023, compensation is proposed at \$493,300, which is a decrease of \$13,700, or 2.7%, below the FY 2022 approved level. FY 2023 proposed compensation includes a cost-of-living and merit increase for PGAHC employees (a total of 3%).
- Currently, PGHAC has five (5) full-time employees, one (1) funded vacant position, one (1) part-time employee, and one (1) grant funded contract position that supports its operations.
- The FY 2023 proposed budget includes funding for six (6) full-time employees and one (1) part-time employee. PGHAC plans to add a new Administrative Coordinator contract position which will be funded by COVID relief funding. PGHAC is requesting additional funding to support the following positions:
 - Conversion of an existing part-time Administrative Officer position to a full-time position at a cost of \$42,500. Currently, the part-time position manages PGAHC’s human resources, intern program, board operation and development, and other administrative duties. The FY 2023 Proposed Budget includes \$42,500 allocated for this part-time position.
 - A Film Business Developer position at a cost of \$89,700. This position is responsible for administering and running PGAHC’s American Rescue Plan Act (ARPA) grant. This position was covered by grant funding in FY 2022, however due to a 10% cap imposed by the County for program staff and administrative expenses grant funding can’t be utilized for this position.

Fringe Benefits

- Fringe benefit expenditures are proposed at \$78,900 in FY 2023. This is a decrease of \$2,100, or 2.6%, from the FY 2022 approved level, to align with anticipated costs.

Operating Expenses

- In FY 2022, operating expenditures are proposed at \$1,118,000, which is an increase of \$215,800, or 23.9%, above the FY 2022 approved level. The most significant dollar increase/decreases between the FY 2023 Proposed Budget and the FY 2022 Approved Budget are in the following categories:
 - Film Office Program - which increases by \$500,000. The increase is related to the receipt of ARPA grant proceeds. The grant is a two (2) year grant with funding of \$500,000/per year.

- Arts Programming – which decreases by \$263,300. The decrease is a result of the reduction in County Council Non-Departmental funding which impacts PGAHC’s ability to fund the Community Grants Program. This program awards grants annually in four (4) categories to individual artists, art organizations, and schools for a variety of projects. In FY 2021 PGAHC experienced a 300% increase in applications and awarded \$200,013 to 43 grantees representing every District in the County. As of April 2022, PGAHC has received \$22,000 in Special Appropriation grant funding.
- PGAHC is requesting \$50,000 to enhance the FY 2023 proposed budget to fund critical upgrades to its website. The current website can’t support current secure technology or data capacity/infrastructure needed for its art activities.

Highlights

- PGAHC is governed by a 13-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 accomplishes this by providing an energetic program of advocacy, education, and financial support. PGAHC’s core services are as follows:
 - 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.
- Some of PGAHC’s FY 2022 key accomplishments included the following:
 - Exceeding goals to increase the capacity and expand the geographic distribution of grant making programs, including the Community Grants Program and Emergency Arts Relief Programs;
 - Adding public arts category for planning and implementation to build capacity, empower and strengthen creative placemaking infrastructure in under-represented municipalities and neighborhoods;
 - Launching Design Park 3311 and Arts’tination, two arts-centered economic development and recovery programs, for the Prince George’s County creative community;
 - Launching the Bus Shelter Public Art Pilot Program in six municipalities and implemented multiple public art and creative placemaking initiatives throughout Prince George’s County; and
 - Establishing cross-agency Memoranda of Understanding including the Prince George’s Community College, Center for Performing Arts, Bowie State University, Fine and Performing Arts Center and Mission of Love to reach underrepresented populations.

- PGAHC top priorities in FY 2023 are to (1) catalyze artistic excellence and innovation through an equity lens, expand grant making programs and revitalize neighborhood and public spaces through capacity building, innovative design and creative placemaking, (2) advance arts-centered economic development by fueling economic recovery and job growth with a focus on the film and entertainment and creative industry sectors, (3) elevate and strengthen community arts and social practice by building equitable learning environments and programs for residents of all ages, with a focus on K-12 programs and underserved populations, and (4) build connections, community engagement and pride throughout Prince George's County.
- In FY 2022, PGAHC revenue estimates exceed the FY 2022 budgeted amount by approximately \$700,000. Most of the unanticipated revenue pertained to COVID/ARPA grant funds received to fund the Film Office program. *For a comprehensive listing of all successful FY 2022 grant applications see PGAHC's First Round Responses Attachment III.*
- PGAHC has proactively entered into seven (7) strategic partnerships with a Memorandum of Understanding (MOU) to strengthen our ability to accomplish our strategic goals and mission. These partnerships have allowed PGAHC to pursue collaborative environments for programs and facilities. *For details on these MOUs refer to PGAHC's First Round Response to Question #19.*
- PGAHC partners with several county agencies to fulfill its objectives. Some details of these partnerships are listed as follows:
 - Being located within the Blue Line Corridor and on the planning team, PGAHC integrates creative placemaking and public art strategies within other agency initiatives including the Redevelopment Authority, Revenue Authority, Department of Public Works & Transportation (DPW&T) and Maryland-National Capital Park and Planning Commission (M-NCPPC) and the Office of Stakeholder Engagement.
 - PGAHC has launched the first Maryland State approved public art apprenticeship program in collaboration with Employ Prince George's to increase local workforce development opportunities in the creative industries.
 - PGAHC's Film Office is collaborating with Experience Prince George's on promotion strategies through the Reel Scout film industry platform to give access to the County's diverse sites and geographic assets for film locations. PGAHC is also collaborating on a branding campaign highlighting arts and culture in the County.
 - Other partnerships with arts programming include M-NCPPC, Prince George's County Public Schools, the Prince George's County Memorial Library System, and recently the Office of Multicultural Affairs.
- PGAHC has focused on Art Deserts and under-represented populations by awarding four (4) vouchers through collaboration with the Prince George's Community College Center for Performing Arts. Additionally, through public arts projects, creative placemaking initiatives, and community engagement PGAHC has completed five (5) new public art installations inclusive of under-represented areas including District Heights, Fairmount Heights, Seat Pleasant and Capital Heights.
- The PGAHC Film Office has increased capacity building and technical support for the film industry sector by supporting 29 of the 31 projected County-based film projects and implemented the Reel Scout platform which will increase capacity of information gathering and site sharing within the Prince George's County film industry.

COVID-19 Challenges

- PGAHC was able to shift to virtual operations quickly, transitioning most of its programs virtually. However, not all employees had the technology at home to effectively operate. This initially presented challenges to service delivery, but these challenges were resolved quickly.
- PGAHC had two (2) programs that were directly affected by COVID-19 which will consequently carryover which into the FY 2023 budget.
 - 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). PGAHC had to suspend almost all programs and revenue generating activities as a direct result of COVID-19 and delayed their grand opening.
 - 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. Arts'tination operations were impacted just before and during the winter holidays and at the beginning of January due to the rise of the Omicron variant. That resulted in cancelled artist receptions and workshops, and reduced hours of operations. As of December 31, 2021, Arts'tination has enabled County visual and performing artists to generate over \$110,000 in sales, new commissions/contracts, and performance fees, approximately \$14,400 in earned revenue for PGAHC, and over \$50,000 in contracts with County businesses and vendors. *A listing of participating artists can be viewed in the PGAHC's second round responses to Question #3.*