





April 3, 2025

MEMORANDUM

TO: Wanika Fisher, Chair
Health, Human Services and Public Safety Committee (HHSPS)

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis

FROM: Malcolm Moody - 
Legislative Budget and Policy Analyst

RE: The Prince George's Arts and Humanities Council
Fiscal Year 2026 Budget Review (Non-Departmental Grants & Transfer Payments)

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

Budget Overview

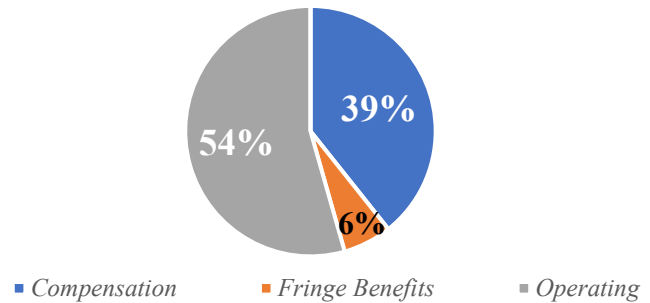
FY 2026 Proposed Budget

- FY 2026 proposed revenues for PGAHC total \$1,645,000, a decrease of \$118,300, or 6.7%, below the FY 2025 Approved Budget. In FY 2026, proposed revenues include:
 - *County sources:* A grant from the County Executive in the amount of \$393,300, which is a decrease from the FY 2025 funding level of \$414,000. Two County Council grant funds have been excluded in the proposed budget which have been previously used to support PGAHC. The County Grant – Film Office Revenue (\$200,000) and County Grant – Film Office Revenue (\$50,000) represent a decrease of \$250,000 from the FY 2025 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 (\$266,700) representing an increase of \$2,400 from the FY 2025 funding level, M-NCPPC (\$300,000) an increase of \$180,000 from the FY 2025 funding level, and other sources.

- In FY 2026 PGAHC proposes to spend \$895,000 on operating expenses (54%), \$646,600 on compensation (39%), and the remaining \$103,400 on fringe benefits (6%).

See Appendix A (Pg. 5) for Multi-Year Revenues and Expenditures by Category.

FY 2026 Proposed Budget Expenditures by Category



FY 2025 Spending

- FY 2025 estimated revenues for PGAHC total \$1,954,300, representing an increase of \$191,000, or 10.8%, above the FY 2025 Approved Budget of \$1,763,300. The top categories where estimated revenues have significantly exceeded initial budget include:
 - M-NCPPC (\$180,000 increase in estimated spending above the initial budget)
 - Special Events (\$13,600 increase in estimated spending above the initial budget)
 - Maryland State Arts Council (\$2,400 increase in estimated spending above the initial budget)
 - *See Appendix B (Pg. 6) for Revenue and Expenditure breakdown for FY 2025 Approved/Estimated.*

Staffing Changes and Compensation

- In FY 2026, compensation is proposed at \$646,600, which is an increase of \$97,600, or 17.8%, above the FY 2025 approved level. FY 2026 proposed compensation increase is solely due to the annualization of FY 2025 salary adjustments. FY 2026 proposed compensation budget represents a 7.1% decrease from the FY 2025 *estimated* level of compensation expenditures.

Fringe Benefits

- Fringe benefit expenditures are proposed at \$103,400 in FY 2026. This is an increase of \$15,600, or 17.8%, above the FY 2025 approved level, to align with anticipated costs. FY 2026 proposed fringe budget represents a 7.2% decrease from the FY 2025 *estimated* level of fringe expenditures.

Operating Expenses

- In FY 2026, operating expenditures are proposed at \$895,000, which is a decrease of \$231,500, or 20.6%, below the FY 2025 approved operating expenses level. FY 2026 proposed compensation budget represents a 21.9% decrease from the FY 2025 *estimated* level of operating expenditures.
- The most significant dollar increase/decreases between the FY 2026 Proposed Budget and the FY 2025 Approved Budget are in the following categories:

- *General Arts Programming*—Proposed at \$68,000, which is a decrease of \$192,000, or 74%, below the FY 2025 approved level of \$260,000.
- *Facility Based Arts Programming* – Proposed at \$240,000, which is a decrease of \$50,000, or 17%, below the FY 2025 approved level of \$290,000.
- *General Marketing* – Proposed at \$20,000, which is an increase of \$8,000, or 66.7%, above the FY 2025 approved level of \$12,000.

Program Management

- PGAHC is governed by a 16-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.
- FY 2026 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.
 - To increase capacity building and technical support for the Creative Business industry sector, DPARK 3311 (Design Park) and Arts'tination at National Harbor.
- Film Office:
 - Provides one-stop comprehensive services to the County’s growing cluster of emerging film production, entertainment, and related companies.
- Office of the Poet Laureate:
 - Legislative arts agency of the County that is dedicated to advancing arts, culture, and humanities.
- Art in Public Places and Creative Placemaking:
 - Projects:
 - Creative Suitland Initiative
 - Blue Line Corridor cultural and community engagement planning and implementation program
 - LOVE MY LARGO (April 5, 2025)

- 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.
- PGAHC has identified the following most critical issues it faces as the following:
 - Increasing Staff Levels
 - Increased staffing levels needed to support growth.
 - Diversification of Funding Sources
 - The PGAHC currently being heavily reliant on county funding, grants, and allocations as its primary source of funding. These funding sources are important but are subject to fluctuations.
 - Advancing the new Central Library and Cultural Center.
 - Increase equity and access to affordable arts and cultural spaces.
 - Please refer to the response to the *FY 2026 Budget Review First Round Question No. 18* for additional details.

Impact of Known or Anticipated Federal/State Changes or Actions

- PGAHC has identified the following as an impact of recent proposed federal budget cuts:
 - Cuts to the National Endowment for the Arts (NEA) would have significant operational and fiscal impacts in the areas of re-granting, public art, creative workforce development, and arts-based community engagement.
 - PGAHC's FY 25 NEA grant award of \$50,000 for its Community Grant Program is currently on hold due to the freeze on Federal grants.
 - NEA is also a major funder of the Maryland State Arts Council, which is a source of their annual CAD grant used to support county arts agencies.
 - Loss of American Rescue Plan Act (ARPA) funding resulted in an end to Film Grants to County Filmmakers and funding assistance to the Prince George's County Film Festival.

Appendix A

Multi-Year Revenues and Expenditures by Category

| Category | FY 2023 Actual | FY 2024 Actual | FY 2025 Approved | FY 2025 Estimate | FY 2026 Proposed | Change Amount | Percentage Change |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| <u>REVENUES:</u> | | | | | | | |
| County Grant-County Executive | \$ 400,000 | \$ 414,000 | \$ 414,000 | \$ 414,000 | \$ 393,300 | \$ (20,700) | -5.0% |
| County Grant - Film Office Revenue | - | - | 50,000 | 50,000 | - | \$ (50,000) | -100.0% |
| County Grant-County Council | 100,000 | 200,000 | 200,000 | 200,000 | - | \$ (200,000) | -100.0% |
| American Rescue Plan Act Grant | 387,214 | 250,000 | - | - | - | \$ - | #N/A |
| Facility-Based Revenue | 153,746 | 150,100 | 155,000 | 150,000 | 150,000 | \$ (5,000) | -3.2% |
| M-NCPPC | 120,000 | 120,000 | 120,000 | 300,000 | 300,000 | \$ 180,000 | 150.0% |
| Maryland State Arts Council | 582,188 | 263,800 | 264,300 | 266,700 | 266,700 | \$ 2,400 | 0.9% |
| Maryland State Capital Grants | 150,396 | 50,300 | 300,000 | 300,000 | 300,000 | \$ - | 0.0% |
| Office of Central Services-Arts in Public Places | 112,200 | 75,000 | 75,000 | 75,000 | 75,000 | \$ - | 0.0% |
| Other Service Contracts | - | 15,000 | 10,000 | 10,000 | 10,000 | \$ - | 0.0% |
| Public/Private Sector Grants/Other Revenue | 388,410 | 835,400 | 150,000 | 150,000 | 150,000 | \$ - | 0.0% |
| Special Events | - | - | 25,000 | 38,600 | - | \$ (25,000) | -100.0% |
| Total Revenues | \$ 2,394,154 | \$ 2,373,600 | \$ 1,763,300 | \$ 1,954,300 | \$ 1,645,000 | \$ (118,300) | -6.7% |
| <u>EXPENDITURES:</u> | | | | | | | |
| Compensation | \$ 595,923 | \$ 635,200 | \$ 549,000 | \$ 696,600 | \$ 646,600 | \$ 97,600 | 17.8% |
| Fringe Benefits | 65,571 | 107,600 | 87,800 | 111,400 | 103,400 | \$ 15,600 | 17.8% |
| Sub-Total | \$ 661,494 | \$ 742,800 | \$ 636,800 | \$ 808,000 | \$ 750,000 | \$ 113,200 | 17.8% |
| Operating: | | | | | | | |
| Accounting & Audit | \$ 56,000 | \$ 57,000 | \$ 56,000 | \$ 57,000 | \$ 57,000 | \$ 1,000 | 1.8% |
| General Marketing | 7,119 | 17,760 | 12,000 | 49,500 | 20,000 | \$ 8,000 | 66.7% |
| General Arts Programming | 259,372 | 251,100 | 260,000 | 260,000 | 68,000 | \$ (192,000) | -73.8% |
| Facility Based Arts Programming | 282,787 | 281,700 | 290,000 | 290,000 | 240,000 | \$ (50,000) | -17.2% |
| General & Administrative Expenses | 193,603 | 221,000 | 195,000 | 211,000 | 156,200 | \$ (38,800) | -19.9% |
| Film Office Program | 356,853 | 0 | 0 | 0 | 0 | \$ - | #N/A |
| Public Art Creative Placemaking | 273,474 | 0 | 0 | 0 | 0 | \$ - | #N/A |
| Office of Poet Laureate | 23,907 | 0 | 0 | 0 | 0 | \$ - | #N/A |
| Total Operating Expenditures | \$ 1,453,115 | \$ 828,560 | \$ 813,000 | \$ 867,500 | \$ 541,200 | \$ (271,800) | -33.4% |
| Total Expenditures: | \$ 2,114,609 | \$ 1,571,360 | \$ 1,449,800 | \$ 1,675,500 | \$ 1,291,200 | \$ (158,600) | -10.9% |
| Excess Revenues over Expenditures: | \$279,545 | \$802,240 | \$313,500 | \$278,800 | \$353,800 | \$40,300 | |

Appendix B
Revenues and Expenditures – FY 2025

| Category | FY 2025 Approved | FY 2025 Estimated | Change Amount | Percentage Change |
|--|---------------------|----------------------|-------------------|----------------------|
| <u>REVENUES:</u> | | | | |
| County Grant-County Executive | \$ 414,000 | \$ 414,000 | \$ - | 0.0% |
| County Grant-County Council | 200,000 | 200,000 | \$ - | 0.0% |
| Office of Central Services-Arts in Public Places | 75,000 | 75,000 | \$ - | 0.0% |
| M-NCPPC | 120,000 | 300,000 | \$ 180,000 | 150.0% |
| Maryland State Arts Council | 264,300 | 266,700 | \$ 2,400 | 0.9% |
| Maryland State Capital Grants | 300,000 | 300,000 | \$ - | 0.0% |
| Public/Private/Other Revenue | 150,000 | 150,000 | \$ - | 0.0% |
| Facility-Based Revenue | 155,000 | 150,000 | \$ (5,000) | 100.0% |
| Film Office Revenue | 50,000 | 50,000 | \$ - | 100.0% |
| Other Service Contracts | 10,000 | 10,000 | \$ - | 0.0% |
| Special Events | 25,000 | 38,600 | \$ 13,600 | 54.4% |
| Total Revenues | \$ 1,763,300 | \$ 1,954,300 | \$ 191,000 | 10.8% |
| <u>EXPENDITURES:</u> | | | | |
| Compensation | \$ 549,000 | \$ 696,600 | \$ 147,600 | 26.9% |
| Fringe Benefits | 87,800 | 111,400 | \$ 23,600 | 26.9% |
| Sub-Total | \$ 636,800 | \$ 808,000 | \$ 171,200 | 26.9% |
| Operating: | | | | |
| Accounting & Audit | \$ 56,000 | \$ 57,000 | \$ 1,000 | 1.8% |
| General Marketing | 12,000 | 49,500 | \$ 37,500 | 312.5% |
| General Arts Programming | 260,000 | 260,000 | \$ - | 0.0% |
| Facility Based Arts Programming | 290,000 | 290,000 | \$ - | 0.0% |
| General & Administrative Expenses | 195,000 | 211,000 | \$ 16,000 | 8.2% |
| Film Office Program | 0 | 0 | \$ - | #N/A |
| Public Art Creating Placemaking | 0 | 0 | \$ - | #N/A |
| Office of Poet Laureate | 0 | 0 | \$ - | #N/A |
| Total Operating Expenditures | \$ 813,000 | \$ 867,500 | \$ 54,500 | 6.7% |
| Total Expenditures: | \$ 1,449,800 | \$ 1,675,500 | \$ 225,700 | 15.6% |