

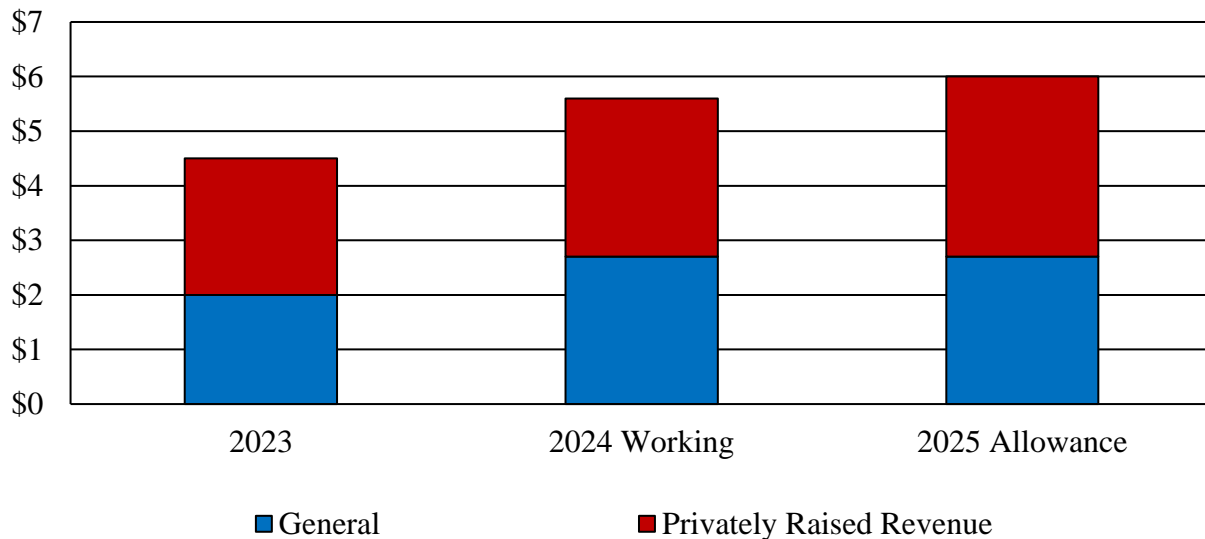
S50B01
Maryland African American Museum Corporation

Program Description

The Maryland African American Museum Corporation (MAAMC) was created in 1998 to plan, develop, and manage the Reginald F. Lewis Museum of Maryland African American History and Culture in Baltimore City. MAAMC’s mission is to be a resource regarding the lives of African American Marylanders by collecting, preserving, interpreting, documenting, and exhibiting contributions that represent their history. The corporation is a public instrumentality and an independent unit of the Executive Branch. The board of directors manages the corporation’s affairs.

Operating Budget Summary

Fiscal 2025 Budget Increases \$375,427, or 6.7%, to \$6.0 Million
(\$ in Millions)



Note: The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

- The State grant provided to MAAMC is level-funded at \$2.7 million in general funds in fiscal 2025. This grant accounts for 45.3% of MAAMC’s fiscal 2025 budget. Compared to the fiscal 2024 working appropriation, privately raised revenue in the fiscal 2025 allowance increases by \$375,427, or 6.7%, to \$3.3 million.

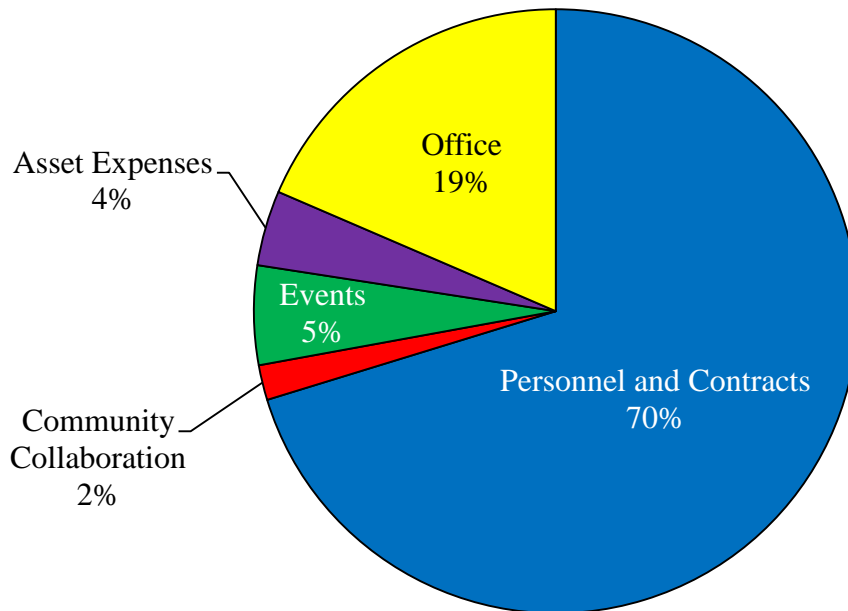
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Fiscal 2023

As shown in **Exhibit 1**, 70% of MAAMC spending in fiscal 2023 supported personnel, consultants, and contracting work. Additionally, 19% of expenses funded the technology used for operations in the MAAMC building. The building is owned by the State and operated by the corporation under a memorandum of understanding (MOU). Land for the museum is leased from Baltimore City. Baltimore City contributed to building the museum by leasing the land for \$1 per year for 98 years. Under the terms of the Land Disposition Lease Agreement, the property can only be used as a museum. In the event of any default, the land would revert to Baltimore City and the building back to the State. Asset expenses, which are 4% of the spending, cover lease, interest, investment, depreciation, and finance costs.

Exhibit 1
Spending by Use
Fiscal 2023
(\$ in Thousands)



Source: Maryland African American Museum Corporation

Proposed Budget Change

State support for MAAMC is budgeted as a general fund grant. The Governor’s fiscal 2025 allowance for the corporation is level-funded at \$2.7 million. An MOU between the museum and the Department of Budget and Management (DBM) includes a provision that the museum will match the State grant with its own earnings, although DBM waived this requirement for fiscal 2020 through 2022 due to the COVID-19 pandemic. As shown in **Exhibit 2**, MAAMC’s privately raised revenue did not match the general fund grant in fiscal 2021. However, the museum did exceed the match for fiscal 2022 and 2023. MAAMC estimates that it will exceed the match again in fiscal 2024 and 2025. In fiscal 2023, MAAMC’s total expenditures exceeded total revenue by \$170,000, primarily due to increased spending on personnel costs and a shortfall in contributions. **MAAMC should discuss the reasons for the fiscal 2023 deficit.**

Exhibit 2
Expenditures and Revenues
Maryland African American Museum Corporation
Fiscal 2021-2025 Est.
(\$ in Thousands)

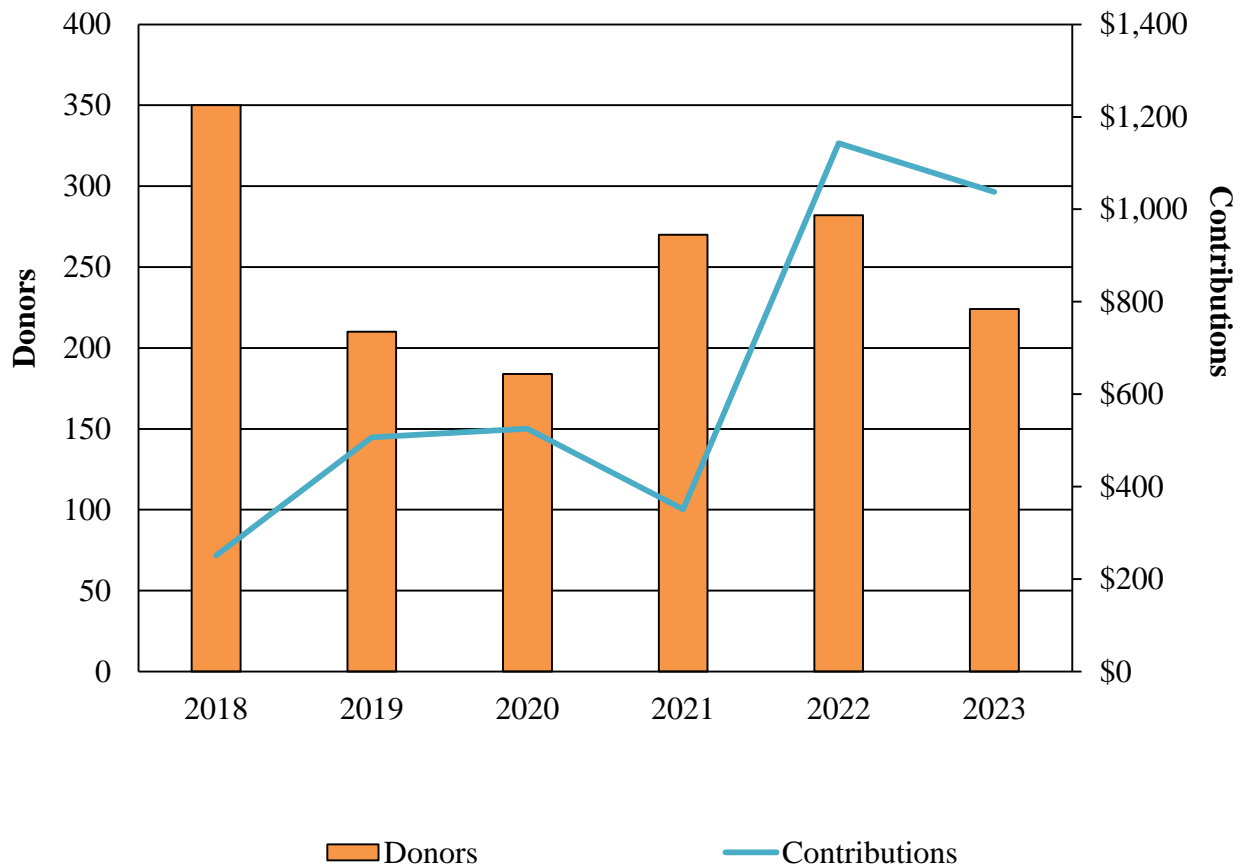
| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>Estimate</u> <u>2024</u> | <u>Estimate</u> <u>2025</u> | <u>Change</u> <u>2024-2025</u> | <u>% Change</u> <u>2024-2025</u> |
|----------------------------|----------------|----------------|----------------|--------------------------------|--------------------------------|-----------------------------------|-------------------------------------|
| Salaries and Wages | \$1,388 | \$1,959 | \$2,579 | \$2,743 | \$3,027 | \$284 | 10.4% |
| Technical and Special Fees | 79 | 104 | 120 | 126 | 87 | -40 | -31.6% |
| Fuel and Utilities | 250 | 271 | 268 | 256 | 271 | 16 | 6.1% |
| Contractual Services | 1,038 | 1,252 | 1,013 | 1,469 | 1,555 | 86 | 5.8% |
| Other Operating Costs | 210 | 240 | 649 | 856 | 958 | 101 | 11.8% |
| Total Expenses | \$2,966 | \$3,826 | \$4,629 | \$5,451 | \$5,898 | \$447 | 8.2% |
| General Funds | \$1,959 | \$1,959 | \$2,000 | \$2,700 | \$2,700 | \$0 | 0.0% |
| Privately Raised Revenue | 1,659 | 2,128 | 2,459 | 2,888 | 3,263 | 375 | 13.0% |
| Total Revenue | \$3,618 | \$4,087 | \$4,459 | \$5,588 | \$5,963 | \$375 | 6.7% |
| Change in Net Assets | \$653 | \$261 | -\$170 | \$137 | \$66 | -\$71 | -52.1% |

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

Source: Department of Budget and Management

As shown in **Exhibit 3**, the number of donors and sustained members decreased by 58 people in fiscal 2023 compared to 2022. In line with this trend, the total value of contributions decreased by \$104,900 from fiscal 2022 to 2023. The museum’s contributions come from hard dollar and in-kind support. Membership dues collected in fiscal 2023 totaled \$49,000 across 459 members.

Exhibit 3
Donors and Size of Charitable Contributions
Fiscal 2018-2023
(\$ in Thousands)



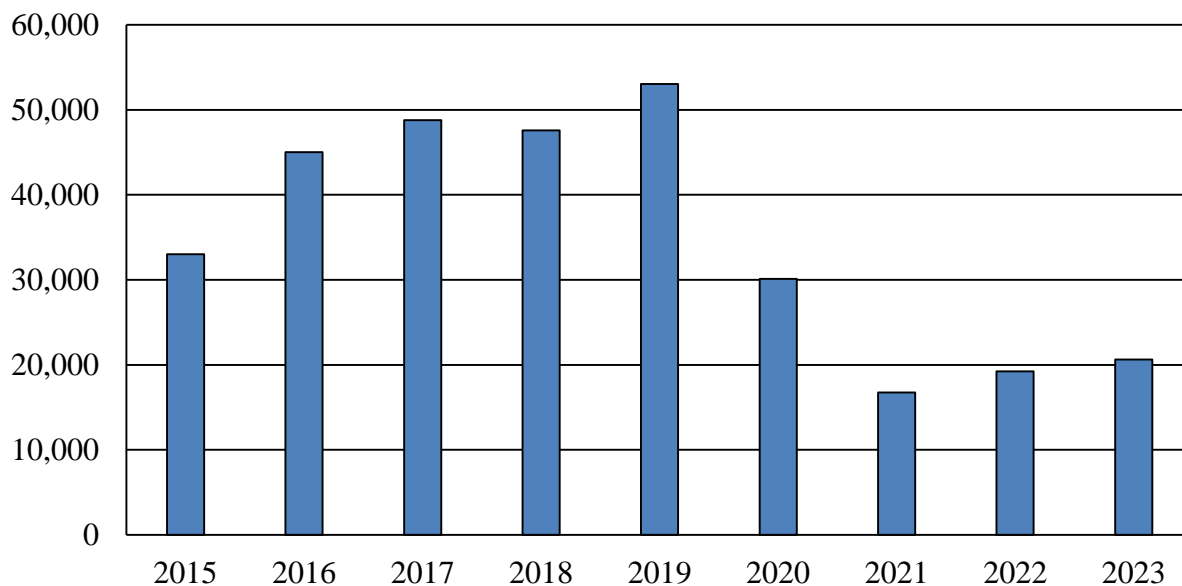
Source: Maryland African American Museum Corporation

Key Observations

1. In-person and Virtual Attendance

As shown in **Exhibit 4**, total in-person and virtual attendance to the museum increased by 7.2%, from 19,236 visitors in fiscal 2022 to 20,614 visitors in fiscal 2023. To increase attendance, the commission conducts ongoing outreach with schools and local businesses, including hotels and tourism services. MAAMC also reported its fiscal 2023 social media and online engagement, reaching 345,000 users on social media platforms and 180,332 views on the commission website. Furthermore, MAAMC is improving outreach by installing informational kiosks in three locations that will allow guests take a quiz on Black history. Those kiosks are being contributed as an in-kind contribution.

Exhibit 4
In-person and Virtual Attendance
Fiscal 2015-2023



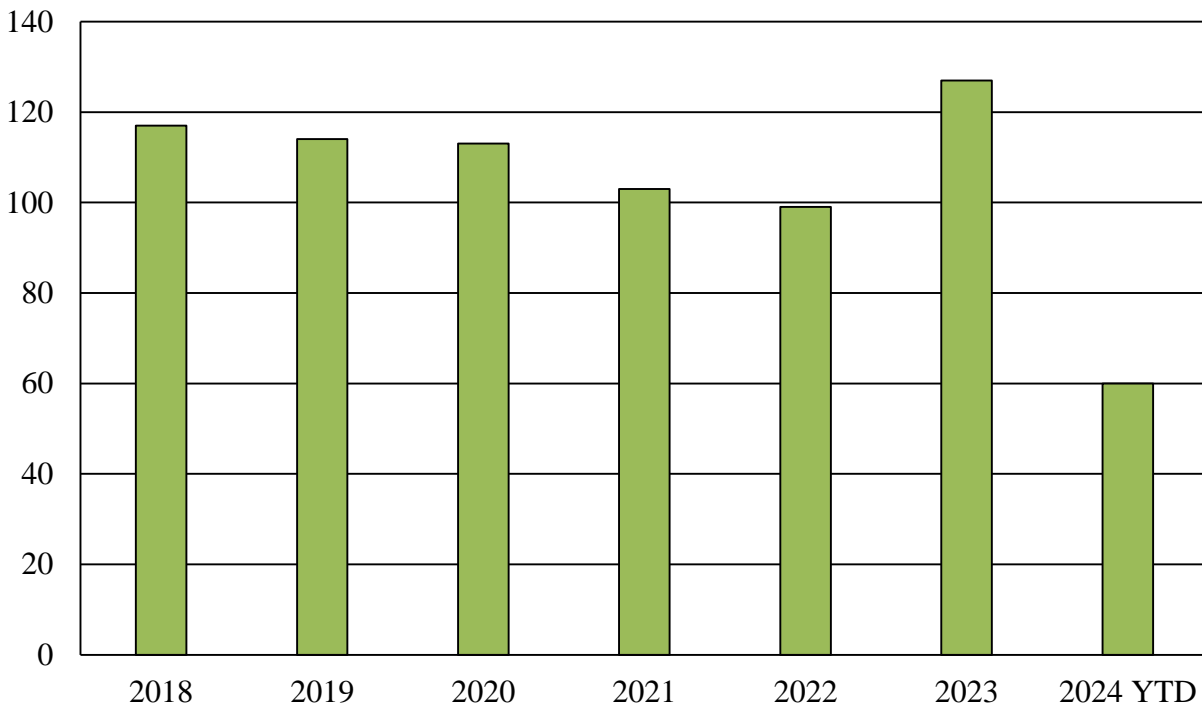
Note: Virtual attendance is included in the attendance count beginning in fiscal 2020.

Source: Maryland African American Museum Corporation

2. Volunteer Staff Volume

Volunteers are an essential part of operations at the museum. They also express the value of the museum to Baltimore City and the State as well as an effort to maximize use of the State’s general fund grant. These volunteers include flexible volunteers and regular volunteer docents who lead guided tours through the museum. As shown in **Exhibit 5**, the total number of volunteers and docents increased by 28 from fiscal 2022 to 2023. Through February 2024, the museum had 52 active volunteers and 8 active docents.

Exhibit 5
Volunteers and Docents
Fiscal 2018-2024 YTD



YTD: year to date (through February 2024)

Source: Maryland African American Museum Corporation

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

**Appendix 1
Object/Fund Difference Report
Maryland African American Museum Corporation**

| <u>Object/Fund</u> | <u>FY 23 Actual</u> | <u>FY 24 Working Appropriation</u> | <u>FY 25 Allowance</u> | <u>FY 24 - FY 25 Amount Change</u> | <u>Percent Change</u> |
|---|-------------------------|--|----------------------------|--|---------------------------|
| Objects | | | | | |
| 12 Grants, Subsidies, and Contributions | \$ 2,000,000 | \$ 2,700,000 | \$ 2,700,000 | \$ 0 | 0% |
| Total Objects | \$ 2,000,000 | \$ 2,700,000 | \$ 2,700,000 | \$ 0 | 0% |
| Funds | | | | | |
| 01 General Fund | \$ 2,000,000 | \$ 2,700,000 | \$ 2,700,000 | \$ 0 | 0% |
| Total Funds | \$ 2,000,000 | \$ 2,700,000 | \$ 2,700,000 | \$ 0 | 0% |

Note: The fiscal 2024 appropriation does not include across-the-board reductions. The fiscal 2025 allowance does not include cost-of-living adjustments.