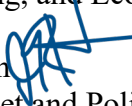




April 17, 2025

MEMORANDUM

TO: Thomas E. Dernoga, Chair
Planning, Housing, and Economic Development (PHED) Committee

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

FROM: David Noto 
Legislative Budget and Policy Analyst

RE: Experience Prince George's, Inc.
Fiscal Year 2025 Budget Review

Budget Overview

- Experience Prince George's (ExPGC) is funded primarily through an annual County grant in the Non-Departmental section of the budget. ExPGC's proposed FY 2026 budget is \$1,663,100, a decrease of -\$66,300, or -3.8% under the FY 2025 Approved Budget. ExPGC's grant from the County totals \$1,523,100, a decrease of -\$33,800 or -2.2% under the FY 2025 County grant. The County Contribution represents over 90% of ExPGC's total budget.

Budget Comparison – Revenue

Revenues by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change FY25-FY26	
					Amount (\$)	Percent (%)
County Grant	\$1,556,900	\$1,556,900	\$1,556,900	\$1,523,100	\$(33,800)	-2.2%
Cooperative Marketing & Promotions	6,750	7,500	29,600	15,000	7,500	100.0%
Membership Dues/Sponsorships/ Fundraising	22,633	35,000	57,700	35,000	—	0.0%
State of Maryland Grant Funds	131,162	130,000	94,600	90,000	(40,000)	-30.8%
State Marketing Grant	—	—	50,000	—	—	—
Team Maryland Marketing Grant	—	—	75,000	—	—	—
Other Income	339	—	101,200	—	—	—
Total	\$1,717,784	\$1,729,400	\$1,965,000	\$1,663,100	\$(66,300)	-3.8%

County Contribution

- The County Contribution is composed of County revenue from two sources discussed below:
 - Other County Sources of Income – Proposed at \$920,000 for FY 2026, a decrease of \$75,900, or 7.6% under the approved FY 2025 level.
 - Hotel Tax proceeds – ExPGC’s FY 2026 expected proceeds from the Hotel Tax is \$603,100, an increase of \$42,100, or 7.5% above the approved FY 2025 level. CB-077-2016 requires that at least 5% of the tax levied be reserved for ExPGC to promote travel and economic development in the County. The yield of the Hotel tax for FY 2026 is anticipated to be slightly over \$12 million.

Other Contributions

- The Maryland State Grant to ExPGC is provided by the Maryland Tourism Board. The State grant is calculated using a base amount of \$20,000, investment in the County, and tax collection revenues. The FY 2026 proposed grant amount is \$90,000, a decrease of \$40,000, or 30.8% under the FY 2025 approved level.
- Membership Dues, Sponsorships, and Fundraising are proposed at \$35,000 and remain unchanged from the FY 2025 approved level.

ExPGC’s membership fee structure is annual and based on the number of employees in the organization or business.	
Employees:	Annual Cost:
1 – 10	\$500
101 – 20	\$1,500
201 – 300	\$2,500
301 – 400	\$3,500
401 – 500	\$4,500
500+	\$6,000

Budget Comparison – Expenditures

Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change FY25-FY26	
					Amount (\$)	Percent (%)
Compensation	\$562,780	\$553,800	\$529,800	\$553,800	\$—	0.0%
Fringe Benefits	51,452	48,400	44,200	45,000	(3,400)	-7.0%
Operating	1,406,241	1,127,200	1,391,000	1,064,300	(62,900)	-5.6%
Total	\$2,020,473	\$1,729,400	\$1,965,000	\$1,663,100	\$(66,300)	-3.8%

- For FY 2025, Compensation is proposed at \$553,800 and remains unchanged from the FY 2025 approved funding level.

- For FY 2025, Fringe Benefits are proposed at \$45,000, a decrease of -\$3,400, or -7.0 % under the FY 2025 level due to the fringe benefit rate decreasing from 8.7% to 8.1% to align with anticipated costs.
- Compensation and Fringe Benefits represent 36% of the organization's total budget.
- For FY 2026, Operating Expenses are proposed at \$1,064,300, a decrease of \$62,900, or 5.6% below the FY 2025 level due to reductions from website development, membership services, event promotion, sponsorship events and research, which are partially offset by increases for advertising, consultants, meeting expenses and branded merchandise/member and public engagement, as well as increases in OIT charges based on anticipated countywide costs for technology.

Operating and Marketing Expenses

- The FY 2026 Total Operating & Marketing expenditures are proposed at \$1,064,300.

	FY 2025 Budget	FY 2025 Agency Estimate	FY 2026 Proposed	FY25-FY26 \$ Change	FY25-FY26 % Change	Assumptions/Comments/Explanations
EXPENDITURES						
Compensation	\$ 553,800	\$ 529,800	\$ 553,800	\$ -	0.0%	
Fringe	\$ 48,400	\$ 44,200	\$ 45,000	\$ (3,400)	-7.0%	
TOTAL	\$ 602,200	\$ 574,000	\$ 598,800	\$ (3,400)	-0.6%	
Operating						
Travel	\$ 5,000	\$ 6,000	\$ 5,000	\$ -	0.0%	
Operations (Supplies, Equipment, MIS)	\$ 72,000	\$ 164,000	\$ 75,000	\$ 3,000	4.2%	
OIT Charges	\$ 69,200	\$ 69,200	\$ 78,500	\$ 9,300	13.4%	Increase in County OIT Charges
Consultants/Contracts	\$ 251,800	\$ 275,800	\$ 282,200	\$ 30,400	12.1%	Govt Affairs / Public Relations / Strategic plan (H)
Meeting Expense	\$ 20,000	\$ 50,100	\$ 50,000	\$ 30,000	150.0%	
Research	\$ 103,200	\$ 48,200	\$ 43,800	\$ (59,400)	0.0%	Industry metrics / Real-time hospitality statistics (E, F & G)
Event Promotion / Sponsorships	\$ 214,000	\$ 172,500	\$ 25,000	\$ (189,000)	100.0%	Sponsorships broken out from marketing lines (I)
Sub-Total	\$ 735,200	\$ 785,800	\$ 559,500	\$ (175,700)	-23.9%	
Sales & Marketing						
Advertising	\$ 217,000	\$ 480,900	\$ 389,800	\$ 152,800	70.4%	Increased ad buys / digital marketing / social media engagement (B)
Event Promotion Events	\$ 30,000	\$ -	\$ -	\$ (30,000)	-100.0%	Breakout advertising- and marketing-specific events; less engagement projected (B)
Website Development	\$ 80,000	\$ 72,800	\$ 75,000	\$ (5,000)	0.0%	Customer Relationship Management (CRM) (A)
Sales	\$ 50,000	\$ 51,500	\$ 50,000	\$ -	0.0%	Reduced travel and trade show registrations
Membership Services	\$ 15,000	\$ -	\$ 10,000	\$ (5,000)	0.0%	Reduced member engagements and outreach
Sub-Total	\$ 392,000	\$ 605,200	\$ 504,800	\$ 112,800	28.8%	
Operating Total	\$ 1,127,200	\$ 1,391,000	\$ 1,064,300	\$ (62,900)	-5.6%	
TOTAL EXPENDITURES	\$ 1,729,400	\$ 1,955,000	\$ 1,663,100	\$ (66,300)	-3.8%	

- The FY 2026 Proposed budget for Operating is \$559,500, a decrease of \$175,700, or 23.9% below the approved FY 2025 funding level. Of the major expenses in the Operating budget included in the FY 2026 Proposed Budget, the following three (3) have the largest increases:
 - OIT Charges* increases by \$9,300.
 - Consultants/Contracts* increases by \$30,400.
 - Meeting Expenses* increases by \$30,000.
- Of the major expenses in the Operating budget included in the FY 2026 Proposed Budget, the following two (2) have the largest decreases:
 - Research* decreases by \$59,400.

- *Event Promotion* decreases by \$189,000.
- The FY 2025 Proposed Budget for Marketing is \$504,800, a decrease of \$62,900, or 5.6% below the approved FY 2025 funding level. Of the major expenses in the Marketing budget included in the FY 2026 Proposed Budget, the following item has the largest increase:
 - *Advertising* increases by \$152,800.
- Of the major expenses in the Marketing budget included in the FY 2026 Proposed Budget, the following two (2) have the largest decreases:
 - *Event Promotion Events* decreases by \$30,000.
 - *Membership Services* decreases by \$5,000.
 - *Website Development* decreases by \$5,000.

Contracts

Below is a list of all ExPG's currently executed contracts and all planned contracts.

Vendor/Contractor Name	1 = MBE 2 = CBB 3 = CBSB 4 = CLB Unknown	Summary of Contract Services	FY 2024 Actual	FY 2025 Approved Budget	FY 2025 Actual/ Estimated Contract Amount	FY 2026 Proposed Contract Amount	Funding Source: General Fund (GF), Grants (GR), Other Fund (OF)
Simpleview	Unknown	CRM; Website Development and maintenance	\$ 78,073	\$ 80,000	72,800	\$ 75,000	GR
Various	Unknown	Advertising costs for production and media placement	\$ 158,275	\$ 247,000	480,900	\$ 370,800	GR
Various	Unknown	Trade Shows	\$ 5,583	\$ -	-	\$ -	GR
CoStar/CVENT	Unknown	Hotel performance metrics	\$ 41,026	\$ 21,800	46,800	\$ 38,600	GR
MDMO Tourism Economics	Unknown	Visitor statistics for County	\$ 1,400	\$ 1,400	1,400	\$ 1,400	GR
various providers	Unknown	Advertising effective research / Real-time hospitality data	\$ 80,000	\$ 80,000	-	\$ -	GR
various providers	Unknown	Strategic planning/business tourism	\$ 510,079	\$ 251,800	275,800	\$ 285,000	GR
various providers	Unknown	Event Promotion / Sponsorships	\$ 28,584	\$ 214,000	172,500	\$ 25,000	GR
Total			\$ 903,020	\$ 896,000	\$ 1,050,200	\$ 795,800	

Employee Data

County-Funded Staff		
#	Title	FT or PT
1	President & CEO	FT
2	Executive Vice President	FT
3	Special Assistant	PT
4	Sales Director	FT
5	Finance Director	FT
6	Destination Services and Special Events Manager	FT
7	Visitor Services Coordinator	PT

- The FY 2026 proposed budget includes funding for six (6) full-time employees and one (1) part-time employee. All staff are partially funded by County sources.
- ExPGC has two vacancies: the Executive Vice-President and the Destination Services & Special Events Manager. These positions have remained vacant for over a year.

Challenges in FY 2025 and Beyond

Funding

- The Maryland State Tourism Board will most likely see its Tourism Marketing budget be cut back from its current allocation of \$12M to its mandated allocation of \$6M. This will adversely impact ExPGC because grant opportunities from the State are offered from that pool of funds.