

To: Executive Committee
From: Marc Carroll Acting Chair
Date: August 4, 2023
Re: Salary Adjustment for the Executive Director

This memorandum serves as a recommendation regarding the annual compensation of Michael Bobbitt, Executive Director of Mass Cultural Council. Earlier this year, Michael expressed his wish to have his salary reviewed and potentially adjusted to align more closely with the executive compensation benchmarks set by independent and quasi-public state agencies within the Commonwealth. In response, I requested that Cathy Cheng-Anderson, Chief Financial Officer of the Agency to provide benchmarking research to compare the annual salaries of these leaders. The outcome of this review indicated that Michael's current annual salary of \$170,625 is below the average of what is afforded to his counterparts in other independent and quasi-public state agencies.

In alignment with our commitment to pay equity, and in considering the pivotal role that Michael, akin to other state leaders, assume in fulfilling executive leadership duties – namely, shaping policy, advancing the sector, and leading strategic and transformative initiatives that significantly impact our sector, I believe a salary increase for Michael to the annual salary rate of \$185,000 would be appropriate.

This suggested 8.4% increase aims to bring Michael's salary closer to the compensation standards for executive leadership within state government. Moreover, for the Mass Cultural Council, this salary adjustment represents a strategic investment in the continued success and advancement of to the sector as it aids in retaining Michael's leadership.

This proposed salary increase is included within the draft FY24 spending plan and a vote to recommend that plan to the full Council is a recommendation to implement the salary adjustment described in this memo. Salary research is listed below.

Thank you for consideration.

<i>INDEPENDENT STATE AGENCIES</i>	<i>EXECUTIVE DIRECTOR SALARIES FY23</i>
Massachusetts Technology Collaborative	230,000.00
Massachusetts Gaming Commission	215,696.00
Cannabis Control Commission	207,936.40
POST Commission	198,550.00
Office of the Inspector General	192,700.00
State Auditor's Office	190,988.74
Center for Health Information and Analysis	190,000.00
Comptroller of the Commonwealth	188,000.00
Proposed Salary Adjustment	185,000.00
Group Insurance Commission	183,610.21
Massachusetts Bay Transportation Authority (MBTA)	181,722.00
Massachusetts District Attorney Association	174,454.00
Massachusetts Commission Against Discrimination	172,000.00
Office of Campaign and Political Finance	172,000.00
State Ethics Commission	172,000.00
Michael Bobbitt's Current Annual	170,625.00
State Retiree Benefits Trust Fund	164,320.00
Disabled Persons Protection Commission	158,100.00
Office of the Child Advocate	157,509.00
Board of Library Commissioners	136,560.09
Massachusetts Commission on the Status of Women	135,000.00
Massachusetts Sheriffs' Association	135,000.00

<i>AVERAGE</i>	<i>177,807.79</i>
<i>MEDIAN (MIDPOINT)</i>	<i>178,088.00</i>

To: Mass Cultural Council Executive Committee
From: Michael Bobbitt, Executive Director, David Slatery, Deputy Director, Cathy Cheng-Anderson, Senior Director of Business Operations and Chief Financial Officer
Date: August 4, 2023
Re: Budget and Program Allocation Spending Plan for FY24

Following this page includes our proposed budget and program allocation spending plan for FY24. Adhering to our legislative mandate the proposed plan aligns with our strategic plan, and well exceeds the minimum 75% of state appropriation into grant spending.

After the Executive Committee meeting, the FY24 grant recommendations for most Mass Cultural Council grant programs based on this plan will be presented to the Grants Committee. When approved, the plan and the recommendations will be voted on by the full Council on August 24, 2023.

FY24 BUDGET HIGHLIGHTS

- 1. The \$25M for Agency operations is a 11% increase from last year. And in total, this \$25M+ funding amount is the second highest state budget appropriation the Agency has ever received.**
- 2. Mass Cultural Council total funding is \$44M in FY24 when considering all funding sources. Our plan dedicates 87% (\$38.16M) to grants, keeping administration and program related expenses modest at 13%. Similarly, when we look exclusively at our state funding allocation of \$25.85M we are dedicating a similar distribution in grant funding. 80% (\$20.82M) in grants, and 20% allocation to administrative and program related expenses. In both scenarios, we have exceeded our legislative mandate to allocating at minimum 75% of our state funding to grant programs.**
3. We have carried over \$11.03M in Pandemic Recovery Funds,

established under the Commonwealth's Covid Response Act (Chapter 102 of the Acts of 2021) into FY24 and we are required to spend it at the end of the year. The continuation of funding enables the Operations department to continue making grant payments that were awarded in FY23. **Out of this extended funding, up to \$1M is projected to be allocated for new grant-making due to FY23 grants being cancelled as a result of no response from the grantees, and a small allocation of uncommitted funding.**

4. **The plan proposes to dedicate approximately \$5.3M from the casino tax revenue available through the Massachusetts Gaming Fund for the upcoming year of the Gaming Mitigation Grant Program.** We are seeking approval to utilize the funds available as of June 30, 2023 (\$2,445,671), and to allocate an additional \$2,851,114 for organizational support to cultural organizations, and other administrative expenses. This anticipated funding of \$2,851,114 is an estimate based on whatever will be available as of December 31, 2023.

5. Notable equity investments to the sector include:
 - a. Investments in initiatives such as Native and Indigenous Culture Action Plan/Taskforce, scaling up our access and disability learning hub, and a Disability Equity Plan.
 - b. Dedication of resources to assist individual grantees, especially those with disabilities and/or limited income, in obtaining grant funding and services from the Mass Cultural Council (Work Without Limits).
 - c. Undertaking a comprehensive statewide Cultural Asset Mapping project

REVENUE	STATE FUNDING	GAMING*	CULTURAL FACILITIES FUND	NEA FEDERAL	CULTURAL SECTOR RECOVERY	MCC TRUST	TOTAL
FY24	25,895,000	2,851,114	337,337	1,204,900	-	-	30,288,351
FY23 CARRY OVER / TRANSFER IN	-	2,445,671	5,397	-	11,177,460	157,239	13,785,767
TOTAL REVENUE	25,895,000	5,296,785	342,734	1,204,900	11,177,460	157,239	44,074,118

*Estimated FY24 revenue

EXPENSES	STATE FUNDING	% TOTAL FUNDING STATE FUNDING	GAMING	CULTURAL FACILITIES FUND	NEA FEDERAL	CULTURAL SECTOR RECOVERY	MCC TRUST	TOTAL	% TOTAL FUNDING ALL CATEGORIES
AA: SALARY	3,713,870	14%	212,899	162,313	-	78,705	-	4,167,787	9%
BB: EMPLOYEE REIMBURSEMENT	44,685	0%	-	6,067	-	-	-	50,752	0%
CC: CONTRACT STAFF	19,835	0%	-	-	-	27,765	-	47,600	0%
DD: PAYROLL TAX AND FRINGE	91,476	0%	97,529	74,356	-	36,735	-	300,095	1%
EE: ADMINISTRATIVE EXPENSES	185,896	1%	21,290	21,331	-	-	-	228,518	1%
GG: RENT AND ELECTRICITY	300,675	1%	27,668	27,668	-	-	-	356,010	1%
HH: CONSULTING SERVICES	232,425	1%	-	6,000	-	-	-	238,425	1%
JJ: PROGRAMMATIC SERVICES	139,495	1%	-	45,000	-	-	-	184,495	0%
KK: NON-IT EQUIPMENT	3,200	0.01%	-	-	-	-	-	3,200	0.01%
LL: LEASES	7,580	0.03%	-	-	-	-	-	7,580	0.02%
PP: GRANTS PROGRAMS	19,928,554	77%	4,937,400	-	1,204,900	11,034,255	157,239	37,262,348	85%
PP: LEGISLATIVE EARMARKS	895,000	3%	-	-	-	-	-	895,000	2%
UU: INFORMATION TECHNOLOGY	332,308	1%	-	-	-	-	-	332,308	1%
TOTAL EXPENSES	25,894,999		5,296,785	342,734	1,204,900	11,177,460	157,239	44,074,118	

PP: GRANTS PROGRAMS (DETAILS)	STATE FUNDING	GAMING	CULTURAL FACILITIES FUND	NEA FEDERAL	CULTURAL SECTOR RECOVERY	MCC TRUST	TOTAL	% TOTAL GRANT FUNDING
ORGANIZATIONS							7,088,800	19%
CIP GATEWAY	124,500						124,500	
CULTURAL INVESTMENT PORTFOLIO	4,860,200	1,200,000		804,100			6,864,300	
MEDIA TRANSITION	100,000						100,000	
INDIVIDUALS							2,055,000	6%
NEW INDIVIDUAL ARTIST GRANT PROGRAM (TBD)	1,875,000						1,875,000	
TRADITIONAL ARTS APPRENTICESHIPS	145,000			35,000			180,000	
COMMUNITIES							6,355,000	17%
CULTURAL DISTRICTS	855,000						855,000	
LOCAL CULTURAL COUNCILS	5,500,000						5,500,000	
ARTS EDUCATION AND YOUTH							3,422,050	9%
CYD-YOUTH REACH	1,524,200			345,800			1,870,000	
INSTRUMENT PROGRAM	15,000						15,000	
META/CYD FELLOWSHIPS (KLARMAN)						52,950	52,950	
POETRY OUT LOUD				20,000			20,000	
STARS	1,428,100						1,428,100	
YOUTH ARTS IMPACT NETWORK (YAIN)	36,000						36,000	
EQUITY AND INCLUSION							2,662,500	7%
FESTIVALS & PROJECTS	1,850,000						1,850,000	
ARTS CONNECT INTERNATIONAL/CELC	62,500						62,500	

CULTURE RX	175,000						175,000	
INNOVATION LEARNING NETWORK SCALE UP GRANT	20,000						20,000	
NETWORK OF ARTS ADMIN'RS OF COLOR	70,000						70,000	
TRUTH AND HEALING PROJECT (Indian Affairs Commission Grant)	5,000						5,000	
UNIVERSAL PARTICIPATION (UP)	480,000						480,000	
ADVANCEMENT							803,054	2%
MASSACHUSETTS FOUNDATION FOR HUMANITIES AND PUBLIC POLICY, INC.	943,608						943,608	
NET CREDIT AND CARRY FORWARD	(243,554)						(243,554)	
NEW ENGLAND FOUNDATION FOR THE ARTS, INC.	70,000						70,000	
MASSCREATIVE, Inc.	33,000						33,000	
OTHER GRANTS							14,875,944	40%
MCC TRUST (GRANT RESERVE/UNCOMMITTED)						104,289	104,289	
CHAPTER 23K FUNDED GRANTS GAMING MITIGATION PROGRAM		3,737,400					3,737,400	
CHAPTER 102 OF 2021, LINE ITEM 1599-2043-"PANDEMIC RECOVERY FUNDS"					11,034,255		11,034,255	

TOTAL GRANTS 19,928,554 4,937,400 - 1,204,900 11,034,255 157,239 37,262,348

AA: SALARY	We currently have a staff of 38 fulltime employees, and there are 3 vacancies open for FY24. Our payroll projections encompass several key elements. 1) The annual value of FY22 and FY23 pay raises that were previously funded by a Commonwealth supplemental reserve. 2) A 4% across-the-board increase for managers and union employees, retroactive to July 2, 2023, as well as an additional 4% increase that will become effective on January 14, 2024. These increases were communicated by the Administration, and like previous years Mass Cultural Council adopts these parameters to ensure pay equity amongst other state agencies. Additionally, a one-time pay equity adjustment for the Executive Director.
BB: EMPLOYEE REIMBURSEMENT	This line covers reimbursements for employee expenses like in-state travel for meetings, conferences, professional licenses, and other work activities. It also includes out-of-state travel costs that are subject to approval by the Council.
CC: CONTRACT STAFF	As of August 2023, pandemic recovery funds support 4.5 temporary contract roles, while 1.5 such roles are funded by our core appropriation. These roles perform tasks like contract processing, payments, and grant systems management.
DD: PAYROLL TAX AND FRINGE	This line covers payroll tax for staff salaries and temporary contract roles. It also includes fringe and indirect charges related to federal or state trust-funded salaries or contracts. Several salaries are paid from a trust account for the Cultural Facilities Fund and a casino tax revenue trust for employees managing the Gaming Mitigation Program or "organizational support" from Gaming Revenues under the Gaming Law.
EE: ADMINISTRATIVE EXPENSES	This line covers costs including Commonwealth chargebacks for accounting and payroll system/services, office supplies, water, printing, postage, membership fees, subscriptions, event-related costs, professional development expenses, credit card purchases, and administrative costs associated to grant program panels.
GG: RENT AND ELECTRICITY	This line includes our annual office space lease (\$332k) and utility costs.
HH: CONSULTING SERVICES	This line includes expenditures related to our outside attorneys, mission moments, event speakers, program consultants, advisors, and advisory panels.
JJ: PROGRAMMATIC SERVICES	This line includes expenditure related to photographers, auxiliary services, staff trainers, videographers, audio visual providers, language/ASL interpreter service/accommodations, and program panelists/readers.
KK: NON- IT EQUIPMENT	This line includes expenditures for non-IT equipment purchases; office equipment for staff related ADA accommodations, and automated external defibrillator (AED) machine.
LL: LEASES	This line includes all non-IT equipment rental agreements, copier and postage meter leases, and rental car expenditures for staff travel.
PP: GRANTS PROGRAMS & EARMARKS	A detailed grant allocation list is included in this packet.
UU: INFORMATION TECHNOLOGY	This line includes information technology expenditures such grants management system, ISP Servicer Retrofit, tech service providers, phone services/charges, computer leases, web developers, purchase of a new server, and chargebacks for technology services from the Commonwealth.