

**ART MUSEUM
REVISED FISCAL YEAR 2021 BUDGET TESTIMONY**

The revised FY21 Budget and FY21-25 Plan focuses on providing core services and targeting reductions to areas with the least impact on vulnerable populations and areas where others can fund or deliver services.

DEPARTMENT FUNDING LEVELS

General Fund Financial Summary by Class					
	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Original Proposed Appropriations	FY21 Revised Proposed Appropriations	\$ Difference Original to Revised Proposed
Class 500 - Contributions	\$2,550,000	\$2,550,000	\$2,550,000	\$2,040,000	(\$510,000)
	\$2,550,000	\$2,550,000	\$2,550,000	\$2,040,000	(\$510,000)

GENERAL FUND FULL-TIME POSITIONS

N/A

**ART MUSEUM
ORIGINAL FISCAL YEAR 2021 BUDGET TESTIMONY**

This testimony was prepared by the Art Museum after the onset of COVID-19 and its impact on City government operations. It reflects the revised proposed FY21 budget the department's new operational plan. Post COVID-19 responses from the Department are listed in the next section.

DEPARTMENT MISSION & PLANS

Mission: The Philadelphia Museum of Art (PMA) – in partnership with the city, the region, and art Museums around the globe – seeks to preserve, enhance, interpret, and extend the reach of its great collections in particular, and the visual arts in general, to an increasing and increasingly diverse audience as a source of delight, illumination, and lifelong learning.

Plans for Fiscal Year 2021:

- Complete construction on the Core Project, reopening the full Museum building to the public for the first time in four years.
- Return to a normal exhibition schedule following the COVID19 response
- Maintain normal visitor attendance

As with every City department and organization, the Museum expects to have sustained challenges to our business operations as a result of the COVID-19 virus, which will be felt through FY21 and longer. Prior to the virus' appearance in the United States, the Museum began experiencing the impact of the virus response on our operations as it spread through China and Europe. For example, the Museum was unable to retrieve or send loans of works of art to museums around the world, and the catalogue for the Museum's upcoming special exhibition, *Sean Scully: The Shape of Ideas*, which is being published in Northern Italy, is substantially delayed. Further, essential Core Project materials are manufactured in China and thus, have also been substantially delayed.

The impact of the virus grew exponentially when, in accordance with the CDC guidelines for social distancing, the Museum closed its doors to the public on Friday, March 13, 2020 and will remain closed until the Governor and Mayor lift the Stay at Home Orders. This prolonged closure will have a devastating impact on the Museum's business operations and finances. The Museum's annual operating revenues are comprised of approximately 1/3 earned revenue, 1/3 contributed gifts and grants and 1/3 endowment income. With the closure, the Museum is not able to generate earned revenue and we anticipate contributed income will be down as individual donors and foundation and corporate partners direct their attention to other sectors and organizations. Lastly, with the financial markets on a downward trend, the endowment income has been significantly reduced.

While no organization has been spared during this time, the challenges presented by the virus response has come at a uniquely difficult time in the Museum's history. FY21 will be the first fiscal year since FY16 that the Museum has not been under major construction. Before embarking on a major infrastructure improvements and code-compliant building system upgrades, Museum leadership and the Board of Trustees made the decision to remain open during construction in order to retain the 500+ direct jobs and thousands more indirect jobs. However, it has been extremely challenging and has taken its toll on the Museum's operating budget and staff, as evidenced in recent articles in the *New York Times* and *Philadelphia Inquirer*.

To address issues regarding harassment in the workplace, PMA is undergoing a cultural assessment, led by the Board of Trustees and a neutral, external firm with expertise in this area. As part of the assessment, the Museum has formed a staff advisory team and will conduct surveys, interviews, and focus groups

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with staff at all levels of the organization. We are hopeful that after undertaking a range of thoughtful and deliberate actions, it will result in a safer, stronger, and more unified work environment. An important objective at any moment, but even more critical as the Museum nears the end of construction and is making plans for the re-opening in the late fall of 2020.

While an opening date has not yet been confirmed, the Museum is planning for an opening period that will invite all Philadelphians to explore the new spaces and reaffirm the Museum as the cultural heart of Philadelphia. In addition to exciting programming, we look forward to welcoming back visitors and especially schoolchildren with exciting new exhibitions and gallery re-interpretations that highlight artists and artisans of all backgrounds from the colonial period to contemporary artists.

On the American Art side, the Museum will reopen the new early American art galleries, highlighting early colonial life in Philadelphia. Reflecting the strengths of the collection, the new galleries will emphasize Philadelphia's role as a principal gateway for immigrants and a center of early American art, industry, trade and politics. New interpretations will highlight the interactions of diverse cultures and the distinctive creative traditions that took shape during the period. Works by Indigenous artists will be included and contextualized to represent some of the creative traditions that existed prior to European contact, and which continue to thrive and change. The uncredited skills, knowledge, and labor of enslaved African artisans will be brought forward in new ways, while narratives about free Black artists and subjects, already present in the current galleries, will be better highlighted. The role of women artists and patrons during this period will similarly be brought to the fore.

On the Contemporary side of the Museum, we will open the new galleries with a special exhibition, *Contemporary Philadelphia*, which will celebrate the vitality and influence of our city. Like the city itself, it reflects an intergenerational, interdisciplinary, and inclusive perspective by bringing together a constellation of artists and methods of working that yield a view of a city perpetually on the cusp of growth and change. The 25+ artists in the exhibition possess a multitude of ties to Philadelphia, and what emerges is a dynamic sampling of artists creating work in, around, and about Philadelphia. Together, it will form a contemporary portrait drawn from a multiplicity of engaging and urgent voices, both established and emerging, whose work continues the history of Philadelphia as a place for the exchange of ideas, civic engagement, and boundless imagination.

In addition to exhibitions in the new spaces, the Museum will present a variety of highly-anticipated exhibitions, highlighting women artists and artists of color throughout the building. In the fall of 2020, the Museum will present the work of L.A.-based artist, Martine Syms, who is just the second recipient of the Museum's Future Fields Commission. On the verge of taking the art world by storm, Syms uses video and performance to examine representations of blackness. As part of the commission, she is creating a new work that will make its U.S. premiere here in Philadelphia. Following Syms, in the main Dorrance galleries in spring/summer 2021 the Museum will present *Emma Amos: Color Odyssey*, followed by a show of Korean Contemporary Art in the fall of 2021.

As evident by our upcoming exhibition calendar, the Museum is committed to ensuring that the artwork on our walls reflects the diversity of our city for the benefit of all Philadelphians and especially the education of our youth. We believe that this will lead to increased visitors, school visits, and ultimately, a renewed sense of relevancy to our modern city.

The tables in pages (4 through 11) below were prepared by the Art Museum prior to the onset of COVID-19 and its impact on City government operations.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2019)				
	Total	Minority	White	Female
Number of Full-Time Staff	393	76	317	256
Number of -Exempt Staff	235	35	200	170
Number of Executive Staff (deputy level and above)	7	N/A	7	3
Average Salary, Full-Time Staff	\$61,117	\$51,565	\$63,458	\$62,416
Average Salary, Exempt Staff	\$76,709	\$68,121	\$78,267	\$73,320
Average Salary, Executive Staff	\$346,481	N/A	\$346,481	\$305,947
Median Salary, Full-Time Staff	\$51,012	\$44,827	\$53,761	\$54,244
Median Salary, Exempt Staff	\$63,800	\$55,550	\$63,949	\$60,480
Median Salary, Executive Staff	\$304,993	N/A	\$304,993	\$306,000

*We have made a deliberate effort to increase the diversity of our applicant pool for all positions by posting jobs on websites that specifically cater to people of color. Among others, these sites include MuseumHue, HBCUConnect.com, Diversity.com, and People of Color in IT (PCOIT). Additionally, we have worked with hiring managers to revisit their hiring practices and involve other staff, particularly people of color, in the hiring process wherever possible. For positions where the diversity of the pool is not acceptable, we have extended the job posting until the pool is more reflective of what we would like to see. We have proactively reached out to graduate schools for our professional positions, particularly focusing on those schools with a more diverse population of students. This has allowed us to be more active in our search for diverse candidates rather than relying predominantly on job postings, and has opened our pool of candidates more broadly across the nation. In the next year, we hope to conduct training with hiring managers on unconscious bias in hiring with the goal of managers becoming more informed and aware of how their own biases may adversely impact hiring people of color at the museum.

Employment Levels (as of December 2019)		
	Budgeted	Filled
Number of Full-Time Positions	393	393
Number of Part-Time Positions	133	133
Number of Exempt Positions	235	235
Number of Executive Positions (deputy level and above)	7	7
Average Salary of All Full-Time Positions	\$61,117	\$61,117
Median Salary of All Full-Time Positions	\$51,012	\$51,012

General Fund Financial Summary by Class						
	FY19 Original Appropriations	FY19 Actual Obligations	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Proposed Appropriations	Difference: FY21-FY20
Class 500 - Contributions	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$0
	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$0

Contracts Summary (Professional Services only)						
	FY17	FY18	FY19	FY20	FY21	FY20 YTD (Q1 & Q2)
Total amount of contracts	\$4,474,210	\$4,543,000	\$4,601,036	\$4,517,000	\$4,653,000	\$2,258,453
Total amount to M/W/DSBE	\$715,874	\$708,708	\$618,574	\$574,000	\$930,600	\$286,931
Participation Rate	16%	16%	13%	13%	20%	13%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY19	FY20	FY21
M/W/DSBE Contract Participation Goal	20%	20%	20%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2021 General Fund budget totals \$2,550,000, the same as Fiscal Year 2020 estimated obligation levels.

The proposed budget includes:

- \$2,550,000 in Class 500, level with FY20.

STAFFING LEVELS

N/A

NEW HIRES

New Hires (from 7/1/2019 to December 2019)	
	Total Number of New Hires
Black or African American	2
Asian	2
Hispanic or Latino	2
White	16
Other	1
Total	23

Detail for new hires since December 2019, if applicable: N/A

*The museum does not track the language skills of any of our employees.

PERFORMANCE, CHALLENGES, AND INITIATIVES

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¹ Although PMA anticipates lower overall student attendance during the years of construction, PMA has prioritized maintaining broad access of the Museum and its resources to School District of Philadelphia students, as a demonstration of the Museum's strong commitment to and partnership with the School District of Philadelphia and City of Philadelphia.

² The Museum has not yet quantified the impact of having additional public space after the completion of the Core Project.

³ Higher than anticipated maintenance and operating costs at both Main Building and Park Houses are impacting ability to meet target. Mitigating measures and cost reductions are currently being considered. The Museum has not yet quantified the impact of having additional public space after the completion of the Core Project.

FY21 Strategic Goals				
<ul style="list-style-type: none"> • Serve at least 20,000 school children from the School District of Philadelphia (even with ongoing construction). • Decrease energy usage as a result of the energy efficiency project. • Complete construction on the Core Project and incrementally return to full capacity for welcoming over 60,000 school children and visitors. 				
FY21 Performance Measures				
Measure	FY19A ctual	FY120YTD (Q1 + Q2)	FY20 Target	FY21 Target
Number of student visits from Philadelphia District-Operated and Charter Schools ¹	30,311	10,662	23,000	26,000
Security costs per square foot ²	\$4.76	\$4.85	\$4.85	TBD
Maintenance and operating costs per square foot ³	\$3.49	\$3.84	\$3.72	TBD

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

In addition to City funding for both operating and capital support, the Museum receives operating support from the Commonwealth of Pennsylvania through the Pennsylvania Council on the Arts (PCA), and the federal government through the National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH) and the Institute of Library and Museum Services (IMLS).

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY20											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits) <i>[yes / no]</i>	Waiver for Living Wage Compliance? <i>[yes / no]</i>
Allied Universal	Uniformed Security Officers	\$4,517,000	9/14/2016	5/1/2017	MBE: 10%	0%	\$0	13%	\$574,000	Allied-No WBE Subs - Yes	Yes
					WBE: 10%	13%	\$574,000				
					DSBE: 0%	0%	\$0				

Non-Profit Vendor Demographics: N/A

EMPLOYEE DATA

Staff Demographics (as of December 2019)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	11	14	<i>Total</i>	0	0
<i>% of Total</i>	3%	4%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$47,713	\$54,237	<i>Average Salary</i>	0	0
<i>Median Salary</i>	\$47,065	\$40,373	<i>Median Salary</i>	0	0
	White	White		White	White
<i>Total</i>	105	204	<i>Total</i>	4	3
<i>% of Total</i>	27%	52%	<i>% of Total</i>	57%	43%
<i>Average Salary</i>	\$65,863	\$62,416	<i>Average Salary</i>	\$376,881	\$305,947
<i>Median Salary</i>	\$53,040	\$54,244	<i>Median Salary</i>	\$293,903	\$306,000
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	10	9	<i>Total</i>	0	0
<i>% of Total</i>	3%	2%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$65,549	\$40,647	<i>Average Salary</i>	0	0
<i>Median Salary</i>	\$42,344	\$40,004	<i>Median Salary</i>	0	0
	Asian	Asian		Asian	Asian
<i>Total</i>	5	14	<i>Total</i>	0	0
<i>% of Total</i>	1%	4%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$39,266	\$50,927	<i>Average Salary</i>	0	0
<i>Median Salary</i>	\$39,985	\$48,133	<i>Median Salary</i>	0	0
	Other	Other		Other	Other
<i>Total</i>	1	12	<i>Total</i>	0	0
<i>% of Total</i>	0%	3%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$23,660	\$56,707	<i>Average Salary</i>	0	0
<i>Median Salary</i>	\$23,660	\$51,040	<i>Median Salary</i>	0	0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	0	0	<i>Average Salary</i>	0	0
<i>Median Salary</i>	0	0	<i>Median Salary</i>	0	0
	Male	Female		Male	Female
<i>Total</i>	137	256	<i>Total</i>	4	3
<i>% of Total</i>	35%	65%	<i>% of Total</i>	57%	43%
<i>Average Salary</i>	\$63,000	\$60,282	<i>Average Salary</i>	\$376,881	\$305,947
<i>Median Salary</i>	\$50,000	\$51,425	<i>Median Salary</i>	\$293,903	\$306,000

LANGUAGE ACCESS

1. Has your leadership received language access training?

No

2. Do you currently have a language access coordinator?

No

3. Has your department written a language access plan and is it posted online?

No and we do not have any plans to do so at this time.

4. Explain what your department has done to improve language access services over the past year.

The Museum ensures that it is accessible to a diverse array of visitors by offering the Museum brochure in eight languages including, Chinese, both traditional and simplified, French, German, Italian, Korean, Japanese, and Spanish. Further, the Museum can confidently state that its employees speak a vast array of languages, including Chinese, French, Hindi, Italian, Korean, Japanese, Portuguese, Spanish and more.

CLIMATE CHANGE

1. **How has climate change affected your department's provision of services?**

Drastic changes in weather patterns have a significant impact on the Museum's operations and make it very challenging to maintain the correct environmental conditions for the preservation of the collections. Frequent weather changes put a strain on our systems and shorten their life expectancy. For example, during several days last summer our systems were unable to keep up with the cooling demand of the facilities. Additionally, frequent rain storms have led to building flooding and leaks in the ceilings, which are dangerous conditions for artwork.

2. **How might worsening climate change increase costs and demands for your department?**

Sustained changes in the weather pattern will exacerbate the issues that we are already experiencing and with the biggest impact felt in the summer when the Museum is busiest. In the future there is a possibility that we would have to limit the number of visitors per day or close the building completely.

3. **How does your department intend to mitigate and adapt to climate change?**

In partnership with the Office of Sustainability, the Philadelphia Energy Authority and Johnson Controls Inc., the Museum has completed an \$11.3 million energy conservation project at three of the Museum's buildings. Through a Guaranteed Energy Savings Agreement, the Museum will see at least a 24% energy reduction, ultimately saving the City \$750,000 in the first year.

The museum has five levels, and as part of the Core Project and the GESA project, we have begun upgrading the HVAC and BAS systems on the first three levels. During the next several years we need to upgrade the systems on the upper two levels. Additionally, as part of the Core Project we have reduced potential risks to flooding by improving our stormwater management systems and replacing the old drainage systems on the lower levels. Under the next phase of the Facilities Master Plan, which we hope to start within the next few years, we will upgrade the remaining stormwater management system. Finally, we maintain a list of capital projects that need to be completed over the next few years to repair and maintain the exterior cladding, the roof of the Main Building, and windows on all five buildings we maintain, in order to minimize the risk of leaks.

REVISED PLANS FOR FISCAL YEAR 2021

1. With the revised budget for FY21, what will your department accomplish in FY21?

As with almost every city department, agency and business, the museum expects to have sustained challenges to our business operations as a result of the COVID19 virus, which will be felt through FY2021 and longer. The museum closed its doors to the public on Friday, March 13, 2020 and will remain closed until it is safe to do so, which probably will not be until late summer. This prolonged closure will have a devastating impact on the museum's business operations and finances. The museum's annual operating revenues are comprised of approximately 1/3 earned revenue, 1/3 contributed gifts and grants and 1/3 endowment income. With the closure, the museum is not able to generate earned revenue and we anticipate contributed income will be down as individual donors, foundations and corporate partners direct their attention to other sectors and organizations. Lastly, with the financial markets on a downward trend, the endowment income has been significantly reduced.

While no organization has been spared during this time, the challenges presented by the virus response has come at a uniquely difficult time in the museum's history. FY2021 will be the first fiscal year since FY2016 that the museum has not been under major construction. Before embarking on a major infrastructure improvements and code-compliant building system upgrades, museum leadership and the Board of Trustees made the decision to remain open during construction in order to retain the 500+ direct jobs and thousands more indirect jobs. However, it has been extremely challenging and has taken its toll on the museum's operating budget and staff, as evidenced in recent articles in the New York Times and Philadelphia Inquirer.

To address issues around harassment in the workplace, the museum is undergoing a cultural assessment, led by the Board of Trustees and an external firm with expertise in this area. As part of the assessment, the museum has formed a staff advisory team and will conduct surveys, interviews and focus groups with staff at all levels of the organization. We are hopeful that after undertaking a range of thoughtful and deliberate actions, it will result in a safer, stronger and more unified work environment. An important objective at any moment, but even more critical as the museum nears the end of construction, which now due to the delay in construction, will not occur until early 2021.

While an opening date has not yet been confirmed, the museum is planning for an opening period that will invite all Philadelphians to explore the new spaces and reaffirm the museum as the cultural heart of Philadelphia. In addition to exciting programming, we look forward to welcoming back visitors and especially schoolchildren with exciting new exhibitions and gallery re-interpretations that highlight artists and artisans of all backgrounds from the colonial period to contemporary.

On the American Art side, the museum will reopen the new early American art galleries, highlighting early colonial life in Philadelphia. Reflecting the strengths of the collection, the new galleries will emphasize Philadelphia's role as a principal gateway for immigrants and a center of early American art, industry, trade and politics. New interpretations will highlight the interactions of diverse cultures and the distinctive creative traditions that took shape during the period. Works by Indigenous artists will be included and contextualized to represent some of the creative traditions that existed prior to European contact, and which continue to thrive and change. The uncredited skills, knowledge, and labor of enslaved African artisans will be brought forward in new ways, while narratives about free Black artists and subjects, already present in the current galleries, will be better highlighted. The role of women artists and patrons during this period will similarly be brought to the fore.

On the Contemporary side of the museum, we will open the new galleries with a special exhibition, Contemporary Philadelphia, which will celebrate the vitality and influence of our city. The 25+ artists in the exhibition possess a multitude of ties to Philadelphia, and what emerges is a dynamic sampling of artists creating work in, around, and about Philadelphia. Together, it will form a contemporary portrait drawn from a multiplicity of engaging and urgent voices, both established and emerging, whose work continues the history of Philadelphia as a place for the exchange of ideas, civic engagement, and boundless imagination.

The museum is committed to ensuring that the artwork on our walls reflects the diversity of our city for the benefit of all Philadelphians and especially the education of our youth.

2. With the revised budget for FY21, what existing programs or services will be reduced or eliminated?

The \$510,000 reduction in city funding will certainly add to the museum's financial stress. City operating funds pay for the museum's building maintenance and security of the five city-owned buildings that the museum stewards. The total cost of the contracts to maintain and secure these buildings is \$5,979,167. The current appropriation of \$2,550,000 covers 42.6% of the total cost. The reduced appropriation of \$2,040,000 combined with the loss of revenue for the prolonged closure, will require us to close city-owned facilities to the public, which will likely include the Park Houses, the Rodin Museum and the Perelman Building.

While we anticipate some cost savings due to the prolonged closure of the museum, the costs to secure and maintain the building in accordance with CDC guidelines will increase our expenses by at least \$100,000. Additionally, our security contractor is currently negotiating a new contract with the security union, which will surely increase the cost of the contract. These increased costs compound the extreme stress on the museum's finances.

3. With the revised budget for FY21, what planned, new services or programs will not happen?

The museum has had to postpone or cancel all exhibitions, programs and events, including very popular programs such as Art After 5 on Friday night. These exhibitions and programs have historically attracted hundreds of thousands of visitors to Philadelphia, resulting in \$1.6 billion economic impact and generating nearly \$103 million in tax revenue for the City and State over the past five years. Unfortunately, we anticipate that it will be at least a year before we begin to reach pre-COVID19 attendance numbers

REVISED PERFORMANCE MEASURES

The performance measures listed below were updated by the Art Museum as part of the revised budget process. Updated performance measure is listed in **BOLD**.

ART MUSEUM

FY21 Performance Measures				
Measure	FY19A ctual	FY120YTD (Q1 + Q2)	FY20 Target	FY21 Target
Number of student visits from Philadelphia District-Operated and Charter Schools ¹	30,311	10,662	23,000	TBD
Security costs per square foot ²	\$4.76	\$4.85	\$4.85	TBD
Maintenance and operating costs per square foot ³	\$3.49	\$3.84	\$3.72	TBD

¹ Although PMA anticipates lower overall student attendance during the years of construction, PMA has prioritized maintaining broad access of the Museum and its resources to School District of Philadelphia students, as a demonstration of the Museum's strong commitment to and partnership with the School District of Philadelphia and City of Philadelphia.

² The Museum has not yet quantified the impact of having additional public space after the completion of the Core Project.

³ Higher than anticipated maintenance and operating costs at both Main Building and Park Houses are impacting ability to meet target. Mitigating measures and cost reductions are currently being considered. The Museum has not yet quantified the impact of having additional public space after the completion of the Core Project.