

**MEMORANDUM**

May 2, 2022

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Gene Smith, Legislative Analyst

SUBJECT: **FY23 Operating Budget – KID Museum Non-Departmental Account (NDA)**

PURPOSE: Make recommendations for Council consideration

**Expected Participants:**

Cara Lesser, Founder and Executive Director, KID Museum  
Holly Christensen, Chief Operating Officer, KID Museum  
Lisa O’Brien, Chief Advancement Officer, KID Museum  
Shantee Jackson, Fiscal and Policy Analyst, Office of Management and Budget

**Summary of Recommended FY23 Budget – KID Museum NDA**

	<b>FY22 Approved</b>	<b>FY23 CE Recommended</b>	<b>Change from FY22 Approved</b>
<b>General Fund</b>	<b>\$1,200,000</b>	<b>\$1,572,000</b>	<b>31.0%</b>
Personnel Costs	\$0 0.00 FTEs	\$0 0.00 FTEs	0.0% 0.00 FTEs
Operating Costs	\$1,200,000	\$1,572,000	31.0%
<b>Total Expenditures (All Funds)</b>	<b>\$1,200,000</b> <b>0.00 FTEs</b>	<b>\$1,572,000</b> <b>0.00 FTEs</b>	<b>31.0%</b> <b>0.0%</b>

- The Executive recommends an increase of \$372,000 for general operating support in FY23.

**I. Budget Overview**

See the Executive’s recommendation on ©1. This NDA was created in FY22 to provide general operating support for the KID Museum. The organization receives other County funding for specific programs through other County budgets and through the Montgomery County Public Schools (MCPS) budget.

## II. Organization Review

KID Museum is a learning space that provides hands-on learning that incorporates STEM, art, and culture with skills like creativity and critical thinking. The museum first opened in 2014 at the County's Davis Library branch in Bethesda. Pre-pandemic, it served tens of thousands of visitors annually through school group visits, after school programs, and weekend workshops. The County has previously provided operational support through community grants and in-kind support through the organization's use at the Davis Library. The County previously approved a PDF project to aid the KID Museum's long-term vision to expand to a larger, permanent space that would serve 250,000 visitors annually. Ultimately, the organization opted to sign a lease in Bethesda for its expansion plans.

### A. FY22 Budget

See KID Museum's approved FY22 budget on ©2 See the organization's actual revenues and expenditures as of February 28, 2022 on ©3-4. The approved budget included about \$6.2 million in revenues, including the \$1.2 million through this NDA. The County's contribution through this NDA was approximately 18.1% of the total revenues estimated for this organization in FY22. As of February 2022, the organization's actual revenues are about \$4.2 million. Corporate contributions have been less than budgeted through FY22.

KID Museum's approved budget included \$6.1 million in FY22 expenditures. As of February 2022, the organization is reporting about \$2.3 million in expenditures. Most of the FY22 expenditures support the organization's staff, about 69.6% of the total expenditures as of February 2022. The remaining expenditures were related to general operations, including consultants and contractors. The organization is reporting about \$1.9 million in net income since actual FY22 revenues have exceeded expenditures. **The organization may have additional resources (i.e., reserves) available in FY23 should the current spending trend continue.**

### B. FY23 Expenditures

The Council does not approve a line-item budget for KID Museum, but the County does execute a contract with the organization. The Executive negotiates the contract, which details disbursement conditions and performance expectations, including reporting, for the County's funding provided to the organization. The Council may also choose to identify specific programs, expenditures, and/or reporting requirements through the Council's budget resolution. Executive staff will be available to discuss any questions that the committees may have about contracting with KID Museum in FY23.

See the draft FY23 KID Museum budget on ©5. The organization is estimating about \$7.2 million in revenue through various sources in FY23. The County's funding through this NDA is estimated to be about 21.9% of all revenue in FY23. The County provides additional targeted funding through other accounts.

See the draft FY23 KID Museum program description on ©6-9. The document list six programs, locations where those programs will be offered, and estimated attendance for FY23.

The six programs include: 1) Family programs + community engagement; 2) Out of School Time programs; 3) School programs; 4) Teacher programs; 5) Apprentice program; and 6) Thought Leadership & Community Showcases.

**Council staff concurs with the Executive’s recommendation for this NDA.**

<u>This packet contains:</u>	<u>Circle #</u>
Executive’s recommended FY23 appropriation	1
KID Museum – FY22 budget	2
KID Museum – FY22 financial statements as of February 2022	3
KID Museum – Draft FY23 budget	5
KID Museum – FY23 programs summary	6

 **KID Museum**

KID Museum is a Montgomery County-based non-profit organization that provides experiential Science, Technology, Engineering, and Mathematics (STEM), and cultural learning for children and families in the region. In close collaboration with Montgomery County Public Schools (MCPS) and local youth development organizations, KID Museum has developed an innovative and highly effective array of educational programs to support youth of diverse backgrounds to gain critical academic and social-emotional skills, with a focus on STEM, multiculturalism, and the future of work. KID Museum's team of professional educators deliver programs directly to youth, and supports classroom teachers with curriculum and professional development to bring innovative approaches to teaching and learning into the classroom and out-of-school time settings.

<b>FY23 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY22 Approved</b>	<b>1,200,000</b>	<b>0.00</b>
Increase Cost: Funding to Support KID Museum	372,000	0.00
<b>FY23 Recommended</b>	<b>1,572,000</b>	<b>0.00</b>

**KID Museum  
FY2022 Budget**

INCOME	FY 2022 Budget
<b>CONTRIBUTED INCOME</b>	
Corporate Contribution	1,409,200
Foundations	362,500
Government Grants	1,882,052
Individual Contributions	350,000
<b>Total Contributed Income</b>	<b>4,003,752</b>
<b>EARNED INCOME</b>	
After School Programs	118,400
Camps	148,000
School & Group Visits	126,000
School & Organization Partnerships	1,759,300
Weekend Programs/Other	37,800
<b>Total Earned Income</b>	<b>2,189,500</b>
<b>Total Operating Income</b>	<b>6,193,252</b>
<b>In-Kind Income</b>	<b>450,000</b>
<b>Total Income</b>	<b>6,643,252</b>
<b>EXPENSES</b>	
Admin Syst/Software/Equip.	60,000
Advertising	55,000
Bank/Credit Card Fees	10,400
Benefits -Disability/Life Insurance	38,975
Benefits -Health Insurance	191,394
Benefits -Retirement	62,290
Benefits -FSA	3,000
Communications (Phone/Intrnt)	13,200
Consultants/Contractors	309,600
Davis Exhibit: Furnishing/Equipment	8,000
Davis Exhibit: Supplies	44,000
New Exhibit: Furnishing/Equipment	100,000
New Exhibit: Supplies	83,000
Depreciation/Amortization	101,764
Dues/Membership/Publications	1,250
Events - Supplies and Equipment	7,000
Insurance - Business	15,600
Legal & Professional Fees	8,000
Payroll	3,479,885
Payroll Taxes	267,951
Printing	12,000
Professional Development	24,000
Rent-Storage Space	3,000
Rent - Metro Location	774,280
Repair & Maintenance	96,000
Security	3,600
Store Inventory	1,200
Supplies: Office	16,500
Taxes & Licenses	600
Transportation	4,800
Travel/Entertainment	11,700
Utilities	55,375
<b>Sub Total</b>	<b>5,863,364</b>
Contingencies	293,168
<b>Total Operating Expenses</b>	<b>6,156,532</b>
<b>In-Kind Expenses</b>	<b>450,000</b>
<b>Total Expenses</b>	<b>6,606,532</b>
<b>Net Gain (Loss) Per GAAP</b>	<b>36,720</b>

**MOCO Kidsco, Inc. dba - KID Museum Inc.**  
**Budget vs. Actuals: Budget 2021/2022 - FY22 P&L**  
 July 2021 - February 2022

	Total	
	Actual	Budget
<b>Income</b>		
<b>Contributed Income</b>		
Corporate Contributions	239,500.00	1,409,200.00
Foundations	159,247.50	362,500.00
Government Support	1,729,802.00	1,882,052.00
Individual Contributions	153,955.57	350,000.00
<b>Total Contributed Income</b>	<b>\$ 2,282,505.07</b>	<b>\$ 4,003,752.00</b>
<b>Earned Income</b>		
After School Programs	30,826.00	118,400.00
Camp	88,160.00	148,000.00
Gift Shop Revenue	30.00	0.00
Memberships	4,990.00	0.00
School and Group Visits	9,475.00	126,000.00
Special Initiatives and Partnerships	1,729,984.29	1,759,302.00
Weekend/Other Programs	15,000.00	37,800.00
Weekend/Other Programs- Private Tutoring	600.00	
Weekend/Other Programs- Virtual	300.00	
<b>Total Weekend/Other Programs</b>	<b>\$ 15,900.00</b>	<b>\$ 37,800.00</b>
<b>Total Earned Income</b>	<b>\$ 1,879,365.29</b>	<b>\$ 2,189,502.00</b>
Interest Earned	139.57	
<b>Total Income</b>	<b>\$ 4,162,009.93</b>	<b>\$ 6,193,254.00</b>
<b>Gross Profit</b>	<b>\$ 4,162,009.93</b>	<b>\$ 6,193,254.00</b>
<b>Expenses</b>		
Accounting & Marketing software	14,523.87	60,000.00
Advertising/Marketing/Social Media/Cust. Surveys	826.00	55,000.00
All Bank/Credit Card/Insur Install /PPal Processing Fees	8,597.88	10,400.00
Charitable Contributions to others	1,100.00	0.00
Communications (Phone/Internet/Zoom)	4,230.82	13,200.00
Consultants & Contractors	309,092.17	264,100.00
Contingency		293,168.00
<b>Total Davis Exhibit</b>	<b>\$ 106,447.00</b>	<b>\$ 52,000.00</b>
Dues/Memberships/KMI Presenter at Paid event	6,611.00	1,250.00
<b>Total Event</b>	<b>\$ 0.00</b>	<b>\$ 7,000.00</b>
<b>Total Insurance; all business centered</b>	<b>\$ 14,269.86</b>	<b>\$ 15,600.00</b>
<b>Legal &amp; Accounting Fees</b>		
Accounting Fees	43,930.00	45,500.00
Legal Fees	726.76	8,000.00
<b>Total Legal &amp; Accounting Fees</b>	<b>\$ 44,656.76</b>	<b>\$ 53,500.00</b>
<b>Total New Exhibit</b>	<b>\$ 0.00</b>	<b>\$ 183,000.00</b>
Payroll	1,354,236.92	3,479,885.00

<b>Total Benefits</b>	<b>\$</b>	<b>88,712.08</b>	<b>\$</b>	<b>295,659.00</b>
Payroll Fees		9,820.60		0.00
Payroll taxes		115,843.41		267,951.00
<b>Total Payroll</b>	<b>\$</b>	<b>1,568,613.01</b>	<b>\$</b>	<b>4,043,495.00</b>
Printing and Postage		10,806.18		12,000.00
Professional Development & Training- direct expenses		926.10		24,000.00
Recruitment		20,863.74		0.00
Rent for Storage Space(s)		1,856.00		3,000.00
Rent- building(s)		88,643.33		774,280.00
<b>Total Repair &amp; Maint- Equip/Auto/Cleaning</b>	<b>\$</b>	<b>28,055.35</b>	<b>\$</b>	<b>96,000.00</b>
Security		1,237.41		3,600.00
Store Inventory				1,200.00
<b>Total Supplies &amp; Expense</b>	<b>\$</b>	<b>4,657.73</b>	<b>\$</b>	<b>16,500.00</b>
Taxes & Licenses		150.35		600.00
Transportation/Mileage/Metro/Car Fees/Parking		2,242.47		4,800.00
Travel and Staff & General Appreciation expenses		16,443.86		11,700.00
Utilities				55,376.00
<b>Total Expenses</b>	<b>\$</b>	<b>2,254,850.89</b>	<b>\$</b>	<b>6,054,769.00</b>
<b>Net Operating Income</b>	<b>\$</b>	<b>1,907,159.04</b>	<b>\$</b>	<b>138,485.00</b>
<b>Other Expenses</b>				
Amortization/Leashold				36,232.00
Depreciation Expense		14,068.00		19,536.00
<b>Total Other Expenses</b>	<b>\$</b>	<b>14,068.00</b>	<b>\$</b>	<b>55,768.00</b>
<b>Net Other Income</b>	<b>-\$</b>	<b>14,068.00</b>	<b>-\$</b>	<b>55,768.00</b>
<b>Net Income</b>	<b>\$</b>	<b>1,893,091.04</b>	<b>\$</b>	<b>82,717.00</b>

**KID Museum  
FY2023 Budget**

<b>INCOME</b>	<b>FY 2023 Budget</b>
<b>CONTRIBUTED INCOME</b>	
Corporate Contribution	750,000
Foundations	500,000
Government Grants	2,200,000
Individual Contributions	350,000
<b>Total Contributed Income</b>	<b>3,800,000</b>
<b>EARNED INCOME</b>	
After School Programs	300,000
Camps	200,000
School & Group Programs	125,000
School & Organization Partnerships	2,075,000
Weekend Programs/Other	275,000
<b>Total Earned Income</b>	<b>2,975,000</b>
<b>Total Operating Income</b>	<b>6,775,000</b>
<b>In-Kind Income</b>	<b>400,000</b>
<b>Total Income</b>	<b>7,175,000</b>
<b>EXPENSES</b>	
Accounting/Marketing Software	60,000
Advertising	55,000
Bank/Credit Card Fees	20,000
Benefits -Disability/Life Insurance	25,000
Benefits -Health Insurance	180,000
Benefits -Retirement	50,000
Benefits -FSA	3,000
Communications (Phone/Intrnt)	18,000
Consultants/Contractors	325,000
Davis Exhibit: Furnishing/Equipment	10,000
Davis Exhibit: Supplies	60,000
3BMC Exhibit: Furnishing/Equipment	50,000
3BMC Exhibit: Supplies	175,000
Depreciation/Amortization	100,000
Dues/Membership/Publications	10,000
Events - Supplies and Equipment	10,000
Insurance - Business	30,000
Legal & Professional Fees	60,000
Payroll	3,800,000
Payroll Taxes	313,147
Printing	15,000
Professional Development	24,000
Rent-Storage Space	9,360
Rent - Metro Location	988,160
Repair & Maintenance	90,000
Security	105,000
Store Inventory	10,000
Supplies: Office	16,500
Taxes & Licenses	600
Transportation	4,800
Travel/Entertainment	35,000
Utilities	90,000
<b>Total Operating Expenses</b>	<b>6,742,567</b>
<b>In-Kind Expenses</b>	<b>400,000</b>
<b>Total Expenses</b>	<b>7,142,567</b>
<b>Net Gain (Loss)</b>	<b>32,433</b>



## KID Museum FY23 Program Descriptions

KID Museum is grateful for Montgomery County's generous and ongoing support of our maker learning programs for youth, families, and teachers. KID Museum's FY23 programmatic strategy leverages existing partnerships with Montgomery County, MCPS, and the Universities at Shady Grove (USG) through a multi-site program model.

With the opening of our new 28,000 square foot space in downtown Bethesda, KID Museum is now **the largest center for maker learning in the country**. This expansion enables us to more than double our reach in Montgomery County schools, from serving 6,590 students in FY22 to 15,450 students in FY23. For the past ten years, our goal has been to provide more opportunities for students to develop their creativity through a multi-visit model, enabling "deep dive" learning to take place all year long.

We measure the impact of this "deep dive" learning through a partnership with the MCPS Office of Shared Accountability and independent evaluation firms, results of which have been profound, particularly during the last two years of Covid-related learning loss. A recent study conducted in collaboration with the PEAR Institute, a national research institute that studies the impact of STEAM and social emotional learning programs, yielded the following result when students participate in KID Museum programs:

- 75% of students show increased STEM engagement.
- 89% of teachers report their students show increased perseverance.
- 90% of students show more curiosity about engineering.
- 84% of teachers report their students show increased critical thinking skills.

KID Museum continues to invest in teacher training programs, expanding our work with MCPS and other districts to reach 400-500 teachers in FY23. This work has captured the interest of national organizations, who are supporting KID Museum to bring its teacher professional development program focused on digital skills, tech equity, computer science and maker education to other cities across the country.

(1) FAMILY PROGRAMS + COMMUNITY ENGAGEMENT

*Locations:* KID Museum @ Bethesda Metro, schools, libraries, and recreation centers

*Estimated Audience:* 30,000

Each weekend, families from across the county can participate in self-guided, “open explore” experiences, where they use a wide variety of tools and materials; learn skills in coding & robotics, 3D design, art, and engineering; collaborate to solve problems; and learn about global cultures through making.

Through our visiting artists initiative, artists and makers create large-scale, public art in partnership with local communities. The museum aims to build community through artmaking, working with diverse cultures and innovative materials. Art will be the lens to explore identity and culture.

In FY23, we intend to take significant steps towards providing more maker-learning opportunities in local schools and neighborhoods, with a five-year goal of establishing additional community-based makerspaces designed to expand student and family access to maker tools, equipment, and curriculum. These spaces will bring maker learning opportunities directly to neighborhoods with high concentrations of poverty, enabling families to participate at their local schools, libraries or community centers.

(2) OUT OF SCHOOL TIME PROGRAMS

*Locations:* KID Museum @ Bethesda Metro, Davis Library, Title I schools

*Estimated Audience:* 2,500 students

KID Museum will continue to deliver multi-session after school workshops (September-May), on-site at two KID Museum locations (Davis Library and Bethesda Metro) and in 18 Title I and high-need schools, through collaborations with Children’s Opportunity Fund, Excel Beyond the Bell, and individual school partnerships. The after school curriculum is aligned to science, math, and literacy standards, prioritized by MCPS. Additionally, over 1,000 students will participate in week-long camps led by KID Museum’s team of professional Maker Educators.

(3) SCHOOL PROGRAMS

*Locations:* KID Museum @ Bethesda Metro, Davis Library, USG, Title I schools

*Estimated Audience:* 7,400+ students and teachers

KID Museum and MCPS are expanding their partnership to provide maker learning programs, curriculum, and professional development to students and teachers during summer school and throughout the school year. We are building a K-8 pathway for students, including daily maker curricula in all Title I Elementary schools, multi-session field trip programs for 2nd-8th graders, year-long after school programs for elementary and middle schoolers, and professional development for teachers.

Specific school programs include:

- *KID Inventors*: Projected to reach 2,400 students and 120 teachers, this multi-session program engages 2nd-4th graders through an engineering design challenge where students build skills in a variety of content areas (electricity, coding, fiber arts, woodshop fabrication) design solutions to problems in their classrooms or communities, and build prototypes of those inventive solutions.
- *Invent the Future*: Projected to reach 2,000 middle school students and 75 teachers, the Invent the Future program is one of the region's largest maker challenges, integrating science, technology, engineering and design. KID Museum brings together thousands of middle school students, families, educators, and community members to invent solutions to the question "What will you make to protect life on this planet?"
- *Single Session Field Trips*: Projected to reach 3,000 students, KID Museum Field Trips are designed to activate interest in STEAM and spark and enthusiasm for making. Students explore a variety of maker skills and STEAM concepts including coding and robotics, forces and motion, and electricity, while building social-emotional skills such as perseverance, collaboration, and confidence.

#### (4) TEACHER PROGRAMS

*Locations*: KID Museum @ Bethesda Metro, Title I Schools, community locations

*Estimated Audience*: 400 - 500 teachers

KID Museum collaborates with teachers to build the skills they need to serve as champions of maker learning and initiate or grow maker programs at their school. Through a series of workshops, working sessions, and individualized consulting, teachers partner with KID Museum Maker Educators and their peers to increase their confidence and capability of delivering high-quality, maker learning experiences.

In FY23, KID Museum is building on the professional development models shaped in MCPS to deliver a day-long maker learning intensive to 100 teachers across the nation.

Specific teacher programs include:

- *Maker Studio*: Projected to reach 30 teachers in 15 schools, this professional development program is designed to support teachers in designing maker learning experiences. KID Museum Maker Educators work with teachers individually to identify opportunities for making in their curriculum, develop robust maker projects, build technical skills, and document the process for student assessment.
- *Program PD*: Projected to reach 300+ teachers, these professional development workshops and coaching sessions are specifically focused on individual curriculum or field trips that teachers are delivering with their students.

(5) APPRENTICE PROGRAM: Teen Volunteers

*Locations:* KID Museum @ Bethesda Metro, Davis Library, local schools, community events

*Estimated Audience:* 100 high schoolers

KID Museum's Apprentice Program attracts high school students from across the county to support the facilitation of KID Museum's out of school time programs. KID Museum Apprentices work closely with Maker Educators to facilitate hands-on programs. The high school students are trained to deliver STEAM experiences that are driven by exploration, inquiry, collaboration, and perseverance. Throughout the program, Apprentices participate in professional development sessions in a selected disciplines including woodworking, 3D design and printing, fiber arts, or coding and robotics.

(6) THOUGHT LEADERSHIP & COMMUNITY SHOWCASES

*Locations:* KID Museum @ Bethesda Metro, national forums

*Estimated Audience:* 2,000

Part of KID Museum's mission as a community resource is to capture learnings from our work in Montgomery County and share the results with a national audience. We do this in a variety of ways, through community conversations we host at our Bethesda Metro location, attending national conferences such as SXSW EDU, publishing our monthly *Futurist* blog, and hosting *Invent the Future* Showcases to elevate student projects.