

**D60A10
State Archives**

Operating Budget Data

(\$ in Thousands)

| | <u>FY 17</u> <u>Actual</u> | <u>FY 18</u> <u>Working</u> | <u>FY 19</u> <u>Allowance</u> | <u>FY 18-19</u> <u>Change</u> | <u>% Change</u> <u>Prior Year</u> |
|------------------------------|---|--|--|--|--|
| General Fund | \$2,403 | \$5,418 | \$6,258 | \$840 | 15.5% |
| Adjustments | 0 | -64 | 39 | 103 | |
| Adjusted General Fund | \$2,403 | \$5,354 | \$6,297 | \$942 | 17.6% |
| Special Fund | 6,327 | 3,606 | 2,597 | -1,009 | -28.0% |
| Adjustments | 0 | -21 | 9 | 30 | |
| Adjusted Special Fund | \$6,327 | \$3,585 | \$2,606 | -\$979 | -27.3% |
| Federal Fund | 53 | 0 | 0 | 0 | |
| Adjustments | 0 | 0 | 0 | 0 | |
| Adjusted Federal Fund | \$53 | \$0 | \$0 | \$0 | |
| Adjusted Grand Total | \$8,782 | \$8,940 | \$8,903 | -\$36 | -0.4% |

Note: FY 18 Working includes targeted reversions, deficiencies, and across-the-board reductions. FY 19 Allowance includes contingent reductions and cost-of-living adjustments.

- The adjusted fiscal 2019 budget decreases \$36,000, or 0.4%. There is a \$942,000 increase in general funds and a \$979,000 decrease in special funds, largely due to the reduction in funding from the Land Records Improvement special fund housed within the Judiciary as per the agreement between the two agencies.

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

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Personnel Data

| | <u>FY 17</u> <u>Actual</u> | <u>FY 18</u> <u>Working</u> | <u>FY 19</u> <u>Allowance</u> | <u>FY 18-19</u> <u>Change</u> |
|------------------------|---|--|--|--|
| Regular Positions | 62.50 | 62.50 | 63.00 | 0.50 |
| Contractual FTEs | <u>13.80</u> | <u>10.90</u> | <u>10.80</u> | <u>-0.10</u> |
| Total Personnel | 76.30 | 73.40 | 73.80 | 0.40 |

Vacancy Data: Regular Positions

| | | |
|---|------|-------|
| Turnover and Necessary Vacancies, Excluding New Positions | 1.25 | 1.99% |
| Positions and Percentage Vacant as of 12/31/17 | 2.00 | 3.20% |

- There is a staff person serving in a split 0.5 full-time equivalent and 0.5 contractual position. The budget converts this positions to a 1.0 regular position.

Analysis in Brief

Major Trends

Programs Offered at the State Archives: The Maryland State Archives regularly hosts public events to educate the public on the services offered. There has been a decline in the number of events offered both because of the emergency mold remediation in the State Archives building and the end of federal grant funding that supported staff positions. There has also been an increase in the number of requests and electronic data transfers of information, which may coincide with the decrease in the number of public events held.

Art Collection: The Maryland Commission on Artistic Property maintains and stores the State art collection. The method for classifying and counting artistic property has changed, which has created fluctuations in the number of artistic property pieces identified.

Records Management: The State Archives collects and stores records of permanent value on behalf of the State. There has been a consistent increase in the quantity of records managed with the percentage of electronic records growing more quickly.

Issues

Mold Remediation: The Hall of Records building that houses the State Archives experienced an emergency closure due to the discovery of mold growth. The State Archives received emergency funding to remediate the mold. **State Archives should provide a status update on the mold remediation and prevention efforts taking place within their building.**

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

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D60A10 State Archives

Operating Budget Analysis

Program Description

As the State's legally and constitutionally mandated historical agency, the State Archives is the central depository for government and designated private records of permanent value. Holdings date from 1634 and include colonial and State executive, legislative, and judicial records; county probate, land, and court records; publications and reports of the State, county, and municipal governments; business records; and special collections of maps, newspapers, photographs, records of religious bodies (particularly as they relate to the records of births, deaths, and marriages), businesses, and private individuals.

Maryland is unique in that the State Archives is responsible for permanent records from all three branches of government and all levels of government, including municipal and local governments. As a result, the State Archives is one of the largest state archives in the country.

Only a small percentage of the records created by the government are considered permanent records that the State Archives is mandated to preserve for posterity. The records transferred to the State Archives have been found to have permanent historical, educational, and administrative value through the records scheduling and retention process. Developing records retention and disposition schedules is a collaborative process involving the originating agency, the Department of General Services (DGS), and the State Archivist. Agencies are responsible for drafting retention schedules that are consistent with State laws and regulations; these schedules must be approved by DGS, the State Archivist, and ultimately, the Hall of Records Commission. The State Archives does not accept the transfer of records series unless the records have been determined by schedule to be of permanent value. Permanently valuable records are transferred to archival custody when no longer needed for current agency business.

The State Archives seeks to preserve and make records available in original form and electronically to provide reliable information about Maryland State, county, and municipal government in a continuously compiled, updated, and accessible environment. Other publications and the index to various collections are available on the Internet and in digital format. The *Maryland Manual On-Line*, including photographs, is available online and updated daily.

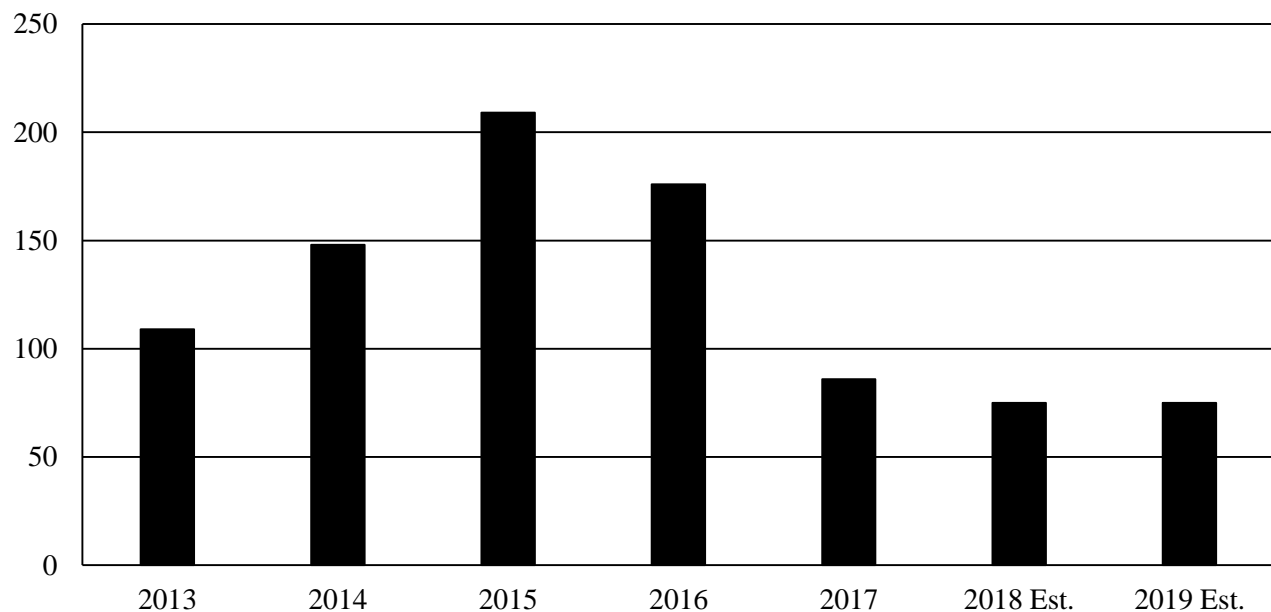
The Maryland Commission on Artistic Property is the official steward of all valuable paintings and other decorative arts that comprise the State-owned art collection. Since the first acquisition in 1774, the collection has evolved into a historically and artistically important collection of paintings, decorative arts, and sculptures with national and international significance. The commission oversees the acquisition, location, proper care, restoration, display, and preservation of these paintings and decorative arts.

Performance Analysis: Managing for Results

1. Programs Offered at the State Archives

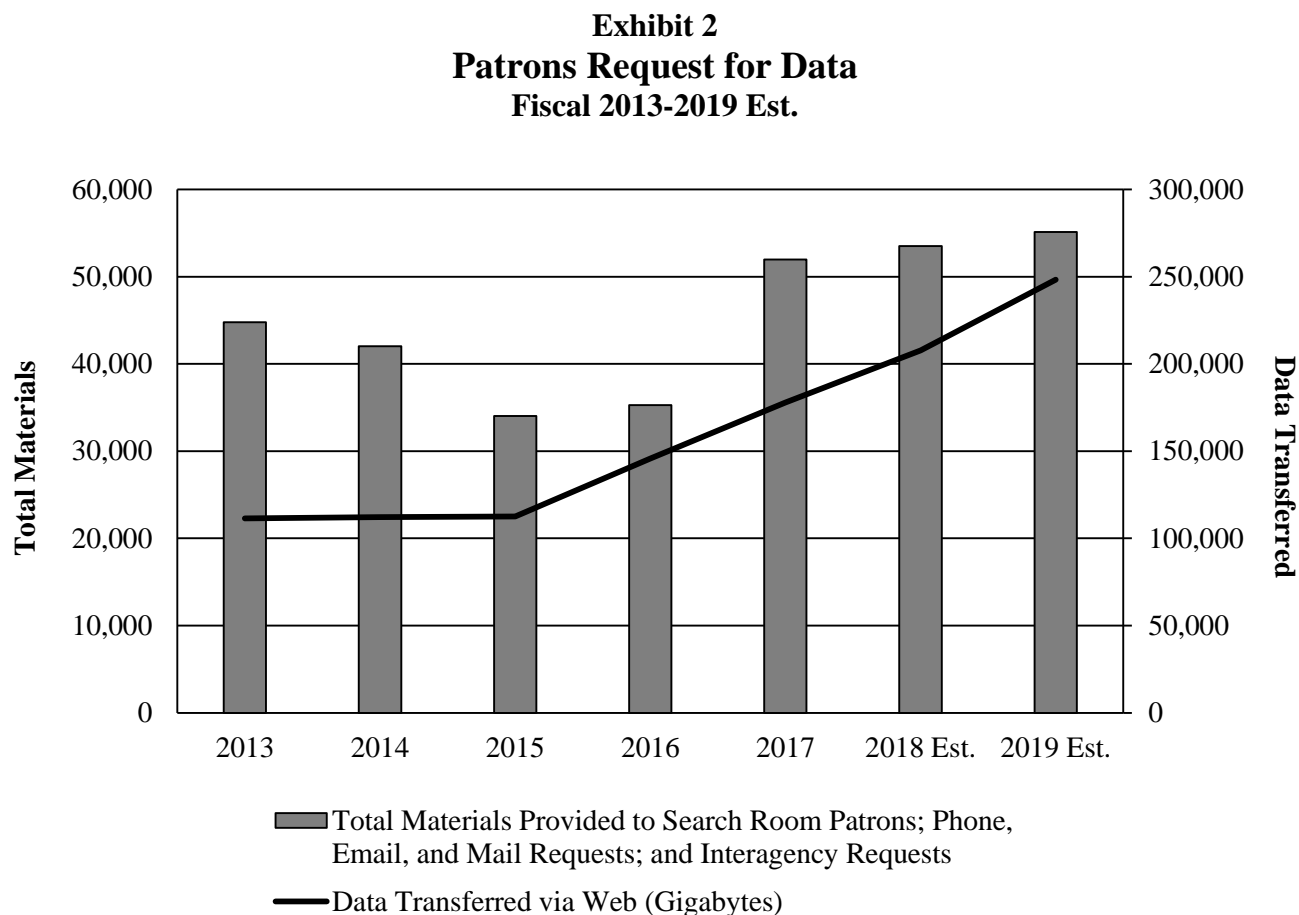
The State Archives offers several programs annually to help citizens learn more about the services provided by the State Archives and how to more effectively navigate their collections. Events include workshops on how to search for historical information and their Annual Family History Festival. **Exhibit 1** outlines the number of programs offered by the State Archives annually. The number of events held declined significantly from 176 events in fiscal 2016 to 86 in fiscal 2017. This decline is, in large part, because of the mold remediation efforts that took place in the State Archives building. Many of the State Archives research functions were relegated to their lobby, and the building underwent major remediation renovation efforts for several months. In addition to the building mold, there has been a reduction in the number of staff available to host and present events because the National Historical Publications and Records Commission federal grant funds ended. The State Archives is currently working to develop social media and video-based means of public engagement.

Exhibit 1
Programs Offered by the State Archives
Fiscal 2013-2019 Est.



Source: Maryland State Archives

While the number of events has decreased, the number of physical and electronic requests for information rose significantly in fiscal 2017, as shown in **Exhibit 2**. This could be a result of having less events for patrons to educate themselves and have questions answered.



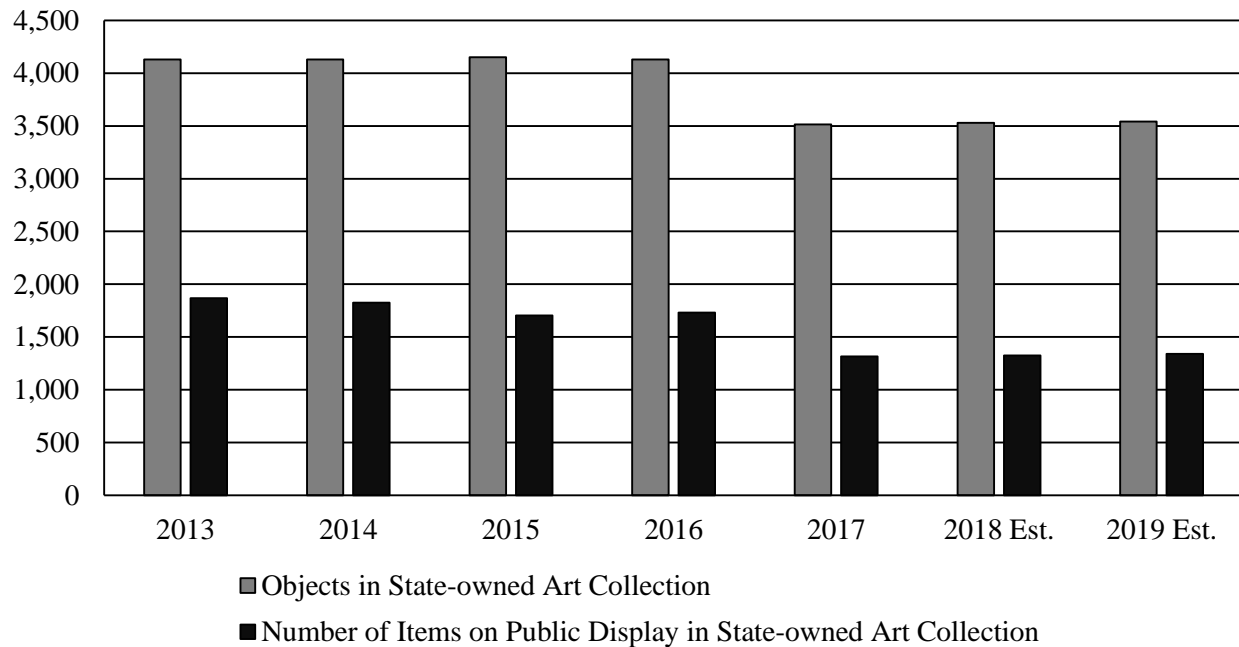
Source: Maryland State Archives

2. Art Collection

The Maryland Commission on Artistic Property was formed to serve the public as the official custodian of the State-owned art collection. The collection is comprised of those works that document the history of Maryland through subject, maker, or place of origin. **Exhibit 3** shows the number of objects in the State-owned art collection and the number of items from the collection currently on display. There has been a decrease in the number of objects in the art collection because the method of counting collection pieces has changed. With the transfer of most items in the collection to the new Woodlawn facility, the opportunity came to reassess and enhance storage methods. There are

reproductions and duplicates of some pieces that were not of the same standard or value as the other pieces in the collection. As a result, the Collections Advisory Committee approved of the removal of 623 items.

Exhibit 3
Art Collection
Fiscal 2013-2019 Est.



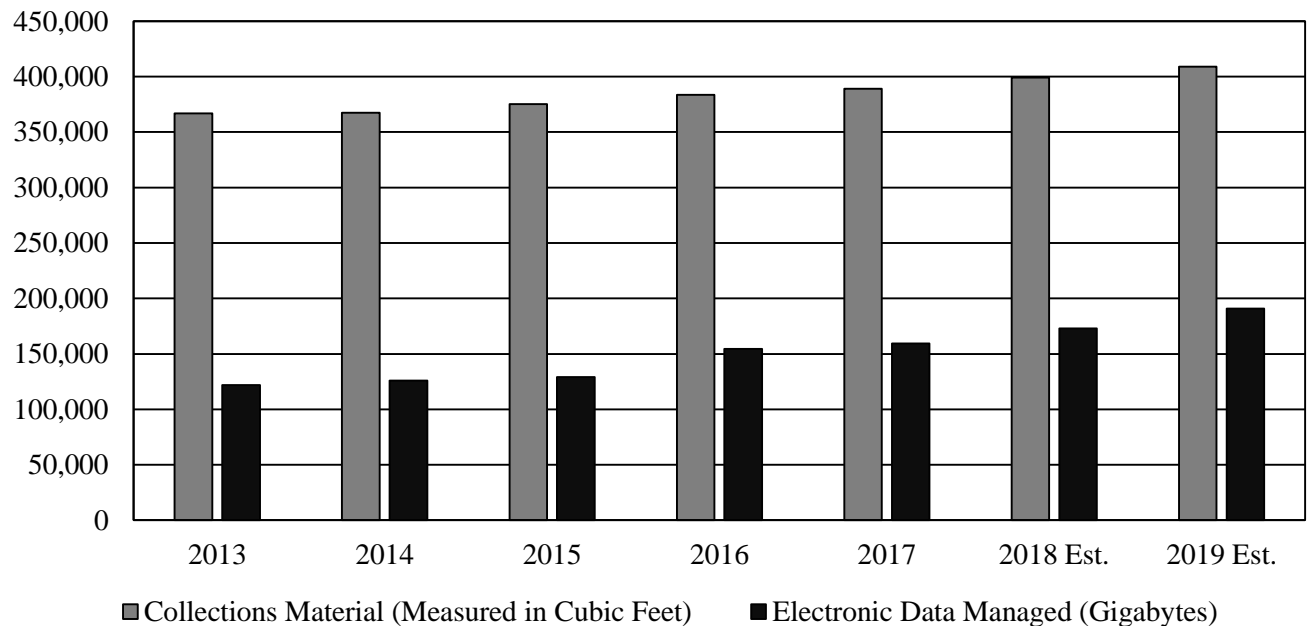
Source: Maryland State Archives

The number of pieces on display also changed as a result of the more updated methods and criteria for counting collected objects.

3. Records Management

The State Archives serves to determine which local, county, and State records are of permanent value and then develop and facilitate processes for collecting and maintaining these records on behalf of the State. **Exhibit 4** shows the number of physical and electronic records currently maintained. As the use of technology becomes more prevalent, the percentage of records maintained electronically has increased.

Exhibit 4
Physical and Electronic Data Records Managed
Fiscal 2013-2019 Est.



Source: Maryland State Archives

Fiscal 2018 Actions

Cost Containment

In September 2017, the Board of Public Works (BPW) reduced the fiscal 2018 appropriation of the State Archives by \$35,559 for conservation activities.

Across-the-board Employee and Retiree Health Insurance Reduction

The budget bill includes an across-the-board reduction for employee and retiree health insurance in fiscal 2018 to a surplus balance in the fund. This agency's share of this reduction is \$63,678 in general funds and \$21,226 in special funds.

Proposed Budget

As seen in **Exhibit 5**, the State Archives fiscal 2019 budget decreases by \$36,000. Personnel costs are virtually flat from fiscal 2018 to 2019. There is an \$85,000 increase in health insurance costs primarily due to the impact fiscal 2018 health deduction holidays. There is a \$203,000 decrease in funding for contractual conversions included in the fiscal 2018 budget that did not occur. This is partially offset by an increase of \$134,000 for the cost of the continued contractual positions.

The fiscal 2019 allowance also includes funds for a 2% general salary increase for all State employees, effective January 1, 2019. These funds are budgeted in the Department of Budget and Management's statewide program and will be distributed to agencies during the fiscal year. This agency's share of the general salary increase is \$39,042 in general funds and \$9,057 in special funds. In addition, employees will receive another 0.5% increase and a \$500 bonus effective April 1, 2019, if actual fiscal 2018 general fund revenues exceed the December 2017 estimate by \$75 million. These funds have not been budgeted. The Administration will need to process a deficiency appropriation if revenues are \$75 million more than projected.

There is a \$98,000 increase in funding for expenses associated with the warehouse in Woodlawn, Maryland. These costs are offset by the \$93,000 decrease in costs associated with the rental of warehouse space for State Archives' records and artistic property. There is also a \$164,000 decrease associated with computer hardware and software updates from fiscal 2018.

Exhibit 5 Proposed Budget State Archives (\$ in Thousands)

| How Much It Grows: | <u>General Fund</u> | <u>Special Fund</u> | <u>Federal Fund</u> | <u>Total</u> |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---------------------|
| Fiscal 2017 Actual | \$2,403 | \$6,327 | \$53 | \$8,782 |
| Fiscal 2018 Working Appropriation | 5,354 | 3,585 | 0 | 8,940 |
| Fiscal 2019 Allowance | <u>6,297</u> | <u>2,606</u> | <u>0</u> | <u>8,903</u> |
| Fiscal 2018-2019 Amount Change | \$942 | -\$979 | \$0 | -\$36 |
| Fiscal 2018-2019 Percent Change | 17.6% | -27.3% | | -0.4% |

Where It Goes:

Personnel Expenses

| | |
|---|------|
| Health insurance impact of fiscal 2018 health insurance deduction holidays | \$85 |
| Regular salaries including a new 0.5 full-time equivalent position | 68 |
| General salary increase..... | 48 |
| Other fringe benefit adjustments | 4 |
| Reclassification costs associated with fiscal 2018 contractual conversions that did not occur | -203 |

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Where It Goes:

Other Changes

| | |
|--|--------------|
| Contractual positions related to contractual conversions | 134 |
| Increased expenses for the Woodlawn building | 98 |
| Fixed charges..... | 14 |
| Travel | -5 |
| Communications..... | -11 |
| Supplies | -13 |
| Lower costs related to use of rental warehouses | -93 |
| Computer replacement | -164 |
| Miscellaneous..... | 2 |
| Total | -\$36 |

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

Issues

1. Mold Remediation

During the January 4, 2017 BPW meeting, the State Archives was approved for emergency funding to provide mold remediation in the amount of \$443,014. Staff was alerted to a mold issue when they found mold growing in their offices and in some of the State Archives books. Aside from the health risks associated with mold inhalation, the presence of mold is particularly disruptive to the core functions of the State Archives as it stores records of permanent value, many of which are paper records. During the initial investigations conducted by DGS, the cause of the mold was not determined. A contractor was hired in January 2017 to perform mold remediation and report their findings to DGS.

In addition to the mold remediation, DGS ordered an evaluation of the State Archives building and mechanical systems. Both evaluations resulted in several recommendations for the prevention of future mold growth. Recommendations regarding the building include replacing the roof on the State Archives building; installation of preventative mechanisms such as a French drain, head, and sill pan flashings beneath the paneling system; and flashing membrane replacement. It was also recommended that several joints of the building be repaired to prevent water migration and an epoxy coating be applied to the floor to prevent water vapor migration.

The State Archives search room was closed for four months while mold remediation and other repairs took place. The replacement of flashing membranes and the sealant joint repairs have been completed. There was also an epoxy coat applied to the ground slab before the carpet was replaced. All of the staff areas and the archival materials have been cleaned, vacuumed, and returned to clean shelves. These repairs are all in an effort to enhance the building envelope.

In addition to building upkeep, there were several issues that could lead to mold growth relating to mechanical failure and the inability to control humidity and building pressure. Recommendations include repairing defective equipment and upgrading the current air system. DGS is leading the efforts to secure a new mechanical system and is currently in the early stages of vendor selection. While the building is currently being monitored for mold growth conditions by Green Street Environmental, as the weather warms and temperatures rise, there will be a need for dehumidifiers in the State Archives building as a temporary measure to prevent mold while the new mechanical system is being installed. **The State Archives should provide a status update on the mold remediation and prevention efforts taking place within its building.**

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Current and Prior Year Budgets
Maryland State Archives
(\$ in Thousands)

| | <u>General Fund</u> | <u>Special Fund</u> | <u>Federal Fund</u> | <u>Reimb. Fund</u> | <u>Total</u> |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------|
| Fiscal 2017 | | | | | |
| Legislative Appropriation | \$2,454 | \$6,990 | \$46 | \$0 | \$9,489 |
| Deficiency Appropriation | 0 | 0 | 7 | 0 | 7 |
| Cost Containment | -91 | 0 | 0 | 0 | -91 |
| Budget Amendments | 40 | 42 | 0 | 0 | 82 |
| Reversions and Cancellations | 0 | -705 | 0 | 0 | -705 |
| Actual Expenditures | \$2,403 | \$6,327 | \$53 | \$0 | \$8,782 |
| Fiscal 2018 | | | | | |
| Legislative Appropriation | \$5,453 | \$3,606 | \$0 | \$0 | \$9,059 |
| Cost Containment | -35 | 0 | 0 | 0 | -35 |
| Budget Amendments | 0 | 0 | 0 | 0 | 0 |
| Working Appropriation | \$5,418 | \$3,606 | \$0 | \$0 | \$9,024 |

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. Numbers may not sum to total due to rounding.

Fiscal 2017

The fiscal 2017 legislative appropriation for the State Archives decreased by \$707,000. General funds decreased by \$51,000 with a \$91,000 reduction for cost containment, only partly offset by budget amendments of \$37,000 for centrally budgeted salary adjustments and \$3,000 for telecommunications.

The special fund appropriation increased by \$42,000 for centrally budgeted salary adjustments. This was offset by \$705,000 in canceled special funds because special fund revenues were lower than anticipated.

The federal fund appropriation increased by \$7,000 through a deficiency appropriation for the unspent amount of a National Historical Publication and Record Commission grant.

Fiscal 2018

To date, the fiscal 2018 legislative appropriation has decreased by \$35,000 in general funds as a result of statewide cost containment.

**Appendix 2
Object/Fund Difference Report
State Archives**

| <u>Object/Fund</u> | <u>FY 17 Actual</u> | <u>FY 18 Working Appropriation</u> | <u>FY 19 Allowance</u> | <u>FY 18 - FY 19 Amount Change</u> | <u>Percent Change</u> |
|-----------------------------|-------------------------|--|----------------------------|--|---------------------------|
| Positions | | | | | |
| 01 Regular | 62.50 | 62.50 | 63.00 | 0.50 | 0.8% |
| 02 Contractual | 13.80 | 10.90 | 10.80 | -0.10 | -0.9% |
| Total Positions | 76.30 | 73.40 | 73.80 | 0.40 | 0.5% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 5,678,826 | \$ 5,968,798 | \$ 5,838,746 | -\$ 130,052 | -2.2% |
| 02 Technical and Spec. Fees | 377,838 | 254,908 | 389,223 | 134,315 | 52.7% |
| 03 Communication | 113,648 | 217,893 | 206,470 | -11,423 | -5.2% |
| 04 Travel | 6,278 | 15,150 | 9,800 | -5,350 | -35.3% |
| 06 Fuel and Utilities | 138,491 | 136,309 | 216,600 | 80,291 | 58.9% |
| 07 Motor Vehicles | 4,947 | 10,620 | 10,620 | 0 | 0% |
| 08 Contractual Services | 1,345,369 | 947,683 | 800,348 | -147,335 | -15.5% |
| 09 Supplies and Materials | 61,252 | 78,457 | 65,114 | -13,343 | -17.0% |
| 10 Equipment – Replacement | 333,215 | 392,000 | 337,000 | -55,000 | -14.0% |
| 11 Equipment – Additional | 3,653 | 110,000 | 75,000 | -35,000 | -31.8% |
| 13 Fixed Charges | 718,869 | 892,684 | 906,226 | 13,542 | 1.5% |
| Total Objects | \$ 8,782,386 | \$ 9,024,502 | \$ 8,855,147 | -\$ 169,355 | -1.9% |
| Funds | | | | | |
| 01 General Fund | \$ 2,402,731 | \$ 5,418,117 | \$ 6,257,884 | \$ 839,767 | 15.5% |
| 03 Special Fund | 6,326,877 | 3,606,385 | 2,597,263 | -1,009,122 | -28.0% |
| 05 Federal Fund | 52,778 | 0 | 0 | 0 | 0.0% |
| Total Funds | \$ 8,782,386 | \$ 9,024,502 | \$ 8,855,147 | -\$ 169,355 | -1.9% |

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.

**Appendix 3
Fiscal Summary
State Archives**

| <u>Program/Unit</u> | <u>FY 17 Actual</u> | <u>FY 18 Wrk Approp</u> | <u>FY 19 Allowance</u> | <u>Change</u> | <u>FY 18 - FY 19 % Change</u> |
|-----------------------------|--------------------------------|------------------------------------|-----------------------------------|----------------------|--|
| 01 Archives | \$ 8,393,114 | \$ 8,532,700 | \$ 8,458,570 | -\$ 74,130 | -0.9% |
| 02 Artistic Property | 389,272 | 491,802 | 396,577 | -95,225 | -19.4% |
| Total Expenditures | \$ 8,782,386 | \$ 9,024,502 | \$ 8,855,147 | -\$ 169,355 | -1.9% |
| General Fund | \$ 2,402,731 | \$ 5,418,117 | \$ 6,257,884 | \$ 839,767 | 15.5% |
| Special Fund | 6,326,877 | 3,606,385 | 2,597,263 | -1,009,122 | -28.0% |
| Federal Fund | 52,778 | 0 | 0 | 0 | 0.0% |
| Total Appropriations | \$ 8,782,386 | \$ 9,024,502 | \$ 8,855,147 | -\$ 169,355 | -1.9% |

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.