

**D60A10
State Archives**

Operating Budget Data

(\$ in Thousands)

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$2,737	\$2,675	\$2,747	\$72	2.7%
Contingent & Back of Bill Reductions	0	0	-31	-31	
Adjusted General Fund	\$2,737	\$2,675	\$2,716	\$41	1.5%
Special Fund	8,263	7,193	6,871	-322	-4.5%
Contingent & Back of Bill Reductions	0	0	-8	-8	
Adjusted Special Fund	\$8,263	\$7,193	\$6,862	-\$331	-4.6%
Adjusted Grand Total	\$11,000	\$9,868	\$9,579	-\$290	-2.9%

- When adjusted for cost containment actions and contingent reductions, the fiscal 2010 allowance decreases \$290,000, or 2.9%, below the fiscal 2009 working appropriation.
 - Cost containment actions taken in the budget include a \$11,806 decrease for contractual full-time equivalents (FTEs) and a \$4,909 decrease for contractual services.
 - Reductions contingent upon the enactment of legislation include a \$22,638 decrease for the deferred compensation match.
- Personnel-related expenditures increase by \$187,000 overall mostly due to increases in employee and retiree health insurance.
- Costs for electronic equipment decrease \$1 million because electronic storage needs will be met using existing equipment.

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

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Personnel Data

	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 09-10</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	46.50	47.50	47.50	0.00
Contractual FTEs	<u>52.70</u>	<u>53.90</u>	<u>54.90</u>	<u>1.00</u>
Total Personnel	99.20	101.40	102.40	1.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.16	2.44%
Positions and Percentage Vacant as of 12/31/08	1.00	2.11%

- The allowance includes 1 additional contractual FTE for an archival trainee to assist with National Instant Criminal Background Check system services.
- As of December 31, 2008, the vacancy rate was 2.11%, or 1 position.
- The agency's budgeted turnover rate of 2.44% requires an average of 1.16 vacant positions throughout fiscal 2009 to achieve the savings required.

Analysis in Brief

Major Trends

The Ratio of Documents Managed to Storage Capacity Continues to Increase: The ratio of documents managed to storage capacity increased to 99% in fiscal 2008 and reached full capacity in fiscal 2009.

Annapolis and Peabody Collection Conservation: In fiscal 2008, the percent of Annapolis fine arts and works of paper items classified as being in good condition decreased to 39% as the result of an increase to the total number of objects in the collection.

Recommended Actions

1. Concur with Governor's allowance.

D60A10 State Archives

Operating Budget Analysis

Program Description

As the legally and constitutionally mandated historical agency for Maryland, the Maryland State Archives (MSA) is the central depository for government and certain designated private records of permanent value. Holdings date from 1634 to the present. These 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 recording of births, deaths, and marriages), businesses, and private individuals. MSA seeks to preserve and make available the permanent records of the past in original form and electronically, while providing reliable information about Maryland State, county, and municipal government in a continuously compiled and updated, web-enabled, and accessible environment.

MSA preserves, describes, and makes accessible the government general public records deemed to have a permanent historical, educational, and administrative value. MSA maintains an archival microfilm copy of all land and court records and prepares and normally publishes the *Maryland Manual* every two years. Other publications and the index to various collections are available on the Internet and on CD-ROM. The *Maryland Manual*, including photographs, is available on the Internet.

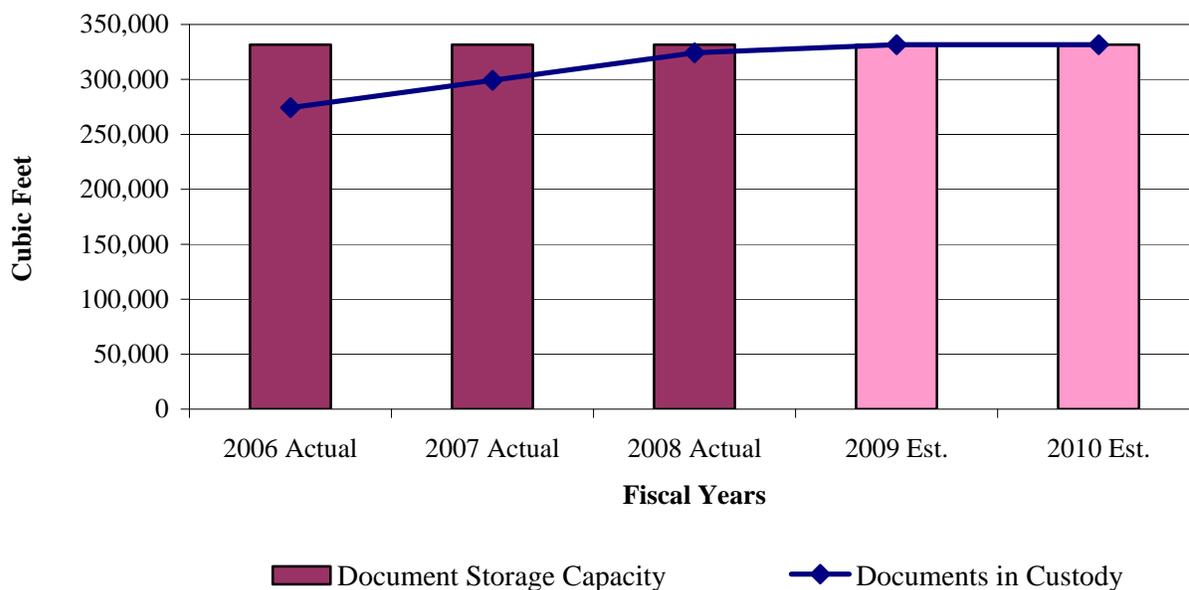
In February 1995, MSA established an Internet site (<http://www.mdarchives.state.md.us>). In January 1997, the agency also took responsibility for the Maryland Electronic Capital (MEC) web site (<http://www.mec/state.md.us>). MSA is the Webmaster for the MEC web page, the home page of Maryland State government, and provides the home page links to Maryland State government web sites.

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 sculpture with national and international significance. The commission provides for the acquisition, location, proper care, custody, restoration, display, and preservation of these paintings and decorative arts.

Performance Analysis: Managing for Results

One of MSA's primary objectives is to monitor and assess requirements for the permanent storage of documents that are legally mandated to be transferred or backed up by MSA such as vital statistics (e.g., birth and death records). **Exhibit 1** illustrates MSA's annual storage capacity for physical documents, as compared to the amount of documents being managed by the agency. The ratio of documents managed to storage capacity increased to 99% in fiscal 2008 and reached full capacity in fiscal 2009.

Exhibit 1
Permanent Storage of Documents
Fiscal 2006-2010



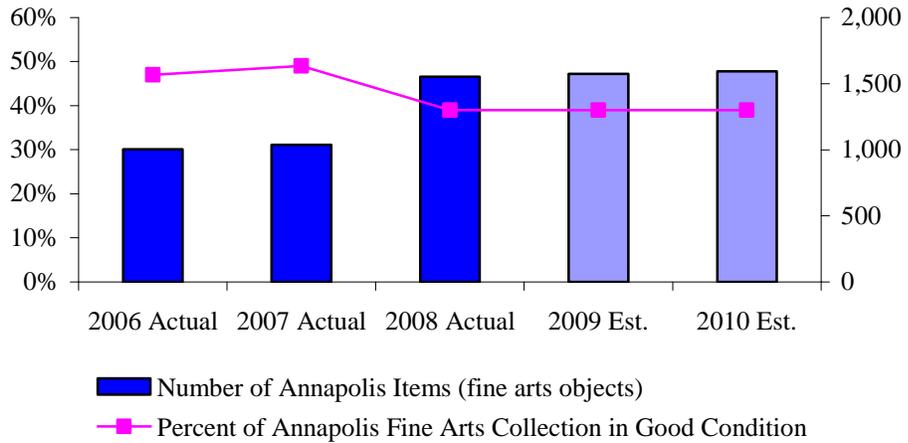
Source: Maryland State Archives

MSA should comment on how the agency plans to address its physical document storage constraints. MSA should further comment on the status of the clearinghouse process to acquire the State Police barracks adjacent to its Rowe Boulevard headquarters, the projected capital costs and long-term plan to acquire and outfit the space, and the long-term operational costs of running and maintaining the new space.

While MSA is rapidly moving into the electronic age, it continues to have custody of other State records such as the Annapolis and Peabody fine arts collections. **Exhibits 2 and 3** illustrate the number of items in both the Annapolis and Peabody collections as compared to the percentage of items classified as being in good condition. MSA classifies an item in one of three conditions: poor, fair, or good. Items classified as being in poor or fair condition are conserved and then reclassified. Theoretically, a work of art that has undergone treatment would at least be classified as in good condition, depending on the extent of its treatment and its prior condition. MSA's goal is to conserve 100% of the State-owned art classified as being in poor or fair condition by fiscal 2011. In fiscal 2008, the percent of Annapolis fine arts and works of paper items classified as being in good condition decreased to 39% as the result of an increase to the total number of objects in the collection. This was primarily due to a new methodology of counting items that more accurately indicates the size of the collection. The percent of Peabody fine arts and works of paper items classified as being in good condition increased slightly to approximately 45%. **The Archives should advise the committee on what resources would be needed to meet the additional agency's conservation goal.**

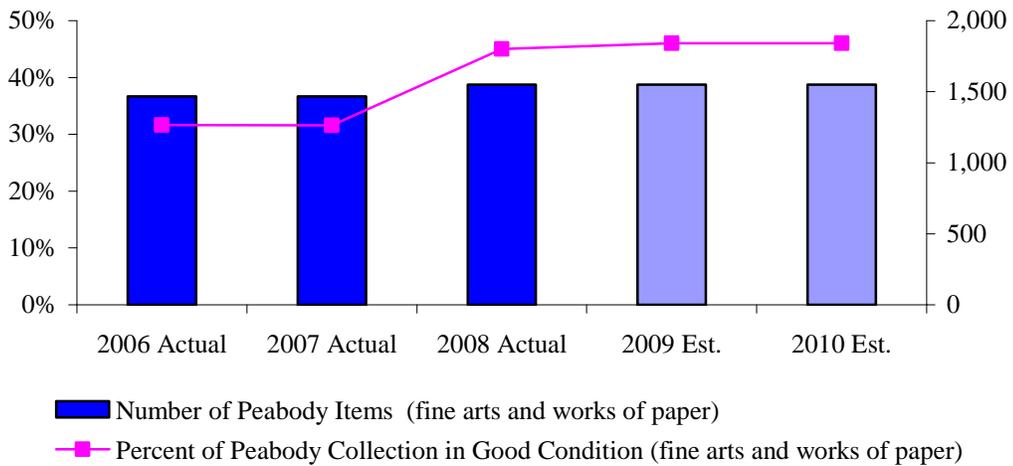
Analysis of the FY 2010 Maryland Executive Budget, 2009

Exhibit 2
Annapolis Fine Arts Collection
Fiscal 2006-2010



Source: Maryland State Archives

Exhibit 3
Peabody Fine Arts Collection
Fiscal 2006-2010



Source: Maryland State Archives

Fiscal 2009 Actions

Impact of Cost Containment

The Governor proposed and the Board of Public Works (BPW) adopted reductions to the fiscal 2009 appropriation. Cost containment actions taken in fiscal 2009 total \$180,647. Included in the actions were (1) reductions to health insurance and the Other Post Employment Benefits (OPEB) unfunded liability (\$54,886 general funds, \$7,761 special funds); (2) a \$55,687 general fund swap with existing special funds; and (3) a \$62,313 general fund temporary hiring freeze for the Architect of the Capital.

Proposed Budget

As illustrated in **Exhibit 4**, MSA's fiscal 2010 allowance decreases by \$290,000. This is primarily driven by personnel expenditures which increase \$187,000 overall. This is the net effect of increases in employee and retiree health insurance and the addition of one contractual full-time equivalent (FTE) for an archival trainee to assist with National Instant Criminal Background Check system services, offset by the elimination of funding for OPEB and an increase in the turnover expectancy. Also, \$62,313 is restored to the general fund budget for the temporary hiring freeze of one position created by BPW. Operational expenses decrease by \$477,000. This is primarily driven by a \$1 million decrease in equipment to assist with the storage of electronic documents. MSA realized it could largely meet its electronic storage requirements with existing equipment.

Impact of Cost Containment

Contingent and across-the-board reductions are effected in the MSA budget to reduce \$11,806 general funds for contractual FTEs, \$22,638 in funds to delete the deferred compensation match, and \$4,909 in general funds in the expectation of savings in contracted services based on a favorable bidding climate. Additional personnel reductions may occur in MSA as part of a statewide \$30 million unallocated across-the-board reduction.

Exhibit 4
Proposed Budget
State Archives
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Total
2009 Working Appropriation	\$2,675	\$7,193	\$9,868
2010 Allowance	<u>2,747</u>	<u>6,871</u>	<u>9,618</u>
Amount Change	\$72	-\$322	-\$250
Percent Change	2.7%	-4.5%	-2.5%
 Contingent Reductions	 -\$31	 -\$8	 -\$39
Adjusted Change	\$41	-\$331	-\$290
Adjusted Percent Change	1.5%	-4.6%	-2.9%

Where It Goes:**Personnel Expenses**

Employee and retiree health insurance	\$131
New contractual full-time equivalent – archival trainee.....	71
Restore general funds for architect of the capital position	62
Social Security	9
Reduction of Other Post Employment Benefits unfunded liability	-45
Turnover adjustment.....	-40
Contingent reduction deferred compensation match	-23
Across-the-board reduction: contractual employees.....	-12
Other increments and adjustments.....	34

Other Changes

Network management and monitoring equipment.....	400
Maintenance contracts for computers and software	238
Telecommunications.....	23
Equipment for storage of electronic documents	-1,033
Office supplies and materials.....	-71
Software licenses	-29
Across-the-board reduction: contractual services.....	-5

Total **-\$290**

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

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

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

	General <u>Fund</u>	Special <u>Fund</u>	Federal <u>Fund</u>	Reimb. <u>Fund</u>	<u>Total</u>
Fiscal 2008					
Legislative Appropriation	\$2,795	\$7,074	\$152	\$0	\$10,021
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	45	1,219	0	0	1,264
Cost Containment	-100	0	0	0	-100
Reversions and Cancellations	-3	-30	-152	0	-185
Actual Expenditures	\$2,737	\$8,263	\$0	\$0	\$11,000
Fiscal 2009					
Legislative Appropriation	\$2,804	\$7,180	\$0	\$0	\$9,984
Cost Containment	-173	-8	0	0	-181
Budget Amendments	44	21	0	0	65
Working Appropriation	\$2,675	\$7,193	\$0	\$0	\$9,868

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

Fiscal 2008

The Archives finished fiscal 2008 \$1.0 million above its legislative appropriation. This was primarily the result of a \$1.2 million special fund budget amendment from the Real Property Records Improvement Fund.

- **General Funds:** The general fund appropriation increased by \$45,000 due to a \$42,563 cost-of-living adjustment (COLA) budgeted in the Department of Budget and Management (DBM) and a \$2,000 interagency general fund realignment for telecommunications expenditures. The budget decreased \$100,000 in response to cost containment initiatives.
- **Special Funds:** The special fund appropriation increased by \$1.2 million due to a budget amendment to transfer funds from the Circuit Court Real Property Records Improvement Fund to support implementation of the disaster recovery plan.
- **Federal Funds:** There was a federal fund cancellation of \$152,000 because follow-on funding for a multi-year grant from the U.S. Department of Education to study the Underground Railroad in Maryland did not materialize and the initial grant was exhausted.

Fiscal 2009

The Archive's fiscal 2009 working appropriation is \$116,000 lower than the legislative appropriation. The budget decreased \$181,000 for cost containment efforts that eliminated \$173,000 in general funds and \$8,000 in special funds. Fringe benefit appropriations were reduced as OPEB prefunding of \$31,126 was ceased, and statewide employee health insurance balances of \$10,824 were used in lieu of budgeted funds. These reductions were partially offset by a \$44,000 increase in general funds and \$21,000 increase in special funds for a COLA budgeted in DBM.

**Object/Fund Difference Report
State Archives**

<u>Object/Fund</u>	<u>FY08 Actual</u>	<u>FY09 Working Appropriation</u>	<u>FY10 Allowance</u>	<u>FY09 - FY10 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	46.50	47.50	47.50	0	0%
02 Contractual	52.70	53.90	54.90	1.00	1.9%
Total Positions	99.20	101.40	102.40	1.00	1.0%
Objects					
01 Salaries and Wages	\$ 3,528,149	\$ 3,708,078	\$ 3,906,412	\$ 198,334	5.3%
02 Technical and Spec. Fees	1,623,560	1,983,329	2,054,268	70,939	3.6%
03 Communication	435,522	310,894	333,946	23,052	7.4%
04 Travel	27,233	17,786	21,268	3,482	19.6%
06 Fuel and Utilities	32,385	26,922	40,943	14,021	52.1%
07 Motor Vehicles	4,331	1,738	6,437	4,699	270.4%
08 Contractual Services	2,448,734	1,061,574	1,244,570	182,996	17.2%
09 Supplies and Materials	223,075	311,625	241,122	-70,503	-22.6%
10 Equipment – Replacement	295,520	1,707,869	674,990	-1,032,879	-60.5%
11 Equipment – Additional	1,636,073	48,390	400,000	351,610	726.6%
13 Fixed Charges	745,670	690,209	694,241	4,032	0.6%
Total Objects	\$ 11,000,252	\$ 9,868,414	\$ 9,618,197	-\$ 250,217	-2.5%
Funds					
01 General Fund	\$ 2,736,980	\$ 2,675,188	\$ 2,747,414	\$ 72,226	2.7%
03 Special Fund	8,263,272	7,193,226	6,870,783	-322,443	-4.5%
Total Funds	\$ 11,000,252	\$ 9,868,414	\$ 9,618,197	-\$ 250,217	-2.5%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

**Fiscal Summary
State Archives**

<u>Program/Unit</u>	<u>FY08 Actual</u>	<u>FY09 Wrk. Approp.</u>	<u>FY10 Allowance</u>	<u>Change</u>	<u>FY09 - FY10 % Change</u>
01 Archives	\$ 10,638,765	\$ 9,532,566	\$ 9,188,990	-\$ 343,576	-3.6%
02 Artistic Property	361,487	335,848	429,207	93,359	27.8%
Total Expenditures	\$ 11,000,252	\$ 9,868,414	\$ 9,618,197	-\$ 250,217	-2.5%
General Fund	\$ 2,736,980	\$ 2,675,188	\$ 2,747,414	\$ 72,226	2.7%
Special Fund	8,263,272	7,193,226	6,870,783	-322,443	-4.5%
Total Appropriations	\$ 11,000,252	\$ 9,868,414	\$ 9,618,197	-\$ 250,217	-2.5%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.