

## D60A10 State Archives

### *Operating Budget Data*

(\$ in Thousands)

	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Working</u>	<u>FY 17</u> <u>Allowance</u>	<u>FY 16-17</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$2,087	\$2,514	\$2,460	-\$54	-2.2%
Deficiencies and Reductions	0	-54	-6	48	
<b>Adjusted General Fund</b>	<b>\$2,087</b>	<b>\$2,460</b>	<b>\$2,454</b>	<b>-\$7</b>	<b>-0.3%</b>
Special Fund	10,330	7,229	7,423	194	2.7%
Deficiencies and Reductions	0	0	-10	-10	
<b>Adjusted Special Fund</b>	<b>\$10,330</b>	<b>\$7,229</b>	<b>\$7,414</b>	<b>\$184</b>	<b>2.5%</b>
Federal Fund	30	100	46	-54	-54.3%
<b>Adjusted Federal Fund</b>	<b>\$30</b>	<b>\$100</b>	<b>\$46</b>	<b>-\$54</b>	<b>-54.3%</b>
Reimbursable Fund	81	0	0	0	
<b>Adjusted Reimbursable Fund</b>	<b>\$81</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Adjusted Grand Total</b>	<b>\$12,529</b>	<b>\$9,790</b>	<b>\$9,913</b>	<b>\$123</b>	<b>1.3%</b>

- The fiscal 2017 budget plan assumes a fiscal 2016 reversion of \$54,000. This reversion relates to a shared services initiative.
- After accounting for a back of the bill reduction in health insurance and a planned fiscal 2016 reversion, the fiscal 2017 allowance for the State Archives increases by \$123,000, or 1.3%. There is a decrease in general funds of \$7,000, or 0.3%. Special funds increase by \$184,000, or 2.5%. Federal funds decrease by \$54,000 because of the ending of the National Historical Publication and Records Commission project in the State and National Archival Partnership program.

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

For further information contact: Sierra S. Boney

Phone: (410) 946-5530

***Personnel Data***


---

	<b><u>FY 15</u></b> <b><u>Actual</u></b>	<b><u>FY 16</u></b> <b><u>Working</u></b>	<b><u>FY 17</u></b> <b><u>Allowance</u></b>	<b><u>FY 16-17</u></b> <b><u>Change</u></b>
Regular Positions	57.50	56.50	62.50	6.00
Contractual FTEs	<u>24.45</u>	<u>22.60</u>	<u>15.80</u>	<u>-6.80</u>
<b>Total Personnel</b>	<b>81.95</b>	<b>79.10</b>	<b>78.30</b>	<b>-0.80</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	1.86	3.30%
Positions and Percentage Vacant as of 12/31/15	4.00	7.08%

- There are 6.0 contractual conversions in the agency, consisting of 2.0 archivists, 2.0 archivist trainees, 1.0 information technology programmer, and 1.0 computer network specialist.
- There is a 0.80 decrease in contractual employees in addition to the reduction for conversions.
- The turnover rate of 3.3% requires that the State Archives maintain 1.86 vacant positions. As of December 31, 2015, the State Archives had 4.0 vacant positions.

## ***Analysis in Brief***

---

### **Major Trends**

***Online Traffic Continues to Increase:*** The amount of State Archives data made available online has continued to increase and online traffic has grown with it.

***Permanent Records Increase:*** The State Archives strives to acquire, describe, preserve, and make electronically available the permanent records of Maryland's past. To that end, the amount of permanent records have increased in various formats.

### **Issues**

***Reduction in Land Records Improvement Fund Allocation:*** The State Archives currently receives approximately \$5 million in special funds from the Judiciary to house and maintain land records through the Land Records Improvement Fund (LRIF). There is concern that these special funds could be reduced significantly in the future, which could lead to budget pressure on the State Archives. **The Department of Legislative Services recommends that the State Archives and the Judiciary comment on the current status of funding from the LRIF to the State Archives and the nature of the relationship moving forward.**

### **Recommended Actions**

	<b><u>Funds</u></b>
1. Delete double-budgeted funds.	\$ 423,724
<b>Total Reductions</b>	<b>\$ 423,724</b>

*D60A10 – State Archives*

## **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 once no longer needed for current agency business.

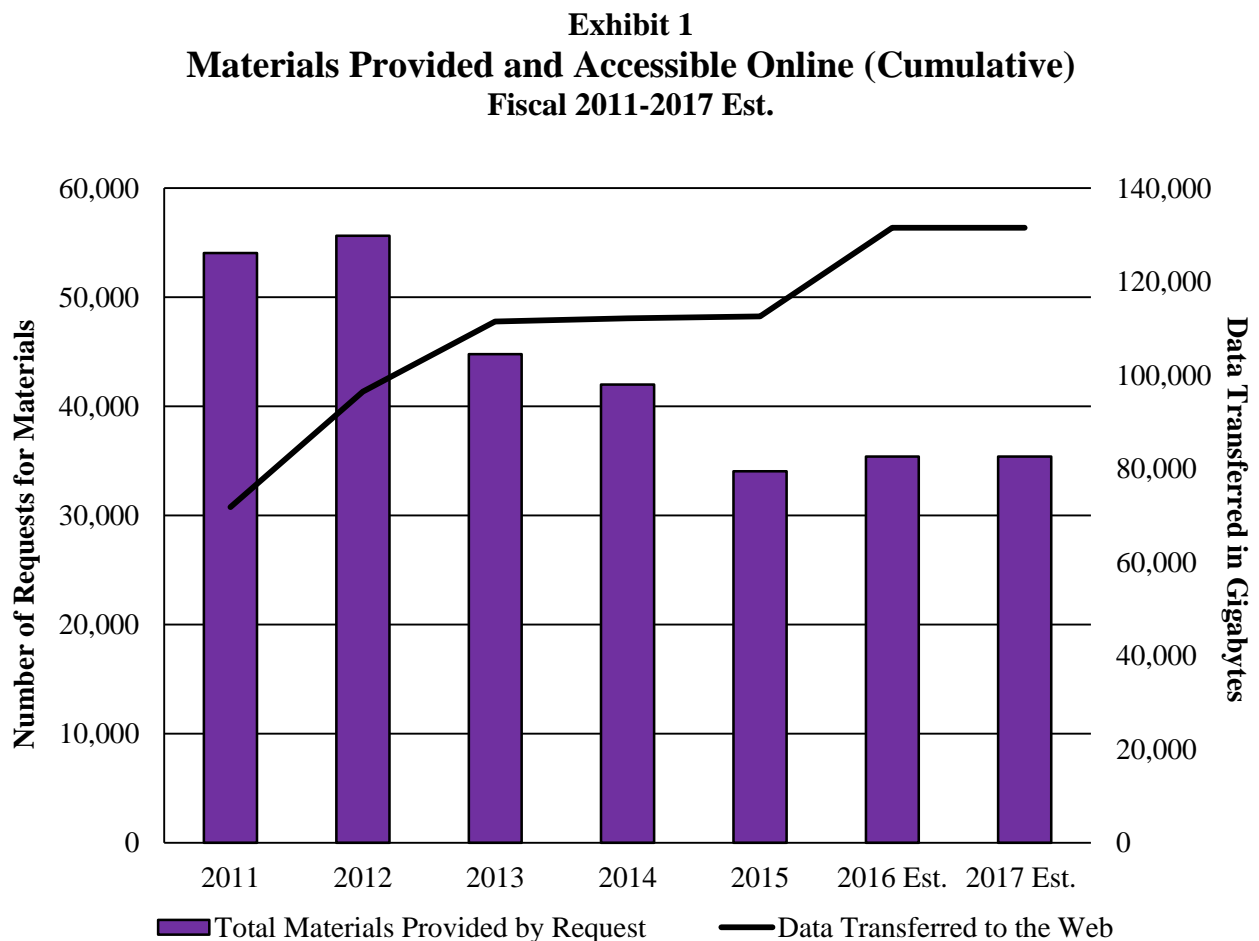
The State Archives seeks to preserve and make records available in original form and electronically to provide reliable information about Maryland State, county, and municipal government in a continuously compiled, updated, and accessible environment. The State Archives also publishes the *Maryland Manual On-Line* as funding permits. 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. Online Traffic Continues to Increase

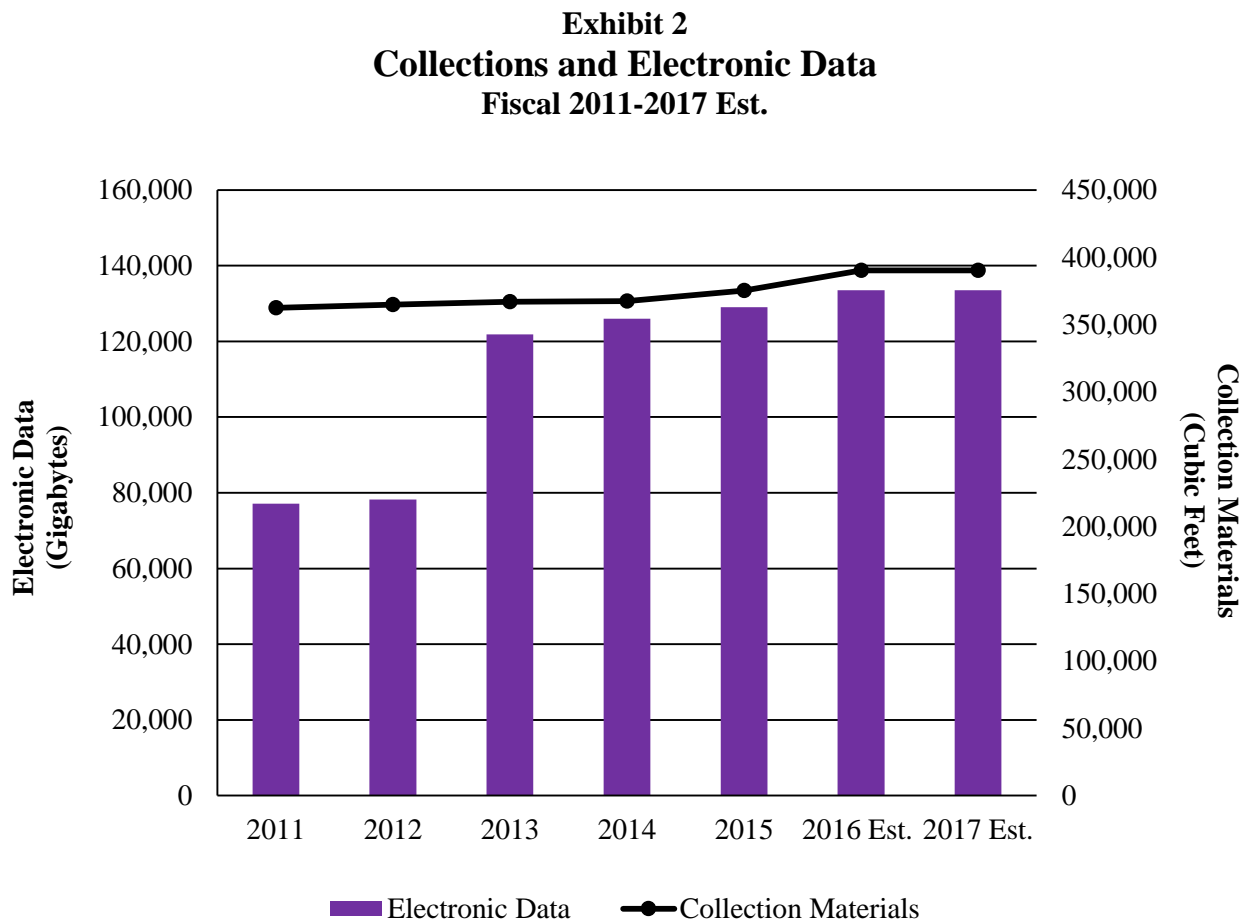
In recent years, there has been a significant increase in the amount of data that has been transferred to an online format. **Exhibit 1** shows that as more data has been transferred to an online format, the number of materials specifically requested and provided to patrons and through interagency requests has declined, likely because of the increased online accessibility.



Source: Department of Budget and Management

## 2. Permanent Records Increase

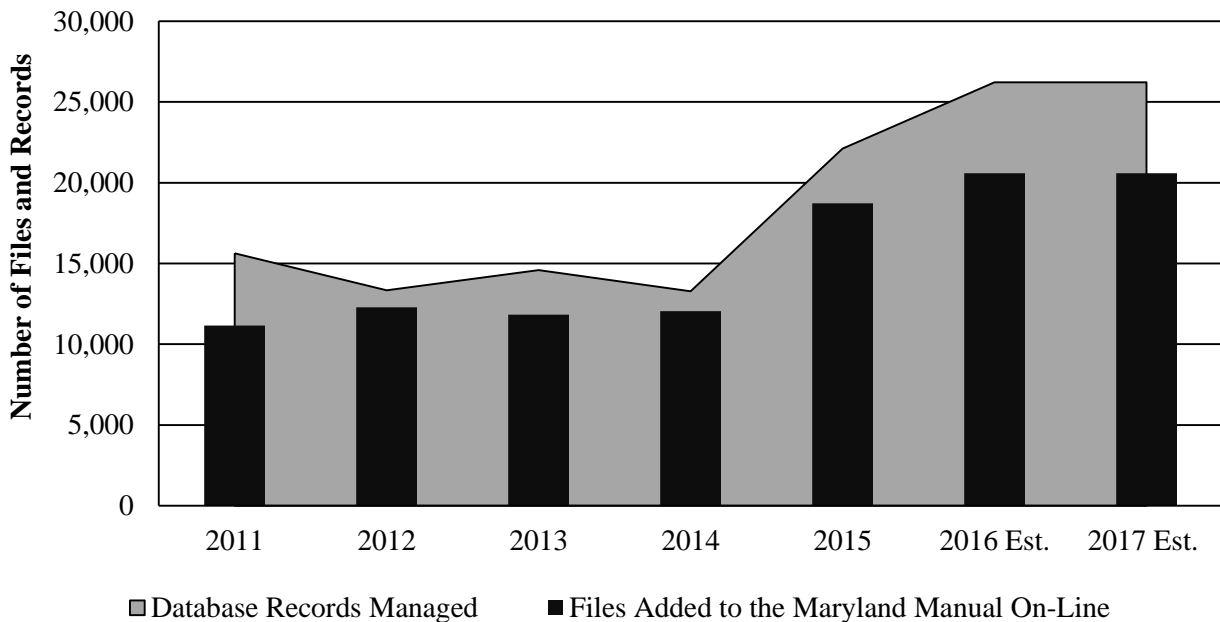
The mission of the State Archives is to acquire, describe, preserve, and make electronically available (in a secure and dynamic environment) the permanent records of Maryland’s past. As shown in **Exhibit 2** and **Exhibit 3**, records are collected in various ways and have increased steadily in recent years. The quantity of collection materials, the amount of electronic data managed, the database records managed, and the files and graphics created and maintained for the *Maryland Manual On-Line* have all increased since 2011, and these trends are expected to continue.



Source: Department of Budget and Management

---

**Exhibit 3**  
**Database and Maryland Online Materials**  
**Fiscal 2011-2017 Est.**



Source: Department of Budget and Management

---

## **Fiscal 2016 Actions**

### **Cost Containment**

The Administration's fiscal 2016 cost containment strategy includes a 2% across-the-board reduction in general funds. The 2016 cost containment reduction for the State Archives is \$45,000 for a partial salary realignment.

### **Planned Reversion**

As a part of the Governor's allowance, there is a consolidation of fiscal, human resources, and information technology through a shared services initiative. For the State Archives there is a planned reversion of \$54,000 in general funds for the human resources shared services.



## Proposed Budget

### Personnel

The fiscal 2017 allowance, after accounting for a back of the bill reduction in health insurance and a planned fiscal 2016 reversion, increases by \$123,000, or 1.3%, as shown in **Exhibit 4**. A significant portion of the increase is because of \$1.1 million in personnel costs, including \$435,000 for 6 new positions, which are all contractual conversions. This cost is partially offset by a \$308,000 decrease for contractual employees. There is also \$424,000 in reclassifications currently in the budget which reflects double budgeting for the contractual conversions. **The Department of Legislative Services recommends a reduction to delete the double-budgeted funds.**

---

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

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
Fiscal 2015 Actual	\$2,087	\$10,330	\$30	\$81	\$12,529
Fiscal 2016 Working Appropriation	2,460	7,229	100	0	9,790
Fiscal 2017 Allowance	<u>2,454</u>	<u>7,414</u>	<u>46</u>	<u>0</u>	<u>9,913</u>
Fiscal 2016-2017 Amount Change	-\$7	\$184	-\$54	\$0	\$123
Fiscal 2016-2017 Percent Change	-0.3%	2.5%	-54.3%		1.3%

#### Where It Goes:

##### Personnel Expenses

New positions (6 full-time equivalents).....	\$435
Reclassifications .....	424
Employee and retiree health insurance .....	131
Employees' Retirement System.....	91
Offset of fiscal 2016 planned reversion .....	54
Turnover adjustments .....	-43
Other fringe benefit adjustments.....	-24

##### Other Changes

Human Resources shared services .....	72
Travel.....	8
Scanner repairs (new scanner purchased in fiscal 2015) .....	-10

**Where It Goes:**

Staff training .....	-10
Microfilm for court generated land records .....	-43
Other contracts .....	-53
Electricity .....	-64
New facility one-time costs .....	-122
Programming contract for mdlandrec.net .....	-178
Laptops, storage devices, application servers, and database clusters .....	-252
Contractual employee costs .....	-308
Other .....	15
<b>Total</b>	<b>\$123</b>

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

---

**Across-the-board Reductions**

The fiscal 2017 budget bill includes an across-the-board reduction for employee health insurance, based on a revised estimate of the amount of funding needed. This agency's share of these reductions is \$6,468 in general funds, and \$9,909 in special funds. There is an additional across-the-board reduction to abolish positions statewide, but the amounts have not been allocated by agency.

**Other Expenses**

Outside of personnel, the largest increase, \$72,000, relates to costs for the Human Services shared services plan. There is also a \$252,000 decrease in costs for laptops, storage devices, and database clusters purchased in fiscal 2016. There are also various decreases in costs associated with the new warehouse facility in Woodlawn. There was also a \$178,000 decrease for the programming consultant that assisted in the maintenance of the mdlandrec.net website.

## ***Issues***

---

### **1. Reduction in Land Records Improvement Fund Allocation**

In fiscal 1991, the Land Records Improvement Fund (LRIF) was created to repair, replace, modernize, and maintain equipment in the land records offices across the State. Surcharges on the recordation of land instruments support the fund.

In fiscal 1994, the Judiciary, through a contractual agreement with Science Applications International Corporation, began developing an automated means to facilitate the recording, scanning, indexing, retrieval, and storage of land records in Maryland. The Electronic Land Records Online Imaging system (ELROI) was implemented in every county and Baltimore City by early 2007.

The Real Property article tasks the Clerks of the Circuit Courts with recording and indexing land records, as well as providing security backup copies to the State Archives. The State Government article tasks the State Archives with preserving and providing access to the land records. With the advent of ELROI, the State Archives offered the Judiciary a way to improve access to the digitized land records and plats through mdlandrec.net and plats.net. The Judiciary and the State Archives formed a joint project team to develop a plan, which was submitted to the General Assembly in 2003. The original plan called for ELROI to provide recordation and verification, as well as access to the most recent 10 years of images, along with the index system to retrieve the data. In 2005, the plan was revised for ELROI to provide recordation and indexing of land record instruments, while mdlandrec.net would make archived indexed data and images available to the public. This was accomplished through the electronic transfer of land record instruments from ELROI to mdlandrec.net.

In fiscal 2003, the State Archives and the Judiciary began an ongoing partnership to preserve and to make online records of private property ownership and sales accessible throughout the State reaching back to the seventeenth century and the founding of Maryland. The State Archives developed a web-based service and electronic archives of land records that are added to daily through the course of real estate recordings at the courthouses throughout Maryland. The service is paid for and maintained upfront by those who buy and sell land through a fee placed in the LRIF. A portion of these fees are paid to the State Archives for the care and maintenance of the records at the State Archives and made available online. By statute, “the State Archivist may establish reasonable fees for the care and preservation of records and other services provided by the State Archives.” In addition, the State Archives may incorporate an overhead and investment charge designed to partially offset the reference and research costs of the State Archives.

Since fiscal 2003, a Memorandum of Understanding (MOU) between the Judiciary and the State Archives has been renewed five times. Starting in 2008, the MOU between the Judiciary and the State Archives established the agreement on a fee-for-services basis. In July 2015, the Judiciary and the State Archives entered into a one-year fee-for-service MOU for the current fiscal year. The amount of the fee (\$5 million) outlined in the MOU is to be paid on a quarterly basis, and the Judiciary reserves the right to withhold payment to the State Archives for lack of compliance with the terms of the MOU.

*D60A10 – State Archives*

In recent years there have been conflicting estimates of the actual cost of collecting and maintaining land records for the State. It is understood that for the permanent archiving and maintaining of land records, it is appropriate to allocate revenue from the LRIF to the State Archives. However, the amount of funding necessary to comply with the MOU requirements is currently in question.

The 2015 *Joint Chairmen's Report* required a report from the Judiciary and State Archives. The report from the Judiciary determined that the actual cost of land records collection and upkeep for the State by the State Archives should be less than \$2 million annually, a significant decrease in funding from the current \$5 million in special funds. The Judiciary further asserted that there is a need for the additional \$3 million to be reallocated to the Judiciary's in-house ELROI project. The State Archives asserted that this figure is not accurate as it does not include the appropriate levels of staff, warehousing, telecommunications, and utilities necessary to appropriately carry out the process of collections, cataloging, and general land records upkeep. **The Department of Legislative Services recommends that the State Archives and the Judiciary comment on the current status of funding from the LRIF to the State Archives and the nature of the relationship moving forward.**

## ***Recommended Actions***

---

	<b><u>Amount Reduction</u></b>
1. Delete double-budgeted funds. Funds for contractual conversions were inadvertently put into 2 personnel subobjects.	\$ 423,724 SF
<b>Total Special Fund Reductions</b>	<b>\$ 423,724</b>

## ***Current and Prior Year Budgets***

---

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

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2015</b>					
Legislative Appropriation	\$2,115	\$6,523	\$0	\$0	\$8,638
Deficiency Appropriation	0	0	0	0	0
Cost Containment	-43	0	0	0	-43
Budget Amendments	19	4,045	84	81	4,230
Reversions and Cancellations	-3	-238	-54	0	-296
<b>Actual Expenditures</b>	<b>\$2,087</b>	<b>\$10,330</b>	<b>\$30</b>	<b>\$81</b>	<b>\$12,529</b>
<b>Fiscal 2016</b>					
Legislative Appropriation	\$2,480	\$7,177	\$96	\$0	\$9,754
Budget Amendments	34	52	4	0	90
<b>Working Appropriation</b>	<b>\$2,514</b>	<b>\$7,229</b>	<b>\$100</b>	<b>\$0</b>	<b>\$9,844</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. Numbers may not sum to total due to rounding.

---

## **Fiscal 2015**

The fiscal 2015 legislative appropriation for the State Archives was increased by \$3,891,615. Cost containment decreased the general fund appropriation by \$42,629. Budget amendments increased general funds by \$18,911 with \$1,962 for communications and \$16,949 for a cost-of-living adjustment (COLA). There was \$3,368 reverted back to the General Fund.

The special fund appropriation increased by \$3,807,113. Budget amendments increased special funds by \$4,045,461 with \$26,456 for the COLA and \$4,019,005 for renovations to the new archives storage facility in Windsor Mills. There was a special fund cancellation of \$238,348 because revenue earned by the State Archives was lower than anticipated.

The State Archives received an additional \$84,169 in federal funds through budget amendment because of four grants awarded to the State Archives including U.S. Department of Education funds for a project in support of *Beneath the Underground and Beyond*, the National Historical Publication and Records Commission, the National Park Service to support the education and outreach programs, and the National Historical Publication and Records Commission. Federal fund cancellations totaled \$53,883, because there was not enough working hours for the contractual employees to be charged to the grant.

In fiscal 2015, the State Archives also received \$81,302 in reimbursable funds from DGS for the restoration of several items in the Old Senate Chamber.

## **Fiscal 2016**

To date, the fiscal 2016 legislative appropriation has increased by \$90,317 including \$34,000 in general funds and \$52,000 in special funds for the restoration of the 2% pay cut.

The federal fund appropriation increased by \$4,317 for an adjustment to the National Historical Publication and Records Commission for a project in the State and National Archival Partnership program. Funding will be used to conduct archival best practices and emergency preparedness training workshops for records managers, sponsor an Archives month event, and provide support to the Maryland Historical Records Advisory Board.

**Object/Fund Difference Report  
State Archives**

<u>Object/Fund</u>	<u>FY 15 Actual</u>	<u>FY 16 Working Appropriation</u>	<u>FY 17 Allowance</u>	<u>FY 16 - FY 17 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	57.50	56.50	62.50	6.00	10.6%
02 Contractual	24.45	22.60	15.80	-6.80	-30.1%
<b>Total Positions</b>	<b>81.95</b>	<b>79.10</b>	<b>78.30</b>	<b>-0.80</b>	<b>-1.0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 4,912,507	\$ 5,075,346	\$ 6,105,533	\$ 1,030,187	20.3%
02 Technical and Spec. Fees	849,186	1,014,821	707,029	-307,792	-30.3%
03 Communication	159,094	372,255	331,070	-41,185	-11.1%
04 Travel	28,195	13,980	22,050	8,070	57.7%
06 Fuel and Utilities	59,433	210,411	148,416	-61,995	-29.5%
07 Motor Vehicles	30,417	9,800	10,620	820	8.4%
08 Contractual Services	4,571,803	1,198,954	1,064,724	-134,230	-11.2%
09 Supplies and Materials	94,799	128,037	91,380	-36,657	-28.6%
10 Equipment – Replacement	807,006	848,151	596,000	-252,151	-29.7%
11 Equipment – Additional	2,401	0	0	0	0.0%
13 Fixed Charges	1,014,571	972,236	852,369	-119,867	-12.3%
<b>Total Objects</b>	<b>\$ 12,529,412</b>	<b>\$ 9,843,991</b>	<b>\$ 9,929,191</b>	<b>\$ 85,200</b>	<b>0.9%</b>
<b>Funds</b>					
01 General Fund	\$ 2,087,432	\$ 2,514,404	\$ 2,460,000	-\$ 54,404	-2.2%
03 Special Fund	10,330,393	7,229,433	7,423,414	193,981	2.7%
05 Federal Fund	30,286	100,154	45,777	-54,377	-54.3%
09 Reimbursable Fund	81,301	0	0	0	0.0%
<b>Total Funds</b>	<b>\$ 12,529,412</b>	<b>\$ 9,843,991</b>	<b>\$ 9,929,191</b>	<b>\$ 85,200</b>	<b>0.9%</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.



**Fiscal Summary  
State Archives**

<u>Program/Unit</u>	<u>FY 15 Actual</u>	<u>FY 16 Wrk Approp</u>	<u>FY 17 Allowance</u>	<u>Change</u>	<u>FY 16 - FY 17 % Change</u>
01 Archives	\$ 12,130,755	\$ 9,439,352	\$ 9,461,766	\$ 22,414	0.2%
02 Artistic Property	398,657	404,639	467,425	62,786	15.5%
<b>Total Expenditures</b>	<b>\$ 12,529,412</b>	<b>\$ 9,843,991</b>	<b>\$ 9,929,191</b>	<b>\$ 85,200</b>	<b>0.9%</b>
General Fund	\$ 2,087,432	\$ 2,514,404	\$ 2,460,000	-\$ 54,404	-2.2%
Special Fund	10,330,393	7,229,433	7,423,414	193,981	2.7%
Federal Fund	30,286	100,154	45,777	-54,377	-54.3%
<b>Total Appropriations</b>	<b>\$ 12,448,111</b>	<b>\$ 9,843,991</b>	<b>\$ 9,929,191</b>	<b>\$ 85,200</b>	<b>0.9%</b>
Reimbursable Fund	\$ 81,301	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Funds</b>	<b>\$ 12,529,412</b>	<b>\$ 9,843,991</b>	<b>\$ 9,929,191</b>	<b>\$ 85,200</b>	<b>0.9%</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.