

D17B0151
Historic St. Mary’s City Commission

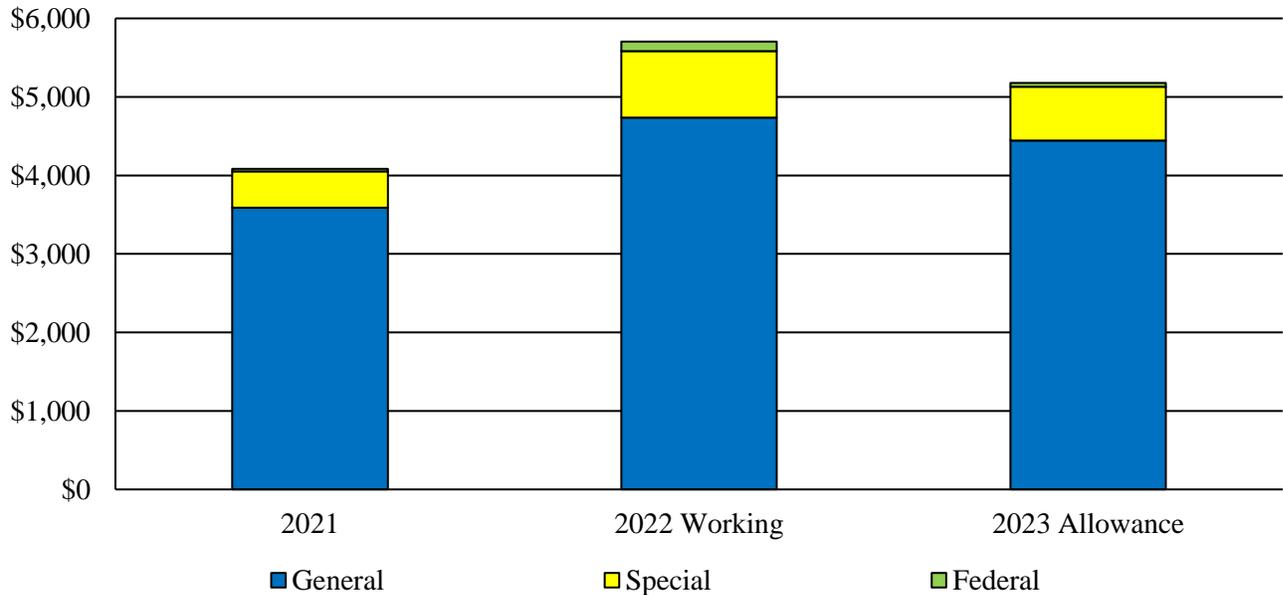
Program Description

Historic St. Mary’s City is an outdoor history and archaeology museum that preserves, researches, and interprets the site of Maryland’s first capital. In 1997, the Historic St. Mary’s City Commission (HSMCC) became an independent unit of State government, removing it from the Department of Housing and Community Development. HSMCC is also part of the multi-year capital improvement project with St. Mary’s College of Maryland (SMCM), known as the Maryland Heritage Project.

The mission of HSMCC is to preserve and protect the archaeological and historical record of Maryland’s first capital and to appropriately develop historic and scenic sites for the education, enjoyment, and general benefit of the public. The goal of the commission is that the archaeological sites and collections, scenic views, and rural character of the historic city be safeguarded by preservation and research practices consistent with its status as a National Historic Landmark District.

Operating Budget Summary

Fiscal 2023 Budget Decreases \$525,721, or 9.2%, to \$5.2 Million
 (\$ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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- The largest areas of change in the fiscal 2023 allowance include one-time costs associated with work conducted for the Maryland Stadium Authority (MSA) and an archaeology site at the Maryland Heritage Interpretive Center. Aside from these costs, one of the biggest areas of change in the fiscal 2023 allowance is a decrease of roughly \$75,000 due to a federal grant for archeology research that is now not expected to be awarded in fiscal 2023.

Fiscal 2022

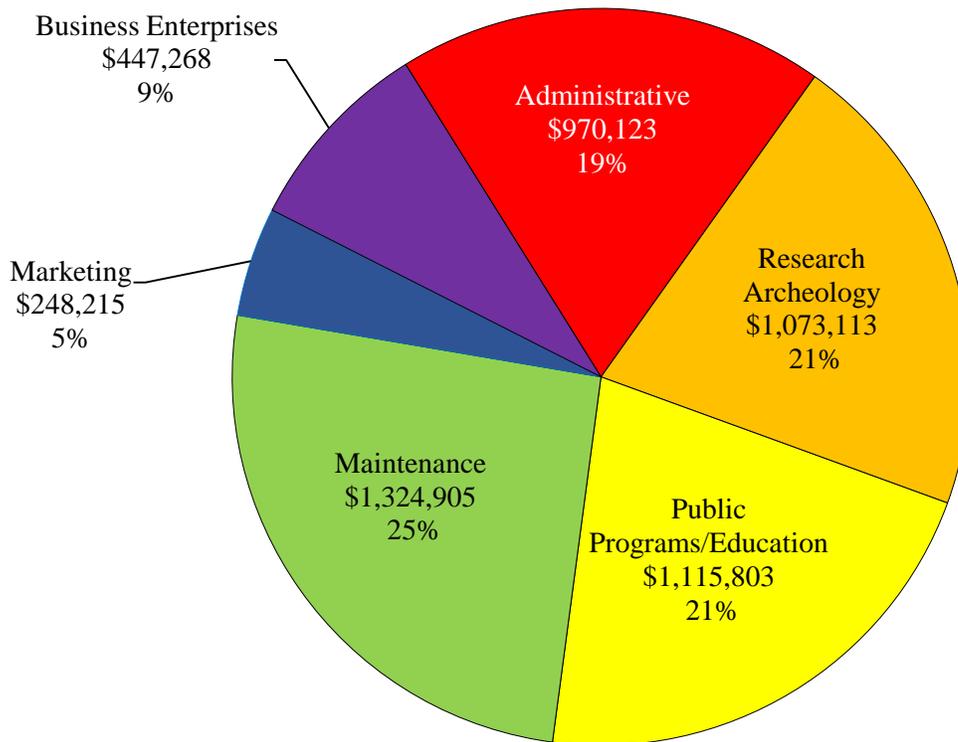
Proposed Deficiency

The fiscal 2023 budget includes two proposed deficiency appropriations for fiscal 2022. These include \$153,177 in special funds to support the archaeology services at the Maryland Heritage Interpretive Center construction site and \$63,386 in general funds to fund an increase in contractual staff hourly wages. The Maryland Heritage Interpretive Center is a joint project between the commission and SMCM. The college has contracted HSMCC to do both the mitigation of the archeology prior to construction as well as analyze the collections for future research. The increase in general funds to support contractual staff and hourly wages are for maintenance and interpretive staff within public programs, as the commission is having difficulty hiring at \$13 to \$14 per hour.

Fiscal 2023 Overview of Agency Spending

The total fiscal 2023 allowance for HSMCC is \$5,179,427. Spending for HSMCC is organized into six primary functions. As shown in **Exhibit 1**, the majority of the fiscal 2023 allowance is for maintenance (\$1.3 million), public programs and education (\$1.1 million), and research archeology (\$1.1 million). Much of the work of the commission is to educate visitors on the history of Maryland, including sailing the replica of the Dove, which brought the first settlers to the State, and highlighting communications between the English settlers and native tribes, among other programs. HSMCC’s research archeology is currently focused on unearthing “the Fort,” where artifacts and documentation suggest English settlers and the native tribes of the area lived harmoniously.

Exhibit 1
Overview of Agency Spending
Fiscal 2023 Allowance



Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor’s Fiscal 2023 Budget Books

Proposed Budget Change

The fiscal 2023 allowance decreases by \$526,000 compared to the working appropriation, as shown in **Exhibit 2**, a 9.2% decrease. Much of this decrease was caused by one-time payments in fiscal 2022, such as installing fiber optics in the Brome Howard Inn, contractual work for an MSA study, and the one-time purchase of a tractor, among other items. The commission also does not anticipate being awarded several grants in fiscal 2023, resulting in a decline of roughly \$80,000 in federal funds.

Exhibit 2
Proposed Budget
Historic St Mary’s City Commission
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Total
Fiscal 2021 Actual	\$3,588	\$465	\$33	\$4,086
Fiscal 2022 Working Appropriation	4,738	844	123	5,705
Fiscal 2023 Allowance	<u>4,444</u>	<u>\$687</u>	<u>48</u>	<u>5,179</u>
Fiscal 2022-2023 Amount Change	-\$294	-\$157	-\$75	-\$526
Fiscal 2022-2023 Percent Change	-6.2%	-18.6%	-60.8%	-9.2%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Regular earnings	143
Employees’ retirement system	53
Employee and retiree health insurance	36
Workers’ compensation premium assessment	17
Social Security contributions, unemployment contributions, and other fringe benefits	13
Other Changes	
Contractual health insurance	49
Shared maintenance costs for Anne Arundel Hall with St. Mary’s College of Maryland	48
Contractual payroll net of deficiency supporting increased wages	31
Routine travel and out-of-state operations returning post-pandemic	25
Printing/reproduction	8
Honorariums for guest speakers, special visitors	-10
Other	-12
One-time purchase of a tractor, other equipment, and replacements	-66
Building/road repairs and maintenance.....	-76
Fiscal 2022 costs associated with a backlog of maintenance projects	-131
Fiber optic cables installed in the Brome Howard Inn.....	-150

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Where It Goes:	<u>Change</u>
Other Changes	
One-time deficiency appropriation for archeology services at the Maryland Heritage Interpretive Center construction site	-153
DoIT Services – annual costs after initial set up of fiber optic lines	-162
Contractual services to support the MSA study	-190
Total	-\$526

DoIT: Department of Information Technology
MSA: Maryland Stadium Authority

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Personnel Data

	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 22-23</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	31.00	31.00	32.00	1.00
Contractual FTEs	<u>15.64</u>	<u>38.50</u>	<u>34.42</u>	<u>-4.08</u>
Total Personnel	46.64	69.50	66.42	-3.08

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/21	n/a	n/a
Vacancies Above Turnover	n/a	

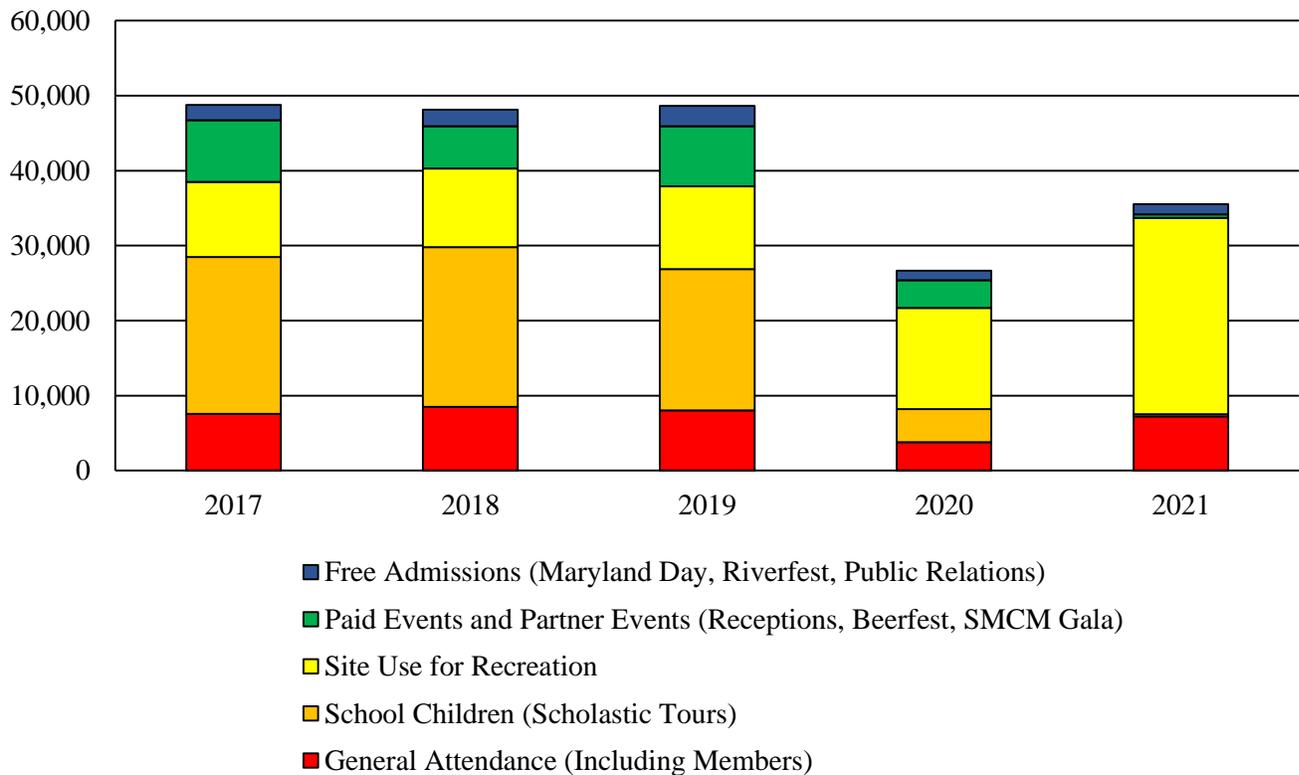
- The regular position level grew by 1 position between the fiscal 2022 working appropriation and the fiscal 2023 allowance. This is a director of advancement position, aiming to achieve strategic goals set by the board and the commission as well as grow funding sources.
- The fiscal 2022 working appropriation reflects 4 FTE positions allocated in the fiscal 2022 deficiency. These 4 FTE positions were not retained for fiscal 2023, but the funding remains.

Key Observations

1. Increase in Visitors to Site

HSMCC aims to educate the public by increasing the number of visitors to its site. **Exhibit 3** shows attendance levels from paid general attendance, scholastic tours, recreational use, paid member attendance, and free admission days. Total attendance increased by 33% in fiscal 2021 to over 35,000 visitors from fiscal 2020. Despite this, the total attendance HSMCC experienced in fiscal 2021 is still 27% lower than fiscal 2019.

Exhibit 3
Historic St. Mary’s City Visitors
Fiscal 2017-2021



SMCM: St. Mary’s College of Maryland

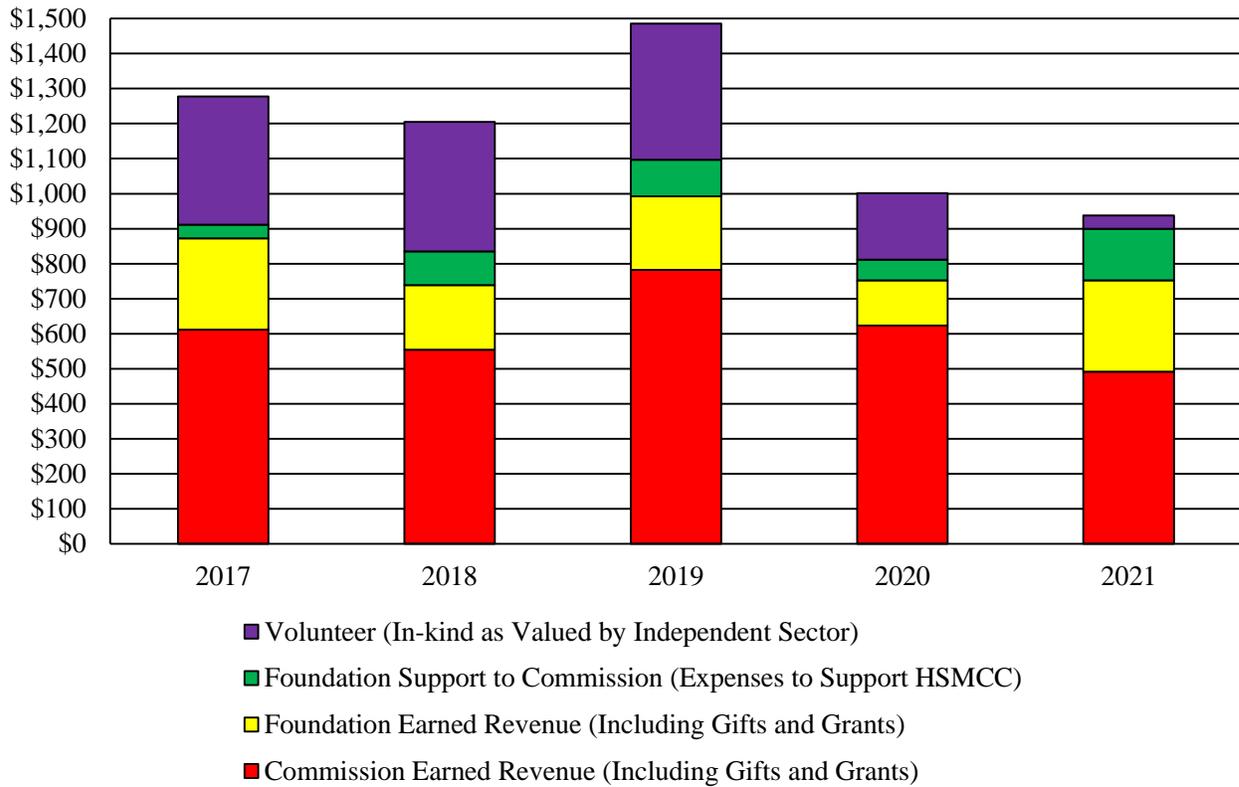
Source: Historic St. Mary’s City Commission; Department of Budget and Management

HSMCC had previously seen a decline in attendance during the COVID-19 pandemic, with the closing of primary and secondary schools negatively impacting the number of scholastic tours in fiscal 2020 and 2021. Most notably, the commission saw nearly 19,000 school children for tours in fiscal 2019 as opposed to 4,439 in fiscal 2020 and just 279 in fiscal 2021. However, recreational use of the site has increased dramatically. In fiscal 2021, HSMCC had roughly 26,000 recreational visitors compared to prepandemic recreational use of the site peaking at roughly 11,000 in fiscal 2019. **HSMCC should comment on efforts to maintain the new levels of recreational use of the site and how it plans to remedy areas of visitor decline following the COVID-19 pandemic.**

2. Earned Special Funds

The decline in attendance during the COVID-19 pandemic resulted in a decline in commission earned revenue in fiscal 2020 and 2021, a significant portion of HSMCC’s budget. **Exhibit 4** shows commission-earned special funds, including volunteer valued work and foundation support, from fiscal 2017 through 2021. Total earned special funds in fiscal 2021 were more than a third lower than prepandemic levels in fiscal 2019. The commission saw a dramatic decline in volunteer donations, from \$389,000 in fiscal 2019 to just \$38,000 in fiscal 2021, consistent with impacts on the ability to host volunteers due to COVID-19. Moving forward, HSMCC expects funding to return steadily to prepandemic levels over fiscal 2022 and 2023.

Exhibit 4
Earned Special Funds
Fiscal 2017-2021
(\$ in Thousands)



HSMCC: Historic St. Mary’s City Commission

Source: Historic St. Mary’s City Commission; Department of Budget and Management

Operating Budget Recommended Actions

1. Concur with Governor’s allowance.

**Appendix 1
Audit Findings**

Audit Period for Last Audit:	August 24, 2015 – June 30, 2020
Issue Date:	February 2021
Number of Findings:	1
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: HSMCC’s agreement with its affiliated foundation was not comprehensive, as it did not address policies and procedures for key areas such as purchases, ethics, and investments.

*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 2
Object/Fund Difference Report
Historic St Mary's City Commission**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	31.00	31.00	31.00	0.00	0%
02 Contractual	15.64	34.50	34.42	-0.08	-0.2%
Total Positions	46.64	65.50	65.42	-0.08	-0.1%
Objects					
01 Salaries and Wages	\$ 2,721,858	\$ 2,798,082	\$ 3,059,443	\$ 261,361	9.3%
02 Technical and Special Fees	640,772	1,348,885	1,481,162	132,277	9.8%
03 Communication	16,772	16,630	16,630	0	0%
04 Travel	489	0	25,000	25,000	N/A
06 Fuel and Utilities	119,356	126,943	121,943	-5,000	-3.9%
07 Motor Vehicles	22,369	22,780	23,320	540	2.4%
08 Contractual Services	393,330	752,894	223,461	-529,433	-70.3%
09 Supplies and Materials	117,110	315,072	189,000	-126,072	-40.0%
10 Equipment – Replacement	10,780	4,000	7,419	3,419	85.5%
11 Equipment – Additional	17,588	79,000	10,000	-69,000	-87.3%
13 Fixed Charges	25,307	24,299	22,049	-2,250	-9.3%
Total Objects	\$ 4,085,731	\$ 5,488,585	\$ 5,179,427	-\$ 309,158	-5.6%
Funds					
01 General Fund	\$ 3,587,988	\$ 4,674,526	\$ 4,444,203	-\$ 230,323	-4.9%
03 Special Fund	464,954	691,129	687,052	-4,077	-0.6%
05 Federal Fund	32,789	122,930	48,172	-74,758	-60.8%
Total Funds	\$ 4,085,731	\$ 5,488,585	\$ 5,179,427	-\$ 309,158	-5.6%

Note: The fiscal 2022 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2023 allowance does not include contingent reductions or cost-of-living adjustments.