

D17B0151
Historic St. Mary's City Commission

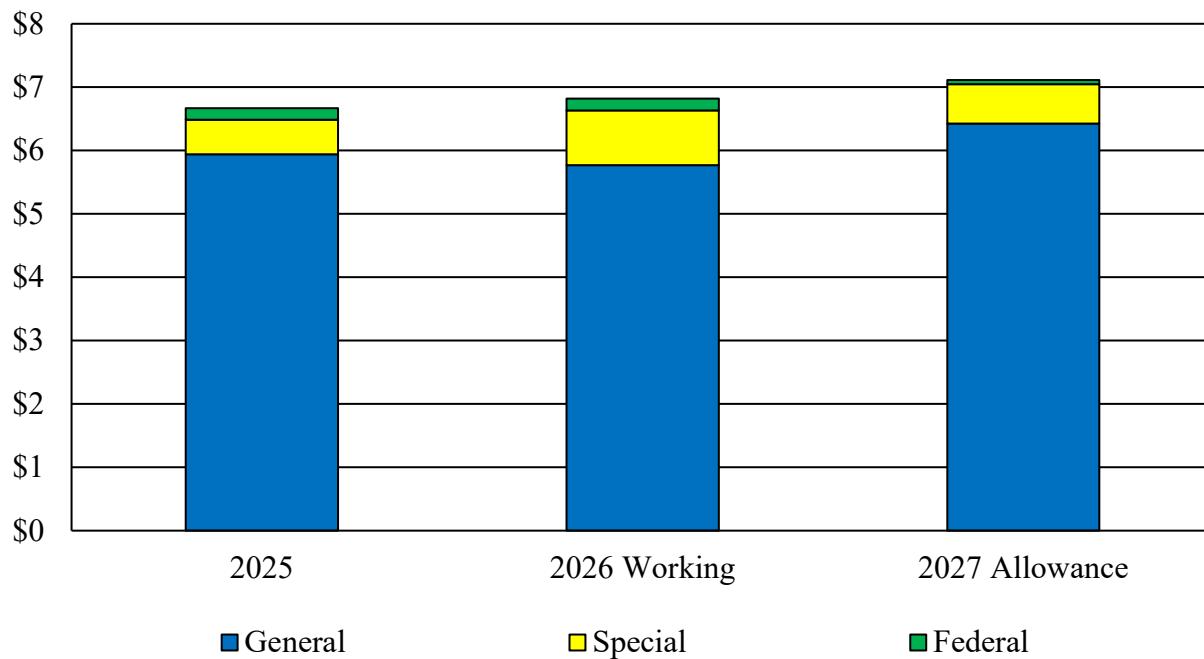
Program Description

Historic St. Mary's City is an outdoor history and archaeology museum that preserves, researches, and interprets the site of Maryland's first capital. The Historic St. Mary's City Commission (HSMCC) is an independent unit of State government.

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 2027 Budget Increases \$290,859, or 4.3%, to \$7.1 Million
(\$ in Millions)



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

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Federal Rescissions

Two federal grants for HSMCC were rescinded in April 2025. However, these funds have been partially or entirely recovered. The first grant, \$315,150 from the National Endowment for the Humanities (NEH), was awarded in calendar 2022 to fund the installation of three interactive media exhibits in HSMCC’s new Visitor Center, the Maryland Heritage Interpretive Center. At the time that the NEH grant was terminated, \$75,902 in grant funds had been spent on the design and planning process. HSMCC billed NEH \$95,363 for the work completed at the time, but significant portions of the project remained incomplete. The request was approved, bringing the amount received to \$171,265 and the amount lost to \$143,885. HSMCC stated that it was able to fund the remaining difference with contingency funds it had budgeted for the project.

HSMCC received the second grant in September 2024 from the Institute of Museum and Library Services (IMLS) totaling \$228,660. The funds were intended for assessing the condition and restoration needs of artifacts recovered from the site of a nineteenth-century house occupied by individuals enslaved on the Brome plantation. At the time HSMCC was notified that the IMLS grant had been terminated, none of the funds had been spent. However, the grant was subsequently reinstated, and the project was able to move forward.

Fiscal 2026

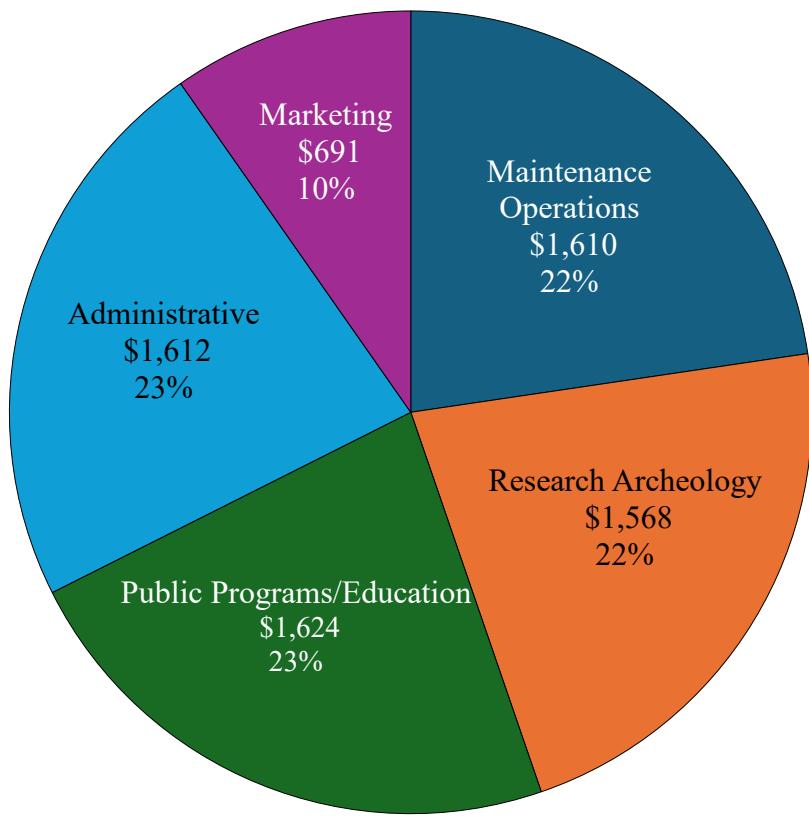
Proposed Deficiencies

The fiscal 2027 budget contains two proposed deficiency appropriations totaling \$161,891 in general funds for fiscal 2026. HSMCC has one personnel deficiency totaling \$127,954, which includes shortfalls related to lower-than-expected vacancy savings. The second proposed deficiency would provide \$33,937 for maintenance expenses within HSMCC’s Education Department.

Fiscal 2027 Overview of Agency Spending

HSMCC’s fiscal 2027 allowance totals \$7.1 million. A breakdown of the proposed budget is shown in **Exhibit 1**. Maintenance operations at the 1,000-acre outdoor historical park make up just over \$1.6 million (22%) of the allowance. Historic St. Mary’s City has more than 300 archaeological sites spanning approximately 10,000 years of history, including the recently rediscovered fort that was the first European settlement in the area. Public and educational programming, such as historical reenactment and interpretation, workshops, and school visits, comprises just over \$1.6 million (23%) of the fiscal 2027 allowance. Research archaeology receives almost \$1.6 million (22%) in the allowance.

Exhibit 1
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Thousands)



Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2027 Budget Books

Proposed Budget Change

The fiscal 2027 allowance increases by approximately \$291,000 compared to the fiscal 2026 working appropriation after accounting for proposed deficiency appropriations. As shown in **Exhibit 2**, most of the growth relates to personnel costs. The fiscal 2027 allowance includes 8 contractual conversions for existing employees and an overall reduction in contractual staff by 11.5 positions (\$599,000 decrease). Aside from personnel, the largest decrease (\$126,000) relates to the fiscal 2027 impact of the NEH grant rescission in April 2025.

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

How Much It Grows:	General Fund	Special Fund	Federal Fund	Total
Fiscal 2025 Actual	\$5,943	\$544	\$178	\$6,665
Fiscal 2026 Working	5,770	863	188	6,821
Fiscal 2027 Allowance	6,427	621	63	7,111
Fiscal 2026-2027 \$ Change	\$657	-\$242	-\$124	\$291
Fiscal 2026-2027 % Change	11.38%	-28.00%	-66.35%	4.26%
Where It Goes:				
Personnel Expenses				<u>Change</u>
Salaries and associated fringe benefits, including 8 contractual conversions.....				\$690
Employee and retiree health insurance.....				329
Other fringe benefits.....				-12
Other Changes				
Contracted architects				75
Cost allocations				5
Utilities				-23
Aligns budget for event food services with fiscal 2025 actual				-30
One-time fiscal 2026 deficiency appropriation for maintenance expenses in HSMCC’s Education Department.....				-34
Fiscal 2027 impact of rescinded NEH grant for three interactive media exhibits.....				-126
Contractual personnel costs associated with 8 contractual conversions and an overall reduction in contractual staff by 11.5 positions.....				-599
Other.....				15
Total				\$291

HSMCC: Historic St. Mary’s City Commission
NEH: National Endowment for the Humanities

Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	32.00	32.00	40.00	8.00
Contractual FTEs	<u>28.76</u>	<u>37.72</u>	<u>26.22</u>	<u>-11.50</u>
Total Personnel	60.76	69.72	66.22	-3.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant	n/a	n/a
Vacancies Above/Below Turnover	n/a	

- The fiscal 2027 allowance includes 8 contractual conversions and abolishes 11.5 contractual positions. Of the contractual conversions, 5 are in HSMCC’s research and archaeology department, 2 are maintenance staff, and 1 is in the marketing department. The abolished positions include seasonal grounds maintenance and visitor services staff as well as the now-converted positions.
- HSMCC did not have any reported vacancies as of December 2025 and was exempt from the fiscal 2026 hiring freeze.

Key Observations

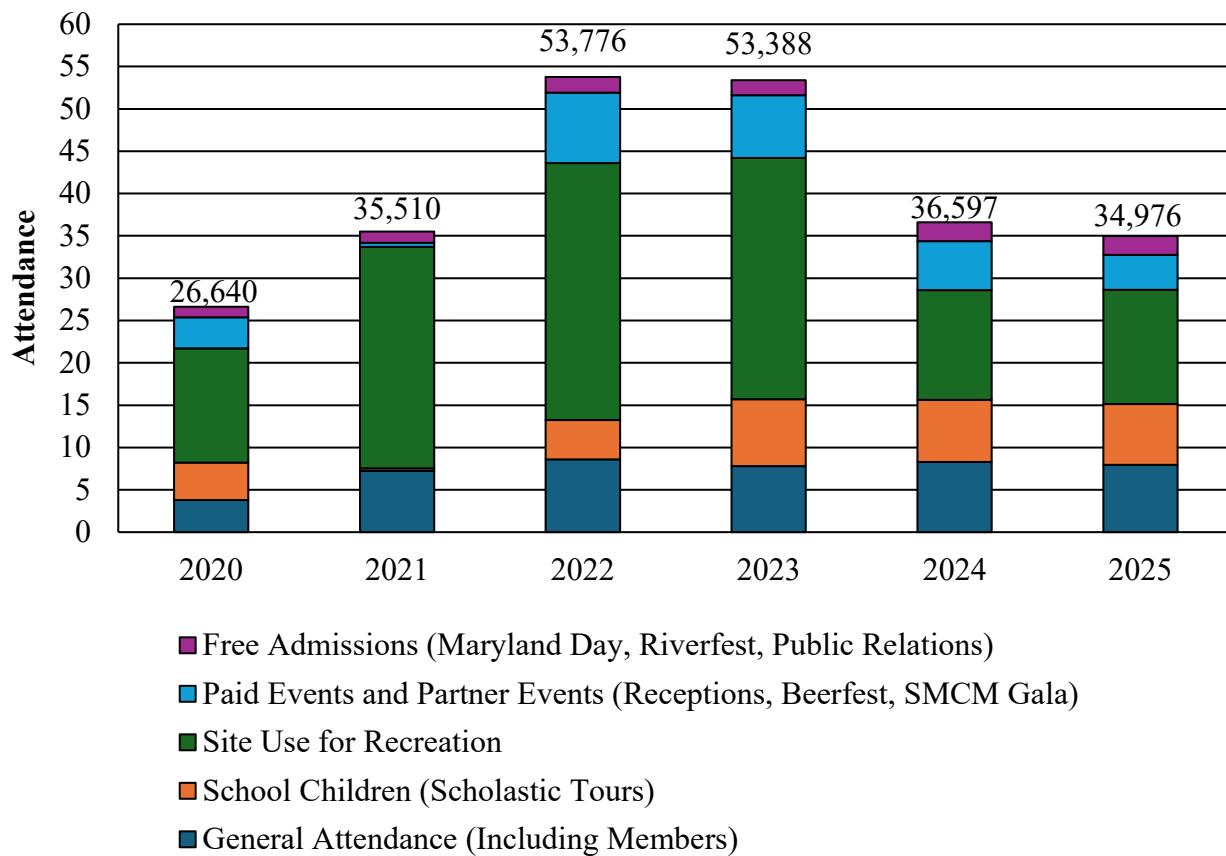
1. General Admissions Fall Below 2021 Levels

HSMCC aims to educate members of the public by increasing the number of visitors of all backgrounds to its site. As shown in **Exhibit 3**, overall visitor attendance levels declined by 4.4% in fiscal 2025 to 34,976, driven by a 29.2% decrease in event admissions from 5,771 to 4,086. Overall admissions are down 35% from the five-year admissions high of 53,776 in fiscal 2022 and are also lower than fiscal 2021 attendance numbers during the second year of the pandemic.

During fiscal 2021 through 2023, Historic St. Mary’s City saw a post-pandemic spike in recreational visitors using its trails and other outdoor spaces. While it remains significantly lower than fiscal 2022 and 2023 levels, recreational use rose by 3.9% (or 511 visitors) from fiscal 2024 to 2025. HSMCC partly attributes the lower number of recreational visitors in recent years to the closure of the onsite bakery in July 2023. After being closed for more than two years, the

commercial kitchen has been renovated and will reopen in March 2026 as a restaurant. HSMCC believes the new space will be a significant draw for recreational visitors.

Exhibit 3
Visitors to Historic St. Mary’s City
Fiscal 2020-2025
(in Thousands)



SMCM: St. Mary’s College of Maryland

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

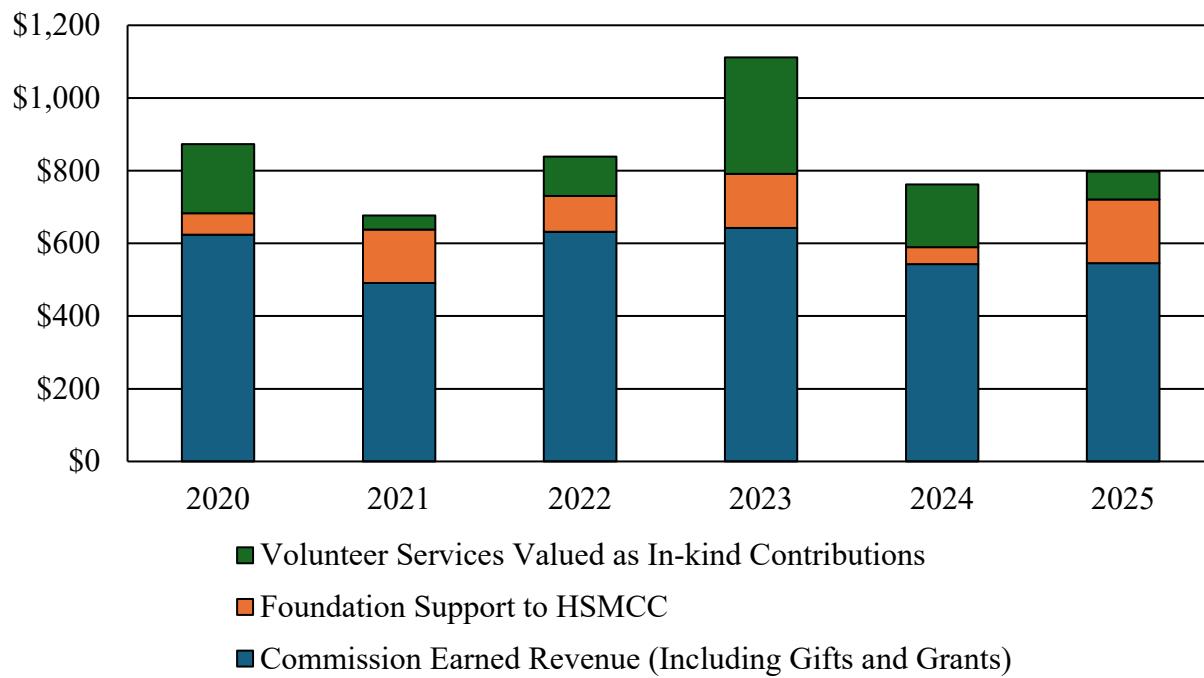
HSMCC also reported a small decline (1.6%) in the number of school children visiting the site from the prior year at 7,190 student visitors. While the annual change is relatively small, the shift from fiscal 2019 is more significant. Prepandemic, roughly 20,000 students visited HSMCC in a given year, meaning school visits have since dropped by 36%. When asked why they had not returned to HSMCC, schools cited transportation costs and scheduling conflicts due to new testing requirements.

HSMCC stated that it is confident that its capital projects will help boost ticket sales once finished. Construction is nearly complete on the new Maryland Heritage Interpretive Center to replace the existing visitors center. HSMCC’s capital projects are discussed in the DB01 – HSMCC – Capital analysis.

2. Special Fund Revenue Increases Slightly Due to Foundation Support

HSMCC receives some revenues that are available for it to use as special funds. These include revenues that the commission earns from ticket sales, gift shop income, site rentals, gifts, and grants. The Historic St. Mary’s City Foundation also provides some support to the commission that is recorded as revenue, while volunteer services are valued as in-kind contributions. Despite the slight reduction in attendance discussed in Key Observation 1, revenues increased in fiscal 2025, as shown in **Exhibit 4**.

Exhibit 4
Revenues
Fiscal 2020-2025
(\$ in Thousands)



HSMCC: Historic St. Mary’s City Commission

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

The increase in total revenue can largely be attributed to a one-time boost in foundation support to HSMCC from \$46,801 in fiscal 2024 to \$175,620 in fiscal 2025. According to HSMCC, roughly \$90,000 of these funds were used for mold remediation, maintenance, health and safety inspections, and the cost of setting up new technology infrastructure for its temporarily relocated offices. The remaining funds from the foundation’s transfer reimbursed salaries for membership coordinators and supported a pass-through grant.

Additionally, earned revenue, the largest source of special funds, increased slightly from \$543,135 in fiscal 2024 to \$545,355 in fiscal 2025. This includes ticket sales, residential and commercial leases, and donations. **HSMCC should provide an update on its efforts to secure non-State sources of revenue.**

3. Fiscal Compliance Audit Finding Resolved

In April 2025, the Office of Legislative Audits (OLA) published a fiscal compliance audit of HSMCC for the period of July 1, 2020, to August 16, 2024. The report contained one finding regarding the commission’s relationship with its affiliated foundation and the policies and procedures surrounding that agreement, which was repeated from the prior audit. OLA stated that the memorandum of agreement (MOA) between the commission and the foundation was not comprehensive and did not adequately address the policies and procedures surrounding purchases, investments, and ethics. For instance, the MOA did not establish requirements in accordance with State procurement policies for the foundation’s purchase of goods and services on behalf of HSMCC. Also, the MOA did not require the affiliated foundation to adopt ethics policies surrounding training, conduct, or conflicts of interest for its board members.

HSMCC responded that it has since taken corrective actions, adding language regarding procurement, conflicts of interest, investment policy, and fund transfers into the MOA between the commission and the foundation. Upon review of HSMCC’s response to the finding, OLA determined that the corrective actions taken are sufficient to address the concerns presented in the audit report.

Operating Budget Recommended Actions

1. Concur with Governor’s allowance.

Appendix 1

Fiscal Compliance Audit Findings

Additional discussion of this audit can be found in Key Observation 3 of this analysis.

Audit Period for Last Audit:	July 1, 2020 – August 16, 2024
Issue Date:	April 2025
Number of Findings:	1
Number of Repeat Findings:	1
% of Repeat Findings:	100%
Rating: (if applicable)	n/a

Finding 1: HSMCC’s MOA 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 25 Actual</u>	<u>FY 26 Wrk Approp</u>	<u>FY 27 Allowance</u>	<u>\$ Change</u>	<u>% Change</u>
Positions					
01 Regular	32.00	32.00	40.00	8.00	25.0%
02 Contractual	28.76	37.72	26.22	-11.50	-30.5%
Total Positions	60.76	69.72	66.22	-3.50	-5.0%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$3,709,821	\$3,594,273	\$4,601,320	\$1,007,047	28.0%
02 Technical and Special Fees	1,649,976	2,009,690	1,385,118	-624,572	-31.1%
03 Communications	43,345	40,000	39,830	-170	-0.4%
04 Travel	33,587	25,000	25,000	0	0.0%
06 Fuel and Utilities	169,270	166,000	142,813	-23,187	-14.0%
07 Motor Vehicle Operation and Maintenance	53,306	47,720	45,283	-2,437	-5.1%
08 Contractual Services	677,593	664,774	606,450	-58,324	-8.8%
09 Supplies and Materials	205,165	180,000	175,544	-4,456	-2.5%
10 Equipment – Replacement	16,311	15,000	15,000	0	0.0%
11 Equipment – Additional	51,042	15,000	15,000	0	0.0%
13 Fixed Charges	55,812	63,047	60,005	-3,042	-4.8%
Total Objects	\$6,665,228	\$6,820,504	\$7,111,363	\$290,859	4.3%
Funds					
01 General Funds	\$5,942,666	\$5,770,245	\$6,427,103	\$656,858	11.4%
03 Special Funds	544,403	862,744	621,158	-241,586	-28.0%
05 Federal Funds	178,159	187,515	63,102	-124,413	-66.3%
Total Funds	\$6,665,228	\$6,820,504	\$7,111,363	\$290,859	4.3%

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.