

D17B01.51
Historic St. Mary's City Commission

Operating Budget Data

(\$ in Thousands)

	<u>Actual</u> <u>FY 02</u>	<u>Approp.</u> <u>FY 03</u>	<u>Allowance</u> <u>FY 04</u>	<u>Change</u> <u>FY 03 - 04</u>	<u>% Change</u> <u>FY 03 - 04</u>
General Funds	\$2,161	\$2,181	\$2,050	-\$132	-6.03%
Contingent & Back of Bill Reductions	0	0	-8	-8	
Adjusted General Funds	\$2,161	\$2,181	\$2,041	-\$140	-6.42%
Special Funds	563	594	551	-43	-7.29%
Federal Funds	39	115	14	-101	-87.80%
Adjusted Grand Total	\$2,764	\$2,891	\$2,606	-\$285	-9.86%

- The fiscal 2004 allowance includes the across-the-board deferred compensation reduction.
- Historic St. Mary's City Commission (HSMCC) did not have funds taken out for cost containment in fiscal 2003.

Personnel Data

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Working</u>	<u>FY 04</u> <u>Allowance</u>	<u>Change</u>
Regular Positions	41.00	39.00	39.00	0.00
Contractual FTEs	<u>13.00</u>	<u>13.00</u>	<u>13.00</u>	<u>0.00</u>
Total Personnel	54.00	52.00	52.00	0.00

Vacancy Data: Regular Positions

Budgeted Turnover: FY 04	2.73	7.00%
Positions Vacant as of 12/31/02	2.00	5.13%

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

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Analysis in Brief

Recommended Actions

1. Concur with Governor's allowance.

Updates

HSMCC to Work with St. Mary's College on Maryland Heritage Project: Beginning in 1999, Historic St. Mary's City and St. Mary's College of Maryland have collaborated on a joint land use project that will help preserve the historical landmark city while using the history to enhance educational programs and experiences at the college.

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Operating Budget Analysis

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, 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 plan with St. Mary's College of Maryland known as the Maryland Heritage Project.

The mission of HSMCC is to appropriately develop and use this historic and scenic site for the education, enjoyment, and general benefit of the public. It is the goal of the commission 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 (NHLD).

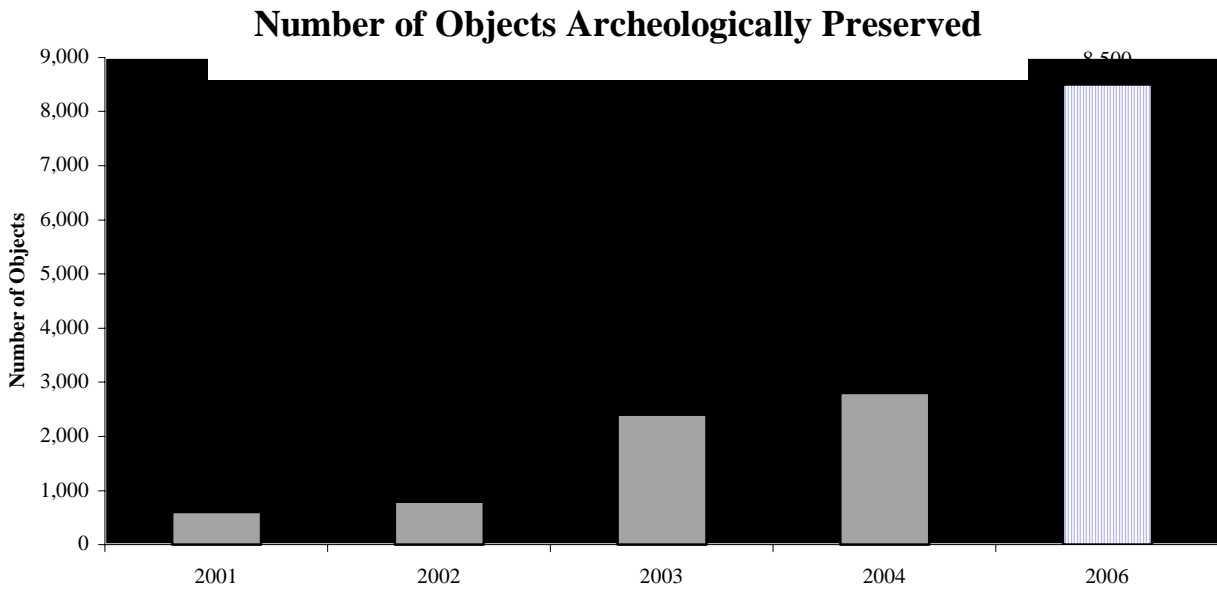
Performance Analysis: Managing for Results

There are many components to the work of HSMCC, including archeological discovery and conservation, museum building and maintenance, and enhancing the educational experience of its visitors. HSMCC has performance measures that determine the progress of the commission in many of these areas.

HSMCC has an inventory of approximately four million archaeological items that need to be cataloged and documented, located in a climate controlled, secure, fire-suppressed space, and made available for interpretation and analysis. Most of these artifacts are iron, brass, lead, and glass, and many are in stable condition. Some, however, are actively deteriorating.

HSMCC received a grant from the federal Institute of Museum and Library Services to complete a professional conservation survey of the entire collection. The survey is performed by an independent conservator who is paid by the grant. The first step in this process is prioritizing a treatment schedule for those artifacts that are actively deteriorating. **Exhibit 1** shows the progress made towards conserving these objects; HSMCC hopes to treat 8,500 objects by 2006. **The commission should comment on how it plans to curate 200% more objects each year for the next two years, as the yearly average increase to date is approximately 30%.**

Exhibit 1



Source: Historic St. Mary's City Commission

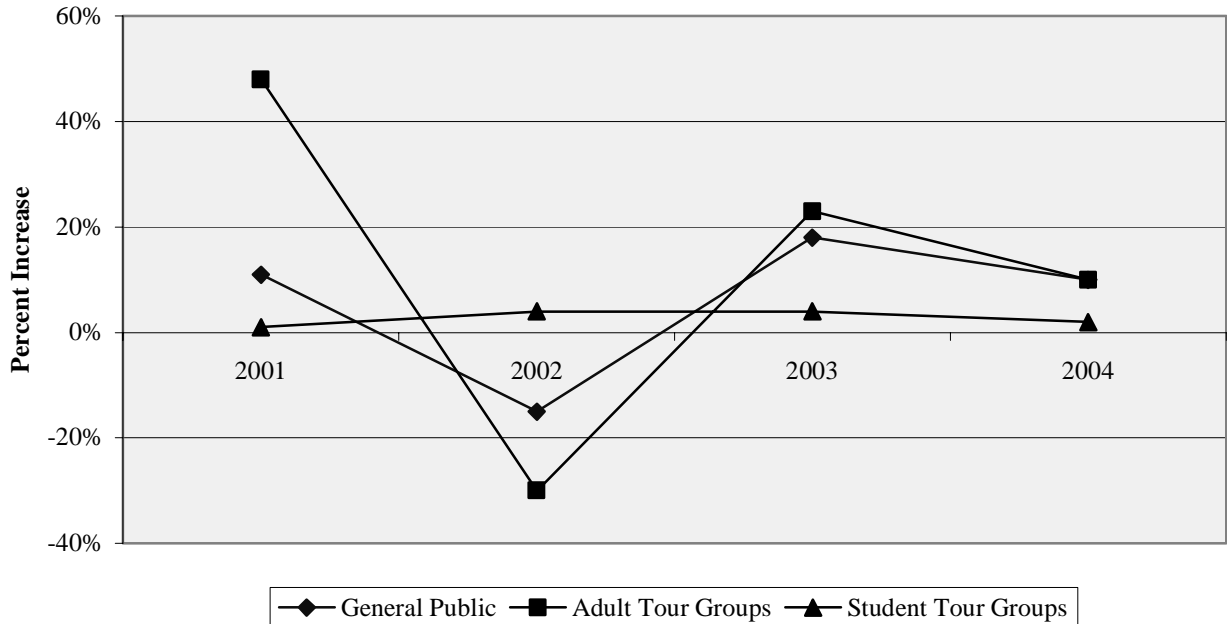
Another major facet of the outdoor museum is the building of capital projects that add to the existing outdoor museum, and the maintenance of existing buildings. In fiscal 2001 and 2002, HSMCC completed the paving of colonial roads and pathways, furnished the reconstructed buildings of Smith's Ordinary and Cordea's Hope, and installed new interpretive signage along the self-guided tour. All of these projects were completed on time and within budget.

No projects are scheduled to be completed during fiscal 2003 or 2004, though many are underway. The largest project underway is the St. John's project, for which funding was provided in fiscal 2003 to continue the architectural and exhibit design, as well as site archaeology, road and utilities relocation, and outdoor signage. The project should be complete and open to visitors in fiscal 2005. A majority of the commission's capital projects are completed for less than \$100,000. In future performance measures, the commission plans to include measures for the number of these projects completed on-time and within the budget.

Education and interpretation are the most important aspects of Historic St. Mary's City. Their visitors include diverse audiences, ranging from school groups to the general public to adult tour groups. Most of HSMCC's special fund revenue is raised through visitor fees; increasing visitation is vital to the existence of Historic St. Mary's City. **Exhibit 2** shows visitation attendance of the general public, adult tour groups, and children.

Exhibit 2

Visitors by Category
2001-2004



Source: Historic St. Mary's City Commission

In fiscal 2002, HSMCC experienced a drop in visitors for the general public and adult tour groups. Some of this decline can be traced to the disruption of travel and tourism in the fall of 2001 following the September 11 incidents. St. Mary's also attributes this decline to the overall decline in the group or motor coach tour industry nationwide. In a survey of 13 outdoor history museums that include Colonial Williamsburg, Old Salem, and Plymouth Plantation, Historic St. Mary's City was one of three museums that had increased visitors since 1996. HSMCC visitation increased nearly 41%, compared to the average group decline of -35%.

Student groups are the largest tourist population at Historic St. Mary's City and have tended to be at or near full capacity for the slots available during September through November and March through June. After the sniper attacks in the greater Washington area during October 2002, nearly every school group cancelled their fall tours at the city. This resulted in a loss of 8,000 visitors and \$60,000 in special fund revenues. Most of the groups have rebooked for the spring, and all slots are full. HSMCC expects to see a 10% increase in visitation in fiscal 2004 for adult groups and 2% for student groups. **The commission should comment on the impact of the loss of funds in fiscal 2003.**

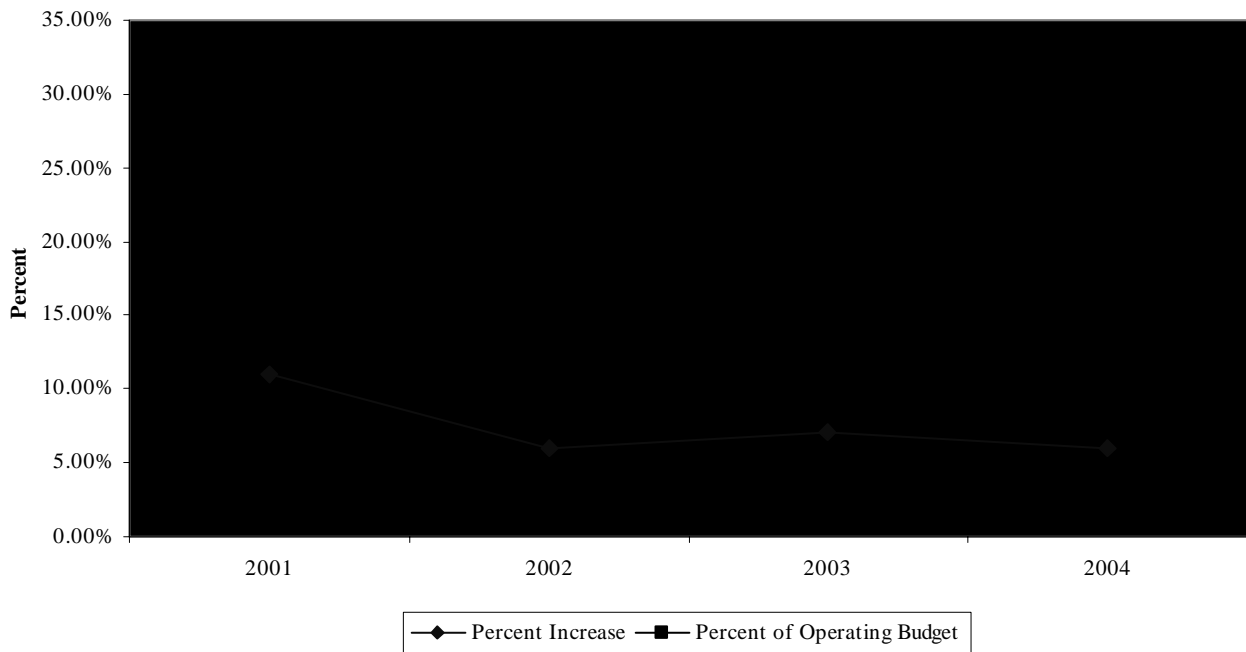
As a museum, grants and special funds are available through sources other than the State. As Historic St. Mary's City grows and increases its visiting populations, these funds should also increase. The commission tabulates its nonstate private and public grants and gifts and tracks these funds as a percent of their operating budget. The goal is that with proactive assistance of the Historic St. Mary's City

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Foundation, as much as 40% of HSMCC's budget will come from earned special funds and nonstate grants by fiscal 2006. **Exhibit 3** shows the increase in alternative fund sources as well as the ratio of these sources to the operating budget overall.

Exhibit 3

Special Funds, Grants, and Gifts from Sources Other Than the State



Source: Historic St. Mary's City Commission

Governor's Proposed Budget

The fiscal 2004 allowance totals \$2.6 million, a decrease of \$285,000, or 10%, from the fiscal 2003 appropriation. General funds make up approximately 78% of the allowance at \$2.04 million. By statute, the general fund appropriation for the museum shall not be less than its fiscal 1998 appropriation of \$1.9 million. (See §24-511(e) of the Education Article.) Special funds decrease by \$44,000, or 7%, while federal funds decrease 87%, from \$115,000 to \$14,000. The small amount of federal funds in the fiscal 2004 allowance is the remainder of funds from a two-year grant from the Institute of Museum and Library Services. The fiscal 2003 and 2004 changes are shown in **Exhibit 4**.

Impact of Cost Containment

The contingent and back of the bill reductions for deferred compensation reduced HSMCC's general fund allowance by \$8,377. This is a 0.5% reduction from the original allowance of \$2.05 million.

Exhibit 4

**Governor's Proposed Budget
Historic St. Mary's City Commission
(\$ in Thousands)**

	<u>Actual FY 02</u>	<u>Approp FY 03</u>	<u>Allowance FY 04</u>	<u>Change FY 03 - 04</u>	<u>% Change FY 03 - 04</u>
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Where It Goes:

Personnel Expenses

Regular earnings and overtime earnings decrease 46%	-15
Deferred compensation.....	-8
Accrued leave payout	-11
Employee and retiree health insurance.....	37
Turnover expectancy (raised to 7%)	-69
Special payments payroll.....	-60

Other Changes

Advertising and legal/reproduction publications	-19
Management studies and consultants, including contractual services	-95
New and replacement equipment and maintenance and repair (63% decrease).....	-17
Administrative supplies, materials, and data processing	-36
Other	8

Total **-\$285**

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

Recommended Actions

1. Concur with Governor's allowance.

Updates

1. HSMCC to Work with St. Mary's College on Maryland Heritage Project

Historic St. Mary's City and St. Mary's College of Maryland presented a formal vision for their collaboration on the \$65 million, multi-year capital improvement program called the *Maryland Heritage Project* in October 2002. The joint land use planning effort, which began in the fall of 1999, resulted in the development of the project.

Through the Maryland Heritage Project, the executives from the commission and the college plan to:

- strengthen the relationship between the two organizations;
- guide future land and facility development;
- preserve the character of the community surrounding the St. Mary's City National Historic Landmark District (NHLD); and,
- protect and preserve the archaeological resources in the NHLD, cited by the Maryland General Assembly as the State's most important historical site.

The keystone project of the Maryland Heritage Project is the St. John's site, a manor house that served as a meeting place for the colonial legislature. It sits on an area of shared landscape between the college and the city. The St. John's project, like others, will require the cooperation of both the college and the commission, as the preservation and building will impact both.

The mandate for the establishment of the *Center for the Study of Democracy and Civil Society* comes through the Maryland Heritage Project. The purpose of the center is to sponsor scholarship and education on the evolution of democracy and civil society in 17th and 18th century Maryland, and to explore and advocate its relevance to civil society today. This will occur through unique interdisciplinary training course offerings, internships, and student projects for undergraduate students. The launching of the center began in the fall of 2002 with funds from private donations. The building used for the center will be the renovated Calvert Hall, the College's first permanent structure.

Current and Prior Year Budgets

**Current and Prior Year Budgets
Historic St. Mary's City Commission
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2002					
Legislative Appropriation	\$2,165	\$607	\$0	\$0	\$2,772
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	-4	9	40	0	45
Reversions and Cancellations	0	-53	-0.7	0	-54
Actual Expenditures	\$2,161	\$563	\$39	\$0	\$2,764
Fiscal 2003					
Legislative Appropriation	\$2,181	\$594	\$0	\$0	\$2,775
Budget Amendments	0	0	115	0	115
Working Appropriation	\$2,181	\$594	\$115	\$0	\$2,891

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

Fiscal 2002

HSMCC had \$52,500 in unencumbered special funds because their special fund earned income was down considerably. The commission aims to keep their reserve funds at around \$150,000; by withholding this money, the reserves were maintained at \$100,000. Had the commission not taken this action, the reserves would be at one-third the desired amount.

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Appendix 2

Object/Fund Difference Report
Historic St. Mary's City Commission

Object/Fund	FY 02	FY 03	FY 04	FY 03 - FY 04	Percent Change
	Actual	Working Appropriation	Allowance	Amount Change	
Positions					
01 Regular	41.00	39.00	39.00	0	0%
02 Contractual	13.00	13.00	13.00	0	0%
Total Positions	54.00	52.00	52.00	0	0%
Objects					
01 Salaries and Wages	\$ 1,933,313	\$ 1,878,848	\$ 1,856,408	(\$ 22,440)	(1.2%)
02 Technical & Spec Fees	309,918	325,717	263,316	(62,401)	(19.2%)
03 Communication	23,907	24,247	17,448	(6,799)	(28.0%)
04 Travel	10,253	15,250	10,000	(5,250)	(34.4%)
06 Fuel & Utilities	40,185	47,000	44,000	(3,000)	(6.4%)
07 Motor Vehicles	29,045	31,750	25,295	(6,455)	(20.3%)
08 Contractual Services	208,746	343,831	227,496	(116,335)	(33.8%)
09 Supplies & Materials	174,542	185,111	147,391	(37,720)	(20.4%)
10 Equip - Replacement	8,640	10,490	6,262	(4,228)	(40.3%)
11 Equip - Additional	6,214	11,900	2,000	(9,900)	(83.2%)
13 Fixed Charges	8,014	16,422	14,708	(1,714)	(10.4%)
14 Land & Structures	10,853	0	0	0	0.0%
Total Objects	\$ 2,763,630	\$ 2,890,566	\$ 2,614,324	(\$ 276,242)	(9.6%)
Funds					
01 General Fund	\$ 2,161,139	\$ 2,181,113	\$ 2,049,504	(\$ 131,609)	(6.0%)
03 Special Fund	563,228	594,103	550,757	(43,346)	(7.3%)
05 Federal Fund	39,263	115,350	14,063	(101,287)	(87.8%)
Total Funds	\$ 2,763,630	\$ 2,890,566	\$ 2,614,324	(\$ 276,242)	(9.6%)

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

