

D17B0151
Historic St Mary's City Commission

Operating Budget Data

(\$ in Thousands)

	FY 07 <u>Actual</u>	FY 08 <u>Working</u>	FY 09 <u>Allowance</u>	FY 08-09 <u>Change</u>	% Change <u>Prior Year</u>
General Fund	\$2,148	\$2,144	\$2,241	\$97	4.5%
Special Fund	543	574	611	37	6.5%
Federal Fund	<u>257</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total Funds	\$2,948	\$2,718	\$2,852	\$134	4.9%

- Total funds increase \$134,468, or 4.9%. The underlying fiscal 2009 budget change, absent health insurance and Other Post Employment Benefits funding which distort year-to-year comparisons, is -\$1,932, or -0.1%.

Personnel Data

	FY 07 <u>Actual</u>	FY 08 <u>Working</u>	FY 09 <u>Allowance</u>	FY 08-09 <u>Change</u>
Regular Positions	36.00	38.00	38.00	0.00
Contractual FTEs	<u>9.50</u>	<u>9.50</u>	<u>9.50</u>	<u>0.00</u>
Total Personnel	45.50	47.50	47.50	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	1.14	3.01%
Positions Vacant as of 1/01/08	2.00	5.26%

- As of January 1, 2008, Historic St. Mary's City Commission has two vacant positions.

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

For further information contact: Keshia E. Cheeks

Phone: (410) 946-5530

Analysis in Brief

Major Trends

Still Not Functioning at Full Capacity: Budget reductions from previous years and this past year continue to limit the hours open and the hiring of staff.

Recommended Actions

1. Concur with Governor’s allowance.

D17B0151
Historic St Mary's City Commission

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, 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 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.

Performance Analysis: Managing for Results

HSMCC's Managing for Results (MFR) is comprised of goals that encompass the three interrelated aspects of its mission: research and preservation, education, and management. The following discussion evaluates the performance of the commission in meeting each of its three goals.

Research and Preservation

HSMCC is working to assure that the archaeological sites and collections, scenic views, and rural character of the historic site are safeguarded by preservation and research practices. Selected data are shown in **Exhibit 1**. It is the goal of HSMCC to investigate 500 cubic feet of soil a year, which it exceeded in fiscal 2005 through 2007 and is estimated to continue to meet or exceed. HSMCC is working to process, catalogue, and curate at least 20,000 artifacts annually. The number of artifacts added to the database was 460,451 in fiscal 2006, which was a significant increase from fiscal 2005. This number is expected to decrease in fiscal 2008 and 2009 but remain above 20,000. The goal is to produce 600 pages of written products which HSMCC exceeded from fiscal 2005 to 2007 and is expected to continue to exceed. While this is a very important aspect of HSMCC's mission, the MFR measures do not accurately measure the quantity of work being done at HSMCC. **The Department of Legislative Services (DLS) recommends HSMCC develop other MFR data to report in this area.**

Exhibit 1
Research and Preservation
Fiscal 2005-2009 Estimates

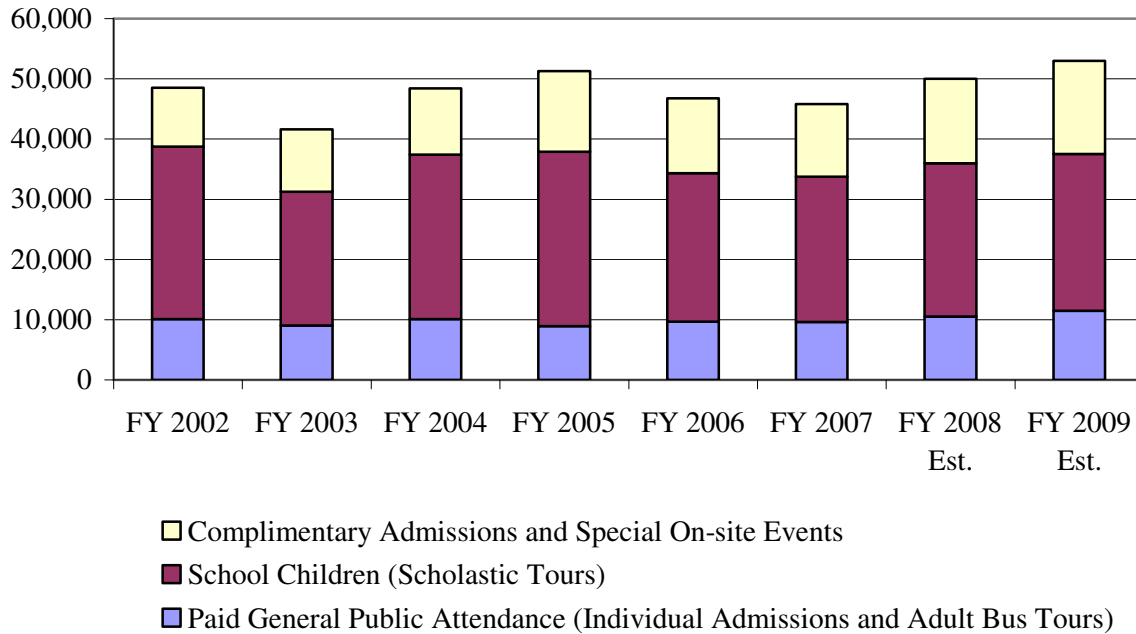
	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>	<u>Fiscal 2008 Est.</u>	<u>Fiscal 2009 Est.</u>
Volume of Soil Investigated	1,200	3,000	625	600	600
Number of Artifacts Added to Database	40,000	460,451	25,243	25,000	25,000
Number of Pages of New Research and Analysis	700	729	628	700	700

Source: Governor’s Budget Books, Fiscal 2009

Education

One of the best measures of attaining the goal of educating the public is attendance. As shown in **Exhibit 2**, public attendance fluctuated from fiscal 2002 to 2007 for all three categories of visitors (general public, school children, and complimentary admissions/special on-site events). Public attendance for fiscal 2007 declined, which HSMCC attributes to an increase in fuel prices, limited marketing funds, and full-time staff to manage the site. Currently, HSMCC is open Tuesday through Saturday, 10 a.m. until 5 p.m with most of the public attendance attributed to scholastic school tours. However, in fiscal 2008 and 2009, HSMCC expects public attendance to increase in all categories. The main mechanism for attracting visitors to the city is through continuous development of facilities, the landscape, and interpretive sites. In April 2008, HSMCC will have the grand opening of the expanded Van Sweringen exhibit. **HSMCC should comment on collaborating with the Maryland Office of Tourism to help increase public attendance.**

**Exhibit 2
Visitors by Category
Fiscal 2002-2009 Estimates**



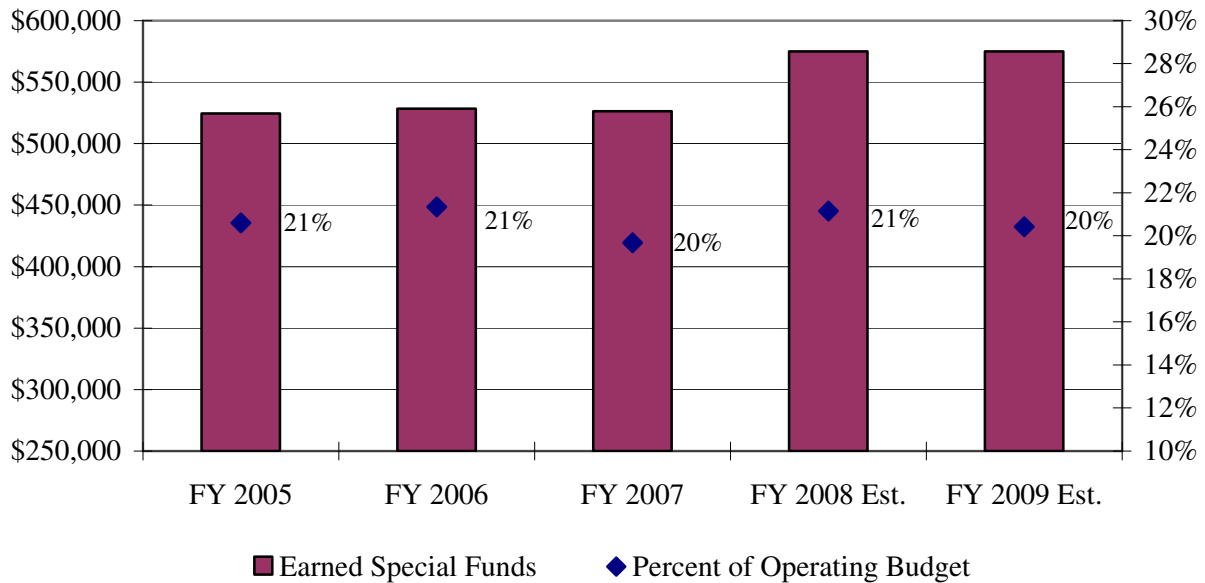
Note: Paid General Public Attendance are individual admissions and other tours (mostly adult bus tours); School Children are scholastic tours; Complimentary Admissions are Foundation members, college students, and staff, etc.; Special On-site Events are Maryland Day attendance and weddings.

Source: Historic St. Mary’s City Commission

Management

Finally, HSMCC seeks to rely less on State funds as it works to identify and secure grant funds from federal agencies, private foundations, individuals, and corporations. Income from the museum gift shop, rent on properties owned, educational group ticket sales, and other commercial uses of the site (weddings, movie location) make up HSMCC’s earned special fund revenue and is expected to increase from the fiscal 2006 amount of \$528,370 to an estimated \$575,000 in fiscal 2008 and is expected to remain level in fiscal 2009. **Exhibit 3** shows earned special funds each year, as well as the percent of the State budget these funds represent. Earned special funds represent approximately 20% of the operating budget from fiscal 2005 to 2009. One of the specific MFR goals states that HSMCC seeks to secure grants from federal agencies, but the agency has not received federal funding since fiscal 2007. **HSMCC should comment on measures being taken to secure federal grants to support educational programs, publications, and exhibits.**

**Exhibit 3
Earned Special Funds
Fiscal 2005-2009 Estimates**



Source: Governor’s Budget Books, Fiscal 2007 and 2009

Fiscal 2008 Actions

Impact of Cost Containment

The Board of Public Works action in July 2007 reduced HSMCC’s fiscal 2008 legislative appropriation by \$80,000, or 3.6%. The total savings are accomplished through the deferral of filling contractual positions and reducing operating expenses.

Governor’s Proposed Budget

The fiscal 2009 allowance totals \$2.2 million, an increase of \$97,437, or 4.5%, from the fiscal 2008 working appropriation. (See **Exhibit 4**.) However, the underlying general fund change absent health insurance and Other Post Employment Benefits is -\$1,932, or -0.1%. Special funds increase \$37,031, and there are no federal funds budgeted. By statute, the general fund appropriation cannot be less than the fiscal 1998 appropriation of \$1.9 million – the fiscal 2009 allowance exceeds this amount by \$300,000.

Exhibit 4
Governor’s Proposed Budget
Historic St Mary’s City Commission
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Total
2008 Working Appropriation	\$2,144	\$574	\$2,718
2009 Governor’s Allowance	<u>2,241</u>	<u>611</u>	<u>2,852</u>
Amount Change	\$97	\$37	\$134
Percent Change	4.5%	6.5%	4.9%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance	\$40
Employee increments and other compensation.....	72
Other Post Employment Benefits.....	96
Workers’ compensation premium assessment	-2
Turnover adjustments.....	11
Retirement.....	4

Other Changes

Reduction in administrative costs (travel, supplies, and materials, etc.)	-97
Motor vehicles and fuel/utilities	11
Reduction in fixed charges.....	-2

Total **\$134**

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 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 2007					
Legislative Appropriation	\$2,221	\$576	\$0	\$0	\$2,797
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	-1	0	791	0	790
Reversions and Cancellations	-72	-33	-534	0	-639
Actual Expenditures	\$2,148	\$543	\$257	\$0	\$2,948
Fiscal 2008					
Legislative Appropriation	\$2,191	\$573	\$0	\$0	\$2,764
Cost Containment	-80	0	0	0	-80
Budget Amendments	32	0	1	0	33
Working Appropriation	\$2,144	\$573	\$1	\$0	\$2,718

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

Fiscal 2007

The general fund appropriation decreased slightly due to several budget amendments:

- \$27,466 to cover costs associated with fiscal 2007 general salary increase;
- \$28,135 decrease due to a cost containment action taken in February; and
- \$415 decrease due to funding for a comprehensive salary study transferred to the Department of Budget and Management.

General funds decreased \$71,695 in cancellations for unspent budget balances due to timing differences in miscellaneous bill payments not due until after the fiscal year ended.

Special funds decreased \$32,656 in cancellations for unspent budget balances due to timing differences and major invoices not received until after the fiscal year ended.

Federal funds increased \$791,000 through a budget amendment for the following projects:

- \$495,000 increase for the reconstruction of the 1667 Brick Chapel;
- \$151,000 increase for prioritizing the treatment of the commission’s archaeological collections; and
- \$145,000 increase for graphics and artifacts exhibits.

Federal funds decreased \$534,280 in cancellations due to several multi-year grant projects that have been delayed due to construction and the permitting process. Funds are carried forward in the subsequent fiscal year and invoices are paid.

Fiscal 2008

General funds decrease \$80,000 through the Board of Public Work’s cost containment action. A budget amendment increases general funds by \$32,496 to cover costs associated with the fiscal 2008 general salary increase. Special funds increase \$673 due to a reallocation of the special fund appropriation for the cost-of-living adjustment.

Audit Findings

Audit Period for Last Audit:	July 1, 2003 – June 30, 2006
Issue Date:	November 2006
Number of Findings:	1
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: The commission’s collections were not adequately controlled.

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

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	36.00	38.00	38.00	0	0%
02 Contractual	9.50	9.50	9.50	0	0%
Total Positions	45.50	47.50	47.50	0	0%
Objects					
01 Salaries and Wages	\$ 1,983,878	\$ 1,961,470	\$ 2,183,897	\$ 222,427	11.3%
02 Technical and Spec. Fees	258,505	227,821	227,820	-1	0%
03 Communication	16,876	15,500	15,500	0	0%
04 Travel	5,613	3,110	3,100	-10	-0.3%
06 Fuel and Utilities	89,152	102,005	112,304	10,299	10.1%
07 Motor Vehicles	44,926	35,100	35,800	700	2.0%
08 Contractual Services	359,311	224,592	135,946	-88,646	-39.5%
09 Supplies and Materials	162,962	130,481	122,543	-7,938	-6.1%
10 Equip – Replacement	1,548	0	0	0	0.0%
11 Equip. – Additional	7,060	0	0	0	0.0%
13 Fixed Charges	18,103	17,472	15,109	-2,363	-13.5%
Total Objects	\$ 2,947,934	\$ 2,717,551	\$ 2,852,019	\$ 134,468	4.9%
Funds					
01 General Fund	\$ 2,148,152	\$ 2,143,778	\$ 2,241,215	\$ 97,437	4.5%
03 Special Fund	543,063	573,773	610,804	37,031	6.5%
05 Federal Fund	256,719	0	0	0	0.0%
Total Funds	\$ 2,947,934	\$ 2,717,551	\$ 2,852,019	\$ 134,468	4.9%

Note: The fiscal 2008 appropriation does not include deficiencies.

**Fiscal Summary
Historic St Mary's City Commission**

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
0002 Administration	\$ 874,554	\$ 677,246	\$ 632,524	-\$ 44,722	-6.6%
0003 Research	428,789	347,504	369,162	21,658	6.2%
0004 Public Programs	697,821	698,035	778,478	80,443	11.5%
0005 Plant Operations	681,815	710,167	734,208	24,041	3.4%
0006 Marketing and Communications	182,985	175,587	228,635	53,048	30.2%
0007 Museum Shop	81,970	109,012	109,012	0	0%
Total Expenditures	\$ 2,947,934	\$ 2,717,551	\$ 2,852,019	\$ 134,468	4.9%
General Fund	\$ 2,148,152	\$ 2,143,778	\$ 2,241,215	\$ 97,437	4.5%
Special Fund	543,063	573,773	610,804	37,031	6.5%
Federal Fund	256,719	0	0	0	0.0%
Total Appropriations	\$ 2,947,934	\$ 2,717,551	\$ 2,852,019	\$ 134,468	4.9%

Note: The fiscal 2008 appropriation does not include deficiencies.