

D17B01

**Historic St. Mary's City Commission
FY 2020 Budget Testimony
February 7 & 13, 2019**

Earned Special funds

The decline in attendance has a negative impact on the commission's earned special funds revenue which, in turn, increases HSMCC's need for general fund support. **Exhibit 2** shows commission-earned special funds, including foundation support, from fiscal 2012 through 2020. Consistent with the decline in attendance, revenues also declined in fiscal 2018 to \$834,889, down from a peak of just over \$1 million in fiscal 2014. Despite the attendance and revenue declines since fiscal 2014, the commission's special fund fiscal 2019 working appropriation and fiscal 2020 allowance is increasing. **The Commission should comment on its revenue estimates and its contingencies if revenues do not meet estimates.**

HSMC has several reasons to be optimistic about revenue projections in FY2020, primarily because of the addition of staff dedicated to marketing and development.

The decline in attendance beginning in 2014 corresponds with the museum's loss of a Director of Marketing. At the same time Director retired, the O'Malley administration imposed a 2% cut in the agency's budget. The museum was then unable to replace the Director and marketing responsibilities were distributed among approximately eight staff members. As the analysis indicates, the museum was only able to hire a new marketing staff in October of FY2019. HSMC expects that a renewed focus on marketing will help increase attendance.

Revenues were also impacted by a gap between the departure of the Events Manager and the hiring for the position. The current Events Manager joined HSMC in November 2017 and has been successfully booking site rentals. The impact of her good work is evident in current revenue as well as in future bookings.

The HSMC Foundation has provided funding for a contractual position for fundraising. The new hire will begin on March 2019 and further build the organizations ability to raise funds for projects, programs, and equipment.

If the Commission does not meet its projections, it will reduce its expenses to meet revenue.

Personnel

Overall, personnel costs increase by \$74,828, driven by statewide salary increases in fiscal 2019 and 2020. Those increases are partially offset by a \$77,338 reduction in workers' compensation premiums after the commission completed several large payouts for an injured worker.

A staffing study performed by the Department of Legislative Services identified the need for 4 new positions at HSMCC. While the commission did add a conservator and external relations manager in fiscal 2019, there is no groundskeeper or gifts and grants officer in the fiscal 2020 allowance. The commission is, however, adding 5.25 contractual full-time equivalent positions (a 35% increase) in fiscal 2020, driving an increase in contractual costs of \$251,665. A grant from St. Mary's County to enhance the visitor experience will fund 1.6 positions, while other positions will perform site mitigation work to prepare for construction of the Maryland Heritage Interpretive Center. However, a federal grant intended to provide the funding for 2 of the contractual positions was not submitted.

HSMCC should comment on its unmet personnel needs and the decision to increase contractual staff by 35%.

The Commission was very grateful to receive two PINs for the Conservator and External Relations Manager positions in Governor Hogan's FY2019 Supplemental Budget and receive approval by the General Assembly. These positions will greatly enhance the museum's ability to attract visitors and care for its archaeological collection. The Commission has numerous positions that remain unfunded and has submitted requests to recover the ten PINs it has lost since 2002. The groundskeeper and gifts and grants officer were not funded in the museum's working appropriation. If they were, the Commission would immediately hire for the two positions as they are vitally important to fulfilling its mission to care preserve and maintain the site of the state's first capital.

The Commission is adding positions in areas where it has been able to obtain funding. St. Mary's County has provided funds to support its efforts to enhance its tourism economy. HSMC is an anchor for tourism in the County and the lack of interpretive staff for programs and visitor engagement negatively affected the visitor experience. The additional interpretive staff supported by the County funds will enable HSMC to offer more programs and improve the visitor experience.

The contractual staff for archaeological mitigation will be hired for the short-term only. They will work both in the field and lab on cultural resource management at a lower cost to the state than hiring an outside firm to perform the work. Once the project is complete, the staff will no longer be employed.

It is important to point out that the Department of Legislative Services own Agency Staffing Report in 2018 concluded that HSMC was understaffed by 4 positions as you will see in the chart below.

Executive Branch Staffing Needs

- Since fiscal 2002 the Executive Branch, excluding higher education, has abolished almost 7,700 positions.
 - DLS spent two years reviewing Executive Branch staffing needs based on laws, regulations, caseload guidelines, agency staffing studies, and other documentation.
 - Based on this analysis, the Department of Legislative Services has identified a need for nearly 1,300 additional authorized positions in addition to the need to fill approximately 1,200 existing positions.
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<u>Agency</u>	<u>Additional Positions Required</u>
Maryland Department of the Environment	295
Office of the Public Defender	214
State Department of Assessments and Taxation	200
Department of State Police	193
Department of Public Safety and Correctional Services	154
Maryland Department of Health	93
Department of Juvenile Services	79
Maryland Commission On Civil Rights	12
Maryland Insurance Administration	9
Department of General Services	6
Historic St. Mary's City Commission	4
Secretary of State	3
Total	1,262

Source: Department of Legislation Services 2018 Report