

# HISTORIC ST. MARY'S CITY

A MUSEUM OF HISTORY & ARCHAEOLOGY AT  
MARYLAND'S FIRST CAPITAL

## **Fiscal Year 2025 Operating Budget**

**TESTIMONY OF JOHN L. SEIDEL, PHD**  
**Executive Director**  
**Historic St. Mary's City Commission**

**Education and Economic Development - Budget Hearing**  
**Delegate Stephanie M. Smith, Chair**  
**February 8, 2025**

**Education, Business and Administration Subcommittee**  
**Subcommittee - Budget Hearing**  
**Senator Nancy J. King, Chair**  
**February 15, 2025**

Madam Chair and Members of the Committee, thank you for the opportunity to provide testimony on the proposed FY 2025 operating budget of the Historic St. Mary's City Commission (HSMCC) and to offer the agency's response to the Legislative Budget Analysis.

I joined the Historic St. Mary's City Commission as its new Executive Director/CEO only a month ago, on January 3, 2024. I have reviewed the 2023 Legislative Audit of HSMCC, as well as current operating budgets, the projections for FY 2025, and the recommendations of the Legislative Budget Analysis. I fully support the analysis. Although I recognize that the in-depth audit of HSMCC must have been at times painful, both I and my new colleagues at the Commission have found it extraordinarily useful. It has been especially helpful to me, as I review the history of the agency and assess its operations and procedures.

I am impressed with the thoughtful responses of HSMCC staff and leadership to the audit findings. Positive progress has been made in implementing the recommendations, as itemized below in our response to the Legislative Budget Analysis. The agency is rebounding quickly and operating more efficiently due to the efforts of its dedicated staff and the insights provided by the audit.

That said, additional opportunities remain for greater organizational efficiency, beyond those highlighted in the audit. We are working to implement some of these changes immediately and more are to come. While we concur with the legislative analysis, I will observe that many organizations go through growth spurts with attractive new programming, but fail to provide the

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administrative support that is required for longer term sustainability and growth. I believe this to be the case at HSMCC, and we are working hard to identify the gaps and fill them with available resources. The proposed budget is critical to meeting these challenges.

The coming 400<sup>th</sup> anniversary of Maryland's founding, in 2024, offers an important milestone in our history. But it also can serve as a catalyst for greater recognition of HSMCC and the surrounding region, generating significant economic growth through heritage tourism and related activity. Although 10 years may appear to be a long time away, from a planning perspective - and especially in terms of the necessary infrastructural development - it is critical that we begin the preparations for 2034 now. We owe it to the State and our varied constituents to capitalize on this rare opportunity and make the most of it. That will require investments of time and both state and private funding, but the opportunities and potential are profound.

I am delighted to have joined HSMCC and to support their nationally recognized efforts at stewardship of the museum's extraordinary historic resources, as well as the remarkable educational opportunities they offer. On behalf of my colleagues and the many thousands of Maryland citizens who enjoy these resources each year, I thank you for your continued support of our efforts. Our response to the Legislative Budget Analysis follows.

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## Fiscal Year 2025 Operating Budget RESPONSE TO DEPARTMENT OF LEGISLATIVE SERVICES BUDGET ANALYSIS

**Education and Economic Development - Budget Hearing**  
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This response is prepared in two sections:

1. The first section addresses Department of Legislative Services (DLS) recommendations for the FY 2025 operating budget of the Historic St. Mary's City Commission (HSMCC).
2. The second section addresses HSMCC's ongoing work to fully address the Legislative Audit recommendations from previous years.

### 1. Agency Response to the Proposed FY 2025 Operating Budget

**Recommendations:** The largest share of HSMCC's fiscal 2025 allowance is \$1.7 million, or 25%, for administrative functions. Maintenance operations account for a further 23% of the budget, with research archaeology making up another 22% of the allowance. The remaining 30% is allocated to public programming, business enterprise expenses, and marketing.

The fiscal 2025 allowance for HSMCC decreases by \$523,626, to \$6.9 million. This decrease is largely driven by the removal of more than \$1 million in one-time expenses that were included in the fiscal 2024 appropriation.

### PROPOSED FY 2025 BUDGET - HSMCC

	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Total</b>
<b>Fiscal 2023 Actual</b>	\$ 4,885	\$ 717	\$ 87	\$ 5,690
<b>FY 2024 Working Approval</b>	6,586	808	55	7,449
<b>FY 2025 Allowance</b>	5,775	895	255	6,925
<b>FY 2024-25 Amount Change</b>	-\$ 810	\$ 87	\$ 200	\$ 6,925
<b>FY 2024-2025 Per Change</b>	-12.3%	10.8%	362.5%	- \$7.0%

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**HSMCC Response:** HSMCC concurs with the recommended budget actions.

## 2. Agency Response to the Recommended Actions regarding the Audit

**Background:** The fiscal 2023 & 2024 Budget Bills required that the agency submit a report to the budget committees and the St. Mary's County Delegation on the results of a performance audit. In February of 2023, UHY Advisors completed a report titled "Historic St. Mary's City Commission: Evaluation Report." The report summarized UHY's efforts to "evaluate the effectiveness and efficiency of HSMCC's financial management practices in the areas of procurement, human resources, cash management, and fleet management" (UHY 2023:2). The UHY report outlined recommendations for the Commission, including the hiring of a Chief Operating Officer, the production of policies and procedures governing a variety of Commission activities, the evaluation of agreements with external partners, and more. HSMCC concurred with these recommendations and has been working to implement them in full.

**FY 2025 Operating Budget Recommended Actions on Audit:** The Committees are concerned about the recommendations made in an external audit of the Historic St. Mary's City Commission (HSMCC). The committees request a report, to be submitted by September 1, 2024, detailing the progress toward a full implementation of all recommendations made in the audit report, including examples of how each recommendation has been implemented.

**HSMCC Response:** HSMCC concurs with this recommendation.

The audit report included 9 recommendations. Of these 9 recommendations, 5 have been implemented in full as of this date, 3 are in progress, and one is deferred indefinitely due to analysis and resulting changes in function (for the Inn at Brome Howard).

Recommendations Completed: 1, 2, 3, 5, 9

Recommendations In Progress: 4, 7\*, 8

\*HSMCC is in continued dialog with the Department of General Services on the status of deferred maintenance, as it is the appropriate agency for such determinations.

HSMCC has found the findings and recommendations of the audit to be extremely helpful, and the agency is committed to implementing the recommendations in full and reporting by September 1, 2024.

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