

HISTORIC ST. MARY'S CITY

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

Fiscal Year 2027 Operating Budget

D17B0151

Testimony of Rear Admiral Tim Heely, USN (retired)

Chairman

Historic St. Mary's City Commission

Education and Economic Development

Delegate Stephanie M. Smith, Chair

January 29, 2026

Education, Business and Administration Subcommittee

Senator Nancy J. King, Chair

February 2, 2026

Thank you, Madam Chairwoman, committee members, and distinguished guests, for the opportunity to testify on the proposed FY 2027 Operating Budget of the Historic St. Mary's City Commission. My name is Tim Heely, and it is my pleasure to serve as Chair of the Commission. I am supported today by members of the HSMCC leadership team, along with the museum's newly minted Executive Director, Mr. David O'Donnell.

I would like to begin by thanking the Office of Governor Moore and the Department of Budget and Management for their support as expressed in their FY 2027 budget recommendations. The Historic St. Mary's City Commission recognizes the fiscal headwinds facing the State. We concur with the Legislative Budget Analysis. We are especially appreciative of the recommendations to reverse cuts made to the Commission's operating budget and to convert eight contractual positions to PIN'ed positions. Budget reductions have required the museum to leave mission-critical contractual positions unfilled; the reversal of these measures will greatly improve the institution's ability to conduct research, maintain its land and buildings, and communicate with the public in alignment with its mission. The conversion of positions the museum considers permanent allows us to reward and retain talented staff members who have been with us for more than two years.

For those less familiar with our agency, the Historic St. Mary's City Commission was established sixty years ago with the mission to study, preserve, and interpret the history of St. Mary's City, Maryland's first colonial capital, to the public. Since its inception, the Commission has worked towards this mission by managing the St. Mary's City National Historic Landmark District, protecting its

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natural and cultural resources, unearthing new information through an internationally-recognized archaeological research program, and communicating our State's rich history to generations of visitors. HSMCC's 835 acres hold stories of the past dating back to more than 10,000 years of human life, with every subsequent period of human history represented in its archaeology, historical documents, and standing buildings.

Today, the Commission, and the State of Maryland, stand before an unprecedented opportunity. In 2034, just eight short years from now, the State will commemorate the 400th anniversary of its founding. This watershed moment should unite all Marylanders in honoring the stories that make our State unique: stories of triumph, tragedy, and the construction of the inalienable rights that we enjoy as Americans. Maryland's story is America's story, and it is high time our State's history took its well-deserved place in the national conversation.

But the 400th anniversary is about more than a push for recognition. The economics make too much sense to ignore. For example, the State of Virginia invested \$49.5 million preparing for 2019, the 400th anniversary of both the arrival of the first Africans and the gathering of the first representative assembly in English North America. After years of planning and a successful statewide rollout, the state recorded nearly \$200 million in total economic impact, including more than \$100 million in impact made by 2.7 million visitors to commemorative sites, events, and programs. Simply put, heritage tourism generates jobs, drives revenue, and has long-lasting impacts.

In anticipation of 2034 and in recognition of the importance of growing non-State funds, HSMCC is currently instigating a number of revenue-producing initiatives. Farthing's Ordinary and Kitchen, shuttered for the last two years, is primed to reopen in March as Angelika's Kitchen. This restaurant brings HSMCC commercial lease revenue and provides an essential food service option to attract and retain museum visitors. We are also in the final stages of implementing Blackbaud Altru, a comprehensive digital constituent management database that will permit smoother ticket purchasing, online sales, donor and volunteer management, and wealth screening. This tool is a major step towards modernizing HSMCC's approach to donor cultivation and visitor engagement. The museum is also kickstarting new fee structures in its tours, adding new programs, and investigating several new-to-us opportunities for visitor engagement such as a corn maze, a pick-your-own pumpkin patch, and spaces for RV parking. Finally, starting in March, the museum will be increasing its ticket prices for the first time in nearly a decade.

The latter move coincides with the opening of our new Visitor Center, the agency's largest capital program in years. We are confident that the exhibits in this facility represent one of the most

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comprehensive, modern, and collaborative tellings of Maryland history in a public institution. We invite you all to join us in July for the Visitor Center's grand opening—a formal invitation will follow.

Before I conclude, I would like to offer thanks in one more direction. Like many State agencies, HSMCC faces the burden of deferred maintenance. Recently this has resulted in necessary mold remediation in facilities across the museum's campus. We are grateful to our colleagues in the Department of General Services for their essential support in confronting these issues.

The challenges facing the State are not lost on HSMCC and we are grateful for the support our agency has received in these difficult times. Despite the immediacy of budget shortfalls, I urge you to maintain an eye on 2034 and the unique opportunity the State's 400th anniversary presents. At HSMCC, we know that 2026 is going to be a great year. With new revenue-generating tools and programs, new digital avenues for maintaining donor and visitor engagement, and the grand opening of a flagship exhibition of Maryland's diverse history, we are primed for exciting times ahead. We look forward to sharing them with you. Thank you.

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Response to Department of Legislative Services Budget Analysis

Education and Economic Development
Delegate Stephanie M. Smith, Chair
January 29, 2026

Education, Business and Administration Subcommittee
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The Historic St. Mary's City Commission is pleased to respond to the proposed FY2027 operating budget and to comments from Katharine Barbour, DLS Analyst:

1. Agency Response to the Proposed FY2027 Operating Budget

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.

HSMCC Response: HSMCC concurs with the recommended budget actions.

2. Agency Response to Analyst Question

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,

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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.

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.***

HSMCC Response: HSMCC is currently initiating a number of efforts to drive non-State sources of revenue. These are outlined below; more information is available upon request.

1. **Blackbaud Altru implementation:** HSMCC is in the testing phase of integrating Blackbaud Altru into its operations across the board, with the plan to be fully live at the start of the museum's open season (March 17). Blackbaud Altru is a multicomponent digital tool that manages digital sales (including admission, program registration, and retail, both in-person and online), donors (including wealth screening), membership, and volunteers. For the first time, HSMCC will have the ability to offer online retail sales and ticket purchase, to cross-reference admission data with donor and membership data, and to streamline the visitor experience of accessing the museum's many modes of participation. It is anticipated that this tool will be a launchpad for increased success in identifying potential donors, cultivating donor relationships, and ultimately generating additional donated funding.

The acquisition of Blackbaud Altru is being funded in its first year by the HSMC Foundation. With its integration comes a new phase of coordination between HSMCC and the Foundation, one that will leverage the strengths of both organizations to attract and cultivate donor funding.

2. **Admission ticket increase:** For the first time since 2017, HSMCC will be raising its general admission ticket prices. This increase will commence at the start of the museum's open season on March 17, 2026. Rates for various levels of admission are tabulated below. These figures were identified following a survey of local and distanced peer institutions. Of significance is also the fact that with the opening of its new Visitor Center in July 2026, HSMCC will offer ticketed

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admission during its winter season (December through mid-March) when the museum has traditionally been closed. Rates for this period are reduced as the only spaces open to visitors will be the new Visitor Center and, on Fridays and Saturdays, the St. John's Site Museum.

Ticket	Previous Rate	New Rate (as of Mar 2026)
<i>Mid-March thru November (outdoor exhibits open)</i>		
Adult	10	15
Ages 60+	9	13
Ages 6-18	6	10
Under 6	Free	Free
<i>December thru mid-March (Visitor Center/St. John's Site Museum)</i>		
Adult	-	10
Ages 60+	-	9
Ages 6-18	-	6
Under 6	-	Free

- Restaurant opening:** In early March, Angelika's Kitchen will open at HSMC. Angelika's Kitchen will occupy both the former Farthing's Ordinary and Farthing's Kitchen. The restaurant will serve meals using ingredients sourced from local farmers. A local brewer, formerly Jubilee Farms, will serve microbrews under the name Farthing's Fermentations. Angelika's will be open during and beyond the museum's operating hours. This will provide visitors and locals alike with a high quality restaurant experience in an area of southern St. Mary's County where few exist. It is anticipated that the restaurant will bring new guests to the site and will help retain those who visit who previously had to travel off-site for food service. In addition to benefiting its visitors, Angelika's will earn HSMCC revenue in the form of a commercial lease.
- Site tour/program fee structure:** To better align itself with its peer institutions, HSMCC has examined the structure of its tours and programs, many of which are led and/or coordinated by senior staff. Whereas previously these tours/programs have been offered as free opportunities for all Historic St. Mary's City members, moving forward they will instead be available through a tiered pay structure. Those of the museum's highest levels of membership will continue to enjoy these tours/programs as free opportunities, while all other membership levels will receive a discount to a standardized price that will also be made available to the public. This plan increases revenue while providing value to those who support the institution via membership.

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5. **New archaeology paid program:** For the first time in its history, HSMCC will soon offer a new program for people who want to work side-by-side with trained archaeologists to explore some of the most important sites in the State. For years HSMCC has fielded questions from visitors about how they can pick up a shovel and get their hands dirty with us. Beginning this spring, members of the public will be able to register to help conduct excavations at the site of St. Mary's Fort, the first fortification built by the Maryland colonists who arrived in the spring of 1634. We will be piloting this program in 2026 and will attempt to adapt to demand as staff capacity allows.
6. **New visitor engagement opportunities:** Beyond programs that fall squarely within HSMCC's mission, the museum is investigating friend- and fundraising opportunities outside of its traditional box. For example, we are studying the feasibility of growing a corn maze and pick-your-own pumpkin patch to attract visitors in the fall months. There are few options for this kind of experience in southern St. Mary's County and HSMCC has the land to accommodate it. We acknowledge that the revenue generated by this sort of attraction may not greatly exceed the cost of execution. But outside-the-box, family-friendly attractions can entice visitors who may not have identified Historic St. Mary's City as a site of recreation based on their impressions of it as exclusively a history museum.

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