

Hon. Larry Hogan
Governor
Hon. Boyd K. Rutherford
Lt. Governor
Timothy D. Baker
State Archivist and
Commissioner of Land Patents
Matthew P. Lalumia
Chairman, Maryland Commission
on Artistic Property



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Hon. Thomas V. Mike Miller, Jr.
Peter Kanelos, Ph.D.
Hon. Samuel I. Rosenberg
David Wilson, Ed.D.

September 1, 2017

Honorable Edward J. Kasemeyer
Chair, Senate Budget & Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401-1991

Honorable Maggie McIntosh
Chair, House Appropriations Committee
121 House Office Building
Annapolis, Maryland 21401-1991

Re: 2015_p5_JUD, Use of Land Records Improvement Fund

Dear Mr. Chairman and Madam Chair:

Pursuant to the *2015 Joint Chairmen's Report*, page 5, Use of Land Records Improvement Fund, enclosed please find the requested report. If you have any questions, please feel free to contact me at (410) 260-6402 or at tim.baker@maryland.gov.

Sincerely,

A handwritten signature in black ink that reads 'Timothy D. Baker for Tim Baker'. The signature is written in a cursive, flowing style.

Timothy D. Baker
State Archivist and
Commissioner of Land Patents

Enc.

cc: Honorable Mary Ellen Barbera, Chief Judge, Court of Appeals
Honorable Thomas V. Mike Miller, Jr., President of the Senate
Honorable Michael Busch, Speaker of the House of Delegates
Faye Gaskin, Deputy State Court Administrator
Benjamin Wilhelm, Budget Analyst
Sierra Boney, Budget Analyst
Sarah Albert, Mandated Reports Specialist
Cathy.Kramer@mlis.state.md.us

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Use of Land Records Improvement Fund

The 2015 Joint Chairmen's Report directed the Maryland Judiciary (the Judiciary) and the Maryland State Archives (the Archives) to report on the Archives' expenditures of money allocated from the Land Records Improvement Fund (the Fund), as well as the agreement between the Archives and the Judiciary. This report will detail all expenditures relating to the Fund as well as expenditures the Archives attributes to mdlandrec.net.

Background

The Real Property article tasks the Clerks of the Circuit Courts with recording and indexing land records, as well as providing copies to the Archives. The State Government article tasks the Archives with preserving the land records and providing access to the same. With the advent of the ELROI (Electronic Land Record Optical Imagery) system, the Archives offered the Judiciary a way to improve access to the digitized land records and plats through mdlandrec.net.

In 2003, following an analysis of the Fund and the Archives' budget by Legislative Budget Analyst Jim Stoops, it was determined that the development of mdlandrec.net and the implementation of an electronic archives would be funded by allocating to the Archives a portion of the revenue deposited into the Fund. The concept was agreed to by the Judiciary and presented to the Senate Judiciary and House Appropriations Committees in support of a Judiciary Bill to increase the surcharge dedicated to the Fund. This arrangement was also ratified by the Department of Budget and Management and the Executive.

The original plan called for ELROI to provide recordation and verification, as well as access to the most recent ten years of images, along with the index system to retrieve the data. In 2005, the plan was revised for ELROI to serve as the recordation and indexing vehicle for land record instruments and for mdlandrec.net to serve as the vehicle by which the public would access all indexed data and images back to the founding of the Colony. The latter is made possible through the electronic transfer of land record instruments from ELROI to mdlandrec.net.

The 2005 MOU established the level of system operation, service, support, and maintenance. In addition, it required the Archives to provide the Judiciary with an annual work plan to include price projections from the Archives for each year of the MOU. The first year was estimated to cost approximately \$7 million. The Archives received allocations in that same amount through Fiscal Year 2008. The Judiciary and the Archives entered into two separate three-year MOUs, from Fiscal Year 2009 through Fiscal Year 2014, and two separate one-year MOUs for Fiscal Year 2015 and Fiscal Year 2016. The aforementioned MOUs provided that the Archives was to be allocated no more than \$5 million per year in a flat "fee for service" arrangement.

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The current MOU has a five-year term that expires on June 30, 2021 and provides for a gradual decrease in the amount to be allocated to the Archives each successive year, until the expiration of the MOU, as follows: \$5 million in Fiscal Year 2017, \$2 million in Fiscal Year 2018, \$1 million in Fiscal Year 2019, \$500,000 in Fiscal Year 2020, and \$500,000 in Fiscal Year 2021. After Fiscal Year 2021, it is the intent of the Budget Committees that the Archives receive \$500,000 annually from the Fund to support Maryland's archival program.

Use of Land Records Improvement Fund

In 2015, the Archives modified its financial tracking system to capture all costs related to mdlandrec.net. Attached are the FMIS reports that detail expenditures related to mdlandrec.net.

As agreed by the Judiciary, the Archives, and the Budget Committees, monies allocated to the State Archives from the Fund amounted to \$5,000,000 annually in Fiscal Years 2016 and 2017. Actual Archives expenditures in support of mdlandrec and plats during this period were as follows:

Fiscal Year 2016	-	\$7,038,213.94
Fiscal Year 2017	-	\$3,477,579.85
Total		\$10,515,793.79

The larger Fiscal Year 2016 expenditure reflects the necessity to cover the total cost of outfitting and migration of the Archives server room from UMBC to the Rolling Run facility purchased by the State in 2015. Archives annual mdlandrec and plats related expenditures averaged \$5,257,896.89 over the period covered by this report.

Current Agreement

As previously indicated, the Judiciary and the Archives are operating under a five-year MOU that expires June 30, 2021. Under the provisions of the MOU, the Archives transmitted land record images from January 1956 to December 2005 to the Judiciary, affording the Clerks of Court on-site back-up copies. Likewise, the Judiciary transmitted some case record index data to the Archives to correspond to cases contained within CaseSearch. The technical staffs of the two entities continue to meet to develop a plan to ensure the transmission of any updates to the aforementioned electronic index data. Additionally, the Judiciary is in the process of planning a meeting between the Clerks of Court and the Archives to discuss the availability in the Clerks' offices of indexes for older case records, the form in which the indexes are stored, and the means by which the Archives will obtain copies of the same.

MARYLAND STATE ARCHIVES (D60)
 AGENCY BUDGET REPORT BY ORGANIZATION, PROGRAM, PCA, AND FUND
 REPORT PERIOD= ADJUSTMENT FY= 16

PERCENT OF YEAR ELAPSED: 100% DB2W V
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ORGANIZATION LVL 02 1000 MARYLAND STATE ARCHIVES
 PROG CODE 01 1000 MARYLAND STATE ARCHIVES
 PROG CODE 02 1200 ACQUISITION & CONSERVATION
 PCA NO 12703 MD LAND RECORDS-SF
 APPROPRIATED FUND 0003 SPECIAL FUND
 APPROPRIATION YEAR 16

OBJ	TITLE	AGENCY BUDGET	EXPENDITURES CM	EXPEDITURES YTD	ENCUMBRANCES	AVAILABLE BALANCE
0101	REGULAR EARNINGS	146,457.00	.00	1,294,587.40	.00	1,148,130.40-
0151	SOCIAL SECURITY CONTRIBUTIONS	10,779.00	.00	95,341.22	.00	84,562.22-
0152	HEALTH INSURANCE	25,590.00	.00	182,430.19	.00	156,840.19-
0154	RETIRES HEALTH INSURANCE PREMI	13,155.00	.00	100,898.77	.00	87,743.77-
0161	EMPLOYEES' RETIREMENT	24,752.00	.00	.00	.00	24,752.00
0162	EMPLOYEES' PENSION SYSTEM	.00	.00	219,359.60	.00	219,359.60-
0174	UNEMPLOYMENT COMPENSATION	428.00	.00	3,492.61	.00	3,064.61-
0189	TURNOVER EXPECTANCY	3,676.00-	.00	.00	.00	3,676.00-
*CMP SRC/GRP	0001 SALARIES AND WAGE	217,485.00	.00	1,896,109.79	.00	1,678,624.79-
0213	SOCIAL SECURITY CONTRIBUTIONS	3,724.00	.00	13,587.10	.00	9,863.10-
0214	UNEMPLOYMENT COMPENSATION	136.00	.00	497.28	.00	361.28-
0220	SPECIAL PAYMENTS PAYROLL	48,680.00	.00	177,609.08	.00	128,929.08-
0289	TURNOVER EXPECTANCY-CONTRACTUAL	2,963.00-	.00	.00	.00	2,963.00-
*CMP SRC/GRP	0002 TECHNICAL AND SPE	49,577.00	.00	191,693.46	.00	142,116.46-
*	OBJECT 0001 PERSONNEL COSTS	267,062.00	.00	2,087,803.25/	.00	1,820,741.25-
0301	POSTAGE	24,000.00	.00	4,660.84	.00	19,339.16
0302	TELEPHONE	.00	.00	4.39	.00	4.39-
0304	MISCELLANEOUS COMMUNICATIONS CH	210,000.00	.00	30.39	.00	209,969.61
0306	CELLULAR TELEPHONE SERVICES & E	1,500.00	.00	.00	.00	1,500.00
0397	PAYCHECK DISTRIBUTION COSTS	.00	.00	.00	.00	.00
*CMP SRC/GRP	0003 COMMUNICATION	235,500.00	.00	4,695.62	.00	230,804.38
0401	IN STATE/ROUTINE OPERATIONS	.00	.00	519.37	.00	519.37-
*CMP SRC/GRP	0004 TRAVEL	.00	.00	519.37	.00	519.37-
0603	FUEL - OIL #2	800.00	.00	.00	.00	800.00
0620	UTILITIES - ELECTRICITY	2,000.00	.00	.00	.00	2,000.00
*CMP SRC/GRP	0006 FUEL AND UTILITIE	2,800.00	.00	.00	.00	2,800.00
0809	EQUIPMENT REPAIRS AND MAINTENAN	25,000.00	.00	10.80	.00	24,989.20
0810	EXTERMINATION	600.00	.00	.00	.00	600.00

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 AGENCY BUDGET REPORT BY ORGANIZATION, PROGRAM, PCA, AND FUND

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 16 DB2W V
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 APPROPRIATED FUND 0003 SPECIAL FUND
 APPROPRIATION YEAR 16

OBJ	TITLE	AGENCY BUDGET	EXPENDITURES CM	EXPEDITURES YTD	ENCUMBRANCES	AVAILABLE BALANCE
0819	EDUCATION/TRAINING CONTRACTS	30,000.00	.00	.00	.00	30,000.00
0854	COMPUTER MAINTENANCE CONTRACTS	100,000.00	.00	84,978.42	13,602.27	1,419.31
0858	SOFTWARE LICENSES	100,000.00	.00	48,247.80	63,033.73	11,281.53-
0864	SYSTEMS SOFTWARE (MAINTENANCE)	120,000.00	.00	110,669.82	883.50	8,446.68
0899	OTHER CONTRAC SERV- NON DP	444,000.00	.00	3,444,358.18	74,773.48	3,075,131.66-
*CMP SRC/GRP	0008 CONTRACTUAL SERVI	819,600.00	.00	3,688,265.02	152,292.98	3,020,958.00-
0903	AUDIO VISUAL	2,000.00	.00	.00	.00	2,000.00
0926	DP SUPPLIES	1,600.00	.00	1,127.54	.00	472.46
0999	OTHER SUPPLIES AND MATERIALS	10,000.00	.00	4,995.53	.00	5,004.47
*CMP SRC/GRP	0009 SUPPLIES AND MATE	13,600.00	.00	6,123.07	.00	7,476.93
*	OBJECT 0002 OPERATING COSTS	1,071,500.00	.00	3,699,603.08/	152,292.98/	2,780,396.06-
1034	DP EQUIPMENT- WORKSTATIONS	37,500.00	.00	.00	.00	37,500.00
1036	DP EQUIPMENT- PERIPHERALS	862,000.00	.00	20,882.70	224,830.66	616,286.64
*CMP SRC/GRP	0010 EQUIPMENT- REPLAC	899,500.00	.00	20,882.70	224,830.66	653,786.64
1136	DP EQUIPMENT- PERIPHERALS	.00	.00	.00	6,563.04	6,563.04-
*CMP SRC/GRP	0011 EQUIPMENT- ADDITI	.00	.00	.00	6,563.04	6,563.04-
*	OBJECT 0003 EQUIPMENT COSTS	899,500.00	.00	20,882.70/	231,393.70/	647,223.60
1301	RENT (NON-DGS)	.00	.00	664,542.23	.00	664,542.23-
1302	INSURANCE COVERAGE PAID TO STO	.00	.00	32,692.00	.00	32,692.00-
1303	RENT PAID TO DGS	147,738.00	.00	149,004.00	.00	1,266.00-
*CMP SRC/GRP	0013 FIXED CHARGES	147,738.00	.00	846,238.23	.00	698,500.23-
*	OBJECT 0005 FIXED CHARGES	147,738.00	.00	846,238.23/	.00	698,500.23-
*APPN YEAR	16	2,385,800.00	.00	6,654,527.26//	383,686.68//	4,652,413.94-

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MARYLAND STATE ARCHIVES (D60)
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PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 16 DB2W V
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 APPROPRIATED FUND 0003 SPECIAL FUND
 APPROPRIATION YEAR 16

OBJ	TITLE	AGENCY BUDGET	EXPENDITURES CM	EXPEDITURES YTD	ENCUMBRANCES	AVAILABLE BALANCE
*APPD FUND	0003	2,385,800.00	.00	6,654,527.26	383,686.68	4,652,413.94-
*PCA NUMBER	12703	2,385,800.00	.00	6,654,527.26	383,686.68	4,652,413.94-

MARYLAND STATE ARCHIVES (D60)
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 APPROPRIATED FUND 0003 SPECIAL FUND
 APPROPRIATION YEAR 17

OBJ	TITLE	AGENCY BUDGET	EXPENDITURES CM	EXPEDITURES YTD	ENCUMBRANCES	AVAILABLE BALANCE
0101	REGULAR EARNINGS	160,296.00	.00	1,257,068.82	.00	1,096,772.82-
0110	MISCELLANEOUS ADJUSTMENTS	.00	.00	424.80	.00	424.80-
0151	SOCIAL SECURITY CONTRIBUTIONS	11,717.00	.00	92,359.29	.00	80,642.29-
0152	HEALTH INSURANCE	29,043.00	.00	190,825.97	.00	161,782.97-
0154	RETIRES HEALTH INSURANCE PREMI	17,173.00	.00	111,960.06	.00	94,787.06-
0161	EMPLOYEES' RETIREMENT	31,643.00	.00	.00	.00	31,643.00
0162	EMPLOYERS' PENSION SYSTEM	.00	.00	249,076.59	.00	249,076.59-
0174	UNEMPLOYMENT COMPENSATION	449.00	.00	3,384.20	.00	2,935.20-
0189	TURNOVER EXPECTANCY	7,144.00-	.00	.00	.00	7,144.00-
*CMP SRC/GRP	0001 SALARIES AND WAGE	243,177.00	.00	1,905,099.73	.00	1,661,922.73-
0213	SOCIAL SECURITY CONTRIBUTIONS	3,804.00	.00	1,645.52	.00	2,158.48
0214	UNEMPLOYMENT COMPENSATION	139.00	.00	60.79	.00	78.21
0220	SPECIAL PAYMENTS PAYROLL	49,719.00	.00	21,706.03	.00	28,012.97
0289	TURNOVER EXPECTANCY-CONTRACTUAL	2,973.00-	.00	.00	.00	2,973.00-
*CMP SRC/GRP	0002 TECHNICAL AND SPE	50,689.00	.00	23,412.34	.00	27,276.66
*	OBJECT 0001 PERSONNEL COSTS	293,866.00	.00	1,928,512.07	.00	1,634,646.07-
0301	POSTAGE	16,000.00	.00	.00	.00	16,000.00
0302	TELEPHONE	.00	.00	32.25	.00	32.25-
0303	TELECOMMUNICATIONS	300.00	.00	.00	.00	300.00
0304	MISCELLANEOUS COMMUNICATIONS CH	190,000.00	.00	.00	.00	190,000.00
0306	CELLULAR TELEPHONE SERVICES & E	1,500.00	.00	.00	.00	1,500.00
0397	PAYCHECK DISTRIBUTION COSTS	.00	.00	.00	.00	.00
*CMP SRC/GRP	0003 COMMUNICATION	207,800.00	.00	32.25	.00	207,767.75
0401	IN STATE/ROUTINE OPERATIONS	100.00	.00	55.08	.00	44.92
*CMP SRC/GRP	0004 TRAVEL	100.00	.00	55.08	.00	44.92
0603	FUEL - OIL #2	600.00	.00	.00	.00	600.00
0620	UTILITIES - ELECTRICITY	2,000.00	.00	.00	.00	2,000.00
*CMP SRC/GRP	0006 FUEL AND UTILITIE	2,600.00	.00	.00	.00	2,600.00

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OBJ	TITLE	AGENCY BUDGET	EXPENDITURES CM	EXPEDITURES YTD	ENCUMBRANCES	AVAILABLE BALANCE
0808	EQUIP RENTAL(OTHER THAN DATA PR	.00	.00	469.17	156.39	625.56-
0809	EQUIPMENT REPAIRS AND MAINTENAN	15,000.00	.00	86,071.58	22,755.00	93,826.58-
0819	EDUCATION/TRAINING CONTRACTS	20,000.00	.00	3,000.00	.00	17,000.00
0854	COMPUTER MAINTENANCE CONTRACTS	142,000.00	.00	16,060.00	.00	125,940.00
0858	SOFTWARE LICENSES	50,000.00	.00	42,804.82	10,270.00	3,074.82-
0864	SYSTEMS SOFTWARE (MAINTENANCE)	110,000.00	.00	61,160.58	70,305.65	21,466.23-
0899	OTHER CONTRAC SERV- NON DP	307,000.00	.00	194,961.98	43,701.29	68,336.73
*CMP SRC/GRP	0008 CONTRACTUAL SERVI	644,000.00	.00	404,528.13	147,188.33	92,283.54
0903	AUDIO VISUAL	2,000.00	.00	.00	.00	2,000.00
0926	DP SUPPLIES	1,600.00	.00	.00	.00	1,600.00
0999	OTHER SUPPLIES AND MATERIALS	10,000.00	.00	3,244.41	.00	6,755.59
*CMP SRC/GRP	0009 SUPPLIES AND MATE	13,600.00	.00	3,244.41	.00	10,355.59
* OBJECT	0002 OPERATING COSTS	868,100.00	.00	407,859.87	147,188.33	313,051.80
1034	DP EQUIPMENT- WORKSTATIONS	8,000.00	.00	.00	26,370.00	18,370.00-
1036	DP EQUIPMENT- PERIPHERALS	588,000.00	.00	11,618.00	291,897.88	284,484.12
*CMP SRC/GRP	0010 EQUIPMENT- REPLAC	596,000.00	.00	11,618.00	318,267.88	266,114.12
* OBJECT	0003 EQUIPMENT COSTS	596,000.00	.00	11,618.00	318,267.88	266,114.12
1301	RENT (NON-DGS)	.00	.00	487,852.70	.00	487,852.70-
1303	RENT PAID TO DGS	150,145.00	.00	151,116.25	.00	971.25-
1309	INSURANCE (NON STO PAYMENTS)	.00	.00	25,164.75	.00	25,164.75-
*CMP SRC/GRP	0013 FIXED CHARGES	150,145.00	.00	664,133.70	.00	513,988.70-
* OBJECT	0005 FIXED CHARGES	150,145.00	.00	664,133.70	.00	513,988.70-
*APPN YEAR	17	1,908,111.00	.00	3,012,123.64	465,456.21	1,569,468.85-
*APPD FUND	0003	1,908,111.00	.00	3,012,123.64	465,456.21	1,569,468.85-

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 OBJ TITLE AGENCY BUDGET EXPENDITURES CM EXPEDITURES YTD ENCUMBRANCES AVAILABLE BALANCE

*PCA NUMBER 12703 1,908,111.00 .00 3,012,123.64 465,456.21 1,569,468.85-

MARYLAND STATE ARCHIVES

7/31/2017

Report on usage of the MOU funding from the Land Records Improvement Fund for \$5,000,000:

The majority of the Maryland State Archives' income comes from the MOU between the Archives and the Judiciary. The agreement between the Judiciary and the Archives is based on a set fee for services for mdlandrec.net and plats.net.

Below is the summary of FY 2016 and 2017 costs associated with the funding from the MOU.

	<u>FY 2016</u>	<u>FY 2017</u>
Personnel Costs:	2,087,803.25	1,928,512.07
Operating Cost:	3,851,896.06	555,048.20
Equipment Cost:	252,276.40	329,885.88
Fixed Charges:	846,238.23	664,133.70
Total	7,038,213.94	3,477,579.85