

**2015 SENATE POLITICAL SUBDIVISIONS**

**SB 2207**

# 2015 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Red River Room, State Capitol

SB 2207  
1/29/2015  
Job Number 22796

- Subcommittee  
 Conference Committee

Committee Clerk Signature

### Explanation or reason for introduction of bill/resolution:

Relating to a state matching program for county historical work, to provide an appropriation and to provide an effective date.

### Minutes:

Written testimony #1

**Chairman Burckhard** opened the hearing on SB 2207. All senators were present.

**Senator Dave Oehlke** introduced and explained this bill. He relayed a story that led into his explanation of the bill. (1:08- 2:48) How are we going to know some of these things once they've disappeared? How are we going to know unless I remember to write it down or tell someone that yesterday in my Finance and Tax committee Senator Dotzenrod referred to the Chairman as the undertaker, totally about killing bills, but it is a piece of history now. I think this historical stuff is critically important to us as a people. That is what this bill is all about. I know about the fiscal note, we might start here, it's kind of a monster, it's for \$4 Million dollars. It is a direct appropriation from general funds in Section 2, of \$4 Million dollars. What this bill is supposed to do is establish a grant program for eligible historical sites and museums around the state of North Dakota. The way the fiscal note was figured is, you take any historical site or entity in any of your counties; that could potentially be eligible for the grant, if they all applied and all received it; that's how the \$4 Million was figured. I personally don't think everyone would because every historical cemetery doesn't need a grant. If someone applied for it is totally for operations. So it is not for bricks and mortar, it is to apply for \$40,000 per year if they get it the first year and then reapply the following year. Each year they have to reapply for the grant. It would be for operations and promotion of the local museums. A lot of these places don't really have the money to hire someone to do some of the things that need to be done. (1:00-8:12)

**Chairman Burckhard** asked Senator Oehlke how many historical societies there are in North Dakota?

**Senator Oehlke** replied if we divide \$4Million by 80 that will give that number that was used to determine the dollar amount. It was rounded up a little bit high; it is actually a bit less than that.

**Senator Bekkedahl** on Line 8 of the last page it says ' the state historical society may use up to 10% the amount appropriated' under this section. If the total \$4Million dollars was the appropriation I have a hard time understanding how they may need up to \$400,000 dollars to administer? Did they ever give you a figure or number?

**Senator Oehlke** I think it is pretty typical language that you find in deals like this where I guess that's why it says up to, and they do get audited. All of our state agencies that have that provision in there, they do have to prove it up.

**Senator Bekkedahl** They would have to show the expenditures is actual applicable to what they did. So they couldn't just take the 10%, the \$400,000 because it's entitled.

**Senator Oehlke** replied yes, that is correct.

**Claudia Berg** Director of the State Historical Society of North Dakota (10:48-16:47) In support of SB 2207. Written testimony #1. This bill is relating to the official county historical societies and those are affiliated with the State Historical Society.

**Chairman Burckhard** asked Claudia you know there are 78 million baby boomers and we are all getting close to retirement. Do you think they will have more occasions to stop in and visit places like this, the historical societies across the United States or in North Dakota?

**Claudia** replied yes. Heritage tourism is a growing industry nationally. People want those interesting experiences. Examples cited. (Logan, McIntosh, Emmons Counties)

**Senator Grabinger** I certainly support the museums, and the historical aspect and the need for them. But my fear is where, once we started hiring staff and paying for hired staff then we lose volunteers. Could you elaborate, because it looks to me like that is what we are basically doing here, trying to hire staff in all of these museums. I am all for one time projects and help, if they need windows or something like that. That might be great but when we hire that staff, then we have that challenge of every year we have to pay for that staff and keep them on. How are these museums going to continue if this program doesn't go beyond this biennium? Is this a one- time shot?

**Claudia Berg** replied that is a good point. What we are also finding at the Heritage Center is fewer and fewer people want to volunteer on an on-going basis. They are very project oriented, they will come in want to work on a specific project and then be done. But we're having a hard time finding people who want to come in and work 4 hours every week. People's interests are changing that way. With this opportunity it is something where it might be funding on an on-going basis, but it might also bring in some professional people to get some of these organizations up and running at another level. It is still going to take more people than one person to operate these. So I think there will still be a need for volunteers. I think as baby boomers we only have so much energy that when you are in 70's and 80's you might volunteer four hours a week but you're not going to be there for a full time job every week. I think it is a balancing act between finding someone who can come in and really operate the organization, but that is also someone then, that could put in their time to finding grants, to finding sponsorships whereas businesses in the county and the community and finding other financial resources to carry some of that load of the museum as it develops.

**Senator Judy Lee** I am not disagreeing with the bill. But I have gotten several messages from other historical museums which might not be the county museums. My concern is you can sprinkle water everywhere, but you're not making anything bloom. On the other hand I don't want to ignore the requests if something more focused is more appropriate. Could you just comment on why the bill that Senator Oehlke has brought to us would be only focused on county museums and whether or not there are some opportunities for those, other I suspect reasonably small facilities in most cases, who we support too?

**Claudia Berg** Yes. The bill was brought to us with those kinds of parameters. Frankly, we were a little concerned about that as well. The one thing with the official county historical society being they are affiliated with us; that gives them some additional support through our organization, so they have some additional resources. We share those resources with everyone. As a county museum they can go to their county commissioners for a mill levy for additional financial support. So this particular grant isn't their only option for a funding. There are probably are a few other museums out there that might qualify. Also, the one parameter in this bill is having the museum be open for 460 hours a year; it is setting some standards so we're really kind of bolstering some of the museums that have gone to the next level that they aren't open one day a week in the summer. They are open basically full time in those three and one half months during the summer. It is rewarding museums that have really worked hard and established a network of support in their counties.

**Senator Bekkedahl** The Cultural Heritage Grant Program, do you know the funding source for that now?

**Claudia Berg** replied that it is a state appropriation. **Senator Bekkedahl** you wouldn't know if it came from the General Fund or anything like that? **Claudia Berg** replied I believe it is the General Fund. **Senator Bekkedahl** as it has been on-going for how many years? **Claudia Berg** replied for the last 6 biennium's. **Senator Bekkedahl** further asked and you anticipate that to continue? **Claudia Berg** replied yes. It is in our budget. We are hoping it will move forward. It has been a very popular and successful program. It spreads money across the state to a number of different institutions and that can go beyond a museum as well to a community festival or event. It has to be cultural heritage based. But the greatest majority of money request in that grant program is for capital improvements because there is very little other support for a crumbling foundation or a leaky roof. But it does also go toward educational programming, collections care and that kind of thing.

**Chairman Burckhard** closed hearing on SB 2207.

### **Committee Discussion Followed**

**Senator Grabinger** I am just wondering why this wasn't included and why they wanted to expand the program, why we just didn't expand the program in the historical society's request? Why are we taking up a separate bill to add more money?

**Claudia Berg** We asked for additional funding in our appropriation budget to expand our current program. The governor's office did not fund the additional request. This came up as a separate bill I believe because it has a slightly different focus in that our current grant program is very project based. It is to do very specific programs and it's not to hire people.

That is one of the things that we don't do. Whereas, this grant is really focused at hiring or doing larger projects?

**Chairman Burckhard** So, this one is more operating funding versus the other ones that is more bricks and mortar and repair stuff.

**Claudia Berg** replied right. We do hope if we administer this grant that it would wrap into our current grant in the way of trying to monitor and track and that kind of thing. It is a kind of thing that the cost of the historical society might only be that when we were first looking at this, how many grants that might be and just trying to figure out how we would track if people were hired, and cutting monthly checks for salaries or something like that. We have questions on how the details of this would be administered and that would be a lot of paperwork for someone to have to absorb into their already full schedules. So, that might be where we would have to hire someone for a few hours a month to help us process some paperwork.

**Senator Judy Lee** Moved Do Pass on SB 2207  
**Senator Dotzenrod**- 2<sup>nd</sup>

**Senator Dotzenrod** commented (27:00-29:09) on the Germans from Russia.

**Senator Judy Lee** (29:11-29:56) commented on Senator Dotzenrod comments. I sympathize with the museums who would also like to have funding here. I would hope that this might be the first step if our revenue forecast as time goes becomes something from which we are more comfortable. Because I recognize that there is value in that as well, but I really solemnly believe that we need to focus money a little more in a few spots in order to make those spots provide more valuable services. I know those county museums are all important in Wahpeton Mr. Hughes donate the money and the land for a really fine Richland County museum facility but it is still tough to keep the doors open. I don't want any of the other museums to think I don't recognize their value, but rather if this is a first step at least in focusing dollars in a way that might be more productive.

**Senator Anderson** My personal opinion is there is so many of these. We have many old buildings and the main street of Washburn and the County Historical Society buildings because somebody gave them away to avoid paying the property taxes. They are actually fairly nice now. I see this as a bottomless pit for money. There is no end to how much money you could spend on these things. Fixing up those old building and doing all those other things. I just think we ought to leave it to the local people to do it. We have the State Historical Society if people want to build a historical presence there, I think it should have been in there budget if we're going to fund it. Statewide, I just can't support it.

**Senator Grabinger** I am torn on this because I know the needs out there for a museum. In my community we created a tourism foundation and utilized some of our sales tax money on our restaurants and motels to help fund our Stutsman County Museum as well as our Frontier Village and our Fort Steward and these tourism sites. When we started putting money into these facilities, the next thing you know we're paying for all of the staff that used to be volunteer staff. Now all of a sudden we have this entire paid staff so we have that responsibility year after year to keep the state paid staff. That is why I asked the question,

are we in kind of a creep analysis here where we are going to just keep hiring these people year after year, and have this expenditure from now on because we've created this. If it's funding for one time projects to help the museum replace windows or roof, certainly I think that is a benefit to it. But if we're paying for staff all the time, I really question whether or not that is a responsibility we should be taking here because we will probably have that responsibility for an endless period of time.

**Senator Bekkedahl** I agree with Senator Grabinger on that issue, but, I do wish there wish there was more funding out there to provide for internships, or clean-up of some facilities. I look at our Williams County Historical Society and they have a Frontier Village that is awash in donated items unique to the area. I don't think they ever get displayed. I don't think they've been catalogued; they just sit in a building and collect dust. That is a loss of a true historical artifact. My take on it is if the funding parameters could be for cleaning up those types of facilities, getting the historical information catalogued and properly maintained that would be a step in the right direction. I agree that the funding of long term employees is not where I wanted this to go either. So, I don't know if that is a possibility under this bill, if the guidelines could be adapted to that, but that would be what I would support.

**Senator Grabinger** I guess I would go along the same lines. If they would be amenable to something that said this is a one-time funding, that year after year you're not going pay for the staff and there was a way to monitor it that if we hired an intern or staff for one project or one season, then it is no longer available to that facility. I could go along with that and I certainly would.

**Senator Judy Lee** Actually I did support the bill, but I realize that I didn't really get all excited about the \$4 Million dollars. I want to apologize for being stupid about the process here. What I would have liked to have done and I may still, if it is acceptable to the committee, withdraw the motion and move forward with something a little different. I would like to use a smaller number here in the first place as I think it is an awfully big number. Then hearing the discussion here, we could look at focusing in a particular area. So, I would with the **consent of the 2<sup>nd</sup>, Senator Dotzenrod withdrew his 2<sup>nd</sup>, will withdraw the motion** and ask if I might continue with some further discussion.

**Senator Judy Lee** My proposal for an amendment would be to reduce the dollar amount and if we would like. I would hate to have it say "only for something" but I would rather have it say that priority would be established for whatever the wishes of the committee might be. Then consider doing it in that way. The other thing is I think it is a chicken and egg thing with the volunteer and staff. I think we can't really prove because you hire somebody that the volunteers don't come. I think everywhere is in trouble. Everybody is busy and they want to pay somebody to do it instead. I understand what you're saying Senator Grabinger about the paid staff and the volunteer thing, but I don't think it causes it, I think it just happening anyway. If you didn't pay the staff you wouldn't even have a way in some cases to have something exciting for a volunteer to come on a task now.

**Chairman Burckhard** asked the committee if we need to think about for a day or do we have a motion to consider.

# 2015 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Red River Room, State Capitol

SB 2207  
2/5/2015  
Job Number 23325

- Subcommittee  
 Conference Committee

Committee Clerk Signature

### Explanation or reason for introduction of bill/resolution:

Relating to a state matching program for county historical work

### Minutes:

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**Chairman Burckhard** opened the committee discussion on SB 2207. Senator Grabinger was not in attendance.

**Chairman Burckhard** let's see in the note if it suggests what kind of budget they have.

**Senator Bekkedahl** did you say there were amendments for this. **Chairman Burckhard** said it was in the form of an email from Claudia Berg. The memo would suggest in Section 1, replacing 3&4, with 'from funds provided by Legislative appropriation the State Historical Society of North Dakota shall provide matching fund grants to county historical societies for preservation projects which include but are not limited to interpretative plans, cataloging of collections, conservation of collections, exhibition development and educational programs'.

**Senator Dotzenrod** where are the copies of this amendment? Where did you say we got this amendment from?

**Senator Bekkedahl** the appropriation now is from \$4M to \$1M. **Chairman Burckhard** it looks like it. **Senator Bekkedahl** they amended some of the allowable uses. **Chairman Burckhard** yes. **Senator Bekkedahl** for which they include but are not limited to. **Chairman Burckhard** it kind of gives a base idea there. So they are reducing it from \$4 M to \$1M, for the purpose of providing matching home grants by the county preservation project under section 11:11:53 for the biennium. So we could approve that and then it beat up in Appropriations or we can do whatever we want.

**Senator Dotzenrod** Now if I understand this amendment, if you look on page 2 of the bill from line 26, to line 3 on the next page, that is existing law or current law. It looks like he's existing current law out. He replaced section 1 #3&4. I can understand why he might take the underlying stuff, which is what he is asking for but to take current law out, and maybe he is just repeating that. I have to read it. **Chairman Burckhard** where do you suggest he

is removing lines. **Senator Dotzenrod** replace section 1 number 3 and 4 with, so if you change out number 3&4, basically there is quite a bit of existing law.

**Senator Bekkedahl** the thing that I see the worst of that is in the last part where it says "historical society qualified for county funds under subsection 1, before July 1, 1965, are not required to have articles of incorporation and bylaws approved by the attorney general to receive funds under subsection 1." So is it grandfathered in and how many of those are still going to be in that situation?

**Senator Dotzenrod** I wonder if they meant to replace Section 3&4. Chairman Burckhard, I guess I would think we would leave 4 in there, or replace 3 with the 3. Senator Dotzenrod because current law refers to having incorporated under laws of the state as a nonprofit, it seems like you wouldn't take that out of there, do you think. That would be. Chairman Burckhard replied I agree.

**Senator Anderson** I wonder why the Attorney General is in there? But I guess it is in there now. Nobody else asked that question, so I will leave it be.

**Senator Anderson** well, you know they already have in there apparently a certain amount of money that they grant now. That must be in somebody's budget now, the historical society.

**Senator Bekkekahl** they funded \$438,600, over the biennium. It is less than half of this. Senator Anderson I guess my personal opinion if they wanted more money they should've increased that amount and not expect us to fund their program.

**Chairman Burckhard** Senator Lee were talking SB 2207 it has to do with the historical societies, the Claudia Berg testified in Senator Oehlke introduced the bill.

**Senator Anderson** In their testimony when they talked about this bill, really their intention was to try and provide some staffing for these things. **Chairman Burckhard** That was suggested. **Senator Anderson** I don't think generally that we are in favor of that. Know to say we amend the bill and let them grant more money, my personal opinion is if they wanted more money they should have put more money in their budget originally and then they could've granted it out with the system they already have and under the same guidelines. I am not particularly in favor of providing staff for all these various places around the state. There is too many of them.

**Chairman Burckhard** right. Any suggestions from the committee what we should do with this bill?

**Senator Judy Lee** I know that the county museum in my area would appreciate the help, there is no doubt that and there not going to be very happy if I don't support something like this. But, if we did something such as Senator Anderson has just talked about, saying that it wouldn't be used for operating expenses but rather if there were other one-time costs, reduce the appropriations and put it into the system that they might have for offering grants now, would there be any sympathy for that in the committee?

**Chairman Burckhard** Have you seen the message we receive from Claudia Berg to us dated Feb. 3, 2015.

**Senator Judy Lee** That looks like something I would be way more comfortable with than the original bill. **Chairman Burckhard** so \$1M instead of \$4 M and let the appropriators do what they do. Senator Judy Lee and it might bite the dust but at least we worked with something that was palatable. I recognize also that a lot of these smaller ones want money but I do think that you need to focus on certain things and I am comfortable myself okay in saying we're going to make county museums strong and be able to survive. Because some of these others and we've got quite a few of them and maybe they all can't be free standing the way they are and they don't have very many hours.

**Senator Dotzenrod** in the original bill that section 3, they really were trying and it looks like to set up sort of a window that you have to fit into so it has to be less than \$20,000, with a 20% matching fund with different kinds of work.

**Chairman Burckhard** called Claudia Berg and she replied on the speaker phone. You recommended changes. Where you have replaced Section 1, paragraphs 3 &4 with, did you intend to eliminate paragraph 4? We are wondering why that would be eliminated? It starts with the appropriation and levy authorized by this section may not be used to defray.

**Senator Dotzenrod** I can see why this 3 is here, it would replace the 3 in the bill.

**Claudia Berg** that language already exists and we just thought trying to simplify this and then putting more of these details in the grant guideline would work better so the grant could be more flexible and be changed as needed. After the first grant round we are finding challenges or something like that we could tweak guidelines or something to meet the needs of people as they respond because we thought this was just too detailed to be considered state law that if we simplified it, it would be better as the law and then again, letting the guidelines give these specifics and keeping it more flexible.

**Chairman Burckhard** when you say paragraph 4 already exists where does it exist?

**Senator Dotzenrod** I see what she is doing. It's not overstruck. So when you can see it in law, it is not overstruck. **Claudia Berg** it's in our guidelines for affiliates. In our guidelines for affiliates and the requirements there, it already exists.

**Senator Dotzenrod** I was confused by when you said replaced Section 1, number 3 and 4, I thought by doing that you were omitting or deleting from the law paragraph 4, of course that is not what you're doing. Where you say replace section 1 number 3&4, I thought that maybe you wanted number 4, to stay in the law and of course I understand now that if you just delete number 4 from the bill that doesn't delete it from the law. The only way you can delete it from the law is to overstrike it. When you say take number 4 out of the bill, I got a little mixed up there. Leaving it out of the bill doesn't delete it from the law. I am okay on that and I understand.

**Senator Judy Lee** when it says County Preservation Projects does that mean the county museums? You're new language on Section 2 the appropriation says county preservation projects, does that mean county museums because that is what the original language. **Claudia Berg** It can come from a number of different types. So preservation projects just

refers to or could be extended related or collections related but a number of opportunities. It was just succinct language to cover a number of opportunities.

**Senator Dotzenrod** the new section 2 that she is using here and she says, for the purpose of matching fund grants for county preservation projects under 11-11:53. Will this new section 3, is 11-11:53, so essentially she is saying for county preservation projects, which would not be limited to interpretative plans, cataloging of collections, conservation of collections, exhibits, exhibition development and educational programs. They are 11-11:53. I think I follow the way she is putting this together now.

**Senator Bekkedahl** The appropriation if for continuing match program, it is not were just going to strike this money year after that, do you? How does that read in number 3 versus the new one? Wasn't that the original intent that it would be a matching grant?

**Chairman Burckhard** matching fund grants to county historical societies. There was not matching funds before. **Senator Judy Lee**, no, and it does take it out of the language, the top three lines in section 3.

**Senator Dotzenrod** the section she is deleting the old number 3, on lines at the end of line 8 it says ' 40% matching" so I think this new language you have to presume is 50-50%.

**Chairman Burckhard** Do we want to make any motions or act on this thing?

**Senator Judy Lee** I move the amendment. I would remind the committee that if we shape it up we can still kill it. But right now it isn't even shaped up.

**Senator Dotzenrod** 2<sup>nd</sup> to amend  
3 Yeas, 2 No, 0 Absent Motion passes

**Senator Judy Lee** I recognize that part of the challenges in Appropriations but is there any other reason not to like it the way it is set up now?

**Senator Bekkedahl** Senator Anderson's comments rang pretty true with me when essentially this could have been an agency additional budget item. I don't know how that works here, so if I am wrong in my interpretation of that I can see that. I don't know what road you go do with this, or if it happens all time where agencies want to do something different and they just put a different bill in because they didn't get it through the agency. Can somebody explain that, that is what I will need?

**Senator Anderson** If you look at testimony of Claudia Berg, one paragraph says 'the state historical society currently has the cultural heritage grant program that provides funding for museum related project based activities that include capital improvement, exhibits, collections, education and programs. The grant program has been in existence for 12 years. The last biennium we received 110 requests totaling \$1,103,000. We funded 50 grants totaling \$438,600. My personal opinion is if they want more money they should have it added it to this line. I guess we could change the bill around to do that if we really felt they needed more money, but rather than create a whole new program and grant system here in this one.

**Senator Judy Lee** I agree it could've gone into the same one. But I would just point out that we've got all kinds of stuff that we're going to be voting on which was perhaps even optional adjustment request that may have gone, that wasn't OAR at the Department of Human Services. But there are individuals who are working with senators and representatives introduced the bill, because they felt strongly that this is something that out to be done. So, we've got a bunch of these. What happens then it gets melded into the budget of whatever agency is going to do it if indeed it ends up passing. So, this isn't an odd deal and I wouldn't suggest that Ms. Berg has necessarily contacted Senator Oehlke about doing this because she really cannot. But Senator Oehlke may be constituents in the Devils Lake area who would like to see this kind of program move forward for the benefit of small museums and what we are being asked to do is figure out where it fits in and the Historical Society would then include that in their planning. But, whether they ask for it or not I don't know, we could ask, but we decide that stuff.

**Senator Anderson** Along that line, I guess if we really want to put some more money into the program we ought to find out where that money is and add funding to it rather than have a new bill and create all that if we're really interested into that. I am not particularly, but if we are as a committee.

**Senator Dotzenrod** My thought is the Appropriations Committee is where those value judgments are going to be made about what did they ask for, what was in their base budget, why wasn't it requested, how does this fit into. The way I am approaching this is I am looking at it from own understanding of what I personally feel about history. I am somewhat aware of the Devils Lake operation up there and there is a lot of work that they are doing up there. There are some places around the state where there is quite a bit of activity, and other places where it is just accumulating dust. But the judgment I had is that for \$1M dollars I think North Dakota flares \$1M a day, in two years \$750M dollars. \$1 M dollars in my opinion given our set of economic circumstances; we are going to have to make tough judgments and that is what the Appropriations Committee will do. I just carry as a personal value that to me it's worth it. I think it's worth putting the request in so I am going to support that.

**Senator Anderson** I would like point out we might flare \$1Million dollars a day but it would cost us \$3 Million dollars a day to capture it all.

**Senator Bekkedahl** In that vein and I am going down the road where Senator Anderson is taking me, but from the perspective that I am listening to here, since her testimony indicated the Cultural Heritage Grant Program which already exists, has primers, already had the institutional knowledge with the museums that are already out there. It had 110 requests for \$1.1 Million dollars and they funded roughly \$438,600, is there any way we can just take this bill, and craft it to add \$600,000 into their existing Cultural Heritage Grant Program as our recommendation. Will that fly with the Appropriation Committee? They are going to ask these same questions that we are asking right now. I tend to not like the idea of duplicity in all these programs where you can apply to this one, or that one, and there all going to get you the same amount of money. I can't imagine that the department of course they are taking 10% of all this for administrative expenses.

**Chairman Burckhard** asked it that was another amendment? **Femi**, can you draft an amendment that talks about the \$600,000?

**Senator Anderson** Do we have to find out what section this \$438,000 is in now and add the money to it. **Femi** replied section 11-11-53.

**Senator Judy Lee** What we would be looking at is adding it to the Cultural Heritage Grant Program right which is already in place. Then you would be hog housing the bill just by adding money to that, wouldn't you?

**Chairman Burckhard** I guess. You would throw into their operating budget. **Senator Judy Lee** if we're going to do it at all, I am much more comfortable with that.

**Senator Anderson** They already said that they had 110 requests for \$1,100,000 and it was only the grant money of \$438,000, so it seems to me like that would be the place to put more money and that already has the guidelines and everything else in it.

**Senator Bekkedahl** I don't see where it talks about that? **Senator Anderson** we'll have to call her back to find out where that is?

**Senator Judy Lee**, **Senator Grabinger** expressed a concern about the fact that when the number of volunteer's and then you have paid staff, they've had a challenge getting volunteers to come.

**Chairman Burckhard** called Claudia Berg back on the speaker phone. **Chairman Burckhard** we've got a question for you, if we were to attach \$600,000 to the Cultural Heritage Grant Program where would we put that? That is the operating budget, is that correct? **Claudia Berg** replied it would be in our appropriations budget, yes, and that is SB 2018. **Chairman Burckhard** that is your Senate Appropriations bill? **Claudia Berg** that is the Historical Society's appropriation bill.

**Senator Bekkedahl** what section of the code is the Cultural Historical Grant Program? **Chairman Burckhard** what section of the state code is the Cultural Heritage Grant Program mentioned? **Claudia Berg** In our 2015/17 Optional Request summary it's adjustment number 17, Ongoing Cultural Heritage Grants and we currently have \$150,000 and that is what the Governor is suggesting it stays at.

**Senator Judy Lee** OAR, Optional Adjustment Request. **Chairman Burckhard** **Senator Lee** made reference to an optional adjustment request. Is there anything in her original proposal to the governor that would cover this kind of thing? **Chairman Burckhard** was there anything in the original proposal to the Governor that would cover this kind of thing?

**Claudia Berg** We asked for an additional \$150,000 for that program and the Governor did not include it in his budget. **Senator Bekkedahl** How did they fund the \$438,600 last biennium is they only have \$150,000 appropriation? **Claudia Berg** That was the amount of the grant. We asked for an additional \$150,000 and didn't get it, but that was our grant size last time. **Senator Judy Lee** Do they have a grant now? **Claudia Berg** yes and we're

concluding the second round of that grant. Things are due in April so things can wrap up by the end of June.

**Senator Dotzenrod** Did you ask the question why wasn't this money in their budget? Chairman Burckhard Governor Dalymaple said no and Claudia replied to the increase correct.

**Senator Anderson** They only asked for an additional \$150,000 someplace in there. If we want to put in more, **Senator Lee** Do you want to do \$150,000? I am wondering if this is what you're thinking. I brought up bill SB 2018, and it is the budget. Cultural Heritage Grant \$504,500, no enhancements. **Senator Anderson** So \$504,000 and they used \$438,600.

**Senator Anderson** If we don't pass this particular bill, but say we change it to an additional appropriation amendment to their particular funding bill, how does that work, or how is that usually done or haven't we done that before?

**Senator Judy Lee** We could hog house this bill and just say that we're authorizing an additional \$600,000 for the Cultural Heritage Grant which are provided to the State Historical Society. Femi can figure out that amendment and then Appropriations will blend it in if they agree.

**Chairman Burckhard** We've passed an amendment haven't we? **Senator Judy Lee** Yes we have. **Chairman Burckhard** we have it, or do we? **Senator Judy Lee** Well we can defeat it. Chairman Burckhard we voted on it and passed 3-2.

**Senator Judy Lee** I would request that we reconsider our actions by which we amended SB 2207. **Chairman Burckhard** would you reconsider the 2<sup>nd</sup>? **Senator Dotzenrod** I like the way we amended it, but out of consideration of Senator Lee's motion I would go along. I've got a feeling she is going to say that \$1 Million dollars is too much, so we can put less in there. Let's open this discussion up and I'll change.

**Chairman Burckhard** asked the committee for a voice note to reconsider the motion. All responded aye, that passes. Now we're back to where we were.

**Chairman Burckhard** asked Senator Anderson for his comments.

**Senator Anderson** I'll move that we add \$600,000 to the Cultural Heritage Grant Program on their line item in there budget.

**Senator Bekkedahl** 2<sup>nd</sup>.

**Senator Dotzenrod** Is this essentially a hog-house amendment? We are taking everything after a bill, deleting that, and inserting 'in lieu thereof' a change or an addition to the Cultural Heritage Grant Program of \$600,000. I understand.

**Senator Judy Lee** yes that is what were doing.

**Senator Anderson** My personal opinion is that \$600,000 is probably too much as they only requested an additional \$150,000. But maybe the original bill was to fund different things than the Cultural Heritage Grant Program but none the less I am comfortable if we go with the \$600,000 and see how it works through the process.

**Chairman Burckhard** asked for a vote.

6 Yea 0 No, 0 Absent

**Senator Judy Lee** I move that a Do Pass recommendation as amended and re-referred to Appropriations

2<sup>nd</sup> Senator Dotzenrod

Roll call vote 4 Yea, 1 No 1 Absent

Carrier: Senator Dotzenrod

15.0445.01001  
Title.02000

Adopted by the Political Subdivisions  
Committee

February 5, 2015

2/6/15  
JMO

PROPOSED AMENDMENTS TO SENATE BILL NO. 2207

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation to the state historical society for the cultural heritage grant program.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$600,000, or so much of the sum as may be necessary, to the state historical society for the purpose of providing funding for the cultural heritage grant program, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly







**REPORT OF STANDING COMMITTEE**

**SB 2207: Political Subdivisions Committee (Sen. Burckhard, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (4 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). SB 2207 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation to the state historical society for the cultural heritage grant program.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$600,000, or so much of the sum as may be necessary, to the state historical society for the purpose of providing funding for the cultural heritage grant program, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

**2015 SENATE APPROPRIATIONS**

**SB 2207**

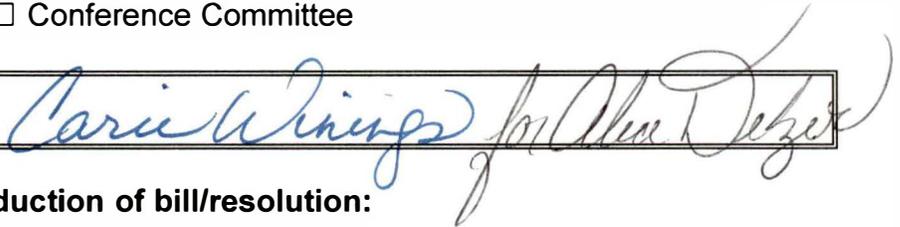
# 2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee  
Harvest Room, State Capitol

SB 2207  
2/13/2015  
Job # 23815

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL relating to the State Historical Society Cultural Heritage grant program.

## Minutes:

No Attachments

**Chairman Holmberg** called the committee to order on Friday, February 13, 2015 at 9:15 am. All committee members were present except Senator Wanzek who was testifying on another bill. Chris Kadrmas, Legislative Council and Becky Deichert, OMB were also present.

**Senator Oehlke, District 15:** Introduced the bill. This bill has morphed significantly since it was first introduced. It was introduced with a \$4 million appropriation that would have made museums throughout the state eligible for \$40,000 annual grant for allowing them to use that money in various ways including to help pay staff to keep it open. One of the reasons that I was encouraged to do that was because we hired someone in Devils Lake who actually has experience and an education behind that. (He shared the experiences at his local museum in Devils Lake with new staffing that has improved the museum greatly and people want to go there) The \$4 million came from all the eligible museums in the state that would be eligible to get \$40,000 each year of the biennium. The Senate Political Subdivision committee changed it to \$600,000 that would simply go to augment the grant program for the heritage center and allow museums to apply for grants and activities.

**(3.52)Chairman Holmberg:** Can Claudia give the amounts to augment the grant program?

**Senator Oehlke:** Yes she can.

**Senator Sorvaag:** Are these matching grants?

**Senator Oehlke:** Absolutely. The Heritage Center might have some outright grants to help with specific needs.

**V. Chairman Bowman:** What kind of a mill levy do you have?

**Senator Oehlke:** Ramsey County does participate 3/4 of a mill I believe.

**Claudia Berg, Director of the State Historical Society:** Testified in favor of SB 2207. We do have a cultural heritage grant program in existence. It has been in existence for about 12 years. It is appropriation funded. It has grown over the last several years. We are currently at \$500,000 and with that we have two rounds, 1 per year in the biennium, and we have enough people requesting money from us that we can only fund about half of the request that we receive. That is statewide. We have about 170 county and local cultural organizations in North Dakota and this is one of their main resources for funding. It is a one to one match grant system and that match can come in the form of in kind or cash. Often times in comes in kind because their budgets are very, very small. This bill started out that one of the qualifications had to be that they were an affiliate of the state historical society which meant 40 organizations would have qualified. It was to set a standard for this grant because our maximum grants are \$20,000 and this would have been \$40,000. We just felt that if we could reduce some of the language in the bill, it allowed for more flexibility over time as the grant evolved we could see what the response would be. A lot of the original stipulations we felt were better into grant guidelines rather than into state law. The money that is being requested could very well be used across the state and not having delineated any special parameters beyond what we already have that the idea of offering \$40,000 instead of \$20,000 would be great for some organizations who have the resources and that match available to take on some larger projects, or to hire some professionals to help them implement a program as well; where \$20,000 won't allow that kind of activity.

**Chairman Holmberg:** Was there any OAR in your budget that dealt with the cultural heritage program?

**Claudia Berg:** Yes, we asked for an addition \$150,000 to put into that program and it was not included in the Governor's budget. The original \$500,000 remained in the budget.

**Senator Carlisle:** We could take this down to \$150,000 right? That is what you were looking for? Because you are doing \$500,000 now.

**Claudia Berg:** Right.

**V. Chairman Krebsbach:** I certainly understand the plight of the small historical societies and museums in the state. My concern is that when Senators Oehlke mentioned this he said that it would help in hiring a person. That is not a one time, that is an ongoing and that kind of concerns me. To what extent can the state subsidize local museums?

**Claudia Berg:** These grants are not to hire someone. We have that guideline in place where it cannot hire someone to operate the museum. It is project specific. We have different categories identified for that. The one that has the overwhelming interest is capital improvement projects because foundations need stabilizing and roofs need repair and there is very little money out there to tackle those types of projects. That is often the biggest requests in this grant program. There are exhibits, collections, programs, and there is education etc. that we currently fund. It does not include paying for interns or staff.

**V. Chairman Krebsbach:** Are there collections within the state that could be disbursed out to the local ones where they need certain things?

**Claudia Berg:** Yes. We have a committee that as objects are offered to the state historical society, there are different groups and I will speak specifically to the artifacts because that is the most common, and a form is filled out when an item is donated to get the history behind in and then we have a staff that reviews our current collections to see if it would be duplicating. We have a limited amount of space and staff to take care of these things so we want to be careful on what we do collect. The process goes through a series of steps and then they will either accept the object or not accept it into our specific collection. From there we will offer suggestions to a county or to a local museum where that artifact would be relevant.

**Chairman Holmberg:** We still have that budget here as well.

**Senator Erbele:** Can this grant money be used to purchase anything? If an individual has a unique collection and wants to dispose of it, can it be used to buy something like that?

**Claudia Berg:** This grant program would not allow for the purchase of collections. We discourage that for the state historical society as well. It creates a precedent then that becomes very hard to respond to.

**Chairman Holmberg:** The bill will go to the subcommittee on the historical society. The members will be: V. Chairman Krebsbach, Senator Erbele and Senator Robinson. The hearing was closed on SB 2207.

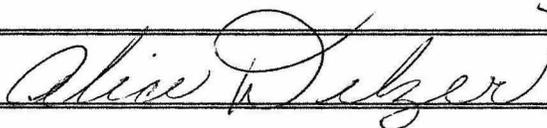
## 2015 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Harvest Room, State Capitol

SB 2207  
2/19/2015  
Job # 24183 (no recording)

Subcommittee  
 Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Bill for an Act for the State Historical Society for the cultural heritage grant program.

### Minutes:

"Click to enter attachment information."

**Chairman Holmberg** called the committee to order on Thursday, February 19, 2015 in regards to SB 2207. Lori Laschkewitsch, OMB and Chris Kadrmass, Legislative Council were also present. All committee members were present except Senator Mathern.

**V. Chairman Krebsbach** this was a bill that is very well attended, there is an appropriation of \$600,000 in here. We had heard that the governor had \$5000 for grants in SB 2018 and we felt that this would not be needed to pass at this time.

**V. Chairman Krebsbach** moved a do not pass. 2<sup>nd</sup> by Senator Erbele.

**Senator Robinson** asked if it was for grants.

**V. Chairman Krebsbach:** Yes, there is \$500,000, in governor's budget and I like the idea of having the grants, but I feel the state cannot afford to take care of public libraries.

**Chairman Holmberg:** call the roll on a Do Not Pass on SB 2207.

A Roll Call vote was taken. Yea: 9; Nay: 3; Absent: 1.

**V. Chairman Krebsbach** will carry the bill. The hearing was closed on SB 2207.

Date: 2-19-15  
 Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2207**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Krebsbach Seconded By Erbele

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman		✓
Senator Bowman	✓		Senator Mathern		
Senator Krebsbach	✓		Senator O'Connell		✓
Senator Carlisle	✓		Senator Robinson		✓
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 9 No 3

Absent 1

Floor Assignment Krebsbach

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2207, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)**  
recommends **DO NOT PASS** (9 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING).  
Engrossed SB 2207 was placed on the Eleventh order on the calendar.

**2015 TESTIMONY**

**SB 2207**

SB 2207  
1.29.15  
#1

Claudia Berg  
Director, State Historical Society of North Dakota  
Supporting SB 2207

In the United States there are 35,144 museums, 55 percent or 19,329, fall into the history category. History museums, historic sites, and historic houses are seen by communities as important and relevant institutions that represent and preserve their culture and heritage.

As part of the expansion of the North Dakota Heritage Center the Hub of History was conceived and developed as a statewide program to promote heritage tourism in North Dakota. Heritage tourists want and expect authentic local and regional experiences. This is not a Disneyland encounter; it refers to seeing crops growing in fields along the highways, eating local specialties at the Main Street cafes, and visiting historic sites, festivals and museums that presents what is unique and special to a region.

It takes numerous partners to create destinations for travelers. Our tourism partners include the National Parks Service, State Tourism Division, State Parks and Recreation, statewide convention and visitor bureaus, businesses, organizations, and the state's 170 plus county and local history museums. SB 2207 would create more opportunities for some of the state's county museums to make substantial contributions in preserving, interpreting, and sharing their county's history and contributing to a stronger tourism network.

The State Historical Society currently has the Cultural Heritage Grant Program that provides funding for museum-related, project-based, activities that include capital improvements, exhibits, collections, education, and programs. The grant program has been in existence for 12 years. Last biennium we received 110 requests totaling \$1,103,000, we funded 50 grants totaling \$438,600. We offer two grant rounds per biennium with a maximum request of \$20,000 per request.

SB 2207, with a maximum request of \$40,000, provides the more well-established museums in North Dakota with the potential of much needed financial assistance, allowing for paid staff or larger projects.

The Historical Society is in the position to assist with this grant program, we have staff that administer grants and several staff that travel the state and work at our historic sites to visit grant recipients and verify projects. We support SB 2077.