

**State Historical Society
Budget 701
Senate Bill No. 2018**

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriation (original)	78.00	\$21,592,039 ¹	\$6,774,901	\$28,366,940
2013-15 legislative appropriation	<u>69.00</u>	<u>15,481,811</u>	<u>3,221,964</u>	<u>18,703,775</u>
2015-17 appropriation increase (decrease) to 2013-15 appropriation	9.00	\$6,110,228	\$3,552,937	\$9,663,165
2015-17 general fund budget allotment (4.05 percent)	<u>0.00</u>	<u>(\$874,478)</u>	<u>\$0</u>	<u>(\$874,478)</u>
Adjusted 2015-17 appropriation after budget allotment	78.00	\$20,717,561	\$6,774,901	\$27,492,462

¹The original legislative appropriation amount includes \$3,489,650 of one-time funding from the general fund. Excluding this amount, the agency's original ongoing general fund appropriation is \$18,102,389.

NOTE: The 2015-17 legislative appropriations do not reflect a transfer of general fund appropriation authority of \$15,000 from the state agency energy impact funding pool to the State Historical Society. See the **State agency energy impact funding pool** section below for additional information.

Item Description

General fund budget allotment - In February 2016 the Governor ordered a 4.05 percent general fund budget allotment for state agencies.

FTE changes - The 2015-17 biennium appropriation includes funding for 78 FTE positions, an increase of 9 FTE positions from the 2013-15 authorized level of 69 FTE positions. The new FTE positions include the following--visitor services/security officer FTE position, electronic records archivist FTE position, and 7 maintenance FTE positions transferred from the Office of Management and Budget (OMB).

One-time funding - In Section 2 of 2015 Senate Bill No. 2018, the Legislative Assembly identified \$3,239,650 of one-time funding from the general fund for the following:

Status/Result

The budget allotment reduced general fund appropriations for the State Historical Society by \$874,478. The agency reduced its salaries and wages (\$225,702), operating expenses (\$328,041), capital assets (\$60,750), cultural-heritage grants (\$206,493), Yellowstone-Missouri-Fort Union (\$4,492), and exhibits (\$49,000) budget line items. The salaries and wages reductions relate to reduced temporary salaries and salary savings from vacant positions and turnover. The operating expenses reductions relate to consultant fees and one-time funding. Capital assets reductions relate to one-time funding for Dakota the Dinosaur, which was reduced by \$60,750.

The State Historical Society filled the visitor services/security position in August 2015. The maintenance positions transferred from OMB had already been filled. The agency has not filled the electronic records archivist due to the lack of qualified applicants. The State Historical Society is restructuring the position's duties and anticipates filling the position by the end of the 2015-17 biennium.

The following is a summary of the status of the State Historical Society's one-time funding:

Technology costs	\$100,650
Fort Totten and Stutsman County Courthouse repairs	850,000
Electronic records project	264,000
Dakota the Dinosaur	1,500,000
Traveling and historic sites exhibits	300,000
Promotion funding for historical events	200,000
Whitestone Hill native memorial	25,000
Total	\$3,239,650

Project	2015-17 Appropriation	Allotment	Expenditures as of February 29, 2016	Balance
Technology costs	\$100,650		\$17,894	\$82,756
Fort Totten and Stutsman County Courthouse repairs	850,000		321,383	528,617
Electronic records project	264,000	\$112,334		151,666
Dakota the Dinosaur	1,500,000	60,750		1,439,250
Traveling and historic sites exhibits	300,000	49,000	52,661	198,339
Promotion funding for historical events	200,000	97,000	7,160	95,840
Whitestone Hill native memorial	25,000			25,000
Total	\$3,239,650	\$319,084	\$399,098	\$2,521,468

Double Ditch Historic Site repairs - Section 5 of Senate Bill No. 2018 appropriates \$250,000 from the general fund and \$2 million from the state disaster relief fund to the State Historical Society to repair the Double Ditch Historic Site. Section 6 of the bill authorizes the State Historical Society to obtain a loan from the Bank of North Dakota in an amount not to exceed \$1.25 million, contingent upon the agency being unable to obtain assistance from the Adjutant General, for the Double Ditch Historic Site repairs.

Whitestone Hill native memorial - Section 8 of Senate Bill No. 2018 provides of the capital assets funds appropriated to the State Historical Society, \$25,000 from the general fund and \$50,000 from other funds is for the Whitestone Hill native memorial.

State agency energy impact funding pool - The Legislative Assembly appropriated \$2,400,000 from the general fund and \$5,565,000 from other funds to OMB for a state agency energy development impact funding pool. Section 5 of 2015 Senate Bill No. 2015 allows a state agency to submit an application to OMB to receive a transfer of funds from the pool for employee housing rental assistance and for temporary salary increases for employees affected by energy development. The Office of Management and Budget is to review any submitted applications and provide a recommendation to the Emergency Commission for final approval or rejection.

The State Historical Society has hired Atwell, LLC to oversee the Double Ditch Historic Site repair project. The geotechnical and engineering studies, along with the preliminary engineering designs have been completed. Atwell is preparing the permit application to be submitted to the Army Corps of Engineers. The bank stabilization work is anticipated to begin in late summer or early fall 2016 and be complete by the spring of 2017. The agency intends to borrow the \$1.25 million from the Bank of North Dakota because it has not been able to obtain assistance for the project from the Adjutant General. The total cost of the project is estimated to be \$3.5 million. The agency plans to request funding from the 2017 Legislative Assembly to repay the loan.

The State Historical Society is working with the Indian Affairs Commission and representatives from Standing Rock, Sisseton-Wahpeton Oyate, and Spirit Lake Tribes to develop a concept for the Whitestone Hill native memorial. The group plans to have a tribal member develop a concept for the memorial and the group members are determining a location for the memorial. The concept drawing for the memorial is estimated to be complete by June 30, 2017.

Distributions from the pool have been made for the period beginning July, 1, 2015, and ending June 30, 2016. A total of \$15,000 from the general fund has been transferred from the pool to the State Historical Society. Through April 2016 no additional distributions have been made from the funding pool.

Heritage Center construction litigation - House Bill No. 1481 (2009) provided one-time funding of \$39.7 million from the general fund and \$12 million from other funds for the Heritage Center expansion project.

Dakota the Dinosaur - In Section 2 of Senate Bill No. 2018, the Legislative Assembly provided \$1.5 million of one-time funding from the general fund for the purchase of Dakota the Dinosaur.

The State Historical Board has retained the Serkland Law Firm to represent the State Historical Society in a \$1.5 million breach-of-contract lawsuit filed by Comstock Construction Inc., relating to the Heritage Center project. Comstock Construction Inc., claims it incurred additional expense due to a faulty design and plans for the building's limestone panels and it is also claiming the state improperly withheld payments for work done.

The State Historical Society has 2 years remaining to negotiate the purchase price and acquire additional funding to purchase Dakota the dinosaur. The State Historical Society has not begun the process of raising funds for the purchase of the dinosaur as it is developing a plan to raise funds.

Project	2015-17 Appropriation	Allotment	Balance
Dakota the Dinosaur	\$1,500,000	\$60,750	\$1,439,250