

**State Historical Society
Budget No. 701
House Bill No. 1018**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriation	75.00	\$16,673,644	\$4,155,795	\$20,829,439
2015-17 legislative appropriation	<u>78.00</u>	<u>20,177,760¹</u>	<u>6,824,901</u>	<u>27,002,661</u>
2017-19 appropriation increase (decrease) to 2015-17 appropriation	(3.00)	(\$3,504,116)	(\$2,669,106)	(\$6,173,222)

¹This amount includes \$2,922,969 of one-time funding. Excluding this amount, the agency's 2015-17 biennium ongoing general fund appropriation is \$17,254,791.

Item Description

FTE changes - The 2017-19 biennium appropriation includes funding for 75 FTE positions, a decrease of 3 FTE positions from the 2015-17 authorized level of 78 FTE positions. The Legislative Assembly removed 1 FTE custodial position and 2 undesignated FTE positions.

Double Ditch Historic Site repairs - The 2015 Legislative Assembly, in Senate Bill No. 2018, appropriated \$3.5 million from the general fund (\$250,000); the state disaster relief fund (\$2 million); and from loan proceeds, contingent upon the Adjutant General not assisting in the repairs of the Double Ditch Historic Site, received from the Bank of North Dakota (\$1.25 million) to the State Historical Society for the Double Ditch Historic Site repairs. The 2017 Legislative Assembly, in House Bill No. 1018, authorized the funds appropriated to the State Historical Society for the Double Ditch Historic Site repairs during the 2015-17 biennium to be continued into the 2017-19 biennium and appropriated \$1 million, of which \$500,000 is from the state disaster relief fund and \$500,000 is from a grant provided by the Parks and Recreation Department, to the State Historical Society for the Double Ditch Historic Site repairs.

Heritage Center expansion project 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. House Bill No. 1024 (2017) provided a one-time deficiency appropriation of \$50,000 from the strategic investment and improvements fund for litigation expenses.

Status/Result

The agency removed the custodial position, an exhibit specialist position and an archivist position. All positions were vacant prior to removal.

The Double Ditch Historic Site repairs will be completed in the fall of 2018. Because of lower bids, the State Historical Society did not borrow any funds from the Bank of North Dakota and does not anticipate using \$500,000 of the appropriation from the state disaster relief fund.

The State Historical Board 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., claimed additional expenses were incurred due to a faulty design and plans for the building's limestone panels. Comstock also claimed the state improperly withheld payments for work done. A jury decided in favor of Comstock Construction Inc., and as a result of the decision, in December 2017, the State Historical Society paid \$337,204 in retainage to Comstock and is working with OMB to request an appropriation to pay the remaining \$1,058,060 to Comstock. The State Historical Society is currently in litigation with the architectural firms for the project and anticipates requesting up to \$300,000 for attorney fees as a deficiency appropriation from the 2019 Legislative Assembly.