

**Department 701 - State Historical Society
House Bill Nos. 1018 and 1078**

Executive Budget Comparison to Prior Biennium Appropriations

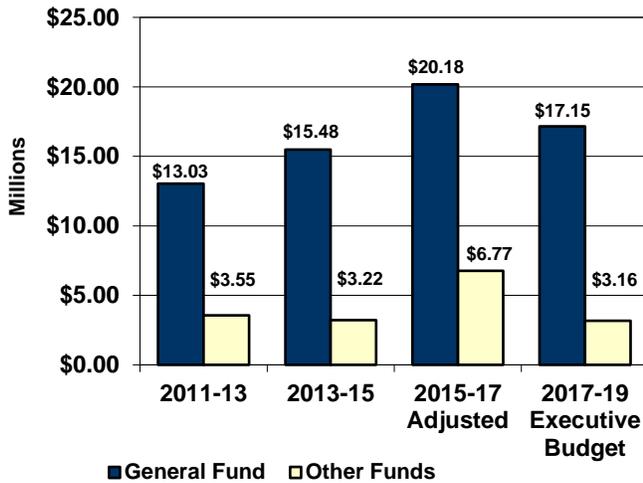
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	77.00	\$17,149,885	\$3,161,503	\$20,311,388
2015-17 Adjusted Legislative Appropriations ¹	78.00	20,177,760	6,774,901	26,952,661
Increase (Decrease)	(1.00)	(\$3,027,875)	(\$3,613,398)	(\$6,641,273)

¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but do not include \$15,000 of allocations from the general fund to the agency from the state agency energy impact funding pool for temporary salary adjustments for agency employees located in areas of the state affected by energy development.

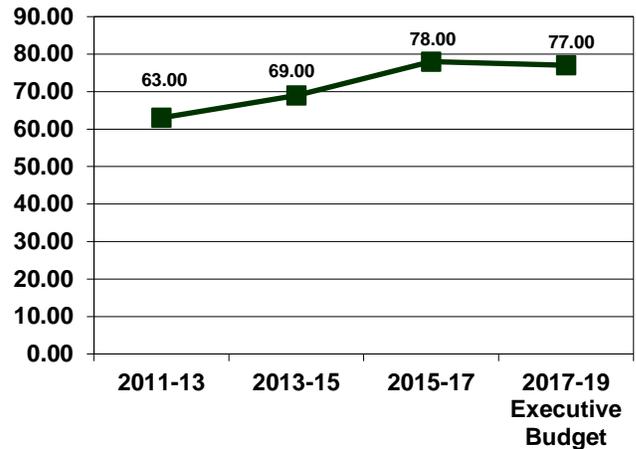
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$17,149,885	\$0	\$17,149,885
2015-17 Adjusted Legislative Appropriations	17,254,791	2,922,969	20,177,760
Increase (Decrease)	(\$104,906)	(\$2,922,969)	(\$3,027,875)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$17,149,885	\$3,161,503	\$20,311,388
2017-19 Base Level	17,254,791	3,299,901	20,554,692
Increase (Decrease)	(\$104,906)	(\$138,398)	(\$243,304)

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$51,598 is for salary increases and \$208,926 is for health insurance increases	\$238,240	\$22,284	\$260,524
2. Adds funding related to base payroll changes	\$364,479	(\$10,682)	\$353,797
3. Removes 1 custodial FTE position	(\$106,393)		(\$106,393)
4. Unfunds 2 FTE positions	(\$58,237)		(\$58,237)
5. Reduces funding for temporary employees	(\$147,986)		(\$147,986)
6. Adjusts funding for capital assets	(\$76,141)	\$225,000	\$148,859
7. Reduces grant funding		(\$300,000)	(\$300,000)
8. Reduces funding for operating expenses	(\$25,414)	(\$75,000)	(\$100,414)
9. Removes funding for cultural heritage grants	(\$293,454)		(\$293,454)

**Other Bill Sections Recommended to be Added in the Executive Budget
(As Detailed in House Bill No. 1078)**

Appropriation - Revolving fund - Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.

Appropriation - Gifts, grants, and bequests - Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

Continuing Appropriations

Concession fund - North Dakota Century Code Section 55-02-04 - Operation of the State Historical Society museum store.

State Historical Society gifts and bequests fund - Section 55-01-04 - Gifts and bequests for support of museum operations.

State Historical Society revolving fund - Section 55-03-04 - Archaeological permits.

Deficiency Appropriation

Double Ditch Historic Site repairs - House Bill No. 1024 provides a deficiency appropriation of \$1,265,625 from the strategic investment and improvements fund to the State Historical Society for repayment of a Bank of North Dakota loan for the Double Ditch Historic Site repairs authorized by the 2015 Legislative Assembly in Section 6 of 2015 Senate Bill No. 2018.

Heritage Center expansion project litigation - House Bill No. 1024 provides a deficiency appropriation of \$294,500 from the strategic investment and improvements fund to the State Historical Society for legal fees associated with litigation related to the Heritage Center expansion project.

Significant Audit Findings

The operational audit of the State Historical Society conducted by the State Auditor's office for the biennium ended June 30, 2014, included significant audit findings related to the following:

- Segregation of duties weakness surrounding inventory.
- Lack of controls regarding inventory loss prevention.

Major Related Legislation

At this time, no major related legislation has been introduced affecting this agency.

State Historical Society - Budget No. 701
House Bill Nos. 1018 and 1078
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	78.00	\$17,254,791	\$3,299,901	\$20,554,692
2017-19 Ongoing Funding Changes				
Base payroll changes		\$364,479	(\$10,682)	\$353,797
Salary increase - Performance		47,203	4,395	51,598
Health insurance increase		191,037	17,889	208,926
Removes custodial FTE position	(1.00)	(106,393)		(106,393)
Unfunds archivist and exhibits specialist FTE positions		(58,237)		(58,237)
Removes temporary employee funding		(147,986)		(147,986)
Adds funding for capital assets		148,859		148,859
Remove grant funding			(300,000)	(300,000)
Removes funding for operating expenses		(250,414)	150,000	(100,414)
Removes funding for cultural heritage grants		(293,454)		(293,454)
Total ongoing funding changes	(1.00)	(\$104,906)	(\$138,398)	(\$243,304)
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(1.00)	(\$104,906)	(\$138,398)	(\$243,304)
2017-19 Total Funding	77.00	\$17,149,885	\$3,161,503	\$20,311,388

Other Sections in State Historical Society - Budget No. 701

	Executive Budget Recommendation
Appropriation - Revolving fund	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

Department 701 - State Historical Society

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$18,102,389	\$3,489,650	\$21,592,039
General fund reductions	(847,598)	(566,681)	(1,414,279)
Adjusted 2015-17 appropriations	\$17,254,791	\$2,922,969	\$20,177,760
Executive Budget changes	(104,906)	(2,922,969)	(3,027,875)
2017-19 Executive Budget	\$17,149,885	\$0	\$17,149,885

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced funding for salaries and wages	(\$433,353)	\$0	(\$433,353)
Reduced funding for operating expenses	(118,707)	0	(118,707)
Reduced funding for capital assets	(80,000)	0	(80,000)
Reduced funding for cultural heritage grants	(211,046)	0	(211,046)
Removed funding for Yellowstone-Missouri-Fort Union	(4,492)	0	(4,492)
Reduced funding for technology costs	0	(46,681)	(46,681)
Removed funding for the electronic records project	0	(264,000)	(264,000)
Reduced funding for Dakota the Dinosaur	0	(100,000)	(100,000)
Reduced funding for traveling and historic sites exhibits	0	(49,000)	(49,000)
Reduced promotion funding for historical events	0	(107,000)	(107,000)
Total reductions	(\$847,598)	(\$566,681)	(\$1,414,279)
Percentage reduction to ongoing and one-time general fund appropriations	4.68%	16.24%	6.55%

2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

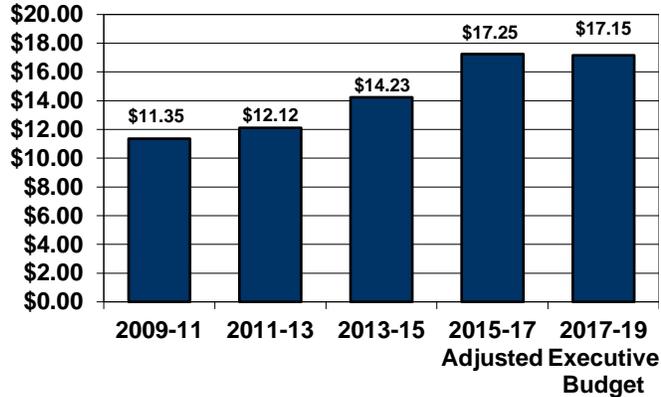
	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$238,240	\$0	\$238,240
Adds funding for salaries and wages	364,479	0	364,479
Removes funding for 3 FTE positions	(390,332)	225,702	(164,630)
Reduces funding for temporary employees	(355,637)	207,651	(147,986)
Adds funding for capital assets	68,859	80,000	148,859
Reduces funding for operating expenses	(369,121)	118,707	(250,414)
Removes funding for cultural heritage grants	(504,500)	211,046	(293,454)
Removes funding for Yellowstone-Missouri-Fort Union	(4,492)	4,492	0
Total	(\$952,504)	\$847,598	(\$104,906)

Department 701 - State Historical Society

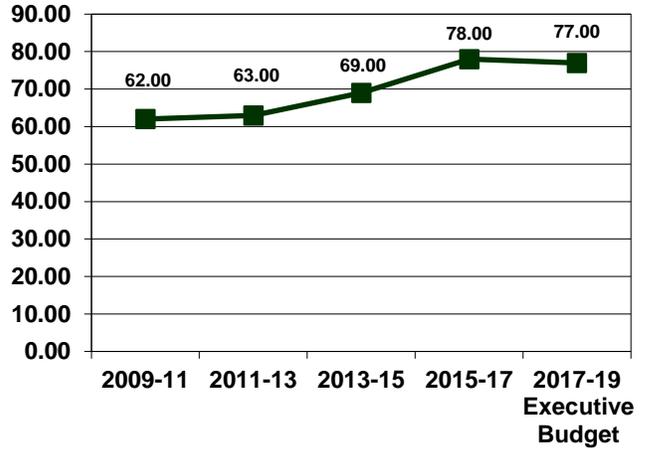
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11

Agency Funding (in Millions)



FTE Positions



■ Ongoing General Fund Appropriations

Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$11,352,752	\$12,119,191	\$14,231,811	\$17,254,791	\$17,149,885
Increase (decrease) from previous biennium	N/A	\$766,439	\$2,112,620	\$3,022,980	(\$104,906)
Percentage increase (decrease) from previous biennium	N/A	6.8%	17.4%	21.2%	(0.6%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	6.8%	25.4%	52.0%	51.1%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

1. Added funding for salaries and wages for seasonal temporary employees \$174,000
2. Added funding for capital assets \$271,000

2013-15 Biennium

1. Added funding for 5 FTE positions \$682,190
2. Added funding for salaries and wages for seasonal temporary employees \$183,549

2015-17 Biennium (Original Amounts)

1. Added funding for 3 FTE positions \$503,864
2. Added funding to transfer 7 maintenance FTE positions (\$678,269) and related operating expenses (\$100,000) from the Office of Management and Budget for the Heritage Center \$778,269
3. Added funding for salaries and wages for seasonal temporary employees \$305,605
4. Added funding for temporary employee salary increases \$155,226
5. Added funding for an electronic records project \$172,800
6. Added funding for 4th grade and governing North Dakota curriculum \$100,000
7. Increased funding for operating expenses \$458,895
8. Increased funding for capital assets \$100,569
9. Added funding for Welk Homestead operations \$100,000

2017-19 Biennium

1. Removes funding for 3 FTE positions, but retain 2 FTE positions as unfunded positions	(\$164,630)
2. Reduces funding for temporary employees	(\$147,986)
3. Adds funding for capital assets	\$148,859
4. Reduces funding for operating expenses	(\$250,414)
5. Removes funding for cultural heritage grants	(\$293,454)