

**Department 701 - State Historical Society
Senate Bill No. 2018**

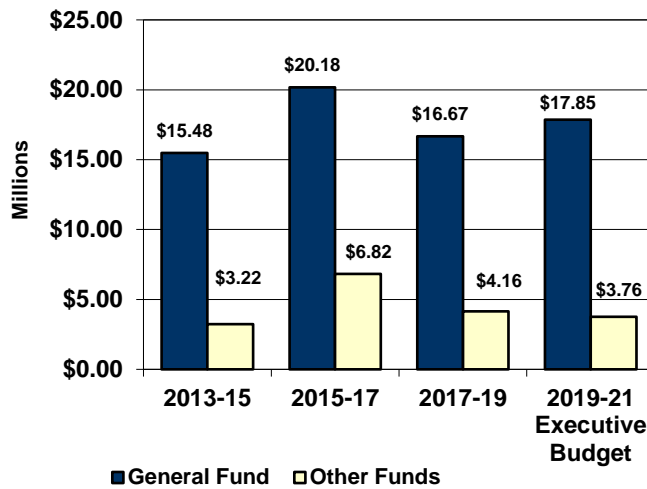
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	75.00	\$17,850,381	\$3,755,486	\$21,605,867
2017-19 Legislative Appropriations	75.00	16,673,644	4,155,795	20,829,439
Increase (Decrease)	0.00	\$1,176,737	(\$400,309)	\$776,428

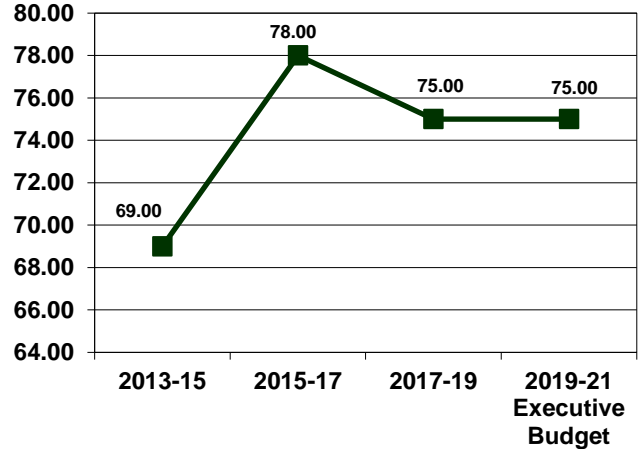
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$16,978,381	\$872,000	\$17,850,381
2017-19 Legislative Appropriations	16,673,644	0	16,673,644
Increase (Decrease)	\$304,737	\$872,000	\$1,176,737

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$17,850,381	\$3,755,486	\$21,605,867
2019-21 Base Level	16,673,644	3,155,795	19,829,439
Increase (Decrease)	\$1,176,737	\$599,691	\$1,776,428

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$498,035 is for salary increases, \$272,100 is for health insurance increases, and \$64,863 is for retirement contribution increases. The Senate added funding for salary adjustments of 2 percent for the 1st year and 3 percent in the 2nd year and increases in health insurance premiums from \$1,241 to \$1,427 per month. The Senate did not add funding for retirement contribution increases.	\$771,157	\$63,841	\$834,998
2. Removes ongoing funding for extraordinary repairs.	(\$307,357)	\$0	(\$307,357)
3. Reduces funding for bond payments to provide \$1,144,542	(\$214,754)	\$0	(\$214,754)
4. Adds funding for Microsoft Office 365 licensing expenses	\$55,691	\$0	\$55,691

5. Adds one-time funding for historic site and extraordinary repairs. The Senate added one-time funding of \$1 million from the general fund for historic site and extraordinary repairs.	\$500,000	\$550,000	\$1,050,000
6. Adds one-time funding for exhibit and collections care	\$372,000	\$0	\$372,000

Other Sections in Senate Bill No. 2018

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.

Whitestone Hill native memorial - Section 5 identifies \$200,000 from the general fund and \$200,000 from other funds in the capital assets line item in Section 1 for the Whitestone Hill native memorial. The section also authorizes the agency to expend \$25,000 after June 30, 2019, for the planning and design of a Whitestone Hill native memorial and requires a dollar for dollar matching requirement to spend the remaining \$175,000 of general funds.

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

Heritage Center expansion project litigation - Senate Bill No. 2024 provides a deficiency appropriation of \$265,000 from the general fund to the State Historical Society for legal fees associated with litigation related to the Heritage Center expansion project.

Significant Audit Findings

The State Auditor's office reported the State Historical Society did not properly bid certain public improvement projects.

Major Related Legislation

Senate Bill No. 2146 - Provides a one-time appropriation of \$450,000 from the general fund to the State Historical Society for providing a grant for the relocation of the Pioneer Village from the North Dakota State Fairgrounds to another location within Ward County during the 2019-21 biennium.

State Historical Society - Budget No. 701
Senate Bill No. 2018
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	75.00	\$16,673,644	\$3,155,795	\$19,829,439	75.00	\$16,673,644	\$3,155,795	\$19,829,439
2019-21 Ongoing Funding Changes								
Base payroll changes			(\$14,150)	(\$14,150)			(\$14,150)	(\$14,150)
Salary increase		459,957	38,078	498,035		321,930	26,913	348,843
Health insurance increase		251,296	20,804	272,100		297,174	24,095	321,269
Retirement contribution increase		59,904	4,959	64,863				0
Removes ongoing funding for extraordinary repairs		(307,357)		(307,357)		(307,357)		(307,357)
Reduces funding for bond payments		(214,754)		(214,754)		(214,754)		(214,754)
Adds Microsoft Office 365 licensing funding		55,691		55,691		55,691		55,691
Adds funding for cultural heritage grants				0		20,000		20,000
Total ongoing funding changes	0.00	\$304,737	\$49,691	\$354,428	0.00	\$172,684	\$36,858	\$209,542
One-time funding items								
Historic site and extraordinary repairs		\$500,000	\$550,000	\$1,050,000		\$1,000,000		\$1,000,000
Exhibit and collections care		372,000		372,000		372,000		372,000
Auditorium chairs				0		75,000	85,000	160,000
Whitestone Hill native memorial				0		200,000	200,000	400,000
Total one-time funding changes	0.00	\$872,000	\$550,000	\$1,422,000	0.00	\$1,647,000	\$285,000	\$1,932,000
Total Changes to Base Level Funding	0.00	\$1,176,737	\$599,691	\$1,776,428	0.00	\$1,819,684	\$321,858	\$2,141,542
2019-21 Total Funding	75.00	\$17,850,381	\$3,755,486	\$21,605,867	75.00	\$18,493,328	\$3,477,653	\$21,970,981

Other Sections for State Historical Society - Budget No. 701

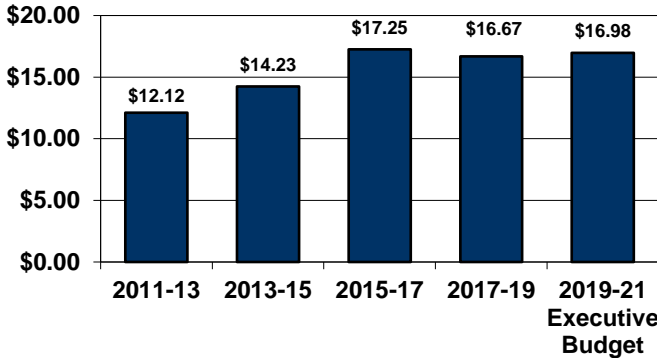
	Executive Budget Recommendation	Senate Version
Appropriation - Revolving fund	Section 3 would appropriate all fees collected and deposited in the revolving fund to the State Historical Society.	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 would appropriate all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.
Whitestone Hill native memorial - Matching funds		Section 5 provides that of the funds appropriated in the capital assets line item in Section 1 of the bill, \$200,000 is from the general fund and \$200,000 is from other funds for the Whitestone Hill native memorial. The section also authorizes the agency to expend \$25,000 after June 30, 2019, for the planning and design of a Whitestone Hill native memorial and requires a dollar-for-dollar matching requirement to spend the remaining \$175,000 of general funds.

Department 701 - State Historical Society

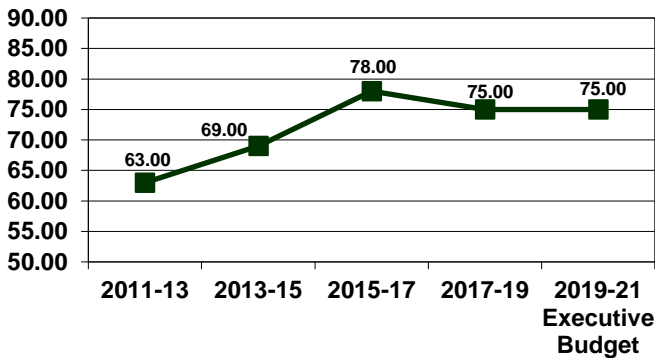
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$12,119,191	\$14,231,811	\$17,254,791	\$16,673,644	\$16,978,381
Increase (decrease) from previous biennium	N/A	\$2,112,620	\$3,022,980	(\$581,147)	\$304,737
Percentage increase (decrease) from previous biennium	N/A	17.4%	21.2%	(3.4%)	1.8%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	17.4%	42.4%	37.6%	40.1%

Major Increases (Decreases) in Ongoing General Fund Appropriations

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

- 1. Added funding for 3 FTE positions \$503,864
- 2. Added funding to transfer 7 FTE maintenance 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. Removed 1 FTE custodial position (\$106,393)
- 2. Removed 2 undesignated FTE positions (\$58,237)
- 3. Reduced salaries and wages in anticipation of savings from vacant positions and employee turnover (\$243,714)
- 4. Reduced funding for temporary employees (\$147,986)
- 5. Reduced funding for operating expenses from the general fund and increased funding from other funds by \$150,000 for a net adjustment of (\$100,414) (\$250,414)
- 6. Removed funding for cultural heritage grants (\$293,454)
- 7. Reduced funding for capital assets (\$22,641)

2019-21 Biennium (Executive Budget Recommendation)

1. Removes ongoing funding for extraordinary repairs	(\$307,357)
2. Reduces funding for bond payments to provide \$1,144,542	(\$214,754)
3. Adds funding for Microsoft Office 365 licensing expenses	\$55,691

**GOVERNOR'S RECOMMENDATION FOR THE
STATE HISTORICAL SOCIETY AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state historical society for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$13,595,892	\$820,848	\$14,416,740
Operating expenses	3,885,894	55,691	3,941,585
Capital assets	1,747,653	527,889	2,275,542
Grants	600,000	0	600,000
Exhibits	<u>0</u>	<u>372,000</u>	<u>372,000</u>
Total all funds	\$19,829,439	\$1,776,428	\$21,605,867
Less estimated income	<u>3,155,795</u>	<u>599,691</u>	<u>3,755,486</u>
Total general fund	\$16,673,644	\$1,176,737	\$17,850,381
Full-time equivalent positions	75.00	0.00	75.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Double Ditch Historic Site Repair	\$1,000,000	\$0
Exhibits and Collections Care	0	372,000
Historic Site Repair	0	1,050,000
Total all funds	<u>\$1,000,000</u>	<u>\$1,422,000</u>
Less estimated income	<u>1,000,000</u>	<u>550,000</u>
Total general fund	\$0	\$872,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The information technology department shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019 and ending June 30, 2021.

SECTION 3. REVOLVING FUND - APPROPRIATION. All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION. All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2019, and ending June 30, 2021.