

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - State Historical Society - House Action

| | Base Budget | House Changes | House Version |
|-----------------------------|---------------------|----------------------|----------------------|
| Salaries and wages | \$16,832,853 | \$3,313,454 | \$20,146,307 |
| New and vacant FTE pool | | 934,276 | 934,276 |
| Operating expenses | 3,443,236 | 6,484,415 | 9,927,651 |
| Capital assets | 1,330,184 | 84,437,649 | 85,767,833 |
| Grants | 928,340 | 3,692,500 | 4,620,840 |
| Cultural heritage grants | 500,000 | (500,000) | |
| America's 250th celebration | | 2,000,000 | 2,000,000 |
| Total all funds | \$23,034,613 | \$100,362,294 | \$123,396,907 |
| Less estimated income | 2,434,264 | 97,551,416 | 99,985,680 |
| General fund | \$20,600,349 | \$2,810,878 | \$23,411,227 |
| FTE | 83.50 | 2.00 | 85.50 |

Department 701 - State Historical Society - Detail of House Changes

| | Adjusts Funding for Base Payroll Changes ¹ | Adds Funding for Salary and Benefit Increases ² | Adds Funding for FTE Positions ³ | Adds Funding to Replace 2023-25 New and Vacant FTE Pool ⁴ | Transfers Funding for 2025-27 New and Vacant FTE Pool ⁵ | Adds Funding for Temporary Staff Salaries and Operating ⁶ |
|-----------------------------|---|--|---|--|--|--|
| Salaries and wages | (\$306,652) | \$1,148,305 | \$388,876 | \$1,768,392 | (\$1,223,573) | \$1,491,646 |
| New and vacant FTE pool | | | | | 934,276 | |
| Operating expenses | | | 9,280 | | | 16,200 |
| Capital assets | | | | | | |
| Grants | | | | | | |
| Cultural heritage grants | | | | | | |
| America's 250th celebration | | | | | | |
| Total all funds | (\$306,652) | \$1,148,305 | \$398,156 | \$1,768,392 | (\$289,297) | \$1,507,846 |
| Less estimated income | (218,735) | 117,076 | 0 | 849,189 | (25,551) | 172,402 |
| General fund | (\$87,917) | \$1,031,229 | \$398,156 | \$919,203 | (\$263,746) | \$1,335,444 |
| FTE | 0.00 | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 |

| | Adjusts Base Level Funding ⁷ | Removes Funding for Cultural Heritage Grants ⁸ | Adds One-Time Funding for Temporary Salaries and Operating ⁹ | Adds One-Time Funding for Pembina State Museum ¹⁰ | Adds One-Time Funding for the Military Gallery Expansion Project ¹¹ | Adds One-Time Funding for Medora Area Planning ¹² |
|-----------------------------|---|---|---|--|--|--|
| Salaries and wages | | | \$46,460 | | | |
| New and vacant FTE pool | | | | | | |
| Operating expenses | \$280,159 | | 190,776 | \$638,000 | \$4,900,000 | \$450,000 |
| Capital assets | (634,375) | | | | 78,744,524 | 3,120,000 |
| Grants | 42,500 | | | | | |
| Cultural heritage grants | | (\$500,000) | | | | |
| America's 250th celebration | | | | | | |
| Total all funds | (\$311,716) | (\$500,000) | \$237,236 | \$638,000 | \$83,644,524 | \$3,570,000 |
| Less estimated income | 27,500 | 0 | 127,011 | 638,000 | 83,644,524 | 3,570,000 |
| General fund | (\$339,216) | (\$500,000) | \$110,225 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds One-Time Funding for Storage Upgrades and Structure Improvement ¹³ | Adds One-Time Funding for Grants ¹⁴ | Adds One-Time Funding for America's 250 th Celebration Activities ¹⁵ | Total House Changes |
|-----------------------------|--|---|--|------------------------|
| Salaries and wages | | | | \$3,313,454 |
| New and vacant FTE pool | | | | 934,276 |
| Operating expenses | | | | 6,484,415 |
| Capital assets | \$3,207,500 | | | 84,437,649 |
| Grants | | \$3,650,000 | | 3,692,500 |
| Cultural heritage grants | | | | (500,000) |
| America's 250th celebration | | | \$2,000,000 | 2,000,000 |
| Total all funds | \$3,207,500 | \$3,650,000 | \$2,000,000 | \$100,362,294 |
| Less estimated income | <u>3,000,000</u> | <u>3,650,000</u> | <u>2,000,000</u> | <u>97,551,416</u> |
| General fund | \$207,500 | \$0 | \$0 | \$2,810,878 |
| FTE | 0.00 | 0.00 | 0.00 | 2.00 |

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

| | General Fund | Other Funds | Total |
|---------------------------|-------------------------|------------------------|--------------------|
| Salary increase | \$572,726 | \$65,130 | \$637,856 |
| Health insurance increase | 458,503 | 51,946 | 510,449 |
| Total | \$1,031,229 | \$117,076 | \$1,148,305 |

³ Funding for FTE positions is added as follows:

| | General Fund |
|-----------------------|-------------------------|
| Exhibition preparator | \$190,080 |
| Tribal liaison | <u>208,076</u> |
| Total | \$398,156 |

⁴ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

| | General Fund | Other Funds | Total |
|----------------------|-------------------------|------------------------|--------------------|
| New FTE positions | \$360,978 | \$770,038 | \$1,131,016 |
| Vacant FTE positions | <u>558,225</u> | <u>79,151</u> | <u>637,376</u> |
| Total | \$919,203 | \$849,189 | \$1,768,392 |

⁵ Funding of \$1,223,573 for new FTE positions and estimated savings from vacant FTE positions is removed and funding of \$934,276 is added for a 2025-27 new and vacant FTE pool line item as follows:

| | General Fund | Other Funds | Total |
|------------------------|-------------------------|------------------------|----------------------|
| New FTE positions | (\$388,876) | \$0 | (\$388,876) |
| Vacant FTE positions | <u>(749,528)</u> | <u>(85,169)</u> | <u>(834,697)</u> |
| Total | (\$1,138,404) | (\$85,169) | (\$1,223,573) |
| Funding pool line item | <u>874,658</u> | <u>59,618</u> | <u>934,276</u> |
| Net savings | (\$263,746) | (\$25,551) | (\$289,297) |

⁶ Funding for temporary staff salaries and operating expenses is added as follows:

| | General Fund | Federal Funds | Total |
|---|-------------------------|--------------------------|--------------------|
| Adds funding for temporary salaries | \$945,088 | \$0 | \$945,088 |
| Adds funding for compliance with the Native American Graves Protection and Repatriation Act, including temporary salaries of \$376,436 and operating expenses of \$13,920 | 390,356 | 0 | 390,356 |
| Adds funding for a temporary historic preservation specialist position, of which \$170,122 is for temporary salaries and \$2,280 is for operating expenses | <u>0</u> | <u>172,402</u> | <u>172,402</u> |
| Total | \$1,335,444 | \$172,402 | \$1,507,846 |

⁷ Base level funding is adjusted as follows:

| | General Fund | Federal Funds | Total |
|---|-------------------------|--------------------------|--------------------|
| Adds funding for information technology (IT) increases | \$71,996 | \$0 | \$71,996 |
| Adds funding for operating expenses, including insurance, IT, and utilities | 186,163 | 0 | 186,163 |
| Adds funding for Pembina State Museum marketing expenses | 37,000 | 0 | 37,000 |
| Transfers \$15,000 of federal funds from the operating expense line item to the grants line item for National Historical Publications and Records Commission (NHPRC) grants | 0 | 0 | 0 |
| Removes funding for bonds | (592,375) | 0 | (592,375) |
| Reduces funding for capital assets | (42,000) | 0 | (42,000) |
| Adds funding for NHPRC grants | <u>0</u> | <u>27,500</u> | <u>27,500</u> |
| Total | (\$339,216) | \$27,500 | (\$311,716) |

⁸ Funding of \$500,000 from the general fund is removed for cultural heritage grants, eliminating the program.

⁹ One-time funding is added as follows:

| | General Fund | Federal Funds | Total |
|---|-------------------------|--------------------------|------------------|
| Temporary archaeology collections specialist position, including \$46,460 for salaries and \$3,540 for operating expenses | \$0 | \$50,000 | \$50,000 |
| New FTE position operating expenses | 10,225 | 2,011 | 12,236 |
| Operating expenses for Native American Graves Protection and Repatriation Act compliance | 100,000 | 0 | 100,000 |
| Underrepresented community program | <u>0</u> | <u>75,000</u> | <u>75,000</u> |
| Total | \$110,225 | \$127,011 | \$237,236 |

¹⁰ One-time funding of \$638,000 is added from the strategic investment and improvements fund (SIIF) for the Pembina State Museum for the purchase of exhibit objects and the installation of a new gallery design in the permanent gallery of the museum (\$600,000), replacement of carpeting (\$13,000), a photo gallery exhibit (\$20,000), and advertising expenses (\$5,000).

¹¹ One-time funding of \$83,644,524 from other funds is added as follows:

| | SIIF | Bank of North Dakota Line of Credit | Donations | Total |
|--|---------------------|--|---------------------|---------------------|
| Military gallery expansion project | \$20,000,000 | \$20,000,000 | \$38,744,524 | \$78,744,524 |
| Repayment of a 2023-25 biennium Bank of North Dakota line of credit for the military gallery expansion project | 0 | 0 | 4,200,000 | 4,200,000 |
| Inspiration gallery updates at the North Dakota Heritage Center after completion of the military gallery expansion project | <u>350,000</u> | <u>0</u> | <u>350,000</u> | <u>700,000</u> |
| Total | \$20,350,000 | \$20,000,000 | \$43,294,524 | \$83,644,524 |

¹² One-time funding of \$3.57 million added from SIIF for Medora area planning.

¹³ One-time funding is added for archive storage upgrades at the Heritage Center (\$207,500 from the general fund) and improvements to historical structures and buildings (\$3 million from SIIF).

¹⁴ One-time funding for grants is added as follows:

| | Federal Funds | SIIF | Total |
|---|--------------------------|--------------------|--------------------|
| Paul Bruhn historical revitalization grants | \$750,000 | \$0 | \$750,000 |
| Historic theater restoration grant | 0 | 1,100,000 | 1,100,000 |
| Historic opera house restoration grant | 0 | 250,000 | 250,000 |
| Historic museum repairs grant | 0 | 200,000 | 200,000 |
| Historic movie theater improvement grant | 0 | 250,000 | 250,000 |
| Medora transportation improvement grant | 0 | 1,000,000 | 1,000,000 |
| Historic armory restoration grant | <u>0</u> | <u>100,000</u> | <u>100,000</u> |
| Total | \$750,000 | \$2,900,000 | \$3,650,000 |

¹⁵ One-time funding of \$2,000,000 is added from SIIF for America's 250th celebration activities, including \$1,825,000 for the governor's gallery exhibit, \$50,000 for temporary salaries, \$75,000 for professional programming, and \$50,000 for repairs.

House Bill No. 1018 - Other Changes - House Action

This amendment also adds sections to:

- Provide for the use of funding in the new and vacant FTE pool line item.
- Identify \$32,458,000 appropriated in Section 1 from SIIF, of which \$638,000 is for Pembina State Museum exhibit designs and objects, \$20 million is for the military gallery expansion project, \$350,000 is for an update to the inspiration gallery at the North Dakota Heritage Center, \$3.57 million is for Medora area planning, \$3 million is for improvements to historical structures and buildings, \$1.1 million is for a historic theater restoration grant, \$250,000 is for a historic opera house restoration grant, \$200,000 is for a historic museum repairs grant, \$250,000 is for a historic movie theater improvement grant, \$1 million is for a Medora transportation improvement grant, \$100,000 is for a historic armory restoration grant, and \$2 million is for America's 250th celebration activities. Funding for the historic theater restoration grant requires \$1 of matching funds from grant recipients for every \$2 provided from the state.
- Identify \$20 million appropriated in Section 1 from a Bank of North Dakota line of credit for the military gallery expansion project.
- Identify \$43,294,524 appropriated in Section 1 is from other funds derived from donations, of which \$38,744,524 is for the military gallery expansion project, \$4.2 million is for the repayment of a 2023-25 biennium Bank of North Dakota line of credit for the military gallery expansion project, and \$350,000 is to update the inspiration gallery at the North Dakota Heritage Center.
- Provide an exemption for funding appropriated from SIIF for critical repairs to historic site structures (\$3.25 million) and for creating new and repairing existing exhibits (\$300,000) during the 2023-25 biennium to continue into the 2025-27 biennium.