

February 19, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1018

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state historical
2 society; to authorize a Bank of North Dakota line of credit; and to provide an exemption.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from other funds derived from special funds and
7 federal funds, to the state historical society for the purpose of defraying the expenses of the
8 state historical society, for the biennium beginning July 1, 2025, and ending June 30, 2027, as
9 follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
12 Salaries and wages	\$16,832,853	\$0	\$16,832,853
13 Operating expenses	3,443,236	0	3,443,236
14 Capital assets	1,330,184	0	1,330,184
15 Grants	928,340	0	928,340
16 Cultural heritage grants	<u>500,000</u>	<u>0</u>	<u>500,000</u>
17 Total all funds	\$23,034,613	\$0	\$23,034,613
18 Less other funds	<u>2,434,264</u>	<u>0</u>	<u>2,434,264</u>

Sixty-ninth
Legislative Assembly

1	Total general fund	\$20,600,349	\$0	\$20,600,349
2	Full-time equivalent positions	83.50	0.00	83.50
3	Salaries and wages	\$16,832,853	\$3,313,454	\$20,146,307
4	New and vacant FTE pool	0	934,276	934,276
5	Operating expenses	3,443,236	6,484,415	9,927,651
6	Capital assets	1,330,184	84,437,649	85,767,833
7	Grants	928,340	3,692,500	4,620,840
8	Cultural heritage grants	500,000	(500,000)	0
9	America's 250 th celebration	0	2,000,000	2,000,000
10	Total all funds	\$23,034,613	\$100,362,294	\$123,396,907
11	Less other funds	2,434,264	97,551,416	99,985,680
12	Total general fund	\$20,600,349	\$2,810,878	\$23,411,227
13	Full-time equivalent positions	83.50	2.00	85.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
20 Temporary staff salaries and operating	\$10,225	\$52,011	\$62,236
21 Repatriation compliance costs	100,000	0	100,000
22 Pembina state museum exhibits	0	638,000	638,000
23 Underrepresented community program	0	75,000	75,000
24 Military gallery expansion project	0	82,944,524	82,944,524
25 Inspiration gallery updates	0	700,000	700,000
26 Medora area planning	0	3,570,000	3,570,000
27 State archive storage updates	207,500	0	207,500
28 Historical structures and buildings	0	3,000,000	3,000,000
29 improvements			
30 Paul Bruhn historical revitalization grants	0	750,000	750,000
31 Historic theater restoration grant	0	1,100,000	1,100,000

Sixty-ninth
Legislative Assembly

1	Historic opera house restoration grant	0	250,000	250,000
2	Historic museum repairs grant	0	200,000	200,000
3	Historic movie theater improvement grant	0	250,000	250,000
4	Medora transportation improvement grant	0	1,000,000	1,000,000
5	Historic armory restoration grant	0	100,000	100,000
6	America's 250 th celebration	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
7	Total	\$317,725	\$96,629,535	\$96,947,260

8 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
9 state historical society may not spend funds appropriated in the new and vacant FTE pool line
10 item in section 1 of this Act, but may request the office of management and budget to transfer
11 funds from the new and vacant FTE pool line item to the salaries and wages line item in
12 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
13 approved by the sixty-ninth legislative assembly.

14 **SECTION 4. APPROPRIATION - REVOLVING FUND.** All fees collected by the state
15 historical society and deposited in the revolving fund established pursuant to section 55-03-04
16 are appropriated to the state historical society for the purposes provided in chapter 55-03, for
17 the biennium beginning July 1, 2025, and ending June 30, 2027.

18 **SECTION 5. APPROPRIATION - GIFTS, GRANTS, AND BEQUESTS.** All gifts, grants,
19 devises, bequests, donations, and assignments received by the state historical society and
20 deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state
21 historical society for the purposes provided in section 55-01-04, for the biennium beginning
22 July 1, 2025, and ending June 30, 2027.

23 **SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND**
24 **- MATCHING FUNDS REQUIREMENT.** The other funds line item in section 1 of this Act
25 includes the sum of \$32,458,000 from the strategic investment improvements fund, of which
26 \$638,000 is for Pembina state museum exhibit designs and objects, \$20,000,000 is for the
27 military gallery expansion project, \$350,000 is for an update to the inspiration gallery at the
28 North Dakota heritage center, \$3,570,000 is for Medora area planning, \$3,000,000 is for
29 improvements to historical structures and buildings, \$1,100,000 is for a historic theater
30 restoration grant, \$250,000 is for a historic opera house restoration grant, \$200,000 is for a
31 historic museum repairs grant, \$250,000 is for a historic movie theater improvement grant,

1 \$1,000,000 is for a Medora transportation improvement grant, \$100,000 is for a historic armory
2 restoration grant, and \$2,000,000 is for America's 250th celebration activities. The state
3 historical society may spend funds appropriated for the historic theater restoration grant
4 program only to the extent the organization has secured one dollar of matching funds from
5 nonstate sources for every two dollars provided by the state historical society.

6 **SECTION 7. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - MILITARY**
7 **GALLERY EXPANSION PROJECT.** The other funds line item in section 1 of this Act includes
8 the sum of \$20,000,000, which the state historical society may borrow through a line of credit
9 from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending
10 June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate
11 charged to North Dakota governmental entities. If the state historical society accesses the line
12 of credit, the state historical society shall request a deficiency appropriation from the seventieth
13 legislative assembly to repay the line of credit.

14 **SECTION 8. OTHER FUNDS - DONATIONS.** The other funds line item in section 1 of this
15 Act includes the sum of \$43,294,524 from other funds derived from donations, of which
16 \$38,744,524 is for the military gallery expansion project, \$4,200,000 is for the repayment of a
17 2023-25 biennium Bank of North Dakota line of credit for the military gallery expansion project,
18 and \$350,000 is for an update to the inspiration gallery at the North Dakota heritage center.

19 **SECTION 9. EXEMPTION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**
20 The amount of \$3,550,000 appropriated from the strategic investment and improvements fund
21 in section 1 of chapter 50 of the 2023 Session Laws, of which \$3,250,000 was for critical repairs
22 to historic site structures and \$300,000 was for creating new and repairing existing exhibits, is
23 not subject to section 54-44.1-11 and is available to the state historical society for each project
24 or program during the biennium beginning July 1, 2025, and ending June 30, 2027.

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 America's 250th celebration	500,000	(500,000)	
		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 America's 250th celebration		(\$500,000)				
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 ¹²	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	3,000,000	3,650,000	2,000,000	97,551,416
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	208,076
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	558,225	79,151	637,376
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	(749,528)	(85,169)	(834,697)
Total	(\$1,138,404)	(\$85,169)	(\$1,223,573)
Funding pool line item	874,658	59,618	934,276
Net savings	(\$263,746)	(\$25,551)	(\$289,297)

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

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
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:

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
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:

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
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:

	<u>SIIF</u>	<u>Bank of North Dakota Line of Credit</u>	<u>Donations</u>	<u>Total</u>
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:

	<u>Federal Funds</u>	<u>SIIF</u>	<u>Total</u>
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.