

Department 701 - State Historical Society
House Bill No. 1018

Executive Budget Comparison to Prior Biennium Appropriations

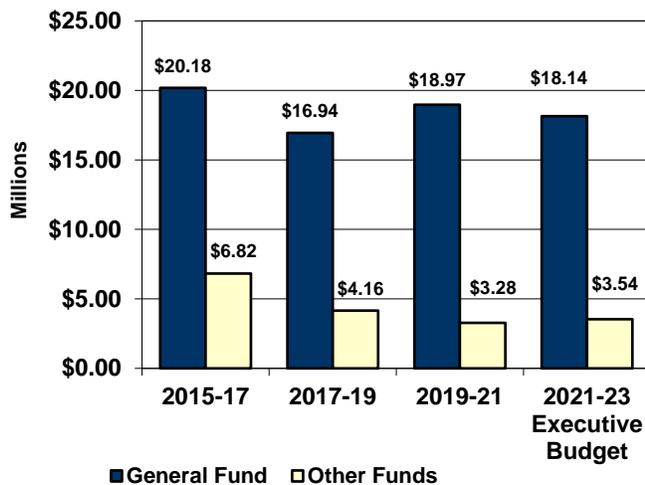
	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	78.75	\$18,143,330	\$3,535,511	\$21,678,841
2019-21 Legislative Appropriations ¹	75.00	18,965,691	3,279,252	22,244,943
Increase (Decrease)	3.75	(\$822,361)	\$256,259	(\$566,102)

¹The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal Coronavirus (COVID-19) funds authority of \$20,000 resulting from Emergency Commission action during the 2019-21 biennium.

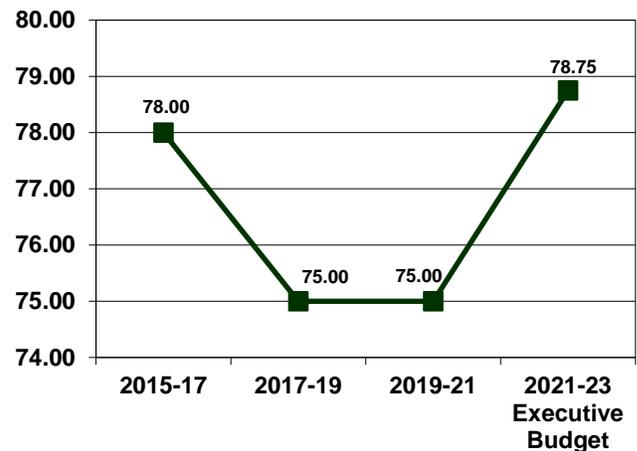
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$18,118,330	\$25,000	\$18,143,330
2019-21 Legislative Appropriations	17,368,691	1,597,000	18,965,691
Increase (Decrease)	\$749,639	(\$1,572,000)	(\$822,361)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$18,143,330	\$3,535,511	\$21,678,841
2021-23 Base Level	17,368,691	3,194,252	20,562,943
Increase (Decrease)	\$774,639	\$341,259	\$1,115,898

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$323,596 is for salary increases, \$3,747 is for health insurance increases, and \$66,559 is for retirement contribution increases	\$364,409	\$29,493	\$393,902
2. Transfers 3.75 FTE positions and the Lewis and Clark Interpretive Center operations from the Parks and Recreation Department to the State Historical Society	\$840,595	\$587,999	\$1,428,594
3. Reduces funding for temporary salaries to provide a total of \$1,363,226	(\$202,319)	\$0	(\$202,319)
4. Reduces federal funds spending authority for salaries and wages	\$0	(\$276,235)	(\$276,235)
5. Removes funding for cultural heritage grants	(\$500,000)	\$0	(\$500,000)

6. Adds funding for extraordinary repairs at historic sites	\$500,000	\$0	\$500,000
7. Reduces funding for operating expenses as part of the agency's general fund reduction	(\$411,096)	\$0	(\$411,096)
8. Increases funding for capital assets	\$25,473	\$0	\$25,473
9. Adds funding for Microsoft Office 365 license expenses	\$7,578	\$0	\$7,578
10. Adds ongoing funding for the State Archives Digital Repository (SADR) subscription expenses	\$125,000	\$0	\$125,000
11. Adds one-time funding for the SADR upgrade	\$25,000	\$0	\$25,000

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Appropriation - Revolving fund - Section 3 would appropriate 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.

Exemption - Conveyance of land and buildings - Lewis and Clark Interpretive Center - Section 5 transfers the Lewis and Clark Interpretive Center and surrounding real property from the Parks and Recreation Department to the State Historical Society and exempts the transfer from North Dakota Century Code Sections 54-01-05.2 and 54-01-05.5.

Estimated income - Department of Transportation - Section 6 would identify that \$100,000 of funding in the estimated income line item is from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2021-23 biennium.

Continuing Appropriations

Concession fund - 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

There is no deficiency appropriation for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1053 - Amends Section 11-11-53.1 relating to the donation of historical artifacts from a county historical society, giving the State Historical Society the option of accepting historical object or artifacts.

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

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	75.00	\$17,368,691	\$3,194,252	\$20,562,943
2021-23 Ongoing Funding Changes				
Base payroll changes		(\$1)	\$2	\$1
Salary increase		299,367	24,229	323,596
Health insurance increase		3,466	281	3,747
Retirement contribution increase		61,575	4,984	66,559
Transfers the Lewis and Clark Interpretive Center operations	3.75	840,595	587,999	1,428,594
Reduces funding for temporary salaries		(202,319)		(202,319)
Reduce salaries and wages federal funds spending authority			(276,235)	(276,235)
Increases funding for capital assets		25,473		25,473
Adds ongoing funding to upgrade the SADR		125,000		125,000
Reduces funding for operating expenses		(411,096)		(411,096)
Adds funding for extraordinary repairs at historic sites		500,000		500,000
Removes funding for cultural heritage grants		(500,000)		(500,000)
Adds funding for Microsoft Office 365 license expenses		7,578		7,578
Total ongoing funding changes	3.75	\$749,639	\$341,259	\$1,090,898
One-time funding items				
Adds one-time funding for the SADR upgrade		\$25,000		\$25,000
Total one-time funding changes	0.00	\$25,000	\$0	\$25,000
Total Changes to Base Level Funding	3.75	\$774,639	\$341,259	\$1,115,898
2021-23 Total Funding	78.75	\$18,143,330	\$3,535,511	\$21,678,841
<i>Total ongoing changes as a percentage of base level</i>	5.0%	4.3%	10.7%	5.3%
<i>Total changes as a percentage of base level</i>	5.0%	4.5%	10.7%	5.4%

Other Sections in State Historical Society - Budget No. 701

Appropriation - Revolving fund

Executive Budget Recommendation

Section 3 would appropriate 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.

Exemption - Conveyance of land and buildings - Lewis and Clark Interpretive Center

Section 5 transfers the Lewis and Clark Interpretive Center and surrounding real property from the Parks and Recreation Department to the State Historical Society and exempts the transfer from Sections 54-01-05.2 and 54-01-05.5.

Estimated income - Department of Transportation

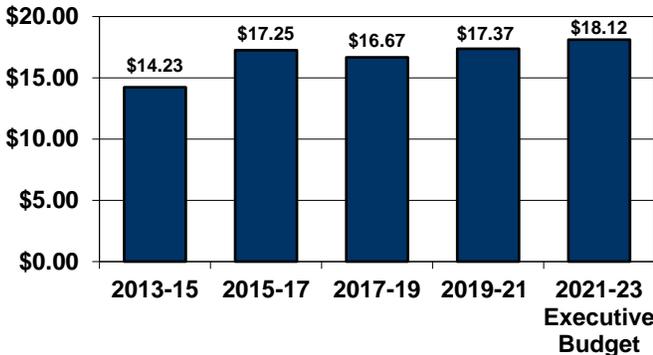
Section 6 would identify that \$100,000 of funding in the estimated income line item is from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2021-23 biennium.

Department 701 - State Historical Society

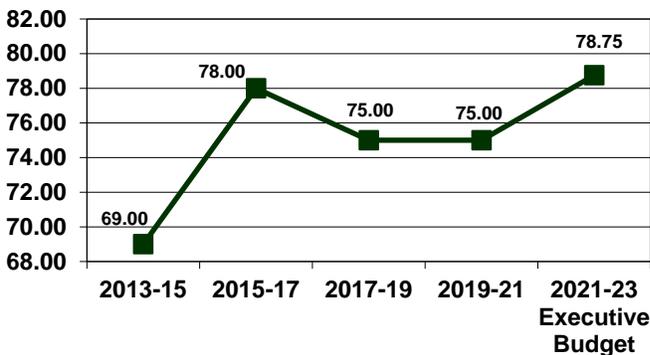
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$14,231,811	\$17,254,791	\$16,673,644	\$17,368,691	\$18,118,330
Increase (decrease) from previous biennium	N/A	\$3,022,980	(\$581,147)	\$695,047	\$749,639
Percentage increase (decrease) from previous biennium	N/A	21.2%	(3.4%)	4.2%	4.3%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	21.2%	17.2%	22.0%	27.3%

Major Increases (Decreases) in Ongoing General Fund Appropriations

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 fourth 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

- 1. Removed ongoing funding for extraordinary repairs (\$307,357)
- 2. Reduced funding for bond payments to provide \$1,144,542 (\$214,754)

3. Added funding for cultural heritage grants \$500,000

2021-23 Biennium (Executive Budget Recommendation)

1. Transfers 3.75 FTE positions and the Lewis and Clark Interpretive Center operations from the Parks and Recreation Department to the State Historical Society \$840,595

2. Reduces funding for temporary salaries to provide a total of \$1,363,226 (\$202,319)

3. Removes funding for cultural heritage grants (\$500,000)

4. Adds funding for extraordinary repairs at historic sites \$500,000

5. Reduces funding for operating expenses as part of the agency's general fund reduction (\$411,096)

6. Increases funding for capital assets \$25,473

7. Adds ongoing funding for SADR subscription expenses \$125,000

**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, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$14,295,816	\$ 944,443	\$15,240,259
Operating Expenses	3,941,585	145,982	4,087,567
Capital Assets	1,225,542	525,473	1,751,015
Grants	600,000	0	600,000
Cultural Heritage Grants	<u>500,000</u>	<u>(500,000)</u>	<u>0</u>
Total All Funds	\$20,562,943	\$1,115,898	\$21,678,841
Less Estimated Income	<u>3,194,252</u>	<u>341,259</u>	<u>3,535,511</u>
Total General Fund	\$17,368,691	\$ 774,639	\$18,143,330
Full-time Equivalent Positions	75.00	3.75	78.75

SECTION 2. ONE-TIME The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium.

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Historic Site and Extraordinary Repairs	\$1,000,000	\$ 0
Exhibits and Collections Care	372,000	0
Auditorium Chairs	<u>160,000</u>	<u>0</u>
Total All Funds	\$1,532,000	\$ 0
Less Estimated Income	<u>85,000</u>	<u>0</u>
Total General Fund	\$1,447,000	\$ 0

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, 2021 and ending June 30, 2023.

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, 2021 and ending June 30, 2023.

SECTION 5. CONVEYANCE OF LAND AND BUILDINGS – LEWIS AND CLARK INTERPRETIVE CENTER – EXEMPTION. The state of North Dakota, by and through the North Dakota parks and recreation department shall convey ownership of the Lewis and Clark interpretive center and surrounding real property to the state historical society. Sections 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 6. ESTIMATED INCOME - DEPARTMENT OF TRANSPORTATION GRANT. The estimated income line item in subdivision 3 of section 1 of this Act, includes \$100,000 of grant funding from the department of transportation for the purpose of defraying expenses for the Lewis and Clark interpretive center.