

2011 SENATE APPROPRIATIONS

SB 2018

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2018  
January 13, 2011  
12883

Conference Committee

Committee Clerk Signature 

## Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide an appropriation for defraying the expenses of the state historical society.

## Minutes:

See attached testimony #1 -3.

**Chairman Holmberg** called the committee hearing to order on SB 2018.  
Joe Morrissette – OMB and Becky J. Keller – Legislative Council .

**Merlan E. Paaverud, Jr., Director, State Historical Society of North Dakota**  
Testimony attached - # 1

He updated the committee on the latest news for the construction of the new North Dakota Heritage Center.

Reading from testimony #1 – **Mr. Paaverud** gave an overview of the agency and budget.

Had asked for 8 additional staff – 3 first year and 5 the second year as they will need that staff eventually because of their expansion and will do everything necessary to utilize temporary staff.

**Chairman Holmberg** commented that the Harvest Room had been remodeled and he was called on to assist in decorating the room and mentioned that they have two pictures of the Dalrymple farm. Were the pictures just sitting there or were there negatives that you blew up?

**Chris Johnson, Museum Division Director** replied that there was a request to refit the room with new images. They worked with the staff to come up with a pool of images that would be appropriate. The prints in the room are reprints with burlap looking background on them. The pool of images was created but the folks in the capital culled from that.

**Senator Krebsbach to Merle Paaverud:** On page one, you mentioned there was \$18,500 for 36 training scholarships. Was that training of staff or other? If so, where was this done?

**Merle Paaverud:** Those were others. We don't use any of this for staff. This goes to entities that are on the local level. They go to different workshops and conferences where they will gain some knowledge and information. So many are laymen and this may help retain them for that local history and help with their travel.

**Senator Krebsbach** asked about the WAPA restoration at White Stone Hill State Historic Site and where was it located to which Merle Paaverud replied that it was in Kulm. It was a stone structure that was partially burned down so we're putting back the original type of log roofing and the windows, etc.

**Senator Wanzek** said when we think of ND heritage, we think of Scandanavian or German. His name was Polish and wondered how he would have come to North Dakota. Was there Polish history in ND?

**Merle Paaverud:** North Dakota had a good promotional program through the railroads and land companies talking about the land of milk and honey. People would come into the great ports in NY and then decide where to go. Very often there would be little groups of people that would come in and settle in the same area.

**Senator Wanzek** said that he actually settled in Wells, MN in 1885 and came here following a Catholic priest who started a missionary.

**Ann Jenks, Director, State Historical Archives, State Historical Society:** With the Digital Horizons Project, we hired interns to go around the state and digitize collections at 10 different historical societies and museums around the state. One intern digitized several photographs from Walsh County and it documented a very large polish community.

**Chairman Holmberg** said anyone should look at the advertising that was out there to sell Dakota. There was no truth in advertising.

**Senator Bowman** asked about the 9 new FTEs. Once the facility is up, have they anticipated how to pay for these. Will they generate the money or will this be general fund money?

**Merle Paaverud** said the 8 people would be needed when the building was completed and it would be general fund and he listed their duties. Whatever money generated would pay for programs, temporary exhibits and temporary people. There will be three new exhibit halls and they want to do their best.

**Senator Bowman** expressed that it would be a beautiful facility, but that's part of the problem. First we need money to build it, then we need the money to staff it and it's his concern that this may be a Bismarck Economic Development project.

**Merle Paaverud** said he understood, but felt that it would be better to have permanent help.

**Dave Skalsky, Assistant Director, State Historical Society**  
Testimony attached - # 2. Testified in favor of SB 2018.

Presenting testimony regarding unexpended capital asset appropriations carried over to the 2009-11 biennium to update the Heritage Center expansion project.

**Chairman Holmberg** (to **Merle Paaverud** or **Chris Johnson**) asked about the industry standard to get the exhibits ready to display?

**Merle Paaverud** said that they can't go into the building until it's completed. Prior to that, they'll be working on the displays before they are put in.

**Chris Johnson** – One issue is we can't move into the space until the building is finished. We don't want to risk putting the objects out during construction and damaging them. The liability to the contractor is too great, as he's working on the building and they start moving in before the contractor has signed off. The main objects we have are simply irreplaceable. They prefer a phased approach so aligning space and knowing where to put the special mounts can only be done once the building is completed. They anticipate a series of months to do this because they only have a certain amount of staff qualified to do the displays.

**Senator Robinson:** Once the building is complete and all of the exhibits are in place, will there still be cold storage facility in south?

**Chris Johnson** said the storage facility at Fort Abraham Lincoln State Park will still be needed in the foreseeable future. We also have a facility on the east side of town – the old Shiloh Christian School. We had a number of automobiles and tractors stored out there and have moved most of them to the new facility at Shiloh. We need a place for the bigger pieces.

**David Skalsky** – (continuing )

**Senator Christmann** stated that with the \$51M expansion and looking at the economic slowdown, are they expecting some of the contracts to come in under or over budget?

**David Skalsky** - The bids were favorable and less than the architects had projected. This will allow them to do other things, for example, there will be geo-thermal to hold down future electrical costs and we may also be able to get compact shelving. During the project, it was identified that they may need a new campus generator. The cost could be up to \$600,000. The cost of putting in exhibits cost was underestimated so it will help them in that area. The bids were favorable and they will allow them to get some of the things they didn't think they'd be able to get.

**Senator Christmann** stated that rather going ahead and spending on things, had you considered turning the money back to fund some of the things you are requesting here.

**David Skalsky** stated it would probably be three years yet before they know where they are at financially.

**Merle Paaverud** – They had a whole list of things that were options and we didn't know if we could do, so they can now do all of those things. We were told to get it done and don't come back. We don't want to blow the money. The exhibits will be enhanced a bit and the foundation is raising part of the money.

**Chairman Holmberg** said the way the legislation was written – anything that was part of what they were planning to do, that money can be spent on the center because all of the exhibits were part of the quote project. If the bids had come in over- then they'd have to axe things off the list.

**Merle Paaverud** thanked the committee and said it's a dream come true.

**Virginia Nelson, executive Director, State Historical Society of North Dakota Foundation**

Testified in favor of SB 2018. Testimony attached - # 3.

She read from her testimony, thanked the committee and concluded.

**Neil Howe, Coordinator, ND Studies Project, State Historical Society**

Testified in favor of SB 2018. No written testimony.

This committee and the ND State Legislature first funded North Dakota studies in 2005, after a 30 year absence. They have been received extremely well by the schools of North Dakota. In 4<sup>th</sup> grade, they have distributed almost 92,000 copies of the 4<sup>th</sup> grade units. They have been able to do some things with the 8<sup>th</sup> grade curriculum, but it's at a critical point. We would like to have \$125,000 so we can do an adequate comprehensive 8<sup>th</sup> grade curriculum going forward. This would complement the 4<sup>th</sup> grade book and also the high school book that they did in collaboration with the State Historical Society after the 2007 session. Asked for committee support.

**Chairman Holmberg:** What was the spread for high school text? How many are out in the field?

**Neil Howe** said in the 2007 legislative session, they basically indicated that North Dakota history should be offered at the high school level. Not required, but offered which meant that schools had to make it available to the students every other year. As a result, many schools have opted to do that and we've sold between 4000 - 5000 texts.

**Senator Warner:** You speak of curriculum as opposed to a textbook. Are the words synonymous or is this a new media presentation.

**Neil Howe** said they recently did a survey of the elementary and middle school teachers and principals. We asked what would they like to see. Would they like to see a textbook or an online delivery? It wasn't a surprise, but they'd like to have both. Some has to be online, but again, some teachers are dependent on textbooks.

**Chairman Holmberg** closed the hearing on SB 2018.

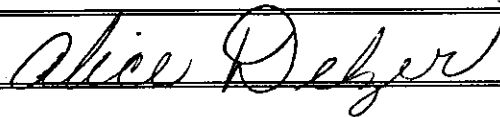
# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2018  
01-25-2011  
Job # 13373 (Meter 27.54-31.44)

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A DISCUSSION ON STATE HISTORICAL SOCIETY (Several bills were discussed on this Job: 2001, 2002, 2003, 2004, 2005, 2009, 2012, 2013, 2018, 2020)

## Minutes:

You may make reference to "attached testimony."

**Chairman Holmberg:** SB 2018, State Historical Society. What was the issue there? That was an FTE issue. They were phased in but that needs to be fleshed out.

**Senator Christmann:** On the subject of the Historical Society, it reminds me, and going back to OMB but we need to make sure that we continue to have a project manager in charge there.

**Chairman Holmberg:** They all seem to be in charge of that but the budget would be the Historical Society so Council is aware of that so whenever that bill is coming together there should be an amendment to continue the project management. They were all on board, it was just the way it was written two years ago.

**Senator Christmann:** The question that I have on that and I don't know if I should be bringing it up or if you want me to discuss this with the subcommittee or here at more length but it sounded to me like John thought there was a fair amount of savings to be realized on the actual construction of that building. And I'm wondering, first of all I don't know was there whether in the current scenario whether he has Keith as manager to influence their decisions but when we redo that do we want to give him authority to enforce those savings or do we allow the Historical Society to just whatever the building comes in the cheapest spend that much more on other things they want to do. And frankly, I am of the position that, the number is maybe \$4.some M that they felt they needed for the exhibits and the rest for the building and if the building comes in less, they should still spend their \$4.something on exhibits as planned and that should be some turn-back to use for other construction somewhere, if in fact these bids come in and they are able to build that project for less.

**Chairman Holmberg:** We need to take a look at what is the history of how that is done? If one overdoes that, I am not disagreeing with you, but if you overdo it and say, if you have money left over we're going to take it back from something that was that visible publically, what incentive is it for them to try to hold down their cost. They'll want to spend, if you want to

give them \$51M they'll spend \$51M if the view is that somehow they're going to turn it back to the legislature to the general fund. There is a lot of dynamics going on there.

**Senator Christmann:** To add another one, just to refresh everybody, Out of the 51, 12 of that they were suppose to raise, and I think they only raised about 7. It's going to be really disappointing if the building comes in for 5 less, they spend it on something else than we ever discussed and then end up still \$5M short because the fund raising hasn't been completed. We all know once that building is built the fund raising is going to get harder.

**Chairman Holmberg:** OK. The subcommittee has some information there.

**Discussion was closed on SB 2018. (Meter 27.54-31.44)**

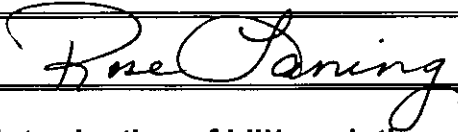
# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2018  
February 15, 2011  
Job # 14584(Meter starting at 4:15)

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A committee vote on SB 2018 – the State Historical Society with committee votes on the Lawrence Welk amendment and the eighth grade curriculum amendment.

## Minutes:

You may make reference to "attached testimony."

**Senator Erbele** said it was a good budget and had only two amendments to offer. The first one relates to the Lawrence Welk homestead for \$25,000 and making that part of the budget.

## Vote #1

**Senator Erbele** moved Do Pass on amendment 11.8139.01002 (Lawrence Welk)

**Senator Krebsbach** seconded.

A Roll Call vote was taken. Yea: 12 Nay: 0 Absent: 1

Amendment passed.

## Vote #2

**Senator Erbele** said this amendment is for the eighth grade curriculum about state histories. It's 30 years old and they're doing an update on it. It would take \$125,000 in this biennium and the biennium 2013-2015, they would need \$150,000 and then project would be complete.

**Senator Erbele** moved Do Pass on amendment 11.8139.01003 (eighth grade curriculum)

**Senator Krebsbach** seconded.

A Roll Call vote was taken. Yea: 8 Nay: 4 Absent: 1

Amendment passed.

**Senator Christmann** would like to see another amendment that would specify that the head of facility management and the office of management and budget is the project manager of the Heritage Center expansion project. As project manager, he or she has final decision making over approval or denial of spending both on the building and on the exhibits and the final payments for that project – whatever dollar amount they have not raised yet, that last dollar amount depends upon them raising the money.



**Chairman Holmberg** asked if that would be available tomorrow. Can you incorporate it and put all three in the same amendment?

**Senator Warner** asked for a point of clarification – If the bids came in lower, then they anticipated that they would be able to use some of the appropriated money for displays and optional adjustments that hadn't been in the original bid process, are we giving OMB veto power over those decisions within the appropriation?

**Senator Christmann** said he hopes so. If we approve a project to do something for X number of dollars, we want people who come in for projects to ask for enough money to finish it. We don't want to get these things 80% done. They're never going to come out exact. They should build what we've approved and we discussed last session what they wanted to build and what they wanted to do for exhibits. Whatever is left needs to come back, in my opinion.

**Senator Warner** said we have appropriated public money and then they're raising private money. Do they use the public money first and then the private money or do they have to come up with the entire package together and go forward? The private money certainly wouldn't be coming back if they don't spend it.

**Chairman Holmberg** said an amendment will be prepared and shared with the committee.

Wait for amendment.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2018  
February 21, 2011  
Job # 14766 (Meter starting at 29:12)

Conference Committee

Committee Clerk Signature

*Rose Tanning*

## Explanation or reason for introduction of bill/resolution:

A committee vote on SB 2018 the State Historical Society.

## Minutes:

You may make reference to "attached testimony."

### Becky J. Keller – Legislative Council

Chairman Holmberg stated the amendment 11.8139.01002 (Lawrence Welk) and 11.8139.01003 (Eighth grade curriculum) have already been acted on.

#### Vote 1

Senator Christmann moved Do Pass on amendment 11.8139.01004

Senator Bowman seconded.

A Roll Call vote was taken. Yea: 2 Nay: 11 Absent: 0

Motion failed.

Senator Krebsbach asked Merle Paaverud to explain the amendment.

#### Vote 2

Senator Warner Move to reconsider previous amendment and amend that original amendment – now to be known as the Warner Amendment.

Senator Wardner seconded.

A Roll Call vote was taken. Yea: 10 Nay: 3 Absent: 0

Chairman Holmberg said Becky will put it together.

#### Vote 3

Senator Krebsbach moved Do Pass as Amended on 2018

Senator Erbele seconded.

A Roll Call vote was taken. Yea: 11 Nay: 2 Absent: 0

Senator Erbele will carry the bill.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2018  
02-21-2011  
Job # 14779

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

State Historical Society Discussion

## Minutes:

You may make reference to "attached testimony."

**Chairman Holmberg** had opened the hearing on SB 2355, recovery of flared gas and captured gas exemption. Before he started the hearing on that bill he made reference to SB 2018. He stated that a letter from Merle Paaverud, Director of the State Historical society of ND was delivered to the committee regarding SB 2018, concerning the amount of money they have to raise regarding the Heritage Center. His letter states it is \$12M net it is not gross, but net. The committee was told that if they see him to thank him for correcting the record regarding this issue. Discussion was closed on SB 2018, regarding the State Historical Society. See attachment #1.

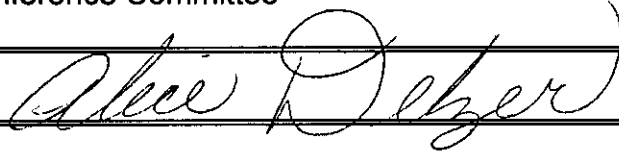
# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

2018  
03-31-11  
Job 16207

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Discussion regarding State Historical Society

## Minutes:

You may make reference to "attached testimony."

**Chairman Holmberg:** Discussion on the State Historical Society. Lori Laschkewitsch, OMB and Becky J. Keller, Legislative Council were also present. It was discussed whether to concur or not.

**Senator Erbele:** I wish I would have printed out the email from Mr. Paavarud, he indicated that the House had added back in the facility management person to oversee the project and then they also increased it by \$185,000 and I don't remember, but \$50,000; \$135 for some IT stuff and 50,000 for temporary salaries.

**Becky J. Keller** read through the amendments what the House did. She stated it is out on the website.

**Chairman Holmberg:** Do you want me to concur or not? We will go over it more and we know what it is so when it comes down we won't have to spend time on it.

**Senator Krebsbach:** The State Historical is agreeable to the amendments that were made by the House. They approved the down-sizing of the dollars and the other change.

**Chairman Holmberg:** By the rules we have to have all bills out of committee by Wednesday. There will be conference committees next week. Discussion closed on 2018.

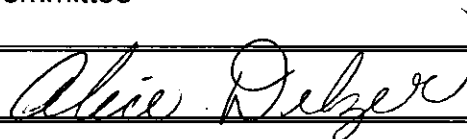
# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2001, 2004, 2005, 2009, 2018, 2014  
04-05-2011  
Job # 16331

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

**DISCUSSION ON SEVERAL BILLS, NO ACTION TAKEN; SENATE BILLS 2001, 2004, 2005, 2009, 2018, 2014.**

## Minutes:

You may make reference to "attached testimony."

**Chairman Holmberg** called the committee to order on Tuesday, April 5, 2011 in the Harvest Room. Roll call was taken.

**Chairman Holmberg:** Our meeting here was to take roll and tell you what we are doing on the 12<sup>th</sup> order today and then to brake out for ½ hour for subcommittee work and then we come back and we will I work on some of the 31 bills that we have left to handle in committee.

SB 2001 is the Governor's budget. The only change the House made is to make it clear that the \$21M plus change, that is a pass-through from the federal government is to be considered one time funding and not to be built into a base budget. I plan to concur on that budget.

SB 2004 is the State Auditor. This committee put in some requirements for a private audit of the process they use up there to do performance audits where there is some concern and complaining about. The House took that out. We will not concur. The Conference Committee will be Grindberg, Holmberg, Robinson.

SB 2005 was the State Treasurer. What they (the House) did there is we had not agreed to the Treasurer's request for more money, we did not put it in. The House put it in. We will not concur. Conference Committee will be Grindberg, Holmberg, Robinson.

SB 2009 is the Ag. Commissioner. The House made a bunch of changes. I won't go into them because I don't have them in front of me. Do Not Concur. The Conference Committee will be Christmann, Wanzek , O'Connell.

**SB 2018 DO CONCUR, The State Historical Society.** They (the House) made minor changes in that and the Historical Society is fine with the changes that they made so **we will concur on that and the carrier is Senator Erbele.**

SB 2014 on Protection and Advocacy. They (the House) took \$50,000, remember they had a pretty decent increase in funding this time, they took \$50,000 out of that budget. They didn't

tell the agency where to take the money from. They said reduce your general fund by \$50,000. And Senator Christmann isn't here right now, and I would like him to have been here for this. There he is. (Senator Christmann came into the meeting at that time).

**Senator Warner:** I would urge a do not concur.

**Senator Krebsbach:** I would recommend that we do not concur.

**Chairman Holmberg:** OK, we will do not concur. Let us do, he's very busy but, let's do Erbele, and do you want to be on that, Randy, you're pretty busy.

**Senator Christmann:** I can be on that one.

**Chairman Holmberg:** OK, Conference Committee will be Christmann, Erbele, and Warner. That's the end of that. We will come back at 9:40 a.m. The discussion was closed and committee dismissed.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2018

Page 1, replace line 14 with:

"Grants                    1,000,000    25,000            1,025,000"

Page 1, replace line 18 with:

"Total all funds        \$14,711,589    \$1,933,125    \$16,644,714"

Page 1, replace line 20 with:

"Total general fund    \$11,052,752    \$2,041,549    \$13,094,301"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$9,586,660		\$9,586,660
Operating expenses	2,688,326		2,688,326
Capital assets	2,835,736		2,835,736
Grants	1,000,000	25,000	1,025,000
Cultural heritage grants	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492		4,492
<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$25,000</b>	<b>\$16,644,714</b>
Less estimated income	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$25,000</b>	<b>\$13,094,301</b>
FTE	63.00	0.00	63.00

**Department No. 701 - State Historical Society - Detail of Senate Changes**

	Adds Funding for Grants <sup>1</sup>	Total Senate Changes
Salaries and wages		
Operating expenses		
Capital assets		
Grants	25,000	25,000
Cultural heritage grants		
Yellowstone-Missouri-Ft Union Commission		
<b>Total all funds</b>	<b>\$25,000</b>	<b>\$25,000</b>
Less estimated income	0	0
<b>General fund</b>	<b>\$25,000</b>	<b>\$25,000</b>
FTE	0.00	0.00

<sup>1</sup> This amendment adds funding to provide a grant to an organization for operating costs relating to the Lawrence Welk homestead.

Date: 2-15-11  
Roll Call Vote # 7

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2018

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number Amendment Lawrence, Welch!!-8139-01002

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Erbele Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	A		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:



PROPOSED AMENDMENTS TO SENATE BILL NO. 2018

Page 1, replace line 12 with:

"Operating expenses 2,284,210 529,116 2,813,326"

Page 1, replace line 18 with:

"Total all funds \$14,711,589 \$2,033,125 \$16,744,714"

Page 1, replace line 20 with:

"Total general fund \$11,052,752 \$2,141,549 \$13,194,301"

Page 2, after line 12, insert:

"North Dakota eighth grade curriculum 0 125,000"

Page 2, replace line 14 with:

"Total all funds \$53,806,500 \$1,051,110"

Page 2, replace line 16 with:

"Total general fund \$41,121,500 \$1,051,110"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - State Historical Society - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$9,586,660		\$9,586,660
Operating expenses	2,688,326	125,000	2,813,326
Capital assets	2,835,736		2,835,736
Grants	1,000,000		1,000,000
Cultural heritage grants	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492		4,492
<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$125,000</b>	<b>\$16,744,714</b>
Less estimated income	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$125,000</b>	<b>\$13,194,301</b>
FTE	63.00	0.00	63.00

Department No. 701 - State Historical Society - Detail of Senate Changes

	Increases Funding for Operating Expenses <sup>1</sup>	Total Senate Changes
Salaries and wages		
Operating expenses	125,000	125,000
Capital assets		
Grants		
Cultural heritage grants		
Yellowstone-Missouri-Ft Union		

Commission		
Total all funds	\$125,000	\$125,000
Less estimated income	0	0
General fund	\$125,000	\$125,000
FTE	0.00	0.00

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<sup>1</sup> This amendment increases operating expenses to provide one-time funding for research and development of a new North Dakota eighth grade school curriculum.

Date: 2-15-11  
 Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2018

Senate Appropriations Committee 8th grade curriculum  
 Check here for Conference Committee

Legislative Council Amendment Number Amendment #11-8139 01003  
*update*

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Erbele Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg		<input checked="" type="checkbox"/>	Senator Warner	<input checked="" type="checkbox"/>	
Senator Bowman	<input checked="" type="checkbox"/>		Senator O'Connell	<input checked="" type="checkbox"/>	
Senator Grindberg			Senator Robinson	<input checked="" type="checkbox"/>	
Senator Christmann		<input checked="" type="checkbox"/>			
Senator Wardner	<input checked="" type="checkbox"/>				
Senator Kilzer		<input checked="" type="checkbox"/>			
Senator Fischer	<input checked="" type="checkbox"/>				
Senator Krebsbach	<input checked="" type="checkbox"/>				
Senator Erbele	<input checked="" type="checkbox"/>				
Senator Wanzek		<input checked="" type="checkbox"/>			

Total (Yes) 8 No 4

Absent 1

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO SENATE BILL NO. 2018

Page 1, line 2, after "society" insert "; and to amend and reenact section 4 of chapter 28 of the 2009 Session Laws, relating to the project manager for the heritage center addition project"

Page 1, replace line 12 with:

"Operating expenses 2,284,210 529,116 2,813,326"

Page 1, replace line 14 with:

"Grants 1,000,000 25,000 1,025,000"

Page 1, replace line 18 with:

"Total all funds \$14,711,589 \$2,058,125 \$16,769,714"

Page 1, replace line 20 with:

"Total general fund \$11,052,752 \$2,166,549 \$13,219,301"

Page 2, after line 12, insert:

"North Dakota eighth grade curriculum 0 125,000"

Page 2, replace line 14 with:

"Total all funds \$53,806,500 \$1,051,110"

Page 2, replace line 16 with:

"Total general fund \$41,121,500 \$1,051,110"

Page 2, after line 29, insert:

**"SECTION 5. AMENDMENT.** Section 4 of chapter 28 of the 2009 Session Laws is amended and reenacted as follows:

**SECTION 4. PROJECT MANAGER - HERITAGE CENTER ADDITION PROJECT.** The director of the facility management division of the office of management and budget shall serve as the project construction manager for the heritage center addition project ~~for the biennium beginning July 1, 2009, and ending June 30, 2011~~ throughout its completion. All expenditures relating to project construction and exhibits must be reviewed for approval by the project construction manager. The \$12,000,000 appropriation from federal and special funds must be secured and spent before final project expenditures may be paid from the general fund. At the conclusion of the project, the office of management and budget shall cancel any unexpended general fund appropriations under section 1 of this Act."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$9,586,660		\$9,586,660
Operating expenses	2,688,326	125,000	2,813,326
Capital assets	2,835,736		2,835,736
Grants	1,000,000	25,000	1,025,000
Cultural heritage grants	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492		4,492
<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$150,000</b>	<b>\$16,769,714</b>
Less estimated income	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$150,000</b>	<b>\$13,219,301</b>
FTE	63.00	0.00	63.00

**Department No. 701 - State Historical Society - Detail of Senate Changes**

	Adds Funding for Grants <sup>1</sup>	Increases Funding for Operating Expenses <sup>2</sup>	Total Senate Changes
Salaries and wages			
Operating expenses		125,000	125,000
Capital assets			
Grants	25,000		25,000
Cultural heritage grants			
Yellowstone-Missouri-Ft Union Commission			
<b>Total all funds</b>	<b>\$25,000</b>	<b>\$125,000</b>	<b>\$150,000</b>
Less estimated income	0	0	0
<b>General fund</b>	<b>\$25,000</b>	<b>\$125,000</b>	<b>\$150,000</b>
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adds funding to provide a grant to an organization for operating costs relating to the Lawrence Welk homestead.

<sup>2</sup> This amendment increases operating expenses to provide one-time funding for research and development of a new North Dakota eighth grade school curriculum.

This amendment also amends Section 4 of Chapter 28 of the 2009 Session Laws to retain the director of the Facility Management Division of the Office of Management and Budget as project manager for the Heritage Center expansion project, to require the State Historical Society to expend the special and federal funds appropriated for the project prior to making final payments from the general fund, and to cancel any unspent general fund appropriations at the conclusion of the project.

Date: 2-21-11  
 Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2018

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 11-8139, 01004 (Christmann)

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Christmann Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg		✓	Senator Warner		✓
Senator Bowman	✓		Senator O'Connell		✓
Senator Grindberg		✓	Senator Robinson		✓
Senator Christmann	✓				
Senator Wardner		✓			
Senator Kilzer		✓			
Senator Fischer		✓			
Senator Krebsbach		✓			
Senator Erbele		✓			
Senator Wanzek		✓			

Total (Yes) 2 No 11

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*Failed*

Date: 2-21-11  
 Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2018

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number Warner Amendment

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Warner Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman		✓	Senator O'Connell		✓
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann		✓			
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 10 No 3

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO SENATE BILL NO. 2018

Page 1, line 2, after "society" insert "; and to amend and reenact section 4 of chapter 28 of the 2009 Session Laws, relating to the project manager for the heritage center addition project"

Page 1, replace line 12 with:

"Operating expenses 2,284,210 529,116 2,813,326"

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Page 2, after line 12, insert:

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Page 2, replace line 16 with:

"Total general fund \$41,121,500 \$1,051,110"

Page 2, after line 29, insert:

**"SECTION 5. AMENDMENT.** Section 4 of chapter 28 of the 2009 Session Laws is amended and reenacted as follows:

**SECTION 4. PROJECT MANAGER - HERITAGE CENTER ADDITION PROJECT.** The director of the facility management division of the office of management and budget shall serve as the project construction manager for the heritage center addition project ~~for the biennium beginning July 1, 2009, and ending June 30, 2011~~ throughout its completion. All expenditures relating to project construction and exhibits must be reviewed for approval by the project construction manager."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - Senate Action**



	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$9,586,660		\$9,586,660
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Capital assets	2,835,736		2,835,736
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Cultural heritage grants	504,500		504,500
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<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$150,000</b>	<b>\$16,769,714</b>
Less estimated income	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$150,000</b>	<b>\$13,219,301</b>
FTE	63.00	0.00	63.00

**Department No. 701 - State Historical Society - Detail of Senate Changes**

	Adds Funding for Grants <sup>1</sup>	Increases Funding for Operating Expenses <sup>2</sup>	Total Senate Changes
Salaries and wages			
Operating expenses		125,000	125,000
Capital assets			
Grants	25,000		25,000
Cultural heritage grants			
Yellowstone-Missouri-Ft Union Commission			
<b>Total all funds</b>	<b>\$25,000</b>	<b>\$125,000</b>	<b>\$150,000</b>
Less estimated income	0	0	0
<b>General fund</b>	<b>\$25,000</b>	<b>\$125,000</b>	<b>\$150,000</b>
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adds funding to provide a grant to an organization for operating costs relating to the Lawrence Welk homestead.

<sup>2</sup> This amendment increases operating expenses to provide one-time funding for research and development of a new North Dakota eighth grade school curriculum.

This amendment also amends Section 4 of Chapter 28 of the 2009 Session Laws to retain the director of the Facility Management Division of the Office of Management and Budget as project manager for the Heritage Center expansion project and requires the project manager's review and approval for all expenditures relating to project construction and exhibits.

Date: 2-21-11  
 Roll Call Vote # 3

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2018

Senate \_\_\_\_\_ Approp. \_\_\_\_\_ Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Krebsbach Seconded By Erbele

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman		✓	Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann		✓			
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 11 No 2

Absent 0

Floor Assignment \_\_\_\_\_ Erbele

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2018: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2018 was placed on the Sixth order on the calendar.

Page 1, line 2, after "society" insert "; and to amend and reenact section 4 of chapter 28 of the 2009 Session Laws, relating to the project manager for the heritage center addition project"

Page 1, replace line 12 with:

"Operating expenses      2,284,210      529,116      2,813,326"

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"Grants    1,000,000      25,000      1,025,000"

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Page 2, after line 12, insert:

"North Dakota eighth grade curriculum      0      125,000"

Page 2, replace line 14 with:

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Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$9,586,660		\$9,586,660
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Yellowstone-Missouri-Ft Union Commission	4,492		4,492
	\$16,819,714	\$150,000	\$16,769,714
Total all funds			
Less estimated income	3,550,413	0	3,550,413
	\$13,069,301	\$150,000	\$13,219,301
General fund			
	63.00	0.00	63.00
FTE			

**Department No. 701 - State Historical Society - Detail of Senate Changes**

	Adds Funding for Grants <sup>1</sup>	Increases Funding for Operating Expenses <sup>2</sup>	Total Senate Changes
Salaries and wages			
Operating expenses		125,000	125,000
Capital assets			
Grants	25,000		25,000
Cultural heritage grants			
Yellowstone-Missouri-Ft Union Commission			
	\$25,000	\$125,000	\$150,000
Total all funds			
Less estimated income	0	0	0
	\$25,000	\$125,000	\$150,000
General fund			
	0.00	0.00	0.00
FTE			

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<sup>1</sup> This amendment adds funding to provide a grant to an organization for operating costs relating to the Lawrence Welk homestead.

<sup>2</sup> This amendment increases operating expenses to provide one-time funding for research and development of a new North Dakota eighth grade school curriculum.

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This amendment also amends Section 4 of Chapter 28 of the 2009 Session Laws to retain the director of the Facility Management Division of the Office of Management and Budget as project manager for the Heritage Center expansion project and requires the project manager's review and approval for all expenditures relating to project construction and exhibits.

**2011 HOUSE APPROPRIATIONS**

**SB 2018**

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division  
Sakakawea Room, State Capitol

SB 2018  
3/4/11  
SB 14942

Conference Committee

Committee Clerk Signature

*Shirley Branning*

## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society.

## Minutes:

You may make reference to "attached testimony."

**Chairman Skarphol:** The Committee was called to order to hear SB 2018 and stating that members are present except Rep. Hawken who will be absent today and we will hear SB 2018, the Historical Society.

**Merl Paaverud, Director of the State Historical Society of North Dakota:** Opening with printed testimony, see Attachment # 1, which is basically statistical explaining that p. 4 is the continuing appropriations narrative.

**Chairman Skarphol:** Someone asked me who will be in charge of the construction of the New Heritage Center addition.

**Paaverud:** The agency is working with Facilities management, John Boyle.

**Chairman Skarphol:** Is John actually in charge?

**Paaverud:** He is working with us to oversee the project as manager. We have already signed agreements with contractors to go ahead. We are working on details right now to move ahead and get the projects started. It is going well and have visited with Pam Sharp to ensure that that relationship will continue for the project.

**Chairman Skarphol:** Remind me of the fund raising, you had to raise \$6M in order to trigger the funds to initiate construction. We gave you authority to raise an additional \$6M. What is the current status?

**Paaverud:** The Foundation, at this point has raised \$9.1M in pledges, and there are \$7.6M available in assurances over time and the Foundation has been working with several financial institutions to be sure they have the cash.

**Chairman Skarphol:** The \$7.6M was a discounted number. You had to have the assurance of that number before you could proceed. I am comfortable with that number. Have you bid the project?

**Paaverud:** Yes, Comstock Construction out of Fargo, Wahpeton has gotten the general contract, Central Mechanical out of Mandan, and Scott's Electric out of Wahpeton.

**Chairman Skarphol:** How did your overall bids come in comparison to what was authorized?

**Paaverud:** They had estimates that were higher. The bids came in lower for the base bid which allowed us to add the alternates that we needed. We hoped we would not have to come back for funding for things like compact storage and so forth. What we have is pretty much a turnkey project.

**Chairman Skarphol:** What does that translate into numbers?

**Paaverud:** Right around the \$40M for the building and \$12M that is being raised will be used for the soft costs and the exhibits

**Chairman Skarphol:** The actual bid came in lower. What are the specifics as far as numbers?

**David Skalsky, Assistant Director of the State Historical Society of North Dakota:** When the architects gave us the number for the project, they gave us a \$51.7M number for the whole project, including soft costs, exhibits and everything. They never really had a breakdown in the exhibits and in the next biennium when we did more planning, they looked at the building and came up with a figure of \$5.7M for exhibits and the rest was for soft costs and the building.

**Chairman Skarphol:** What you have available will cover all of the costs for the building, the mechanical and the electrical and what is left will be for the exhibits.

**Skalsky:** The exhibits and soft costs, furniture, fixtures, things like that. Soft costs are defined as everything that would fall out if the building were upside down, shaken.....

**Chairman Skarphol:** We will be asked about that.

**Rep. Monson:** Last summer I went through Fort Abercrombie and saw that the river is eating away at that park. You have something in your budget dealing with that.

**Paaverud:** That is in our budget. We are working with the Corps of Engineers on that project. We did have to move one of the block houses out of that area where the erosion is most severe but the Corps is working with us to stabilize that site.

**Fern Swenson, Director of the Archeology and Historic Preservation Division:** The Corps is preparing all of the documents so that we can proceed ahead with the stabilization of the bank. The request was based on the original estimate that was provided to us. We

hope the document or agreement will be submitted to us in the next few months for our signature.

**Chairman Skarphol:** In the Green Sheet p. 1 there is \$350,000 in general fund, \$650,000 other funds. Is that the Corps' contribution, that \$650,000?

**Swenson:** Yes, that is all federal funds. It goes through the Saint Paul District of the Corps of Engineers.

**Skalsky:** Two points to review referring to printed testimony, Attachment # 2, pp. 1-2, one is to meet a reporting requirement by North Dakota Century Code Chapter 54-44 to let both Appropriations Committees know what capital assets money that was carried over.

**Chairman Skarphol:** With regard to the Ronald Reagan Minuteman Missile Site, was that a specific appropriation for that purpose or did you have to take that out of your normal building maintenance and repair?

**Skalsky:** That was a special appropriation for that purpose. Continuing with testimony from Attachment # 2, pp 1-2

**Chairman Skarphol:** The 8<sup>th</sup> grade curriculum...

**Paaverud:** We have been working with the Center of Distance learning at NDSU on the North Dakota studies and our intent is to give students North Dakota history and our part in that is the 8<sup>th</sup> grade curriculum. We will be distributing books to the schools. Teachers have been very receptive to that because the 8<sup>th</sup> grade curriculum is outdated.

**Chairman Skarphol:** Is there a complimentary appropriation in the Centers for Distance Learning to do this?

**Paaverud:** They will put the curriculum online. We will distribute the book, they will distribute the information on line.

**Rep. Monson:** In previous years North Dakota history has been required in 4<sup>th</sup> and 8<sup>th</sup> grade and now in High School that we teach North Dakota history.

**Rep. Williams:** You are using the word book, in 8<sup>th</sup> grade they are using a book, are they not?

**Paaverud:** It is out of date.

**Rep. Williams:** Will it be a supplement?

**Paaverud:** It will be a new book, updated thoroughly. There was an update 10 years ago, this will be new.

**Rep. Williams:** Who is the editor of the book that you are using at the present time?



**Rick Collin, Division Director for Communication and Marketing and Education:** There is no real editor, Neal Howe, the North Dakota Studies coordinator is working on it.

**Chairman Skarphol:** A lot of one time funding things here, Dave said they were put in by the Senate.

**Paaverud:** Yes, by the Senate, except the amendments that were put in by.....

**Chairman Skarphol:** The \$150,000, I understand that. We realize that there are some dollars available this session but we may not always be that fortunate, there are substantial cost increases taking place that we have no control over. We are concerned about general fund appropriations off the top that seem to be generous.

All of the additional one time funding things that are on the green sheet, if we gave you half of it which half would you want?

**Paaverud:** The technology issue is something we really need to do. We are working with ITD for their services for business analysis, data base migration....

**Chairman Skarphol:** Develop a priority list and tell us which are number one .....

**Paaverud:** We have done that quite a bit already, staff issues are especially important with the expansion.

**Chairman Skarphol:** What is the completion date on the building?

**Paaverud:** December 2012 with the main building, exhibits and collections put in after the building would be done 2014, in time for North Dakota's 125<sup>th</sup> Anniversary.

We want to open the building right away and we will be putting in exhibits right away for the public. It will take two years until it is done.

**Rep. Monson:** #3 on the green sheet, extraordinary repairs, what are those?

**Swenson:** Within the historic sites program, we have close to 60 buildings. The historic buildings, especially at Fort Totten, are in need of paint, asbestos exists, some are still closed. Just general repairs that need to be done on a regular basis. To keep the maintenance on those buildings will save us money.

**Rep. Monson:** \$125,000 is regular maintenance, is there an other line item for the other work?

**Skalsky:** Our additional enhancement request was for \$250,000. We had a request but OMB moved \$75,000 out of our repair line and they moved it out to ITD. So with the \$125,000 in the line that is left in our base budget for extra ordinary repairs....Although there are enough needs, I would recommend that not be earmarked for specific sites but be available for all sites as determined necessary. That would be a total of \$306,000 with the \$125,000 in what is in there.

**Chairman Skarphol:** \$306,000 total?

**Rep. Monson:** On page 2, line 8 of the Engrossed Bill I see that you have repairs and small capital projects at \$475,000. Does that include now \$125,000 plus the \$350,000 for stabilizing that bank at Fort Abercrombie .....does that equal the \$475,000?

**Skalsky:** I would have to look, that would be for lawn mowers and equipment.

**Rep. Williams:** Referring to the green sheet, that One Time Funding, is that State wide, is that in one place...?

**Skalsky:** That is in three areas, at Fort Rice, the cannon cover there.

**Chairman Skarphol:** On the green sheet, are these numbers in addition, extraordinary repairs, are these in addition to what you are currently using, for example for updating historic sites? Do have money in your budget to do that and this would be in addition to?

**Skalsky:** That is not in addition, for exhibits. They may have some operating for paper, travel or light bulbs. That is our exhibit amount.

**Chairman Skarphol:** The \$175,000 for enhanced marketing, number 7. Is that a new appropriation for the same amount you had last time? Is this one time phases 1,2,3?

**Skalsky:** Yes, the \$75,000 for billboards and signage at the sites. Marketing would be good in our base budget.

**Rep. Monson:** Your engrossed bill, line 12, operating expenses, this would be your base level, that has been increased by \$529,000. Does that reflect what the Senate has added?

**Joe Morrisette, OMB Analyst:** It would be part of the Senate appropriation and those Senate changes are a part of that number but not necessarily be a part of their base budget going forward for the next biennium.

**Rep. Monson:** This is the grand total including one time and the old base.

**Joe Morrisette:** That is correct.

**Chairman Skarphol:** Give us a breakdown of the \$529,000.

**Joe Morrisette:** Those onetime items, even the \$75,000 for marketing. That was a part of their current appropriation, because it was designated as one time it is not part of that base budget column in Section 1 of the bill. All the items on the green sheet should be part of that \$529,000.

**Chairman Skarphol:** Give us a breakdown

**Joe Morrisette:** Continues with explanation of green sheet p 1, plus the items that the Senate added and delineating what would or would not be a part of the operating line to make up \$529,000.

**Rep. Monson:** If the bank stabilization is in the capital line assets. Is there another Capital line here? The enhancement is \$286,000 isn't enough to do the \$350,000.

**Chairman Skarphol:** I think it is listed in onetime.

**Rep. Monson:** That is what I was asking, all the onetime stuff added into the middle column on the engrossed bill. Everything on the green sheet should be reflected plus what the Senate did in the engrossed bill, correct?

**Brady Larson, Legislative Council Representative:** Section # 1 would be the total appropriation including any Senate changes. It would be ongoing in onetime funding and within each of the individual line items there might have been a reduction from the prior biennium that would account for any difference.

**Rep. Williams:** Taking into consideration, how much of a percentage increase is this over the last budget considering the Senate changes of \$150,000 and all the onetime funding, throwing out the building in the last biennium? How much of a percentage increase is this budget over the last biennium?

**Skalsky:** We will have to take a look at that.

**Chairman Skarphol:** We will get that from an historical perspective from last biennium without the building so we can compare it.

**Virginia Nelsen, Executive Director – Lobbyist # 272:** Opened her testimony with thanks for the funding and support. Continued with testimony, see Attachment # 3.

**Chairman Skarphol:** I wish I had had an opportunity to visit with Mr. Hamm before his contribution. I think he would have been willing to contribute another \$1.8M.

**Nelsen:** The contribution of \$2M from Hess Corporation is that Harold Hamm said to us, they need to contribute more than we did. To that point, the largest from Hess Corporation in North Dakota was \$40,000 and they stepped up with \$2M because they wanted to have a larger gift than Continental.

**Chairman Skarphol:** Names of potential contributors from North Dakota should be revealed who could be expected to take care of the rest of that \$12M.

**Nelsen:** We have some good candidates for large gifts. Fundraising has not a hard sell.

**Chairman Skarphol:** Hearing no further testimony for or against SB 2018, the meeting is adjourned.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division  
Sakakawea Room, State Capitol

SB 2018  
3/23/11  
15903

Conference Committee

Committee Clerk Signature

*Julia Geigle*

## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society

## Minutes:

**Chairman Skarphol:** Called the Committee to order to discuss SB 2018, the Historical Society to ask about the cost of Information Technology Department (ITD) in the business plan. There was a projection cost of \$145,000 for ITD to do an information technology analysis, which the committee question.

**Mike Ressler, Deputy Director/CIO of the Information Technology Department (Doran Eberle, ITD with Ressler to answer any questions):** provided committee with **attachment #1** (State Historical Society of ND, High Level Business Analysis). We took our management team about a year and a half ago and went over and met with Merlan and his division directors and they had voiced to us in a customer survey a number of technology errors that they were frustrated with. We discussed challenges in certain areas that they felt that they've had their hands tied with for many years. In some cases, we felt that technology didn't play a role in the fix and in other cases we did. Our advice was to put a plan in place and due to funding barriers, the plan will have to be prioritized. Merlan and his team put this 9 page document together (**attachment # 1**). Your question centers around the final recommendations (reference is made to **attachment # 1**, p. 8-9) the detailed business analysis and broke it down into four pieces. We believe that the Historical Society has a huge challenge there because at some point, they're going to have to archive all of that data and consider the solutions to do that. States across the board are all at different levels and we are little behind the average. We felt that it's important that ND come up with a game plan. We broke it down by the number of hours as we charge an hourly rate – 797 hours will go to first section on pg 8). If we had a business analyst available, we would offer that analyst up to go through and work through some of these documents. If we didn't, the cost estimate we gave them is sufficient so that they could hire an external person to do that. A business analyst has facilitation skills, technology skills, project management skills and they will sit down and help them develop a game plan to accomplish. The four bulleted points were discussed (1 – 4, pg 8 – 9, **attachment # 1**).

**Chairman Skarphol:** If we add up these hours and divide it into the \$145,000, that's the cost per hour for business analyst to do this?

**Ressler:** the rate that we used as \$110 per hour and we use that rate when we give cost estimates because in many cases, if we don't have the staff and we don't have a lot of business analysts at ITD, then we want to make sure that they have an estimate that would be sufficient to go outside and find an outside vendor. That is correct.

**Chairman Skarphol:** an outside vendor costs \$125?

**Ressler:** On average - \$89 per hour for 11-13 biennium. The cost estimate was put out at \$110 per hour.

**Rep. Monson:** On number 2, what is the number?

**Ressler:** the backlog was 167 hours.

**Chairman Skarphol:** have you done this type of business analysis for any other entity?

**Ressler:** Yes, we have. We have a program in place where we are trying to take some of systems analysts and migrate them over to become business analysts because we are seeing that's in huge demand. As agencies are starting to lose a lot of their technical staff, they really are missing that component of being able to solve a process and it isn't a simply technology fix. We need to hire someone who can understand if technology is a solution or if another avenue is needed to be pursued.

**Rep. Williams:** Agencies are starting to lose technical staff; why?

**Ressler:** Technology positions are hard to fill as entities started with an IT coordinator who fulfilled multiple functions and many of these positions have been turned into positions on the business side.

**Rep. Williams:** If you get a good career tech person, what do you pay an hour?

**Ressler:** for our upper level systems and business analysts, I don't have an hourly rate, but we spend between \$55,000-\$65,000 a month.

**Chairman Skarphol:** You say there's a trend in doing this. Who has done it and what is the success?

**Doran Eberle, Software Development Director:** Human Services is asking us to do it. We've done it for the DD Ferup system that was implemented in November. We have done one for the office of intergovernmental assistance.

**Chairman Skarphol:** Historical society has not been as aggressive in their technological needs. Is that part of the reason that it was felt that it was important to them? Is it a request that they made? Is it a recommendation that ITD is making because of the current status of the technology utilization there?

**Ressler:** It was ITDs recommendation after meeting with Merlan and his team. We felt they needed to get people who were familiar with this business to engage and do that analysis because we didn't really believe that was something the skill set to do. Many agencies do not need a full time person doing that because they are going to come in and out of projects like this so it makes sense that you would purchase that service externally.

**Rep. Dosch:** \$145,000 is the anticipated cost of the study. What are you anticipating an archive system to run?

**Ressler:** I don't have a number for you today. I believe that will be some of the benefits of doing the study is to determine which options do we have out there. In this case, we know that the storage of electronic data can be very expensive. Some of the analysis you do is you determine how often do you need access that data, so it's not just running out there, picking a solution and implementing it. It's about looking at which solutions are viable and picking the one that will most adequately meet the needs. We don't know what the ongoing operational cost will be at this point in time.

**Rep. Dosch:** There are businesses that specialize in archiving electronic format files. I am surprised that they couldn't come in and provide the service to the Heritage Center or whomever if these businesses could sell their system to them and the consulting would be free.

**Ressler:** that's a true statement. That would assume what they're selling you is the proper solution. I think we don't know what the proper solution yet. That's not to say that after the study's done and they determine that is the best solution, we would look at possibly using an outside vendor. Many times, however, when you bring a consultant in that is selling a product, they are going to try to get you to buy their product.

**Rep. Dosch:** If I am looking for new software at a hotel, I will look at several systems and talk to multiple vendors and make a decision based off that.

**Ressler:** We did analysis on how you would spend 797 hours. There were categories that we have to answer questions on: electronic records analysis, volume of storage analysis, integration across division, which storage media would you purchase. I don't know enough about this initiative to say that, that's probably the solution we're going to go down. I believe this is open minded to say perhaps there are other options.

**Chairman Skarphol:** Would you consider another alternative if we were to appropriate the money; such as approaching entities that are expert in this type of work and ask for a bid to do this type of analysis.

**Ressler:** Absolutely we would work with somebody, especially if we can get their expertise.

**Chairman Skarphol:** How do we configure this to encourage you to do that so that alternative approaches could be considered? What would the language be?

**Ressler:** I am not sure how the language would go. It is not our intent though to spend all of the money on studying if we can find someone to do it for \$89 an hour.

**Rep. Dosch:** Dickinson State University is going through the process of digitizing the records of Theodore Roosevelt and we are in the process of considering building them a Taj Mah Hall to place this in, as well - just a thought.

**Ressler:** We are actually assisting in that in that a lot of the data that's being scanned and imaged, we are storing that in our data center.

**Chairman Skarphol:** who is Dickinson State utilizing as a vendor to do the actual digitization?

**Ressler:** I don't know that and I should. Our office is involved, so I can get that answer for you.

**Merlan Paaverud:** We want to move forward with this and coordinate with other agencies so that we could get records in from different places. We went to ITD to discuss this and ITD recommended this.

**Chairman Skarphol:** In the analysis, was there consideration for the fact that there are other sites in the state that are the responsibility of the Historical Society?

**Ressler:** I don't know that.

**Chairman Skarphol:** I am proposing an amendment (see **attachment # 2**) that I am going to ask the committee to adopt. It has to do with your construction project to ensure that the state's interests are protected as well as yours. This is an effort to have Mr. Boyle to be part of the oversight of the construction, but not to run it. This puts pressure on you to do what we agreed to when we passed the \$39.7M last time. What are your thoughts?

**Paaverud:** Mr. Boyle is part of the project and we've been working with Office of Management and Budget to coordinate that.

**Chairman Skarphol:** Boyle will be the state onsite project manager, allowing him to verify and approve expenditures, for a checks and balances.

**Paaverud:** John has several people who are helping out with this such as a daily person, a person to review those specifications and the project work that's being done and then coming through John as well to us.

**Chairman Skarphol:** I'm sure that you were surprised at the bid as compared to what the architect's estimates were as well.

**Paaverud:** We were very happy. We had a good list of alternates that went along with that. Remembering last session, we were told don't come back for more on this project. Now, we could do those things that were on the alternates and give us a good project that could be done for that amount.

**Chairman Skarphol:** do you see anything wrong with the language, Dave or Marlo?

**Dave Skalsky, Assistant Director of the State Historical Society:** We've been looking at this as, when funding is available we'll proceed. Money isn't going to all come in at once. They've got some cash, but they were talking with banks, as well, to see if they can borrow. They will not be able to borrow if they have \$7M worth of pledges. Once we get into the building stuff, we'll be taking a look at what other funds are available to see how far we can go into the exhibits, soft costs, things like that. For example, we were looking at the exhibit contract and it's designed to do a design built and we would like to look at the design piece first and fund that with the option of doing the build piece. There are other things we need to do like the Hub of History Development, the Theatre Development, etc. My concern is, if we had to wait until all the money was in and available to authorize these contracts, I'm not sure if we could proceed. If we sign contracts, we know that money is there or will be there. With this, holding back 20% of the general funds, I don't know if we could sign contracts to keep moving forward.

**Chairman Skarphol:** Do you know how much cash you have raised? You said you have raised \$9.6M in discounted pledges.

**Marlo Sveen, Development Director for the State Historical Society of North Dakota Foundation:** We have raised about \$9.2M thus far, of which roughly \$7.6M is committed for the project. The rest is to cover expenses like putting on press conferences. We estimate that we're going to have to raise \$14-\$15M total to be able to commit \$12M to the foundation. With that, there will be extra to use to help produce productions for the theatre and help with the Hub of History and some of those ongoing things. \$7.6M left now. We have about \$2.5M in the bank by middle of March.

**Chairman Skarphol:** can you provide a breakdown of pledges, like how much is committed on timeframes?

**Sveen:** Basically they are all set up over time and all set up over 4-5 years back. Some of the bigger ones i.e. \$1M gifts, are being made over a period of five years with payments periodically (HESS Corporation, Touchstone Energies are examples). The smaller ones (\$10,000) is likely made up front.

**Chairman Skarphol:** Touchstone, have they made any payments yet?

**Sveen:** Yes, they've made about 1-2 if you look at the whole group. Great River Energy's part of it was to donate fly ash, so as soon as we start using it, that money will come right away up front. That's \$500,000 for the fly ash. Everybody has made payments and no one is behind with the exception of two smaller payments of \$10,000.

**Chairman Skarphol:** We can look at massaging the language, but I do believe there needs to be pressure kept on to continue raising the money, so that you have it as a tool to use also.



**Sveen:** The last part of this is very hard because I've told people about the commitment from the legislature that we have to raise the 6 until we can go forward and they are expecting to be able to do it over 4 years, so to say we need it now might not go over so well.

**Chairman Skarphol:** How long will it take to build the facility?

**Paaverud:** by January 2013 - two years. We have contracts that have been signed for construction and if we have to depend on what we have, we're going to have to cut back the project and go back and eliminate some of those alternates. We're going to have to postpone our exhibits which we are looking at putting an RFP out on that so we can get started on that and be ready. This will allow us to meet that schedule of having the complete building done in 2014 for the state's 125<sup>th</sup>. This is going to prolong it.

**Rep. Williams:** The main forte in '09 is that we have to have a state commitment before we can raise funds. You have the money and I was under the impression that we were building a building. Perhaps we should look at alternates. I would like to see when a bid comes in under that (inaudible word) came back to general funds.

**Paaverud:** We were told "don't come back". What we would eliminate, we would just have to do without. This is a great opportunity for us to do the complete project. The bidding is wonderful but some items are going up such as copper.

**Chairman Skarphol:** your building calls for \$30M. Because of the fact that it came in \$8M under, you added \$2M to soft costs. You added \$1M to contingency, \$400,000 for a generator, and even with those additions, you had \$3.5M left that you had not dedicated to anything. I'm willing to be flexible, so the 20% figure that's on line 4 from the bottom (**attachment # 2**), I'll move it to 10 and the 3<sup>rd</sup> line from the bottom, I'll change "at the conclusion of the project" to January 1, 2014 (that's a year after you have completed construction). If you have \$3.5M left, that's your exhibits. You have an extra \$2M.

**Paaverud:** That was bare bones exhibits. It would cover the 3 new exhibit halls, plus the existing one, but it would not take care of the Hub of History Development, the exhibits in the hallways, the Native American hall of fame, the art gallery – all of those things that are outside those exhibit areas. This is a great opportunity to finish it and do it all right. We also will use in our theatre for presentations there. We appreciate the legislature getting us to where we are.

**Chairman Skarphol:** I wish you the best of luck, but there is a lot of excess money from what was suggested to us originally.

**Paaverud:** We are just getting started on construction. It is all in front of us. We have a project manager that will help us with the challenges we face. We will not be squandering money. I think it's a tough way to do it – to take away money from a project when it's just getting started.

**Chairman Skarphol:** we're not taking anything away at this point in time and there will be a session in between now and then.

**Rep. Martinson:** It's difficult to disagree with you, but to use your analogy, if your grandpa gave you money for a Buick and the prices of a Rolls Royce dropped and you could afford a Rolls Royce now, what would you think if your grandpa told you, no and you're getting the Buick and I want the rest of the money back.

**Sveen:** even if you change that number to \$10M for us to raise and say that we have to raise it before we can start, it will delay things. We only have \$2.5M.

**Chairman Skarphol:** I'm not asking you to raise more money now. You can begin construction. That's not delaying anything.

**Sveen:** But my understanding is that we can't sign any contracts until it's all raised. They can't sign contracts for what they don't have money for, so that would delay everything, right?

**Chairman Skarphol:** you'd have \$3.2M less to spend unless you raised all the money.

**Sveen:** if I am reading this right, 20% of \$39M is roughly \$8M.

**Chairman Skarphol:** I said that I am willing to go down to 10% so you could spend all of the rest (90% of what we appropriated) as long as you have the match to go with it to some extent. It's a 90/10 match.

**Sveen:** We fully intend to raise our \$12M. We are committed to do \$12M for the project and believe we will do it. We've had a successful past 2 years and we have a number of great prospects out there.

**Chairman Skarphol:** if I took the last 5 lines off (**see attachment # 2**) and part of the 6<sup>th</sup>, you'd be happy (starting with "the \$12M")

**Sveen:** I would be happy speaking on behalf of the foundation.

**Paaverud:** That is what we are doing (the top part). We've met with Office of Management and Budget and have a good system set up. John has two others that are working with us.

**Chairman Skarphol:** To clarify, you have no issue with the top part?

**Paaverud:** I have no problem with that, yes. John is doing a great job. We've gone through this whole planning thing together. We want to protect that and go forward and get it done.

**Chairman Skarphol:** I am willing to take the last part off, here. I cannot guarantee that it will get put back on somewhere else. I would like to consider that part of the amendment that does put in statue that the state onsite project manager will be involved in this project. Thus (**attachment # 2**) this amendment would stay as is with the removal of the last few sentences, starting the "the \$12M"

**Rep. Martinson:** I move to accept the motion of amendment .03004

**Rep. Hawken:** Second

**Rep. Dosch:** You are concerned that they do in fact raise the \$12M. He compared the situation to the bleacher project in Minot where they committed to raising a certain amount of money and this did not happen. Thus, from a legislator standpoint we see where one thing is said and it is not upheld on the other end. That being said, you have made it clear and we won't see you back if you hold up your end of raising the money. I am comfortable with this amendment.

**Voice Vote: Motion carries and amendment .03004 adopted to SB 2018.**

**Chairman Skarphol:** we'll move back to the IT project issue.

**Rep. Dosch:** To pay someone \$145,000 to do something that they are already doing (Dickinson State), doesn't make sense. I could see perhaps putting in \$25-50,000, but if they can't learn what we are doing at Dickinson State and see how that fits here or find a couple of different vendors that they can't bring in here, I would be more than happy to show them what they can do and how they can do it.

**Chairman Skarphol:** Mr. Paaverud, do you have any comments on this?

**Paaverud:** We want to move forward on that area. It's important for us to manage our records. We would be happy to see it if there was another way, but we went with ITD because it's state system and we want to do what's right.

**Chairman Skarphol:** There is more than just digitizing the records, but if we change the number, it's always open to discussion in the future. Mary Laidlaw can come to us if she feels there is something that needs to be said.

**Rep. Dosch:** I move to reduce dollar amount to \$50,000.

**Chairman Skarphol:** The motion dies for lack of a second. We will get more information. Any other concerns from the committee?

**Rep. Dosch:** I'd like to look at the green sheet, item # 10 (**attachment # 3**), the request for \$174,000 for increase in seasonal temp salaries – I make a motion that \$174,000 be changed to \$125,000. The \$174,000 provides for an average pay of \$10.50, however in Bismarck, McDonalds is paying \$9 for help, for instance and the private sector is trying to compete with the wages of the govt. **I move to reduce to \$125,000** increase over what they previously had.

**Rep. Monson: Second.** Would this include benefits?

**David Skalsky, Assistant Director of State Historical Society:** No, they would not get benefits, except for Social Security.

**Chairman Skarphol:** where would you envision most of these people being?

**Skalsky:** 95% would go out to the historic sites (Williston, Dickinson, Medora, Cooperstown, Fort Abercombie, Pembina (state museum)). We only have one person who works in our temp area that works in the office, on the website.

**Rep. Hawken:** In past years, what has the summer salary been?

**Skalsky:** \$8.50 per hour. The transition to \$10.50 per hour won't be made in full until 2013 (end of the biennium).

**Chairman Skarphol:** what do you have for temps in the current budget?

**Skalsky:** it's about \$440,000 for the biennium. I'd have to double check on that.

**Rep. Dosch:** Refresh us on #7 on the green sheets (**attachment # 3**), onetime funding for enhanced marketing.

**Skalsky:** for the past 3 biennia, we've received \$75,000 and most of that is spent on billboards throughout the state. We have the state heritage center here and no one even knows it's here. We'd like to continue that. We looked at asking for that in our base budget. However, considering our other priorities, we requested it as onetime funding.

**Chairman Skarphol:** confirmed that they've had \$75,000 in the past and that this won't add to the \$75,000.

**Skalsky:** Our base budget was reduced by \$75,000 because it was onetime funding and it was added back to continue that.

**Rep. Monson:** Some of this went for green signs (permanent signs) on the highway. With billboards, there will be a monthly fee, but some of these signs, wouldn't need a replacement. Are there still some sites that have no signs like that?

**Skalsky:** we could do more advertising out at some of our sites. The green and brown signs are often limited by the highway dept, what you can put on, what your visitation is. We do use some of our other budget money to help with these signs and we also do other stuff like radio advertising. I can get you the amount we use for the billboards.

**Joe Morrissette, OMB Analyst:** In going back to the previous question, the current appropriation has \$930,000 in temp salaries and the recommendation has \$1.1M for temporaries so the difference is \$174,000.

**Voice Vote** on Rep. Dosch's motion to move temps down to \$125,000 increase: **Motion carries**

**Rep. Hawken:** I move for a do pass as amended

**Rep. Monson:** Second

**Chairman Skarphol:** discussion?

**Rep. Dosch:** there is a \$25,000 grant for Lawrence Welk home. What are the Historical Society's obligations with that? I thought it was a private foundation.

**Paaverud:** This was added in by the Senate to get funding to that entity which is run by a foundation so that they can have some time to proceed and do a plan and conceivably this could come back to the state to be offered as a site. We recognize it as a historic site, but do not support it financially. They are running out of gas and have been asking several legislators for help.

**Rep. Dosch:** Hope that we think twice before taking on some of the stuff like this because of the ongoing cost. This might be that gift that keeps on costing. Foundation has a large amount of money and did well with investments in California and if they aren't willing to maintain his birth house, I'm not so sure if we should either.

**Paaverud:** We will do a study and in two years have a plan to see what it's going to take for upkeep. My understanding is the family's backed off and they're not getting the donations that they use to. It is a historic place in ND, so we want to proceed as we were asked to do.

**Rep. Williams:** You are not wild about that \$25,000?

**Paaverud:** It was not in our original request, but we're asked to do that and we have that interest in history so we'll take a look and see what we can find out.

**Chairman Skarphol:** It does add to the \$1M that you do have in the grant line in your budget so obviously you do give grants to other entities. What types of other entities do you grant to?

**Skalsky:** there are two grant line items. One is the federal grant money (where the \$1M is) and the other is the culture heritage grant (state money that goes out to the different agencies).

**Paaverud:** HPF money is money that we get from the federal govt to run our historic preservation program. This provides information for contractors. We have files and GIS locations for projects (all the federal money that comes into the state for projects, everything from a grain bin to a wind tower). We look at it for cultural resources and then pass that through the grant money. Cultural Heritage grant money is provided by the legislature for grants to our affiliates throughout the state as well as communities for taking care of their museums, putting together exhibits, putting together archives, having historical celebrations, etc. If there is a museum in Osnabrok that wants a little money they have to put in a grant and it's a 1 to 1 match and that can be in kind, material or cash.

**Rep. Williams:** you've been asked to help on this Lawrence Welk deal. Have you been asked to help with the Bonanza Farm at Wahpeton?

**Paaverud:** Yes, we have. We've given them several grants and the most recent was to put a new basement underneath the existing bunk house. Rep. Wall was instrumental in writing that grant.

**Chairman Skarphol:** How many grants do you put out in a year?

**Paaverud:** This year we had 60 grants that we put out (varying sizes with \$500 minimum and on up to a capital project which could be \$20,000). We do provide money for museum assistance program where we will have a museum professional go out to a local museum that is having problems and work with their board and staff and try to identify problems, issues and remedy those. We also give out funds for people who are in the local historical societies to go to training for archives, museums, etc.

**Chairman Skarphol:** due to no further discussion, we will call a role on a do pass as amended.

**Motion Carried** with 6 yes, 0 no, and 0 absent with Rep. Hawken assigned as the carrier of the bill to full committee.

**Meeting Adjourned**

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee  
Roughrider Room, State Capitol

SB 2018  
3/29/11  
16124

Conference Committee

Committee Clerk Signature *Meredith Trachott*

## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society.

## Minutes:

You may make reference to "attached testimony."

**Chairman Delzer:** We have SB 2018, which is the state historical society.

**Representative Williams:** You may recall HB 1481 from last session funded the expansion of the Heritage Center. In that bill, we included \$39,700,000 to match donations of \$12 million. Part of the rationale for funding it last time was the historical society wanted to convince people that the state had a vested interest in this building. Consequently, we started out with \$51,700,000; we had a \$629,000 carryover from the previous session; we ended up with \$52,329,000 for the Heritage Center expansion. That should be completed in December 2012. At this point, in the interim period, we have \$2 million in a construction account; they have added \$1.5 million into that account. We have added \$2 million into the exhibits, and \$400,000 for a generator. That leads me to the amendment, .03005. It does two things: it adds accountability and supervision. We were concerned that the intent of the \$12 million would not be raised, so we have assurance in there that it will be raised. We also have supervision from the Office of Management and Budget (OMB) facilities division. With that, I move the amendment.

**Representative Skarphol:** Second.

**Chairman Delzer:** We have a motion to amend engrossed SB 2018 with .03005. Discussion.

**Representative Kaldor:** How did the reduction in temporary salaries come about?

**Representative Williams:** If you look at the green sheet, page 2, there's \$174,000 for seasonal temporary employee salaries. This amends it down by \$49,000.

**Chairman Delzer:** Is that because you don't expect them to be hired as quickly as they originally thought, or is it just removing some of the numbers?

**Representative Williams:** There were more employees than we felt were necessary, and the wage was \$10.50 per hour, which seemed a little excessive.

**Representative Skarphol:** These temporary employees will be at the offsite historical society locations, they anticipate only one of them to be associated with the facility on the campus here at any point during the biennium. The intent of the temporary employees is to provide summer staff at the offsite historical society facilities.

**Chairman Delzer:** That was just additional dollars, there are other dollars for the seasonal employees, correct?

**Joe Morrissette, OMB:** That is correct. The \$49,000 reduction reduces the \$174,000 recommended increase. It is still an increase over the current base.

**Chairman Delzer:** What is the current base?

**Morrissette:** It's around \$900,000 total for all historic sites.

**Chairman Delzer:** Further discussion on the motion to amend? If not, we'll do a voice vote. Motion carries.

**Representative Dosch:** I would like to bring .03006 forward. It deals specifically with # 1 on the green sheet, one time funding for IT business analysis. Our IT department wants \$145,000 to study what the historical society will need to preserve their historic records and make them accessible to the public. This is only to determine their hardware and software needs. The amendment reduces the amount to \$10,000. Currently, Dickinson State University (DSU) is in the process of digitizing the Theodore Roosevelt historic documents. They have a procedure in place, they know how to do it. So we already have the knowledge within the state to do this. If you google historic document preservation, there are hundreds of websites available. There are also various vendors more than happy to come to the state and advise us how to digitize the records. Why we would spend this money just to study what they would need seems to me a waste of taxpayer money. The amendment reduces it down to \$10,000, which should be more than adequate for the historical society to visit with DSU or other states' historical societies to find out some best practices. I move the amendment.

**Representative Bellew:** Second.

**Chairman Delzer:** We have a motion to further amend 2018 with .03006. Discussion?

**Representative Kaldor:** There might be a difference between an analysis on how to digitize historical archives and doing an IT business analysis. Did you discuss this with the historical society? If \$145,000 is needed, why not eliminate the whole amount, instead of leaving in just \$10,000?

**Representative Williams:** According to the state historical society's testimony, it's a high level business analysis. Per that, the estimated cost of developing a plan for data collection of all types for that place would be \$111,909, and based on the size of the



current website, there would be ongoing monthly costs of \$420. If you multiply that out, you'll see where they come up with \$145,000. This is the statement that was made, and the historical society bought into it. Very few agencies have the expertise to develop and sometimes run a program, that's why we have IT. Consequently, this is what we went with as a committee, and we did vote on this in committee, and this committee will have to decide which way to go.

**Representative Dosch:** As was just pointed out, this is to provide a study to determine what would be needed. Did anyone in IT make a call to DSU and ask if what they are doing could be done at the Heritage Center? The answer is no. That's a problem with government, that's a problem with IT, we have bureaucracies, and we waste taxpayer money.

**Chairman Delzer:** If we pass this, I would guess it would go to conference and we could have further discussion on it. I'm not sure I agree with \$145,000 for planning; I know we have some others with some questionable planning in them.

**Representative Skarphol:** I think the committee needs a little better understanding of what all is involved. This isn't to simply do what DSU is doing, to digitize some records. That's part of it. The historical society is run by some very nice people, but they're not technologically current. They've got a long ways to go. There are a lot of opportunities for the citizens of ND to benefit from what's there, if it is available in a format that we can retrieve. I think there are things that should be done differently, this might not be the right amount of money, but in the analysis that IT did, they suggested it was going to take 1322 hours to do this analysis of all the intricacies of this particular agency, our historical information. Whether that's high or low, I don't know. I tried to suggest putting something in that could be approved by budget section after a bidding process had taken place, so ITD had to bid on the project along with the vendors that were referenced. We could put a number in that's probably sufficient to cover a bid, and if the bids are all too high, we don't do it this biennium. But to simply put \$10,000 in and say you can do it, when the estimate is \$145,000, seems a little bit low. There's more to it than simply digitizing.

**Chairman Delzer:** The 1300 hours you referenced, was that from historical society or from ITD?

**Representative Skarphol:** A lady from ITD gave us her analysis of what she thought would be required to adequately evaluate the historical society as to their needs. There's been some effort put into making this estimate.

**Chairman Delzer:** You served with the information technology committee. With the amount of money we pass through ITD, shouldn't there be some personnel to do some planning for some of these other agencies without always having to put money on top of what money is already there in ITD?

**Representative Skarphol:** ITD has been developed as a fee for service entity within state government. They charge for their service to any state agency who contracts with them. In that capacity, they are required under federal guidelines to be configured in a fashion that doesn't allow them to make a profit, they can only recover their costs. They have to comply

with some very stringent federal guidelines as to what they do. We do appropriate some general fund dollars, but they primarily fund special project type things, like GIS. We do not appropriate money for salaries in that budget, other than for the director, assistant director, and top administrative staff. All of the project managers, analysts, etc., are fee for service.

**Chairman Delzer:** So if they don't have any work to do, they're supposed to be laid off?

**Representative Skarphol:** That's correct, however, they have a backlog that probably exceeds 8-10 months worth of asked-for work. Some agencies don't want to wait and go through outside contractors, but it costs them more.

**Representative Monson:** ITD came in with an \$89 per hour rate. I believe it would be about \$110 per hour for an external vendor. One other comment, regarding outside vendors: we have been burned on some of these IT projects, on vendors that come in and say, we can do this for you and let us sell you our off the shelf software, and in the end it didn't work and the money is wasted. I'm not saying \$145,000 or \$10,000 is right, but if we wanted to come in with something in between, it'll go to conference, no matter what.

**Chairman Delzer:** Further discussion on the motion to amend? Voice vote uncertain, we'll call the roll. Motion carries 10-9-2. We have the further amended bill before us. Any further amendments?

**Representative Williams:** I move Do Pass as Amended on 2018.

**Representative Skarphol:** Second.

**Chairman Delzer:** We have a Do Pass as Amended. The Senate added \$25,000 for the Lawrence Welk home. Was there discussion about that? I wonder if the grant program in the department of commerce budget might fit this need.

**Representative Williams:** We did not discuss an alternative. It came over from the Senate with \$25,000 for the Welk supervision, and \$125,000 for the eighth grade curriculum; we discussed them, but made no changes.

**Chairman Delzer:** The eighth grade curriculum is updating the books?

**Representative Williams:** Correct, developing the curriculum. It's very outdated.

**Chairman Delzer:** What does the \$25,000 do for Lawrence Welk?

**Representative Williams:** It is the supervision of the grounds and building.

**Chairman Delzer:** Is somebody there watching it?

**Representative Brandenburg:** There is a home in Strasburg along Highway 83. There are people who work that site and they are looking for some help to keep that going. There are a number of tourists that go through there. This is something I think is important to ND.

**Chairman Delzer:** I know commerce has had \$25,000 grants that they put out there. Has there been an application for that?

**Representative Brandenburg:** I can't answer that. I know there's been an interest from the area to keep this going, take it to the next level, and that's how it ended up in this budget. Whether this is the right place or not, but it still needs something to fund it.

**Chairman Delzer:** Personally, I would prefer it is not in there, but that's up to the committee.

**Representative Skarphol:** I don't necessarily disagree, but my feelings are at this time on this budget, I'm willing to leave it in.

**Chairman Delzer:** Did you ask the historical society, do they have any kind of grant program for something like this?

**Representative Skarphol:** Most of their grants go to their offsite facilities.

**Representative Thoreson:** Looking at item 8 on the green sheet, \$50,000 for the ND 125<sup>th</sup> anniversary celebration. Our government operation section has had discussion on this because there is also an additional \$50,000 in the OMB bill dealing with this. It sounds like in the next biennium they plan to ask for an additional \$550,000 for the anniversary. The person in OMB is a coordinator position, but I'm not certain what this \$50,000 is for.

**Chairman Delzer:** Is that the only funding for the coordinator, or is this \$50,000 also for that position?

**Representative Skarphol:** This was merely for the historical society to have some monies available to begin the process of planning for the anniversary.

**Representative Thoreson:** I'm just looking at the notes we had on OMB, and it did say there was going to be \$100,000 between OMB and Heritage for Planning. An estimate for 2013-2015 is that they will request approximately \$555,000; \$250,000 of which will be for community celebration grants, and \$200,000 for special projects and events. This is the first time we'll see this, but it won't be the last.

**Chairman Delzer:** Has your section dealt with the \$50,000 in OMB?

**Representative Thoreson:** We have had discussion but no amendments.

**Representative Williams:** As far as my recollection, this came over from the Senate and we were not aware of the points Representative Thoreson just made.

**Chairman Delzer:** Further discussion on the Do Pass as Amended motion? Seeing none, we'll call the roll. Motion carries 18-1-2. Representative Williams will carry the bill.

**Representative Skarphol:** Just an update on the heritage building expansion, they have \$52,329,000 to work with. Their original architect's estimate was \$38 million for the

construction; the bid came in at \$31,073,151, or approximately \$7 million under the estimate. Because of that availability of funds, which they do not have to turn back, they added \$1.5 million to their contingency fund. They had \$2 million in there already, now it's \$3.5 million. There was already contingency money in each category within the bid. This is contingency money on top of contingency money. They added \$2 million to the exhibits or soft costs that are going to be completed once the building is up, that's the furniture and equipment and putting everything in. They added \$400,000 for a generator. Their total right now, as it stands, is \$49,244, which leaves them a little over \$3 million that will be undesignated. I bring this to your attention not because I think we need to do anything here, but for future reference and future planning, I think we need to be more diligent on capital projects anywhere in government, that if the bid comes in under anticipated amounts, there should be some obligation to return the general funds to the general fund.

11.8139.03004  
Title.

Prepared by the Legislative Council staff for  
Representative Skarphol  
March 22, 2011

*SB 2018  
Heritage Society  
5/23/11  
attachment # 2*

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2018

Page 2, after line 30, insert:

**"SECTION 5. STATE ONSITE PROJECT MANAGER - HERITAGE CENTER ADDITION PROJECT.** Notwithstanding section 55-01-02.1 of the North Dakota Century Code, the director of the facility management division of the office of management and budget shall serve as the state onsite project manager for the heritage center addition project until completion of the project. The state onsite project manager has authority to verify and approve all expenditures relating to the project and related exhibits. The \$12,000,000 appropriation from federal and special funds approved by the sixty-first legislative assembly for the project must be secured and used for project expenditures before the final twenty percent of expenditures may be paid from the general fund. At the conclusion of the project, the office of management and budget shall cancel any unexpended general fund appropriations provided under section 1 of chapter 28 of the 2009 Session Laws."

Renumber accordingly

Date: 3/23/11  
Roll Call Vote #: 1

**2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2018**

House Appropriations – Education and Environment Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.8139.03004 with changes

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Martinson Seconded By Rep. Hawken

Representatives	Yes	No	Representatives	Yes	No
Chairman Bob Skarphol			Clark Williams		
Vice Chair Hawken					
Mark Dosch					
Rep. Martinson:					
David Monson					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Voice vote carried motion to adopt amendment with changes – amendment states that director of the facility management division of Office of Management and Budget shall serve as the state onsite project manager for the heritage center addition project until completion of the projects and he/she has authority to verify and approve all expenditures relating to the project and related exhibits. On 11.8139.03004, the last six lines will be removed, starting with “The \$12,000,000 appropriation...”

**2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2018**

House Appropriations – Education and Environment Committee

Check here for Conference Committee

Legislative Council Amendment Number Voice amendment

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Bob Skarphol			Clark Williams		
Vice Chair Hawken					
Mark Dosch					
Rep. Martinson:					
David Monson					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Voice vote carried motion to adopt voice amendment – amendment states the \$174,000 increase for temporary salaries will be reduced to \$125,000

Date: 3/23/11  
Roll Call Vote #: 3

**2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2018**

House Appropriations – Education and Environment Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Hawken Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Bob Skarphol	X		Clark Williams	X	
Vice Chair Hawken	X				
Mark Dosch	X				
Rep. Martinson:	X				
David Monson	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Hawken to full appropriations committee

If the vote is on an amendment, briefly indicate intent:



March 23, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2018

Page 1, replace line 11 with:

"Salaries and wages \$8,368,675 \$1,168,985 \$9,537,660"

Page 1, replace line 18 with:

"Total all funds \$14,711,589 \$2,009,125 \$16,720,714"

Page 1, replace line 20 with:

"Total general fund \$11,052,752 \$2,117,549 \$13,170,301"

Page 2, after line 30, insert:

**"SECTION 5. STATE ONSITE PROJECT MANAGER - HERITAGE CENTER ADDITION PROJECT.** Notwithstanding section 55-01-02.1, the director of the facility management division of the office of management and budget shall serve as the state onsite project manager for the heritage center addition project until completion of the project. The state onsite project manager has authority to verify and approve all expenditures relating to the project and related exhibits."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$9,586,660	\$9,586,660	(\$49,000)	\$9,537,660
Operating expenses	2,688,326	2,813,326		2,813,326
Capital assets	2,835,736	2,835,736		2,835,736
Grants	1,000,000	1,025,000		1,025,000
Cultural heritage grants	504,500	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492	4,492		4,492
<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$16,769,714</b>	<b>(\$49,000)</b>	<b>\$16,720,714</b>
Less estimated income	3,550,413	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$13,219,301</b>	<b>(\$49,000)</b>	<b>\$13,170,301</b>
FTE	63.00	63.00	0.00	63.00

**Department No. 701 - State Historical Society - Detail of House Changes**

	Reduces Funding for Temporary Salaries <sup>1</sup>	Total House Changes
Salaries and wages	(\$49,000)	(\$49,000)
Operating expenses		
Capital assets		
Grants		
Cultural heritage grants		
Yellowstone-Missouri-Ft Union		

Commission		
Total all funds	(\$49,000)	(\$49,000)
Less estimated income	0	0
General fund	(\$49,000)	(\$49,000)
FTE	0.00	0.00

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<sup>1</sup> This amendment reduces the funding added in the executive budget recommendation for temporary salaries from \$174,000 to \$125,000.

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This amendment adds a section to retain the director of the Facility Management Division of the Office of Management and Budget as project manager for the Heritage Center expansion project throughout its completion.

Date: 3/29  
 Roll Call Vote #: \_\_\_\_\_

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2018

House Appropriations Committee

Legislative Council Amendment Number 03005

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Williams Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

voice vote carries

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2018

Page 1, replace line 12 with:

"Operating expenses 2,284,210 393,706 2,677,916"

Page 1, replace line 18 with:

"Total all funds \$14,711,589 \$1,922,715 \$16,634,304"

Page 1, replace line 20 with:

"Total general fund \$11,052,752 \$2,031,139 \$13,083,891"

Page 2, replace line 12 with:

"Business analysis 0 10,000"

Page 2, replace lines 15 through 17 with:

"Total all funds \$53,806,500 \$915,700

Less estimated income 12,685,000 0

Total general fund \$41,121,500 \$915,700"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$9,586,660	\$9,586,660		\$9,586,660
Operating expenses	2,688,326	2,813,326	(135,410)	2,677,916
Capital assets	2,835,736	2,835,736		2,835,736
Grants	1,000,000	1,025,000		1,025,000
Cultural heritage grants	504,500	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492	4,492		4,492
Total all funds	\$16,619,714	\$16,769,714	(\$135,410)	\$16,634,304
Less estimated income	<u>3,550,413</u>	<u>3,550,413</u>	0	<u>3,550,413</u>
General fund	\$13,069,301	\$13,219,301	(\$135,410)	\$13,083,891
FTE	63.00	63.00	0.00	63.00

**Department No. 701 - State Historical Society - Detail of House Changes**

	Reduces Funding for Business Analysis <sup>1</sup>	Total House Changes
Salaries and wages		
Operating expenses	(135,410)	(135,410)
Capital assets		
Grants		

Cultural heritage grants Yellowstone-Missouri-Ft Union Commission		
Total all funds	(\$135,410)	(\$135,410)
Less estimated income	0	0
General fund	(\$135,410)	(\$135,410)
FTE	0.00	0.00

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<sup>1</sup> This amendment reduces funding provided in the executive budget recommendation for a business analysis completed by the Information Technology Department, from \$145,410 to \$10,000.

Date: 3/29

Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2018

House Appropriations Committee

Legislative Council Amendment Number -03006 further amend

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment

Rerefer to Appropriations  Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Bellew

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson		X
Vice Chairman Kempenich			Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol		X			
Representative Thoreson	X		Representative Glassheim		X
Representative Bellew	X		Representative Kaldor		X
Representative Brandenburg	X		Representative Kroeber		X
Representative Dahl	X		Representative Metcalf		
Representative Dosch	X		Representative Williams		X
Representative Hawken		X			
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson		X			
Representative Monson		X			

Total (Yes) 10 No 9

Absent 2

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

voice vote uncertain

VR  
 3/30/11  
 1082

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2018

Page 1, replace lines 11 and 12 with:

"Salaries and wages	\$8,368,675	\$1,168,985	\$9,537,660
Operating expenses	2,284,210	393,706	2,677,916"

Page 1, replace line 18 with:

"Total all funds	\$14,711,589	\$1,873,715	\$16,585,304"
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Page 1, replace line 20 with:

"Total general fund	\$11,052,752	\$1,982,139	\$13,034,891"
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Page 2, replace line 12 with:

"Business analysis		0	10,000"
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Page 2, replace lines 15 through 17 with:

"Total all funds	\$53,806,500	\$915,700
Less estimated income	<u>12,685,000</u>	<u>0</u>
Total general fund	\$41,121,500	\$915,700"

Page 2, after line 30, insert:

**"SECTION 5. STATE ONSITE PROJECT MANAGER - HERITAGE CENTER ADDITION PROJECT.** Notwithstanding section 55-01-02.1, the director of the facility management division of the office of management and budget shall serve as the state onsite project manager for the heritage center addition project until completion of the project. The state onsite project manager has authority to verify and approve all expenditures relating to the project and related exhibits."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$9,586,660	\$9,586,660	(\$49,000)	\$9,537,660
Operating expenses	2,688,326	2,813,326	(135,410)	2,677,916
Capital assets	2,835,736	2,835,736		2,835,736
Grants	1,000,000	1,025,000		1,025,000
Cultural heritage grants	504,500	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492	4,492		4,492
Total all funds	\$16,619,714	\$16,769,714	(\$184,410)	\$16,585,304
Less estimated income	<u>3,550,413</u>	<u>3,550,413</u>	0	<u>3,550,413</u>
General fund	\$13,069,301	\$13,219,301	(\$184,410)	\$13,034,891

2 of 2

FTE 63.00 63.00 0.00 63.00

Department No. 701 - State Historical Society - Detail of House Changes

	Reduces Funding for Temporary Salaries <sup>1</sup>	Reduces Funding for Business Analysis <sup>2</sup>	Total House Changes
Salaries and wages	(\$49,000)		(\$49,000)
Operating expenses		(135,410)	(135,410)
Capital assets			
Grants			
Cultural heritage grants			
Yellowstone-Missouri-Ft Union Commission			
<b>Total all funds</b>	<b>(\$49,000)</b>	<b>(\$135,410)</b>	<b>(\$184,410)</b>
Less estimated income	0	0	0
<b>General fund</b>	<b>(\$49,000)</b>	<b>(\$135,410)</b>	<b>(\$184,410)</b>
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces the funding added in the executive budget recommendation for temporary salaries from \$174,000 to \$125,000.

<sup>2</sup> This amendment reduces funding provided in the executive budget recommendation for a business analysis to be completed by the Information Technology Department from \$145,410 to \$10,000.

This amendment adds a section to retain the director of the Facility Management Division of the Office of Management and Budget as project manager for the Heritage Center expansion project throughout its completion.



Date: 3/29  
 Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2018

House Appropriations Committee

Legislative Council Amendment Number .03005 + .03006

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Williams Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson	X	
Vice Chairman Kempenich			Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Bellew	X		Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf		
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 18 No 1

Absent 2

Floor Assignment Rep. Williams

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2018, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2018 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 and 12 with:

"Salaries and wages	\$8,368,675	\$1,168,985	\$9,537,660
Operating expenses	2,284,210	393,706	2,677,916"

Page 1, replace line 18 with:

"Total all funds	\$14,711,589	\$1,873,715	\$16,585,304"
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Page 1, replace line 20 with:

"Total general fund	\$11,052,752	\$1,982,139	\$13,034,891"
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Page 2, replace line 12 with:

"Business analysis		0	10,000"
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Page 2, replace lines 15 through 17 with:

"Total all funds		\$53,806,500	\$915,700
Less estimated income		<u>12,685,000</u>	<u>0</u>
Total general fund		\$41,121,500	\$915,700"

Page 2, after line 30, insert:

**"SECTION 5. STATE ONSITE PROJECT MANAGER - HERITAGE CENTER ADDITION PROJECT.** Notwithstanding section 55-01-02.1, the director of the facility management division of the office of management and budget shall serve as the state onsite project manager for the heritage center addition project until completion of the project. The state onsite project manager has authority to verify and approve all expenditures relating to the project and related exhibits."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$9,586,660	\$9,586,660	(\$49,000)	\$9,537,660
Operating expenses	2,688,326	2,813,326	(135,410)	2,677,916
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Grants	1,000,000	1,025,000		1,025,000
Cultural heritage grants	504,500	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492	4,492		4,492
Total all funds	\$16,619,714	\$16,769,714	(\$184,410)	\$16,585,304
Less estimated income	<u>3,550,413</u>	<u>3,550,413</u>	0	<u>3,550,413</u>
General fund	\$13,069,301	\$13,219,301	(\$184,410)	\$13,034,891
FTE	63.00	63.00	0.00	63.00

**Department No. 701 - State Historical Society - Detail of House Changes**

	Reduces Funding for Temporary Salaries <sup>1</sup>	Reduces Funding for Business Analysis <sup>2</sup>	Total House Changes
Salaries and wages	(\$49,000)		(\$49,000)
Operating expenses		(135,410)	(135,410)
Capital assets			
Grants			
Cultural heritage grants			
Yellowstone-Missouri-Ft Union Commission			
<b>Total all funds</b>	<b>(\$49,000)</b>	<b>(\$135,410)</b>	<b>(\$184,410)</b>
Less estimated income	0	0	0
<b>General fund</b>	<b>(\$49,000)</b>	<b>(\$135,410)</b>	<b>(\$184,410)</b>
FTE	0.00	0.00	0.00

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<sup>1</sup> This amendment reduces the funding added in the executive budget recommendation for temporary salaries from \$174,000 to \$125,000.

<sup>2</sup> This amendment reduces funding provided in the executive budget recommendation for a business analysis to be completed by the Information Technology Department from \$145,410 to \$10,000.

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This amendment adds a section to retain the director of the Facility Management Division of the Office of Management and Budget as project manager for the Heritage Center expansion project throughout its completion.

2011 TESTIMONY

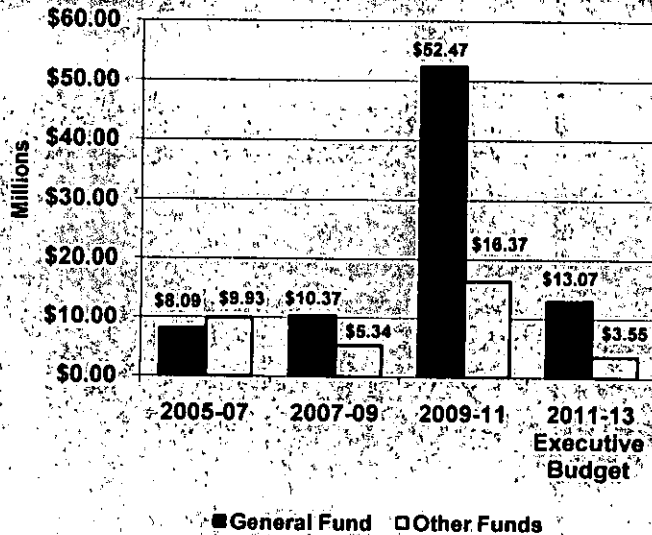
SB 2018

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

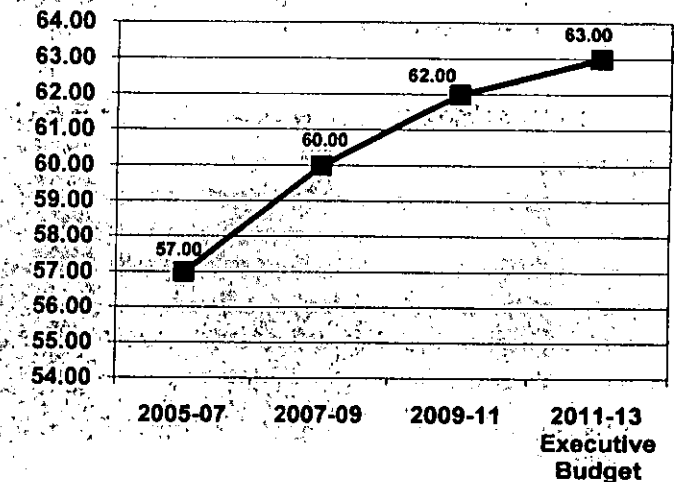
	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	63.00	\$13,069,301	\$3,550,413	\$16,619,714
2009-11 Legislative Appropriations	62.00	52,474,252	16,371,837	68,846,089 <sup>1</sup>
Increase (Decrease)	1.00	(\$39,404,951)	(\$12,821,424)	(\$52,226,375)

<sup>1</sup>The 2009-11 appropriation amounts include \$328,000, \$300,000 of which is from the general fund, for the agency's share of the \$16 million funding pool, appropriated to the Office of Management and Budget for special market equity adjustments for executive branch employees. The 2009-11 appropriation amounts do not include \$28,500 of additional special funds authority resulting from Emergency Commission action during the 2009-11 biennium.

**Agency Funding**



**FTE Positions**



**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2011-13 Executive Budget	\$12,143,191	\$926,110	\$13,069,301
2009-11 Legislative Appropriations	11,352,752	41,121,500	52,474,252
Increase (Decrease)	\$790,439	(\$40,195,390)	(\$39,404,951)

**First House Action**

Attached is a summary of first house changes.

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

	General Fund	Other Funds	Total
1. Adds one-time funding for an information technology business analysis	\$145,410		\$145,410
2. Adds one-time funding for bank stabilization at Fort Abercrombie	\$350,000	\$650,000	\$1,000,000
3. Adds one-time funding for extraordinary repairs	\$125,000		\$125,000
4. Adds one-time funding for temporary security staff during the Heritage Center expansion project	\$59,800		\$59,800
5. Adds one-time funding for database migration	\$30,900		\$30,900
6. Adds one-time funding to update historic site exhibits	\$90,000		\$90,000
7. Adds one-time funding for enhanced marketing	\$75,000		\$75,000
8. Adds one-time funding for planning for North Dakota's 125 <sup>th</sup> anniversary in 2014	\$50,000		\$50,000

9. Adds 1 FTE exhibit specialist position for the Heritage Center expansion.	\$61,738		\$61,738
10. Adds funding to increase seasonal temporary employee salaries	\$174,000		\$174,000
11. Removes one-time funding included in the 2009-11 biennium for the Heritage Center expansion project - bond payments, extraordinary repairs, and equipment	(\$42,812,879)	(\$12,833,333)	(\$55,646,212)

**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

**Significant Audit Findings**

The operational audit for the State Historical Society conducted by the State Auditor's office during the 2009-10 interim identified no significant audit findings.

**Major Related Legislation**

No major legislation has been introduced affecting this agency.

ATTACH 1

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - Funding Summary**

	Executive Budget	Senate Changes	Senate Version
<b>State Historical Society</b>			
Salaries and wages	\$9,586,660		\$9,586,660
Operating expenses	2,688,326	125,000	2,813,326
Capital assets	2,835,736		2,835,736
Grants	1,000,000	25,000	1,025,000
Cultural heritage grants	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492		4,492
<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$150,000</b>	<b>\$16,769,714</b>
Less estimated income	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$150,000</b>	<b>\$13,219,301</b>
FTE	63.00	0.00	63.00
<b>Bill Total</b>			
<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$150,000</b>	<b>\$16,769,714</b>
Less estimated income	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$150,000</b>	<b>\$13,219,301</b>
FTE	63.00	0.00	63.00

**Senate Bill No. 2018 - State Historical Society - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$9,586,660		\$9,586,660
Operating expenses	2,688,326	125,000	2,813,326
Capital assets	2,835,736		2,835,736
Grants	1,000,000	25,000	1,025,000
Cultural heritage grants	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492		4,492
<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$150,000</b>	<b>\$16,769,714</b>
Less estimated income	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$150,000</b>	<b>\$13,219,301</b>
FTE	63.00	0.00	63.00

**Department 701 - State Historical Society - Detail of Senate Changes**

	Adds Funding for Grants	Increases Funding for Operating Expenses	Total Senate Changes
Salaries and wages			
Operating expenses		125,000	125,000
Capital assets			
Grants	25,000		25,000
Cultural heritage grants			
Yellowstone-Missouri-Ft Union Commission			
<b>Total all funds</b>	<b>\$25,000</b>	<b>\$125,000</b>	<b>\$150,000</b>
Less estimated income	0	0	0
<b>General fund</b>	<b>\$25,000</b>	<b>\$125,000</b>	<b>\$150,000</b>
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adds funding to provide a grant to an organization for operating costs relating to the Lawrence Welk homestead.

<sup>2</sup> This amendment increases operating expenses to provide one-time funding for research and development of a new North Dakota eighth grade school curriculum.



February 23, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2018

Page 1, replace line 12 with:

"Operating expenses 2,284,210 529,116 2,813,326"

Page 1, replace line 14 with:

"Grants 1,000,000 25,000 1,025,000"

Page 1, replace line 18 with:

"Total all funds \$14,711,589 \$2,058,125 \$16,769,714"

Page 1, replace line 20 with:

"Total general fund \$11,052,752 \$2,166,549 \$13,219,301"

Page 2, after line 12, insert:

"North Dakota eighth grade curriculum 0 125,000"

Page 2, replace line 14 with:

"Total all funds \$53,806,500 \$1,051,110"

Page 2, replace line 16 with:

"Total general fund \$41,121,500 \$1,051,110"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2018 - State Historical Society - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$9,586,660		\$9,586,660
Operating expenses	2,688,326	125,000	2,813,326
Capital assets	2,835,736		2,835,736
Grants	1,000,000	25,000	1,025,000
Cultural heritage grants	504,500		504,500
Yellowstone-Missouri-Ft Union Commission	4,492		4,492
<b>Total all funds</b>	<b>\$16,619,714</b>	<b>\$150,000</b>	<b>\$16,769,714</b>
Less estimated income	3,550,413	0	3,550,413
<b>General fund</b>	<b>\$13,069,301</b>	<b>\$150,000</b>	<b>\$13,219,301</b>
FTE	63.00	0.00	63.00

**Department No. 701 - State Historical Society - Detail of Senate Changes**

<b>Adds Funding for</b>	<b>Increases Funding for</b>	<b>Total Senate</b>
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	Grants <sup>1</sup>	Operating Expenses <sup>2</sup>	Changes
Salaries and wages		125,000	125,000
Operating expenses			
Capital assets			
Grants	25,000		25,000
Cultural heritage grants			
Yellowstone-Missouri-Ft Union Commission			
Total all funds	\$25,000	\$125,000	\$150,000
Less estimated income	0	0	0
General fund	\$25,000	\$125,000	\$150,000
FTE	0.00	0.00	0.00

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<sup>1</sup> This amendment adds funding to provide a grant to an organization for operating costs relating to the Lawrence Welk homestead.

<sup>2</sup> This amendment increases operating expenses to provide one-time funding for research and development of a new North Dakota eighth grade school curriculum.

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