

State Historical Society of North Dakota

Testimony

House Appropriations - Education and Environment Division

Senate Bill 2018

9:00 a.m. March 3, 2023

Prairie Room

Dr. Bill Peterson

Good Morning Mr. Chairman and members of the committee  
For the record my name is Bill Peterson, and I am Director of the State Historical Society of North Dakota.

The State Historical Society of North Dakota is authorized by North Dakota Century Code 55-01 (NDCC 55-01) and associated rules.

The agency did not have any audit findings.

### **Organizational Chart**

The State Historical Society of ND's total appropriation, including one time funding was \$26M in the last biennium.

We are organized into four Departments:

**Administration** – which handles Budgeting and Accounting, HR, Custodial Services, Purchasing, Security, IT, and 10 Retail operations etc.

**Archaeology and Historic Preservation** – 3,000 Annual Reviews of Federal projects in ND, National and State Historic Preservation Laws, North Dakota Historic Preservation Review Board, Certified Local Government Coordination. They also manage more than 40 historical sites in North Dakota

**State Archives** – The mandated repository for ND Government Agency Records, Private Records, they provide Public Access and Statewide technical Assistance. They also have extensive collections of Photos, film, and are legislatively mandated to collect all ND newspapers in publication.

**Audience Engagement and Museums** – Publications, Exhibits, Museum Collections, Education, Visitor Services at 2 museums and 8 interpretive centers across North Dakota.

### **Fast Facts**

I am inspired every day by the teams that make the magic happen.

More than half a million visitors

More than 600 thousand web users

46,000 social media followers

8 miles of records stacked the skinny way

80,000 objects

12 million archaeological records

Monitoring 72,000 historic sites.

**Discuss current biennium accomplishments** and challenges and next biennium goals and plans.  
BISMARCK – North Dakota's history agency has awarded \$450,000 in Cultural Heritage Grants in the biennium to 20 eligible organizations throughout the state.

Supported by the North Dakota Legislative Assembly, Cultural Heritage Grants provide grant

funding to nonprofit organizations including local museums and historical societies as well as city, county and tribal governments. Eligible projects include capital improvements, exhibits, special projects or events, education activities, and collections.

The following are those organizations awarded grants, a brief description of their project, and the amounts they received:

The Antler Historical Society, Antler, received \$46,950 for the Antler Town Square Building Rehabilitation project.

The B'nai Israel Synagogue, Grand Forks, received \$35,980 for the B'nai Israel Synagogue Rehabilitation project.

Buxton in Bloom, Buxton, received \$42,000 for the Grue Church Reroofing project.

The Cass County Historical Society, West Fargo, received \$39,588 for the Saving Habberstad Cabin project.

The Fort Pembina Historical Society, Pembina, received \$4,855 for the St. John Church Steeple Repair project.

The James Memorial Preservation Society, Williston, received \$5,000 for the Downstairs Rehabilitation project.

Manfred History & Preservation, Manfred, received \$4,987 for the Solheim House Exterior Rehabilitation project.

The Mayville Public Library, Mayville, received \$29,000 for the Tuckpointing and Crown Molding Repair project.

The Mercer County Historical Society, Beulah, received \$20,000 for the Renovation of Two Bathrooms to ADA Compliancy project.

The Pierce County Courthouse, Rugby, received \$50,000 for the Pierce County Courthouse Dome Rehabilitation project.

The Traill County Historical Society, Hillsboro, received \$35,450 for the Plumber House Roof Rehabilitation project.

The Dakota Adventist Academy, Bismarck, received \$10,000 for the Composite Photo Restoration project.

The Dickinson Museum Center, Dickinson, received \$5,910 for the Prairie Outpost Park Stabbur Display Renovation project.

The McHenry County Historical Society, Towner, received \$37,000 for the McHenry County Historical Society Museum Interior and Exhibits project.

The Pioneer Trails Regional Museum, Bowman, received \$18,700 for the Life Finds a Way: A Paleontology Exhibit.

The Bismarck Historical Society, Bismarck, received \$18,625 for the Bismarck Oral History project.

The Missouri Valley Heritage Alliance, Mandan, received \$25,425 for the Update of the River Boat Interpretive Exhibit.

The Pembina County Historical Society, Cavalier, received \$4,530 for the Pembina County Cemetery Records project.

The Viking Lutheran Cemetery Association, near Walcott, received \$5,625 for the Viking Lutheran Cemetery Headstone project.

The Walcott Cemetery, Walcott, received \$11,200 for the Walcott Cemetery Restoration project.

#### Biennium Accomplishments

- Preservica is our trusted electronic digital preservation system for long term storage of digital archival records. This migration to Preservica cloud ensures both a more stable system environment and a more reliable data storage environment.
- This migration moves the Museums collections into the same enterprise collections management tool that is used throughout the agency.
- Thanks to the Legislature the agency received \$4.2M in last biennium for historic building improvements and critical repair and maintenance.

#### Biennium Challenges

- Deferred Maintenance and historic structure repair remain a challenge - With more than 80 buildings, this remains a significant challenge. We have never had funding in our base for maintenance and repair. Our current budget proposal has a funding request to help us begin to address our nearly \$20 Million in identified needs.
- Inflationary costs and rising costs of wages and competition has been a big challenge. In 2022 we were only able to fill 75% of our needed seasonal positions.
- Additional challenges – We are required to house every published newspaper in the state. We currently utilize film developing process that is more than 40 years old. We are hoping to digitize this procedure in the future.
- We require cultural resource contractors to physically visit the site. This is a costly requirement to many in ND and is an outdated practice.
- Many of our exhibits contain antiquated technology and it needs to be updated.
- Collections continue to grow – adequate storage is a challenge now and in the future.
- Electronic Records and Archives continue to grow

**Total Rewards** As part of the statewide work completed by the **Total Rewards task force**, our agency has been asked to share our story on hardships we've experienced in our workforce. This story is being told in support of the equity increases presented in Senate Bill 2015.

We employ a variety of professions that specialize in cultural resource management, archaeology, archives, museum operations, non-traditional educational programming, along with administrative duties.

If we do not have people to fill our positions, permanent historic records documenting North Dakota's history, heritage, and culture would not be preserved; the protection and management of North Dakota's cultural resources and identification and recording of historic sites and structures wouldn't be completed; and we wouldn't be able to provide engaging, enjoyable, and memorable learning experiences to the public.

We currently have authorization for 78.75 FTE members. As noted, we have a low average annual salary of \$58,000.

We have been identified as a relatively low paid agency by HRMS. Therefore, we did a comparison of the comp ratio of salaries of positions held at our state agency, highlighting the

positions of Archaeology, Public Information Specialists, and Security Officers, and compared these positions with similar job titles at other state agencies. A comp ratio of 1 indicates that salaries are paid at the Market Policy Point, which approximates what the average pay is for jobs in a particular pay range in public and private employment. As noted, our Archaeologists, Public Information Specialists, and Security Officers fall below the Market Policy Point and the average of similar positions at other state agencies.

The average number of applicants for our positions have significantly declined over the past 8 years, with the current average being 9 applicants per position in 2022. This is even after we kicked up our efforts to promote our positions on Indeed beginning in 2018 and LinkedIn beginning in 2022.

Our agency does not hire many entry level positions. Our positions typically require graduate degrees or higher and years of experience. When positions turnover, the average cost per team member is \$9,000.

We are in constant competition with Federal and other state agencies and local municipalities. There are agencies that have missions similar to ours that provide more opportunity. As a recent example, we had an Archivist position terminate as this individual was hired to work at the National Archives.

The industry outlook is fueled by tourism and travel, which is recovering from the COVID-19 pandemic. The museum industry is forecasted to experience significant growth, which we are seeing evidence as our total visitation counts at the Heritage Center grew 164% from 2020 to 2022. There will be a surge in staffing demands as the industry is expected to need roughly 16% more employees by the year 2031. Unionization is current trend happening in Minnesota and other states.

## 2023 Biennium our budget request is based on our strategic plan.

Salaries and Wages are for Salaries and Benefits for 78.75 FTE, which was discussed previous. Also, we may employ up to 125 temp employees during the tourist season.

Operating Expenses cover IT Data Processing and Communications, Utilities, Service Contracts (mainly mowing), Advertising, Travel, Repairs, and Insurance.

Capital Assets include bond payments are for the Chateau Interpretive Center and Archives Expansion, which will be paid off in 2024, and mowers and skid steers, etc..

Grants are to Certified Local Governments under the Historic Preservation Funds Grant.

Cultural Heritage Grants are state grants given under an application process.

Now will discuss the Optional Budget Changes by Dept and how they go along with our Strategic Plan. You will note that in our presentation we have included our request as well as the Executive Branch recommendations.

**DO NOT READ INFORMATION BELOW. FOR YOUR PURPOSES TO HELP ANSWER ANY QUESTIONS BETWEEN THE CHANGE IN THE 2021-23 LEGISLATIVE BASE TO THE 2023-25 REQUESTED BASE**

Changes between 2021-23 Legislative Base and 2023-25 Base Budget Request include:

#### Salaries and Wages

- Increase of \$96,400 in General Funds and \$14,695 in Federal Funds added for the Costs to Continue Salaries (Total increase 111,095)
- Decrease of \$105,180 in Federal Funds due to US Forest Service internship that expired
- Decrease of \$7,920 in Federal Funds due to NHPRC internship that expired
- Decrease of \$187,999 in Special Funds (Concessions Funds) that transferred with LCIC for temporary salaries. However, as we have continuing appropriation authority under NDCC 55-02-04, this appropriation authority is no longer needed.
- (Net decrease of 190,004)

#### Operating Expenses

- Increase of \$24,022 in General Funds added for increase in NDIR Rates
- Decrease of \$919,894 in Federal Funds for COE programs that have expired, and we are returning the appropriation authority
- Increase of \$22,500 in Federal Funds due to an increase in HPF funds that the agency is expecting to receive
- Decrease of \$246,000 in Federal Funds due to the agency not expecting to receive another Newspaper Digitization Grant from the NEH
- Increase of \$22,500 in Federal Funds expected to be received from an NHPRC grant
- (Net decrease of 1,096,872)

#### Capital Assets

- Decrease of \$586,640 in General Funds, which is the net effect of the agency's Debt Service Allocation for bond payment for the Chateau Interpretive Center and State Archives Expansion. Bonds will be paid off in 2024.
- Increase of \$165,809 in Federal Funds due to an increase in HPF funds that the agency is expecting to receive, which can be used for repairs on the agency's buildings that are on the National Register.
- (Net decrease of 420,831)

#### Grants

- Increase of \$328,340 in Federal Funds due to an increase in HPF funds that the agency is expecting to receive, which will be given to certified CLGs.
- (Net increase of 328,340)

#### Strategic Funding Requests

##### **Audience Engagement and Museums**

##### **Inflationary Expense - \$120,795**

- \$120,795 in inflationary operating costs is mostly due to increases in utilities at sites.
- Senate provided funding for this request.

##### **GIS (Geographic Information System) Remote Access Upgrade - \$264,400**

- Current practices require contractors to physically come to the Heritage Center to gather information on cultural resources.

- During the pandemic, due to cultural sensitivity, we had employees responsible for gathering information. The information was then emailed to contractors. The contractors liked not having to physically come to the building.
- This funding would allow the agency to update our GIS system and put in the IT security measures in the implementation of remote access to ensure that all contractors obtaining culturally sensitive information are vetted.
- The agency requests general funds for the ongoing cost of \$14,400 for software and maintenance contracts.
- We would be able to use revenue collected from archaeological permits and fees to cover \$25,000 of the \$250,000 needed for one time funding.
- Senate provided funding for this request.

#### **Updating Newspaper Preservation Workflow- \$248,089**

- The current process requires an employee to manually take pictures of every page of each newspaper that comes in and process microfilm (develop the film) for proper preservation. This has been the process for 90 years and the current equipment is 40 years old.
- This request would provide funding for a scanner and microfilm plotter to replace the current practices and allow us to ingest newspapers digitally. This will be very important as HB 1197 Develops which requires us to also take digital newspapers.
- Since posting the budget we have been awarded a grant from the ND Newspaper Association for \$11,800 dollars toward this equipment. The Cost of the scanner and microfilm plotter is \$236,044 requested in one time funding.
- The Agency requests general funds for the ongoing costs of \$12,045 for software and maintenance contracts.
- Senate provided funding for this request.

#### **Digital Interactive Initiative - \$624,974**

- We are concerned that the agency will fall far behind more modern projects such as the Science Center and the Roosevelt Presidential Library in terms of competing with these state-of-the-art facilities.
- The agency will use this funding to create digital history content at our statewide museums and interpretive centers. This position and initiative is particularly important as we look to developing the contents of the Military Museum. We are going to need extensive technology to both engage audiences while inspiring new generations of North Dakotans to seek careers in the North Dakota National Guard and U.S. Military.
- Ongoing general funds would be for hiring and additional FTE to create and oversee the new digital content and the software and maintenance of these new technologies.
- One time funding is needed to replace our antiquated technology and to hire consultants to research, plan, design, and implement these new technologies.
- The Senate did not provide funding for this request.

### **Historic Structure and Building Improvements - \$7,251,500**

- We want to thank you and the ND Legislature for the \$4.2 million in the last biennium that helped us begin to address our 20-30 year backlog of historic building improvements, repair, and maintenance.
- We have supplied with our testimony our list of building and site needs and while the cost is nearly 20 million, we are asking for one time funding in the amount of \$6.751Million to address our most pressing priorities on the list. Due to the size of our agency that is about as much as we can work through in a biennium.
- The agency is requesting ongoing funding in the amount of \$500,000 in general funds to keep pace with regular repairs and maintenance of our historic structures, interpretive centers, historic sites, and associated buildings. We have not regularly had maintenance funds in our base budget.
- This priority includes funding to Eliminate Portable toilets and outhouses.
- The Senate provided \$500,000 ongoing funding for extraordinary repairs and \$4,500,000 for one-time repairs.

Please see Attachment 2 to see a complete list of what prioritized projects over the next three bienniums.

### **Medora Planning - \$2,000,000**

- In keeping with the speed of the TR library progress, the agency requested one time funding in the amount of 150K for planning in Medora. The executive recommendation increased that amount by \$2 Million. With announcement of the donation to TR Library Foundation by Mr. Hamm, we would utilize these funds to ensure future vibrancy of the valuable state properties in Medora.
- The City of Medora just finished some planning that cost \$260,000. We need several types of different planning including future land use, interpretive, potential business and economic development planning.
- The Senate did fund our request of \$150K, but took the \$2M in SIIF funds out.

### **Marketing Budget Restoration - \$154,547**

- The agency's marketing budget was eliminated during the allotment of 2016 special session and only a minimal amount has been restored since. Marketing cuts = false savings over time.
- Ongoing funding would be used for more robust marketing and increased brand awareness of all the agency has to offer while driving visitation to our 59 museums and sites throughout North Dakota.
- There is currently a fully benefitted .5 FTE in a marketing position. The agency is requesting the authority and additional ongoing funding to make this position a full FTE as we have determined the workload requires such.
- The Senate did not fund this request.

### **Engaging Exhibits - \$670,000**

- Exhibits showcase the best of North Dakota's History and people.
- Upgrades to exhibits are needed at the Heritage Centers Inspiration Gallery, Pembina State Museum, Lewis and Clark Interpretive Center, Welk Homestead, Chateau De Mores, etc.
- One time funding is needed to hire consultants to plan and design the updated exhibits.
- We have included Authority for \$75K in one-time funds that may be received (by the foundation) to replace several popular exhibits at the Heritage Center that include the Tractor Cab in the Inspiration Gallery and the Flight simulator in the Treehouse.
- Senate provided funding for this request.

See Attachment 1 for an expanded explanation of the Digital Interactive Initiative and Transforming Education Through Engaging Exhibits at State Historic Sites.

### **Large object Storage - \$20.4M**

- The agency currently has two offsite storage facilities that are in poor condition and do not meet curatorial needs.
- One time funding has been requested to construct a 70K sq/ft building to accommodate our future needs for storage.
- We have a current plan where a storage facility could be explored in conjunction with the Military Wing that incorporates large objects storage, an agricultural gallery, and accessible to the public.
- Neither the Governor's Recommendation nor the Senate provided funding for this.

### **America 250 - \$1,000,000**

- A National Commission has been established to commemorate the 250<sup>th</sup> anniversary of the founding of the United States. In the previous biennium the legislature established the North Dakota 250<sup>th</sup> Commission.
- One time funding is requested to provide for the items in that legislation as well as grants to North Dakota communities to help in their commemorations.
- Funding will be used to allow the state to plan and track events in North Dakota.
- Senate provided \$750,000 of the \$1,000,000 included in the Governor's recommendation.

### **.75 FTE to 1 FTE - \$67,244**

- When LCIC was transferred, we were given a .75 FTE position in an administrative role. The person in this position transferred to a new position within the agency.
- We identified there was a need for a full FTE at LCIC and reclassified the .75 position into a full FTE position.
- The .75 FTE position was reclassified and moved to a position at the Heritage Center into the position that is responsible for event rental and coordination at the Heritage Center.
- We are asking for the authority and ongoing funding for this position to be a full FTE.
- Senate provided funding and authorization for this request.

### **Federal Grants**

#### **Paul Bruhn Grant**

- This grant is administered by the National Park Service and will provide grant funding to establish a one-time sub grant program that will provide sub grants for historic preservation to National Register listed buildings located in rural communities. Our application was submitted February 7, 2023 and we will hear by August 2023 as to whether we have received these funds. If awarded, there will be a three year period of performance.
- Senate approved this request.

#### **Underrepresented Community Grant Program**

- This grant is administered by the National Park Service. The purpose of the grant is to provide grants to diversify listings in the National Register of Historic Places to include communities that are currently underrepresented. The agency received notification on December 19, 2022 that we had received \$50,770 for the Fort Totten Indian Boarding School National Register Nomination Update. We expect to begin using these funds after June 30, 2023. There will be a period of performance of three years for this grant. We will be looking into more grants in this program, which is why the ask is for more than what we will be receiving.
- Senate approved this request.

#### **Digital Humanities Advance Grant**

- This grant is administered by the National Endowment of the Humanities. It will be used to provide professional development to staff to support research, enhancement and evaluate studies that lead to scholarly research, teaching, and public programming in the humanities. We plan to apply for this grant in June 2023 and will hear by December 2023. If awarded, there would be a period of performance of three years.
- Senate approved this request.

### **FTE Authority- \$823,563**

- We currently have 3 FTE positions that are established and fully benefited and funded by continuing appropriations through our museum store concessions.
- We are asking for the authority for these three positions.
- Senate approved this request.

**The agency would like to have the Governor's Executive Recommendation restored and therefore these are the changes we'd like to see to the Senate version of our bill.**

**Digital Interactive Initiative - \$624,974**

- The Senate did not provide funding for this request. We would like to see this restored to the Governor's recommendation to create digital history content at our statewide museums and interpretive centers and to hire 1 additional FTE to create and oversee the new digital content and the software and maintenance of these new technologies.

**Historic Structure and Building Improvements - \$7,251,500**

- The Senate provided \$500,000 ongoing funding for extraordinary repairs and \$4,500,000 for one-time repairs. We are extremely happy with both the \$500K and the \$4.5 million one-time funding. However, as noted in Attachment 2, we do have \$20 million in needs. By not funding what is in the one-time funding in the Governor recommendation will only delay the list of needs over the next two to three Legislative sessions.

**Medora Planning - \$2,000,000**

- The Senate did fund our request of \$150K, but took the \$2M in SIIF funds out. We are happy to receive \$150K from the Senate. However, we would like to get to at least \$500K in planning money for this project.

**Marketing Budget Restoration - \$154,547**

- The Senate did not fund this request. We would like to see the Governor's recommendation restored to \$40K in operating expenses and to move the .5 FTE current position to a full FTE. The Governor's recommendation had \$108,574 for salaries, which includes health insurance. However, as the current .5 FTE position is fully benefitted, the salary and benefit amount could be \$76,550.

**America 250 - \$1,000,000**

Senate provided \$750,000 of the \$1,000,000 included in the Governor's recommendation. This will result in the agency only being able to provide \$250,000 in grants to communities for the 250<sup>th</sup> Celebration.

The agency requested moving from 78.75 FTE up to 83.5 FTE. The Governor's Recommendation included authorization and funding for all requested FTE positions.

As previously noted, the request for additional FTEs includes the following:

- There are 3 FTE positions that are fully benefitted and fully funded our museum store concessions received from continuing appropriations in accordance with NDCC 55-02-04. We are asking for the authority for these three positions. The Senate has provided the authorization of these 3 FTE positions.

- There is a .75 FTE position that the agency received when LCIC was transferred to SHSND. This position was reclassified and moved to the events coordinator position at the Heritage Center. We are asking for the authority and ongoing funding for this position to be a full FTE. The Senate has provided the funding and authorization for this request.
- There is currently a fully benefitted .5 FTE in a marketing position. The agency is requesting the authority and additional ongoing funding to make this position a full FTE as we have determined the workload requires such. The Senate did not provide the funding nor authorization to make the current .5 FTE position into a full FTE position.
- The agency is requesting a new FTE position to create and oversee new digital history content at our statewide museums and interpretive centers and will be responsible for maintaining these new technologies. The Senate did not provide the funding nor the authorization to create this new FTE position.

Uses of one time funding.

#### **\$4.2 Million for Historical Site and Extraordinary Repairs**

These funds were appropriated out of the state fiscal recovery funds in the November 2021 special session. As of December 31, 2022, we have used \$1,621,435.

Please refer to Attachment 3 that lists the budget of the \$4.2M, along with the amounts that are obligated.

We expect we will need to carryover authority of \$1.15M due to contractor limitability, material availability, and our monitoring of our low estimated costs compared to higher actual costs. These funds will be used by December 2024.

Pictures show two of our major projects that include a new elevator installation at 1883 Stutsman County Courthouse. Also, the Gingras Trading Post, which received new siding and a fresh coat of paint.

#### **Essential Infrastructure at Historic Sites in the amount of \$950 Thousand**

These were also federal state fiscal recovery funds that were appropriated during the November 2021 special session.

Included in the \$950,000 was \$200,000 for repairs at LCIC to the HVAC and boiler systems. As of December 31, 2022, only \$26,313 of the \$200,000 was used. We will not use the remaining amount of \$173,687 as this will not be enough to complete an overhaul of the HVAC system. We did a Request for Bid to upgrade the HVAC system and the lowest bid came in over \$1.2M.

The remaining \$750,000 was to be used for technology upgrades at the Heritage Center and our historic sites across the state. As of December 31, 2022, there was \$7,653 that had been expended. A majority of the funding is obligated to running fiber optics to the Missouri Yellowstone Confluence Interpretive Center. However, the service provider has applied to receive a ReconnectND and ARPA grant for this project. Once the service provider hears if they did or did not receive funding, we will know whether we need to keep our obligation or shift the funding to another project. We are hoping this project will be completed in the spring of 2023.

Another major project is to upgrade cameras in the galleries located in the Heritage Center in Bismarck.

We expect we will need to carryover \$506K of this amount and these funds will be obligated by December 2024.

### **State Archives Digital Repository Upgrade**

Upgrade was completed and only \$21,500 in one-time funding was needed.

### Revenues

This is a comparison of the revenues in the first 18 months of the 2019-21 biennium to the first 18 months in the 2021-23 biennium. I will discuss our revenues by each fund.

#### **General Fund**

The revenues in the General fund are mineral royalties received from Mercury Resources land we own at our Fort Buford Historic Site; Continental Resources and Zavanna, Inc. for our land owned at Killdeer Mountain Battlefield Historic Site in Dunn County; and from Murex Petroleum for our land at Writing Rock Historic Site in Divide County. Also included in these revenues are credits from our electrical bills paid to local electrical coops.

The increase is due to an increase in production and the addition of the Lewis and Clark Interpretive Center.

#### **Fund 327 (State Historical Revolving Fund)**

NDCC 55-03-04 establishes a revolving fund, which we call the Archaeological Permit fund. Revenue deposited into this fund is authorized under NDCC 55-03-01 and 01.1. This section establishes fees for Archaeological Permits and for cultural resource reports issued. These fees in the past have been set by legislature and not regularly updated or monitored for fairness and the current business climate. Charges to this fund are to pay for a portion of the GIS software licenses. A change in the fee would allow the agency to get to zero for the total cost of the software licenses.

#### **Fund 415 (Historical Gift and Bequest Fund)**

NDCC 55-01-04 allows the agency to accept donations. Our significant donations in the 2021-23 biennium include an unrestricted estate settlement, money from the Bismarck Historical Society to help supplement the cost of the restored stain glass windows in the Bread of Life Church located at Camp Hancock in Bismarck, a NW ND Community Foundation grant to help pay for the cost of playground equipment at our Writing Rock Historic Site, a donation from Great River Energy to pay for school group field trips to Lewis and Clark Interpretive Center, and a grant from the America's 250 Committee for planning of the 250th celebration. All donations collected must be used for the purpose intended by the donor. Our donations remained fairly consistent from biennium to biennium.

#### **Fund 603 (Concessions Fund)**

NDCC 55-02-04 allows the agency to charge fees for concessions sales. The main sources of revenue under this fund are from museum store sales, costs for the public to make copies of archival documents available in Reference Services at the State Archives, admission sales at our historic sites, facility event rentals.

Copier revenue remained fairly constant. These funds are used for the operating expenses to make the copies and may be used on temporary salaries for individuals in Reference Services within the State Archives.

We noted substantial growth in museum store sales, admissions, and facility rentals. Most of growth in the comparison is related to COVID shutting down our operations during the 19-21 biennium.

The concession sales collected are used for the salaries of the Museum Store employees and supplying inventory for all the sites.

The admissions revenues supplement a portion of salaries for our temporary employees at our historic sites.

Facility rental revenue is used to fund a portion of the salary of the event coordinator and security officers hired for facility rentals, along with being used for improvements and upgrades to our meeting rooms.

#### Carry over funds

Under NDCC 54-44.1-11, the State Historical Society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. A total of \$1,177,038.93 was carried over from the 2019-21 biennium into the 2021-23 biennium. The carryover funds were allocated for extraordinary maintenance and repairs, Cultural Heritage Grants program, Heritage Center upgrades, planning for a native memorial at Whitestone Hill, exhibits and collections care, technology upgrades due to COVID delays, and North Dakota Studies high school curriculum and outreach. Here is an overview of the major uses of these funds.

Extraordinary maintenance and repairs - Repairs included a sink hole repair, septic system repair, frozen pipe repair and mold and asbestos remediation in Medora; a site survey and mold remediation at Stutsman County Courthouse; parking lot, park repairs, water softener replacement, and water heater and HVAC seal replacement in Washburn; air conditioner installation at the maintenance shop in Bismarck; electrical repairs, HVAC service work, and ADA door installation at Pembina State Museum; and flooring and porch repairs at Fort Totten. Work yet to be completed will include a renovation of the Contact Station in Medora and do a floor finish in the Caretaker's cottage; a roof replacement is needed at Camp Hancock; repairs at Fort Mandan; and a rest room update at Pembina State Museum.

**Cultural Heritage Grant Program** - Due to COVID, many of the grantees that had grant funds obligated in fiscal year 2020 were unable to get their projects completed by June 30, 2021. Therefore, these projects and obligations totaling \$215,623 needed to be carried over to the 2021-23 biennium. These funds are now essentially depleted.

Major grants included payments to:

**Cass County Historical Society** – For the re-chinking (process used with log cabins) of Fargo's First House;

**Dickinson Museum Center** – For the South Heart Depot Exterior Restoration;

**Geographical Center Historical Society** – For the Old Main Restoration of the Prairie Village Museum;

**McHenry County Historical Society** – For the Reigniting McHenry County Historical Society: A Community Collaboration; and Touchstones, Inc. to enclose the back section of the Stone Bank building in Bottineau.

The carpeting, window coverings, tables, and chairs were replaced in the Reading Room located in the State Archives were upgraded. All of these items were original to the opening of the Heritage Center in 1981. Tables were upgraded to be ADA compliant.

Exhibits carryover - These funds were carried over as covid pushed back some exhibit projects during the 19-21 biennium. Most of the carryover has gone towards the conservation of several artworks from our collection that are destined for an art exhibit going into the Sperry Gallery in July 2023. These funds have also been used for display components, not only at the Heritage Center, but also for the quarterly displays at the Governor's Residence and the William Guy Federal Building. Moving forward, these funds will be used for the upcoming exhibition going into the Governor's Gallery called *On the Edge of the Wind*, which is being prepared internally. The remaining funds will be used to purchase items that will be used in reinterpretation of the permanent exhibitions at the Pembina State Museum.

Photos L to R – Medora von Hoffman photo after a treatment that will also receive a new frame. Collection item that will go into the new Governor's gallery exhibit *On the Edge of the Wind*. Will be used in a permanent exhibition at the Pembina State Museum.

Collections Care Carryover - Funds were used on activities in our offsite storage facilities to make better use of storage space. Conservation of a portrait of the agency's founding member, Linda Slaughter, was completed. A dehumidifier will be purchased for object storage. One of the dresses that was on loan for the *Fashion & Function: North Dakota Style* exhibit in the Governor's Gallery will be purchased to be housed in our collections.

Photos L to R –conservation of Linda Slaughter portrait; Off-site storage facility; Norma Baker Flying Horse (Red Berry Woman) dress

## Federal Funding

### **Historic Preservation Fund Grant**

This a formula grant administered by the National Parks Service in which the agency receives an apportionment each federal fiscal year to support the agency's work under the National Historic Preservation Act. Each annual grant has a period of performance of three years in which funds must be used. This grant requires a 40% match in other funds, which we meet with general funds. There is a requirement that 10% of this grant be given as grants to Certified Local Governments. The remaining funds are used for salaries and wages plus operating expenses for most employees in the AHP Dept. We may also use funds for capital improvement projects to our state-owned facilities that are on the National Register of Historic Places.

**NHPRC State Programming Grant**

This is a grant from the National Historical Publication and Records Commission. We received this grant in the 2021-23 biennium, which is set to expire on 5-31-2023. We plan to apply for another year of this grant in June 2023 and will find out by November 2023 if we have received this grant. This grant will be for several training sessions dealing with archival preservation and digitization. If awarded the grant, it will have a two year period of performance.

**Paul Bruhn Grant**

This grant is administered by the National Park Service and will provide grant funding to establish a one-time sub grant program that will provide sub grants for historic preservation to National Register listed buildings located in rural communities. Our application is due February 7, 2023 and we will hear by August 2023 as to whether we have received these funds. If awarded, there will be a three year period of performance.

**Underrepresented Community Grant Program**

This grant is administered by the National Park Service. The purpose of the grant is to provide grants to diversify listings in the National Register of Historic Places to include communities that are currently underrepresented. The agency received notification on December 19, 2022 that we had received \$50,770 for the Fort Totten Indian Boarding School National Register Nomination Update. We expect to begin using these funds after June 30, 2023. There will be a period of performance of three years for this grant. We will be looking into more grants in this program, which is why the ask if for more than what we will be receiving.

**Digital Humanities Advance Grant**

This grant is administered by the National Endowment of the Humanities. It will be used to provide professional development to staff to support research, enhancement and evaluate studies that lead to scholarly research, teaching, and public programming in the humanities. We plan to apply for this grant in June 2023 and will hear by December 2023. If awarded, there would be a period of performance of three years.

We thank you all for your time and consideration today and will now be happy to take questions.