

**State Historical Society
Budget No. 701
House Bill Nos. 1018 and 1603**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	85.50	\$23,911,227	\$90,815,680	\$114,726,907
2025-27 base budget	83.50	20,600,349	2,434,264	23,034,613
Legislative increase (decrease) to base budget	2.00	\$3,310,878	\$88,381,416	\$91,692,294

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$23,593,502	\$317,725	\$23,911,227
2023-25 legislative appropriations	20,600,349	1,906,839	22,507,188
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,993,153	(\$1,589,114)	\$1,404,039
Percentage increase (decrease) to 2023-25 appropriations	14.5%	(83.3%)	6.2%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes		(\$87,917)	(\$218,735)	(\$306,652)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		572,726	65,130	637,856
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		458,503	51,946	510,449
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$1,131,016 for new positions and \$637,376 for vacant positions		919,203	849,189	1,768,392
Added funding for 2 FTE positions, including a FTE exhibition preparator position (\$190,080) and a FTE tribal liaison position (\$208,076). Of the total, \$388,876 is for salaries and wages and \$9,280 is for operating expenses.	2.00	398,156		398,156

Transferred (\$388,876) for 2 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$349,988 resulting in the savings as shown	(38,888)		(38,888)
Transferred (\$834,697) for estimated savings from vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$584,288 resulting in the savings as shown	(224,858)	(25,551)	(250,409)
Added funding for temporary salaries to provide a total of \$2,723,848	945,088		945,088
Added funding for compliance with the federal Native American Graves Protection and Repatriation Act (NAGPRA), including temporary salaries of \$376,436 and operating expenses of \$13,920	390,356		390,356
Added federal funding for a temporary historic preservation specialist position, of which \$170,122 is for temporary salaries and \$2,280 is for operating expenses		172,402	172,402
Adjusted base level funding, including an increase in information technology costs (\$71,996), increases in operating expenses, primarily insurance and utilities (\$186,163), an increase for Pembina State Museum marketing expenses (\$37,000), reducing funding from capital assets (\$42,000), and adding funding for National Historical Publications and Records Commission (NHPRC) grants (\$27,500 from federal funds)	253,159	27,500	280,659
Transferred \$15,000 of federal funds from the operating expenses line item to the grants line item for NHPRC grants		0	0
Removed funding for bonds related to the Chateau de Mores Interpretive Center which were repaid in January 2024	(592,375)		(592,375)
Removed funding for cultural heritage grants	(500,000)		(500,000)
Added one-time funding from federal funds for a temporary archaeology collections specialist position, including \$46,460 for salaries and \$3,540 for operating expenses		50,000	50,000
Added one-time funding for new FTE position operating expenses, including funding from federal funds	10,225	2,011	12,236
Added one-time funding for operating expenses related to NAGPRA repatriation compliance	100,000		100,000
Added one-time funding from federal funds for consultant costs related to the underrepresented community program		75,000	75,000

Added one-time funding from the strategic investment and improvements fund (SIIF) for the Pembina State Museum for the purchase of exhibit objects and the installation of a new gallery design in the permanent gallery of the museum (\$600,000), replacement of carpeting (\$13,000), a photo gallery exhibit (\$20,000), and advertising expenses (\$5,000)		638,000		638,000
Added one-time funding for the military gallery expansion project at the North Dakota Heritage Center, including \$4,200,000 to repay a 2023-25 biennium Bank of North Dakota line of credit, \$73,744,524 for the project, and \$700,000 for updates to the inspiration gallery after completion of the project		78,644,524		78,644,524
Added one-time funding from SIIF for Medora area planning		2,000,000		2,000,000
Added one-time funding for state archive storage upgrades	207,500			207,500
Added one-time funding from SIIF for improvements to historical structures and buildings		3,000,000		3,000,000
Added one-time funding from federal funds for Paul Bruhn historic revitalization grants for the restoration of historic buildings in rural communities		750,000		750,000
Added one-time funding from SIIF for a historic museum repairs grant		200,000		200,000
Added one-time funding from SIIF for a historic armory restoration grant		100,000		100,000
Added one-time funding from SIIF for America 250 th celebration activities, of which \$1 million is for state-related activities and \$1 million is for a grant to assist in Medora-related activities		2,000,000		2,000,000
Added ongoing funding for NAGPRA compliance, including the establishment of a compliance committee consisting of tribal historic preservation officers or their designees from each North Dakota tribe with an agreement under North Dakota Century Code Chapter 54-40.2 (House Bill No. 1603)	500,000			500,000
Total	<u>2.00</u>	<u>\$3,310,878</u>	<u>\$88,381,416</u>	<u>\$91,692,294</u>

FTE Changes

The Legislative Assembly approved 85.50 FTE positions for the State Historical Society for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 83.50 FTE positions. The Legislative Assembly added 1 FTE exhibition preparator position and a FTE tribal liaison position.

One-Time Funding

The following is a summary of one-time funding items for the State Historical Society for the 2025-27 biennium:

	General Fund	Federal Funds	Special Funds	Total
Temporary staff salaries and operating expenses	\$10,225	\$52,011		\$62,236
NAGPRA repatriation compliance costs	100,000			100,000
Pembina State Museum exhibit designs and objects ¹			\$638,000	638,000
Underrepresented community program		75,000		75,000
Repayment of 2023-25 biennium line of credit for military gallery expansion project ^{1,2}			4,200,000	4,200,000
Military gallery expansion project ^{1,2}			73,744,524	73,744,524
Inspiration gallery updates ^{1,2}			700,000	700,000
Medora area planning ¹			2,000,000	2,000,000
State archive storage updates	207,500			207,500
Historical structures and buildings improvements ¹			3,000,000	3,000,000
Paul Bruhn historical revitalization grants		750,000		750,000
Historic museum repairs grant ¹			200,000	200,000
Historic armory restoration grant ¹			100,000	100,000
America 250 th celebration activities ¹			2,000,000	2,000,000
Total	\$317,725	\$877,011	\$86,582,524	\$87,777,260

¹Funding for these items is from SIIF.

²Funding for the military gallery expansion project totals \$78,644,524, including \$4,200,000 to repay a 2023-25 biennium Bank of North Dakota line of credit, \$73,744,524 for the project, and \$700,000 for updates to the inspiration gallery after completion of the project. Of the \$73,744,524 for the project, \$15,000,000 is from SIIF, \$20,000,000 is from a Bank line of credit, and \$38,744,524 is from donations. Of the \$700,000 for updates to the inspiration gallery, \$350,000 is from SIIF and \$350,000 is from donations.

Military Gallery Expansion Project

The Legislative Assembly appropriated \$78,644,524 of one-time funding from special funds for the military gallery expansion project, as follows:

	SIIF	Bank of North Dakota Line of Credit	Donations	Total
Repayment of 2023-25 biennium line of credit	\$4,200,000			\$4,200,000
Military gallery expansion project ¹	15,000,000	\$20,000,000	\$38,744,524	73,744,524
Inspiration gallery updates	350,000		350,000	700,000
Total	\$19,550,000	\$20,000,000	\$39,094,524	\$78,644,524

¹Section 6 of House Bill No. 1018 provides the funding appropriated from SIIF for the military gallery expansion project may be accessed only upon certification from the State Historical Society to the Office of Management and Budget that 33 percent, or \$12,785,693, of the \$38,744,524 appropriated from donated funds for the project have been pledged.

Bank of North Dakota line of credit - Section 7 identifies \$20 million appropriated in Section 1 is from a Bank of North Dakota line of credit for the military gallery expansion project.

Other funds - donations - Section 8 identifies \$39,094,524 appropriated in Section 1 is from other funds derived from donations, of which \$38,744,524 is for the military gallery expansion project and \$350,000 is to update the inspiration gallery at the North Dakota Heritage Center.

Amendment - Military gallery - Section 10 amends Section 55-01-2.1 to require the State Historical Society to collaborate with the Adjutant General on all public displays, signage, and museum content for the military gallery within the Heritage Center building and provides the regimental room be named the North Dakota National Guard Regimental Room.

Emergency - Section 11 provides the \$4.2 million appropriated from SIIF in Section 1 for the repayment of a 2023-25 biennium Bank of North Dakota line of credit for the military gallery expansion project and the \$15 million appropriated from SIIF in Section 1 for the project are declared an emergency measures.

Other Sections in House Bill No. 1018

New and vacant FTE pool - Section 3 provides the State Historical Society may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.

Appropriation - Revolving fund - Section 4 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.

Appropriation - Gifts, grants, and bequests - Section 5 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

Strategic investment and improvements fund - Matching funds - Section 6 identifies \$27,488,000 appropriated in Section 1 from SIIF, of which \$638,000 is for Pembina State Museum exhibit designs and objects, \$4,200,000 is for repayment of the 2023-25 biennium line of credit for the military gallery expansion project, \$15,000,000 is for the military gallery expansion project, \$350,000 is for an update to the inspiration gallery at the North Dakota Heritage Center, \$2,000,000 is for Medora area planning, \$3,000,000 is for improvements to historical structures and buildings, \$200,000 is for a historic museum repairs grant, \$100,000 is for a historic armory restoration grant, and \$2,000,000 is for America 250th semiquincentennial celebration activities. Funding for the historic museum repairs grant and historic armory restoration grant requires \$1 of matching funds from grant recipients for every \$2 provided by the state. Matching funds raised prior to the 2025-27 biennium are eligible to match grants identified in this section. Funding from SIIF for the military gallery expansion project may be accessed only upon certification from the State Historical Society to the Office of Management and Budget that 33 percent, or \$12,785,693, of the \$38,744,524 appropriated from donated funds for the project have been pledged.

Lewis and Clark Interpretive Center - Section 9 identifies \$100,000 appropriated in the other funds line item in Section 1 is from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2025-27 biennium.

Related Legislation

House Bill No. 1603 - NAGPRA compliance - This bill includes \$500,000 of ongoing funding from the general fund appropriated to the State Historical Society for costs associated with compliance with NAGPRA. The State Historical Society is required to use the funding to establish a compliance committee consisting of tribal historic preservation officers or their designees from each North Dakota tribe with an agreement under Chapter 54-40.2. Each tribe participating on the committee is required to provide matching funds of up to \$100,000 for committee efforts. The committee is required to identify and prioritize compliance efforts for the repatriation of culturally significant human remains, funerary objects, sacred objects, and objects of cultural patrimony, including funding for staffing, training, and consultation with tribal historic preservation offices.