



## EXECUTIVE BUDGET RECOMMENDATION 2025-27 BIENNIUM

### Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	85.50	\$26,608,187	\$122,607,858	\$149,216,045
Base level	83.50	20,600,349	2,434,264	23,034,613
Increase (decrease)	2.00	\$6,007,838	\$120,173,594	\$126,181,432
Percentage increase (decrease)	2.4%	29.2%	4,936.8%	547.8%

**NOTE:**

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

### Selected Highlights

- Adds \$780,291, of which \$700,614 is from the general fund and \$79,677 is from other funds, for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds \$510,449, of which \$458,503 is from the general fund and \$51,946 is from other funds, for a health insurance premium increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$1,768,392, of which \$919,203 is from the general fund and \$849,189 is from other funds, to replace the 2023-25 biennium new FTE pool (\$1,131,016) and vacant FTE pool (\$637,376)
- Adds \$408,381 from the general fund for 2 FTE positions, including a FTE exhibition preparator position (\$194,170) and a FTE tribal liaison position (\$214,211). Of the total \$10,225 is **one-time funding** for new FTE position operating expenses.
- Adds \$1,203,247 from the general fund for the cost to continue temporary salaries (\$945,088) and operating expenses, primarily related to insurance, information technology (IT), and utilities (\$258,159)
- Removes \$500,000 from the general fund for cultural heritage grants, resulting in no funding remaining for the program
- Adds \$502,796 from the general fund for compliance costs associated with the Native American Graves Protection and Repatriation Act (NAGPRA), of which \$402,796 is ongoing funding for temporary salaries (\$361,596) and operating expenses (\$9,280) and \$100,000 is **one-time funding** for operating expenses
- Adds **one-time funding** from the general fund for Pembina State Museum exhibit design objects
- Adds **one-time funding** of \$83,644,524, of which \$40,000,000 is from the strategic investment and improvements fund (SIIF) and \$43,644,524 is from the historical bequests and gifts fund, for the military gallery expansion project
- Adds **one-time funding** of \$24,470,000 from SIIF for Medora area planning, including a Chateau de Mores Interpretive Center expansion project (\$13,470,000), a Chimney Park multi-use facility project (\$10,000,000), and the construction of an additional interpretive center (\$1,000,000)
- Adds **one-time funding** of \$5 million of which \$2 million is from the general fund and \$3 million is from SIIF for improvements to historical structures and buildings
- Adds **one-time funding** of \$7 million from SIIF for America 250 semiquincentennial activities

### Deficiency Appropriations

There are no deficiency appropriations recommended in the executive budget for this agency.

### Significant Audit Findings

The operational audit of the State Historical Society conducted by the State Auditor's office for the period ending June 30, 2022, did not identify any significant audit findings.

The financial statement audits of the State Historical Foundation conducted by Haga Kommer, Ltd. for the periods ending June 30, 2023, and June 30, 2024, did not identify any significant audit findings.

### **Agency Fees**

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 1 fee. The agency did not recommend any changes to the fee.

### **Major Related Legislation**

As of the date of this report, there is no major related legislation for this agency.

### **NOTE:**

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



**State Historical Society - Budget No. 701  
Agency Worksheet - House Bill No. 1018**

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	83.50	\$20,600,349	\$2,434,264	\$23,034,613
<b>2025-27 Ongoing Funding Changes</b>				
Base payroll changes		(\$87,917)	(\$218,735)	(\$306,652)
Salary increase		700,614	79,677	780,291
Health insurance increase		458,503	51,946	510,449
Adds funding to replace the 2023-25 new FTE pool		360,978	770,038	1,131,016
Adds funding to replace the 2023-25 vacant FTE pool		558,225	79,151	637,376
Adds funding for a FTE exhibition preparator position	1.00	190,080		190,080
Adds funding for a FTE tribal liaison position	1.00	208,076		208,076
Adds funding for compliance with NAGPRA		402,796		402,796
Adds funding for the cost to continue agency operations - Temporary salaries		945,088		945,088
Adds funding for the enhancement of digital services		150,796	220,080	370,876
Adds federal funding for a temporary historic preservation specialist position			172,402	172,402
Adds funding for the cost to continue IT increases		71,996		71,996
Adds funding for cost to continue increasing operating expenses, including insurance, IT, and utilities		186,163		186,163
Adds funding for Pembina State Museum marketing expenses		37,000		37,000
Transfers \$15,000 from operating expenses to grants for National Historical Publications and Records Commission (NHPRC) grants				0
Remove funding for bonds		(592,375)		(592,375)
Reduces funding for capital assets		(42,000)		(42,000)
Adds federal funding for NHPRC grants			27,500	27,500
Removes funding for cultural heritage grants		(500,000)		(500,000)
<b>Total ongoing funding changes</b>	<b>2.00</b>	<b>\$3,048,023</b>	<b>\$1,182,059</b>	<b>\$4,230,082</b>
<b>One-Time Funding Items</b>				
Adds federal funding for a temporary archaeology collections specialist			\$50,000	\$50,000
Adds one-time funding for new FTE position		\$10,225		10,225
Adds one-time funding for operating expenses for NAGPRA compliance		100,000		100,000
Adds one-time funding for the enhancement of digital services		4,090		4,090
Adds one-time funding for a temporary historic preservation specialist position			2,011	2,011
Adds one-time funding for Pembina State Museum exhibit designs objects		638,000		638,000
Adds federal funding for the underrepresented community grant program			75,000	75,000
Adds funding for the military gallery expansion project			83,644,524	83,644,524
Adds funding for Medora area planning - Chateau de Mores Interpretive Center expansion			13,470,000	13,470,000
Adds funding for Medora area planning - Chimney Park multi-use facility project			10,000,000	10,000,000
Adds funding for Medora area planning - Additional interpretive center			1,000,000	1,000,000

Adds funding for state archive storage upgrades		207,500		207,500
Adds funding for improvements to historical structures and buildings		2,000,000	3,000,000	5,000,000
Adds federal funding for Paul Bruhn historical revitalization grants			750,000	750,000
Adds funding for America 250 semiquincentennial activities			7,000,000	7,000,000
Total one-time funding changes	<b>0.00</b>	<b>\$2,959,815</b>	<b>\$118,991,535</b>	<b>\$121,951,350</b>
<b>Total Changes to Base Level Funding</b>	<b>2.00</b>	<b>\$6,007,838</b>	<b>\$120,173,594</b>	<b>\$126,181,432</b>
<b>2025-27 Total Funding</b>	<b>85.50</b>	<b>\$26,608,187</b>	<b>\$122,607,858</b>	<b>\$149,216,045</b>

Federal funds included in other funds

\$3,765,675

Total ongoing changes - Percentage of base level

2.4%

14.8%

48.6%

18.4%

Total changes - Percentage of base level

2.4%

29.2%

4936.8%

547.8%

**Other Sections in State Historical Society - Budget No. 701**

<b>Section Description</b>	<b>Executive Budget</b>
Appropriation - Revolving fund	Section 3 would appropriate all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 would appropriate all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.
Department of Transportation grant	Section 5 would identify that \$100,000 of funding in the estimated income line item is from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2025-27 biennium.
SIIF	Section 6 would identify \$74,470,000 appropriated in Section 1 is from SIIF, of which \$40,000,000 is for the military gallery expansion project, \$24,470,000 is for Medora area planning, \$3,000,000 is for improvements to historical structures and buildings, and \$7,000,000 is for America 250 semiquincentennial activities.
FTE position adjustments	Section 7 would allow the State Historical Society to increase or decrease authorized FTE positions as needed, subject to the availability of funds.
Exemption - SIIF	Section 8 would allow the State Historical Society to continue any remaining funding of the \$3,250,000 appropriated from SIIF for historic building improvements and the \$375,000 appropriated from SIIF for improving exhibit engagement during the 2023-25 biennium into the 2025-27 biennium.

**HOUSE BILL NO. 1018  
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the state historical society; and to provide an exemption.

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$16,832,853	\$ 5,053,498	\$21,886,351
Operating Expenses	3,443,236	2,297,785	5,741,021
Capital Assets	1,330,184	111,537,649	112,867,833
Grants	928,340	792,500	1,720,840
Cultural Heritage Grants	500,000	(500,000)	0
America's 250 <sup>th</sup>	0	7,000,000	7,000,000
Exhibits	<u>0</u>	<u>0</u>	<u>0</u>
Total All Funds	\$23,034,613	\$126,181,432	\$149,216,045
Less Estimated Income	<u>2,434,264</u>	<u>120,173,594</u>	<u>122,607,858</u>
Total General Fund	\$20,600,349	\$ 6,007,838	\$26,608,187
Full-Time Equivalent Positions	83.50	2.00	85.50

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Historic site and extraordinary repairs	\$3,250,000	\$ 5,000,000
State archives digital repository upgrade	0	207,500
Inflationary costs	120,795	0
Digital interactive initiative	425,000	0
Geographic information system remote access and	250,000	0
Medora site planning	150,000	24,470,000
Army corps of engineers grant	400,000	0
Opera house restoration	250,000	0
Whitestone Hill monument	250,000	0
Digital humanities advancement grant	30,000	0
Scanner and microfilm plotter	236,044	0
Exhibit engagement	375,000	642,900
Paul Bruhn historical revitalization grant	750,000	750,000
Underrepresented community grant	125,000	75,000

America's 250 <sup>th</sup> celebration	250,000	7,000,000
Military gallery	20,000,000	83,644,524
Native American graves and repatriation act FTE	0	106,135
Enhance digital services	0	4,090
National resources grant	0	2,011
USDA forest service grant	0	50,000
Total All Funds	\$26,861,839	\$121,952,160
Less Estimated Income	<u>24,955,000</u>	<u>118,991,535</u>
Total General Fund	\$1,906,839	\$ 2,960,625

The 2025-27 one-time funding amounts are not a part of the entity's base budget for the 2027-29 biennium. The historical society shall report to the appropriations committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 3. REVOLVING FUND - APPROPRIATION.** All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 4. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION.** All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 5. ESTIMATED INCOME - DEPARTMENT OF TRANSPORTATION GRANT.** The estimated income line item in subdivision 3 of section 1 of this Act, includes \$100,000 of grant funding from the department of transportation for the purpose of defraying expenses for the Lewis and Clark interpretive center.

**SECTION 6. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – ONE TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$74,470,000 from the strategic investment and improvements fund, of which \$40,000,000 is for the military gallery expansion of the heritage center, \$7,000,000 is for America's 250<sup>th</sup> activities, \$3,000,000 is for critical repairs to historic site structures, \$24,470,000 is for capital projects in Medora. This funding is considered a one-time funding item.

**SECTION 7. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding any other provisions of law, the state historical society may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The state historical society shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

**SECTION 8. EXEMPTION – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** Section 54-44.1-11 does not apply to the appropriation in subsection 6 of section 1 of chapter 50 of the 2023 Session Laws, and any unexpended funds from this appropriation may be continued and used for the purpose of critical repairs to historic site structures, and for creating new and repairing existing exhibits during the biennium beginning July 1, 2025, ending June 30, 2027.