

**2017 HOUSE APPROPRIATIONS**

**HB 1018**

# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB1018-1078  
1/5/2017  
26583

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Donna Whetham*

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

To provide an appropriation for defraying the expenses of the State Historical Society.

### Minutes:

Attachments 1-2.

**Chairman Monson:** called the committee to order on 1/5/2017.

**Claudia Berg, Director of St Historical Society:** (See Attachment #1) I have passed out testimony and I'm just going to hit on a few of the high points this morning. You will all be pleased to know there is only two of us speaking today, myself and the assistant director. I did want to just go over a few things and start with expressing again our gratitude for the support we've had from the legislature over the last decade and more and for our expansion efforts and what it has done for us. That really has created a platform for us to really launch into a national arena. With historical society, with cultural organizations and museums. With that we also keep moving forward even though the expansion is completed there is a lot of programming going on. You'll see the different areas that I'll touch on too where things continuously happen and are growing and we are also no focusing some on our historic sites again. Looking at a ten-year plan as we go forward with our sites that we have across the state, we have 57 state historic sites. Most of those are markers. Ten had museums and interpretive centers. They are very important to help tell the history of North Dakota. It's part of the heritage tourism initiative across the state. We work with over a 170 county and local museums across the state as well as numerous communities as well. So there is quite a network out there that has a lot more potential and were part of working with that group and really creating destinations across the state. Especially in the more rural areas. Just touching on a few things with collection, we have done a lot of work with IT over the last two years. That the digital archiving of state records was a huge initiative. We have purchased preserve account which is a software that will work on that. We are training staff, working with ITD and other state agencies and that should launch by June of this year. We have also purchased rediscover which is a collections data base software that will allow us to better track our collections, get them all on one data base, make them more user friendly on our website for accessibility for those looking for information as well as for us collecting it. The friend's groups that we have across the state at several of our sites have been doing a lot of great work, raising money assisting us in stabilizing building, presenting programs. There



some new friend's groups in development as well as they are really important to us moving forward out across the state again. Another big project is our 4<sup>th</sup> grade curriculum that was done as a book form. We are now converting that to digital electronic format and its going on the website. We have the funding to do three of the six units but there is a savings in that process that we have get four units on our website.

**Chairman Monson:** How many is it you will get done Claudia?

**Claudia Berg:** We will get four of the six completed and that's going to be a wonderful way for more teachers to utilize that information, making it much more accessible via our website instead of purchasing books. We have also been doing a lot of teacher workshops across the state, familiarizing classroom teachers with that curriculum and how it can be used. We are working with the university of Mary and some of Dickinson State on training teachers on how to use museums as well so we are trying to embed ourselves into those early stages to really make this material worthwhile. We continue to work with our foundation, we have numerous programing partners, programming partners. Our foundation is by far our leading partner in almost everything we do. We do have more memorandums of agreement with the North Dakota Indian Affairs commission, the North Dakota Counsel and the Arts and the North Dakota Geological survey for programing in the Heritage Center. That's a lot of square footage to keep animated and they all have a vital role in exhibits and programming in the Heritage Center. We also have a lot of official memorandums with different several agencies for maintaining their collections. The Heritage center is a state and Federal depository for North Dakota and there or specific standards that must be met and we continue to meet those and working with the federal organizations some of them are also now contributing towards repair and research base collections. A lot of public programing is happening, a lot of partnerships again with different organizations in combining resources to do a bigger better job on programs and projects as we move forward. Our state historic preservation office has been very, very busy over the last two years. They have reviewed over 6,600 state wide projects and that is growing as development. Also again IT had launched a new state museum website. We have three websites up now also with their specific purposes, also we have invested in marketing. If we don't tell people what we are doing. We are losing some of the initiative we had in some of those resources.

07:25

**Claudia Berg:** (See attachment #1) So at the very bottom of the second page are some statistics that I thought were important for you to see and I think also for us to recognize how much we really have accomplished. That all those numbers total with virtual visitors as well as physical visitors to the Heritage Center and all our sites. Over the past two years we have reached over 1.4 million people. I think that we are doing justice to our people to our budgets to our partners and are growing programs and analyzing with visitor studies to really see what our most affective approach is as we move forward. With that I guess there is a third page document following this that is kind of a fast track on our agency that I am not going to go into but I there is a lot more information there for your reference if you would like it. So with that if there are any questions I'd be willing to address them.

**Chairman Monson:** I've got three for you Claudia, you mention your expansion project is still on going. What do you have left? What's still on the front burner?



**Claudia Berg:** With the expansion it's pretty well wrapped up. There's still a few things left to do with the building but the Heritage Center expansion is basically wrapped up.

**Chairman Monson:** What's left to do on the building? You don't need money to do that?

**Claudia Berg:** Yes all of that is finished for now.

**Chairman Monson:** Basically just behind the scenes stuff then?

**Claudia Berg:** Well its collections are always coming in. We have records and back log and that sort of thing. So we are operating the agency with the programs and collections and those sorts of things.

**Chairman Monson:** You mention the Heritage Center being a state and federal repository. Just very briefly if I understood right there are maybe some federal funds rolling in?

**Claudia Berg:** Yes, because we have to train staff, 24-hour security and environment controls we meet the standards for a federal repository. So those collections can stay in North Dakota and don't get shipped off to Denver or Oklahoma or Kansas City. The deal in particular has over the last several years has contributed to shelving and storage and has now hired a person to help catalog some of their collections and do research on it. Others have contributing information and in research as well. That's one area where we are looking for more support but the federal dollars are tight pretty tight right now as well.

**Chairman Monson:** You mentioned signage and advertising. I've noticed you've taken our advice or maybe you figured it out on your own that more signs bring in the more people and you've got them out there.

**Claudia Berg:** Yes and we did invest in a marketing plan as well so we have a plan as we move forward and we've gone into social media extensively and that really makes a difference in each specific audiences. With the treehouse opening now, the exhibits program. The treehouse is a children's area and is a destination for young families. Children are coming in and they are going to the treehouse and they are going to the dinosaurs. So they are growing up in the museum and over the many years that I've worked at the heritage center we have always heard people that grew up in liberty memorial and those wonderful experiences that they had and the lifelong effects that has had in their carrier choices. So it's really encouraging to see all these school groups coming in and museum children and the impact we can have on them as they move forward with their lives.

**Chairman Monson:** Security, is that still right across the hall from you guys? Is that the security for the whole complex?

**Claudia Berg:** We have our own security for the Heritage Center but Capital Security has moved into a room in the Heritage Center to diversify their locations on the capital grounds.

**Chairman Monson:** So they are still over there but not in the same spot?



**Claudia Berg:** Yes they are a completely separate operation but they are located in the heritage center.

**Chairman Monson:** At one time we talked about saving money and having one combined one but evidently it hasn't happened. Any other questions for Claudia?

**Rep M. Sanford:** This is a little bit off topic. It goes to the last page that you have, it deals with the historic reservation. I recall in 1998 and 1999 having to, on a building by building basis, having to go through the process of having a facility evaluated before we could demolition or modify after the flood in Grand Forks and so I was just wondering how much of that exist today? On a route basis is there much of that or is that kind of event like ours?

**Claudia Berg:** If the building is on the national register or the state register there is a process. There's nothing illegally that prevents you from demolition the building. We like to make sure it's completely recorded and documented before the building is lost. Sometime it can be quite a process but for long term history of the state that's really good information to have. Especially for the communities and history. The federal program is a complicated program and there a lot of guidelines to follow with that. So we have several staff that specifically work with the state historic preservation office our responsibility state wide.

**Chairman Monson:** That surprised me. I was under the impression that once it was on the historic register it was going to be a building that was going to stand there forever and we have to keep repairing it, but it can be demolished?

**Claudia Berg:** It can be but we really work to try to prevent that. The community or the owners have the right to do as they wish with the building.

**Chairman Monson:** Glad to know that. I didn't know that. Any other questions committee?

**Dave Skalsky, Assistant Director of the State Historical Society of North Dakota** (see attachment2): I'm here today to present testimony involving capital assets funding carried over to the 2017-2019 biennium. total of \$1.4 million. If you look at the top of that chart there to get to the 10% for the 2017-2019 biennium we are purposing and that's what was accepted in another budget another \$962,000 to ongoing costs. For a total of \$1.8 million for the 2017-2019 biennium. Down below I'll talk a little bit about each area and how they got there or how we are looking to get there. If you look at salaries and wages, I guess I just want to say that we didn't have a lot of changes in our cuts and I think that some people may have cut one area and then switched how we are going to address that in a future biennium. If you look at the salaries and wages, we currently cut three positions through attrition. Archivist, Museum Graphics Position and Custodial Position. (See Attachment #2).

21:50

**Chairman Monson:** What happened to your insurance with all the expansion? Obviously you have a lot more square footage, a lot more building to insure did that premium go up a lot?



**David Skalsky:** I don't really know because what happens is the way it works is facility management has all those buildings on their lists so it would have affected their budgets. Even look at the custodial staff, if you remember last biennium we transferred several custodial staff, they used to supervise those staff but now we do. We work with them on maintenance some of the maintenance inside of the building so we don't pay that property insurance for that.

**Chairman Monson:** So they pay the insurance for the whole capital complex including the Heritage Center?

**David Skalsky:** For the Heritage Center and I believe the whole capitol complex. I'm not sure how the DOT operates or the water commission building.

**Chairman Monson:** And they don't bill you for that?

**David Skalsky:** No they do not. There's some things that we now take care of along with custodial staff. We handle all the paper towels and toilet paper those kinds of things. Cleaning project and things we pay for now. Our executive budget reduction purpose that we Cultural Heritage program which was \$504,000 and for the current biennium we cut back by \$211,000 that will essentially eliminate the program. A lot of the things we do is done through one time funding in the past. (See attachment #2, page 2-3)

**Chairman Monson:** How did you get Dakota down by \$100,000?

**David Skalsky:** When we made the cuts, between what the legislative did and the Governors allotment was little over 6% so we turned that amount back and conversations with the owner of the fossil we basically said here's where we are at and here's what we are going to be able to come up with. They thought long and hard about it and they wanted more rice with the fossil. For example, they wanted casting rights with it and we said no we need to own the fossil outright so he accepted the proposal on that.

**Chairman Monson:** It's a good thing we bought it when we did because it wouldn't happen this session.

26:18

**David Skalsky:** The last page I'll just talk about the top piece. It really shows how it went from the current biennium to what the executive budget proposals. That piece there really rolls into 1078 and it ties in there. If you look at the first columns what all funds or state funds was \$21.5 million. We needed a onetime funding of 3.4 million and this is typically how they used to do the process. (See Attachment 2 page 4).

**Chairman Monson:** Do you have any vacant FTE's?

**David Skalsky:** We have a security position open currently.

**Chairman Monson:** We toured double ditch project it looked like a massive project but I see that is one that has been removed. What happened? How did you stabilize it? Did you get

anything out of the Federal or the Corps of Engineers or the National Guards? Tell us a little bit about double ditch and what happened.

**David Skalsky:** We hired an engineering firm and they came up with the plans to stabilize it. We are currently in meetings with the Corps on getting the permit and we are going to ask them what the deadline for them to respond is. That has not been stabilized we do have some concerns with all this snowfall because potentially there could be another slope failure. We are working on some issues with the core and the State Water commission.

**Chairman Monson:** So it's still not stabilized?

**David Skalsky:** Correct.

**Chairman Monson:** The money is gone?

**David Skalsky:** No the money is still there.

**Chairman Monson:** So you still have \$3 million?

**David Skalsky:** Yes. Some of that belongs to the bank of North Dakota. You can see in our deficiency appropriate on the green sheet, it talks about that. We also did talk to the National Guard about their assistant and they said it would be very difficult unless we are able to time that a year and a half in advance or so. They said they could maybe commit to a couple weeks and only certain parts of the project. It does not look like the national guard will be able to help very much.

**Rep. J. Schmidt:** With respect to the designing center that was done in double ditch Morton County water board was extremely concerned about the design. I sit on that board. We thought the design would deflect the water onto the Morton county side of the river and we had a number of other concerns with the structure that was going to be put in there. Right now Morton County is not in favor of what you want to do?

**David Skalsky:** I think the engineers have submitted information to the Corps and I am assuming it is available to everybody. So I don't know what changes they have made to address those concerns.

31:57

**Fern Swenson:** Archeology, Historic and Preservation Division Director: 32:00 The Corps of Engineers is meeting this morning. They have received more information from the engineering firm. Much of the questions that Morton County had were addressed in the original document that was submitted on May 12. But not all the people who the Corps sent the information too actually received the whole packet. The Corps did some extra modeling to document that it will not impact other people. Whether it is Burleigh County, Morton County or other home owners. So the documentation is out there and can make sure you receive it and I can go to the Morton County meetings to present this if you desire.



**Rep Schmidt:** That would be appropriate if they don't have a response. One of the concerns I have is that the dollar figure was based on that design that was presented. If the design is to be changed, what the Morton County side felt that the dollar figure may increase significantly.

**Chairman Monson:** I'm not convinced even \$3 ½ million will be enough to make a dent in what needed to be done out there. That is a huge ongoing problem. Holding back the Missouri River is a big deal.

**Fern Swenson:** They did make some revisions. It is very complex because it is sliding in two directions. They've added some pipe to hold back the crack that has developed in the fault area, the slide will expose considerably more gravesites. There is possibly 50 feet that will slide at the site and that would mean there would considerably more burials exposed as well. So the timing is important.

**Rep Schmidt:** If it requires more funding to build it where will you get the money?

**Fern Swenson:** The engineering firm believes that we do have sufficient funding to do the stabilization. Other changes that were made is north of the major slump and they found they didn't have to do as much dirt movement. We expect to have enough funds.

**Rep Schmidt:** The Morton County Water board did not like the design and I don't know if it has been changed. If there has been modifications of that would you notify the Chairman of changes.

**Fern Swenson:** Absolutely.

**Chairman Monson:** Last session we were having issues almost weekly with another burial site being exposed. Have you had more continuing all along or has that rate slowed or stopped?

**Fern Swenson:** We are up to 17 burials that have been exposed and more will continue. We monitor that on a regular basis.

**Chairman Monson:** When that happens do you have funding to take care of each incident? Those 17 burials? That costs you money I am sure.

**Fern Swenson:** It costs staff time. Our staff goes out and salvages the burials. Then we work very closely with the Mandan, Hidatsa, and Arikara Nation. Then burials are actually buried at the site just farther in from the river in an area that would not be disturbed ever again.

38:20

**Rep Schatz:** Does the historical society have ownership of the Major Indian Battles that were fought in ND. Specifically Dead Buffalo Lake, Stoney Lake, White Stone Hill and the Killdeer Mountains?



**Claudia Berg: State Historical Society Director:** Yes, those are State historical sites. They are under our care.

38:44

**Rep Schatz:** So I can drive out to these sites and there are markers there?

**Claudia Berg:** Yes. Most of these sites are marker sites so there is not a lot there. The interpretation that has been put into the traveler's companion which is a book you can take with you gives the history of each site.

**Rep Schatz:** The markers are small for what happened there. Is there any plans for expansion there?

**Claudia Berg:** We have taken people out and reenacted what happened at the site but there isn't plans to put interpretive centers there. There is a possibility of more outdoor signage.

**Chairman Monson:** Is there any other questions or presentations?

**Claudia Berg:** Invitation for a Legislative reception at 5-7 p.m. at the Heritage Center and they will be featuring the 4<sup>th</sup> Grade curriculum online. If anyone wants to get a look behind the scenes view of what we are doing come to us. We would like to show you what we are doing.

**Rep Streyle:** On the bill that will be in Full Committee please explain the operating expenses, the 294 and then the 1.2 Million for the Historical Double Ditch. What is that? I guess we will hear this next week probably.

**David Skalsky :** The 1.2 Million dollars is money that we would borrow from the Bank of ND for the Double Ditch stabilization and that money would be to pay the Bank of ND back. The other piece is that Comstock who is a contractor on the Heritage Center is suing the state. That is what they figure will be the legal fees to represent the state of North Dakota in that case. We have \$360,000 of their money that we have raised so it is sitting there for the rest of their contract. All they would have to do was finish the projects. The main part of this lawsuit is the limestone was hung incorrectly and they had to take it all down. I think Comstock is looking for some money from the subcontractor that did the job incorrectly also. I have no idea how much money they are looking for from them.

**Rep Streyle:** \$360,000 is what they are owed and we are going to pay the \$360,000?

**David Skalsky:** \$360,000 is what they had left to pay them but we can use that money to finish the project that they should have done.

**Rep Streyle:** So Double Ditch is ready to go in the spring? Do you plan on starting the project?

**David Skalsky:** We met with engineers and asked are we still going to get this thing done before July of 17. At that time they said yes, but we also had 6 weeks of delays in getting

the permit from the Corps. Our intention is to get it done. I personally think it may run into mid-summer. Depends on the Corps.

**Chairman Monson:** In the bill I see Fort Totten and Stutsman repairs. Those are two projects we funded last time. On- time funding money. Are they going to use up that money and complete those projects as far as what we appropriated last session?

**Claudia Berg:** Yes, those projects were completed.

**Chairman Monson:** I was at Fort Totten, but I haven't been there since the projects are completed.

**Claudia Berg:** The Hospital Bill has been the focus and is looking really good. It needed a great deal of repair and the building has been stabilized and the interior has been redone and new exhibits are going in. It will be ready this spring. The Jamestown community has really taken on the Stutsman County court house project. They received a grant through tourism. Friends group will assist with that.

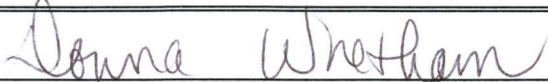
**Chairman Monson:** Any other testimony or questions? Seeing none. Closed the hearing.

# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1018  
1/18/2017  
27038

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

An appropriation for defraying the expenses of the state historical society.

### Minutes:

Attachment 1-2.

**Chairman Monson:** called the committee to order on the State Historical Society budget. We'd like to discuss Double Ditch more. (*attachment 1*)

**Rep Schmidt:** Both Burleigh and Morton counties' water boards were totally against the jetties. There is still a concern, we are not apprised of anything the engineering firm is doing or of what the alternative is. We are not in favor of anything that changes or diverts any flow within the river at all. 3:22

**Chairman Monson:** Yesterday I was taken aback to hear that the request in the deficiency budget bill was to pay off a loan that hadn't even been taken out, yet. We have asked all agencies to take a hard look at the wages and salaries line and figure out how to reduce that line by about 7%. We have to find in the budget about \$400 million more than governor Dalrymple had cut. You can let us decide or you can give us a plan. If you don't have quite as many people you can look at saving in operating.

**Rep Schmidt:** If we are here to reduce the size of government we have to cut programs. If that money hasn't been used, I think it should come back.

**Chairman Monson:** If you have money you haven't used, it is going to get cut. If you can't do a project without the people or funds maybe you need to cut the program or maybe you can tweak each project a bit.

**Claudia Berg Director of State Historical Department:** We have cut 3 FTEs through retirements or people moving. (*attachment 2*)

**Rep Schmidt:** Are your programs technical assistance only, or are they a combination of technical and financial assistance?



**Ms. Berg:** We have cut our grant program totally and that was financial assistance that went out to county and local communities statewide. Cultural Heritage grants went to county and local museums and were eliminated. The historic sites would not be affected by this grant program. These are pass through grants to communities.

**Rep Schmidt:** Are the funds for that program decided through the legislature or do you divide those funds out.

**Ms. Berg:** It's designated for a program.

**Rep Schmidt:** Then your budget for line 17 and 19 should be zero, shouldn't it? 13:45  
Technical assistance is when your staff goes out to assist on the program.  
So that should be subtracted as well.

**Ms. Berg:** This is just one of several grants that our coordinator oversees. She is still overseeing other grants that are federal. It is multiple people working on multiple projects.

**Rep Schmidt:** So the federal government pays both the technical and financial? 15:08

**Dave Skalsky:** She is paid 100% out of federal funds. The first piece was cut by the governor's allotment. The grant program had already been cut to zero.

**Rep Schmidt:** How many programs do you have?

**Dave Skalsky:** We probably have 20 different federal grants.

**Ms. Berg:** We also have educational programs, interpretive programs, public programs, lots of different types of programs.

**Rep Schmidt:** If a program is not efficient, or effective we need to cut the program.

**Ms. Berg:** We have been measuring our travelling exhibit program. There are many, many requests for that but we eliminated that program because we could not manage it efficiently. It didn't eliminate staff because the reason it was inefficient is because they were overextended.

**Chairman Monson:** On the green sheet it looks like your reduction is .6%, is that right Chris?

**Chris Kadrmas LC:** That is .6% in addition to what was allotted. It does not reflect the governor's reduction. It reflects what the reduction was after the reductions of the special session. HB 1018 doesn't show any reductions because 1018 is just the vehicle to carry forward what the legislature wants. You need to look at the governor's recommendation and reduce from there. The base level on HB 1018 is the same as HB 1078. The green sheet shows the net effect of the governor's budget and what the allotment has done.

**Vice Chairman Streyle:** We need to put the grant language into our bill.

**Kadrmass LC:** If you agree with the total reduction of \$504,000, which on our bill is \$245,000 because they've taken about half of it as an allotment, you would just zero it out. On our bill it will show a \$245,000 reduction but that is because we are starting at a lower level than they did.

**Rep Schmidt:** After the allotment was given, did we establish that as the base level?

**Kadrmass LC:** We did, but the governor is going from the original appropriation.

**Chairman Monson:** Chris is making a list; we will zero out the grants.

**Kadrmass LC:** 26:00 We will show a reduction of \$245,000.

**Rep Schmidt:** So they started at \$504, then they had an allotment they subtracted. Now, the balance of that allotment is \$293,000 that we are subtracting so the \$504 is actually under our budget which is zero then.

**Kadrmass LC:** No, the base level we have is what occurred after the allotment. Originally it was \$504 they allotted \$245,000 that is why we are showing a base of \$293,000.

**Chairman Monson:** Let's go down the line on the green sheets. We are not doing any increases in salaries. So this would be gone, essentially no increases.

**Kadrmass LC:** If the committee did not take action it would not affect HB 1018 because HB 1018 does not reflect any kind of pay increases.

**Vice Chairman Streyle:** If we want to get to a number we can take our percentage and apply it.

**Chairman Monson:** 30:40 To coordinate with the green sheet. We are looking at 77 FTEs. You reduced 3 positions, but retained 2 of them as unfilled positions so you only gave up one.

**Ms. Berg:** We are giving up 3 FTE. The 77 only reflects one and we are giving up 2 additional FTEs.

**Mr. Skalsky:** The new governor eliminated the 2 FTEs, so we have eliminated 3 positions.

**Chairman Monson:** The new governor hasn't done anything; we do the eliminating.

**Ms. Berg:** We have mentally just let go of those 3 positions.

**Kadrmass LC:** You'd like to remove the funding and the authority for those 3 FTEs. In HB 1018 it will remove the authority for the FTEs so it will go down to 75 and that would reduce funding of \$164,634 because they had already reduced the allotment.

**Rep Schmidt:** You can't amend a bill that doesn't exist so what would you amend? If we did away with Dalrymple's bills the current governor wouldn't have anything to amend.



**Chairman Monson:** If you can figure out how to close down another program or two that would take more out of salaries. We could be looking at a 4% cut then.

**Rep Sanford:** I agree with the 7%. I would like to see our budget with the numbers that are in it and a second column with the gross number with the 7% reduction in it, then I would like a column to see how far away we are from our bogie, the 4<sup>TH</sup> thing I would like to see is what are the pots that have potential revenue transfers. I want to see how the expenditures we have match up with revenue. This would show us what we need, yet.

**Vice Chairman Streyle:** We need to see what the transfers are, there's information we don't know yet. We can guesstimate.

**Rep Schatz:** I'm looking at your FTE histories. What happened since the 13 budget that saw the need for 15 additional FTEs?

**Ms. Berg:** There were 6 custodial FTEs transferred to us from Facility Management, they lost those FTEs and we gained them. Excuse me it was 7 FTEs that were transferred to us. We have doubled our square footage with the expansion so we needed more personnel to manage all the new programs and the additional space.

**Chairman Monson:** Would it be a big deal to cut back on something? You had a lot of people putting new exhibits together. I assume that is done now.

**Ms. Berg:** A staff of 4 people manage the Heritage Center and 10 outlying historic sites with museums as well. We have travelling exhibits, so we have people rotating exhibits out, replacing exhibits, and artifacts and doing repairs etc.

**Vice Chairman Streyle:** On the electronics record piece and the 4<sup>th</sup> grade Government in ND curriculum, do we need to have them and also the Lawrence Welk piece in the ongoing budget?

**Dave Skalsky:** We are legally mandated to implement a new software program. We have storage to get us through the next biennium.

**Ms. Berg:** The Lawrence Welk Operation is one of our historic sites so it is in our budget.

**Vice Chairman Streyle:** So does it cost \$100,000 a biennium to maintain that or is it more?

**Dave Skalsky:** Yes we spend about \$50,000 each biennium on the Lawrence Welk site.

**Ms. Berg:** The 4<sup>th</sup> grade curriculum costs us about \$100,000 a biennium also.

**Chairman Monson:** We as legislature mandated ND Studies in 4<sup>th</sup> and 8<sup>th</sup> grade.

**Ms. Berg:** There is a college level as well. We'd like to network the ND Studies program with schools. It has a lot of legs we are implementing now.

**Vice Chairman Streyle:** I think we need to delay Double Ditch.



**Ms. Berg:** The Corps of Engineers has held this up. We now have 17 burials that have surfaced on this site. The crack is going into the site; we don't have 2 years or we will be in deep trouble with a National Monument.

**Chairman Monson:** This will never stop. You could spend \$10 million and you won't stop the river erosion. Rather than wait until more graves are exposed, can you be proactive to find those graves and move them before they are eroded?

**Ms. Berg:** The staff did do ground penetrating radar. The burials are scattered all over, it is not like a cemetery. We are working with the three affiliated tribes and the Mandan as it is a Mandan site. The flood washed out the toe of that cliff. When we get it stabilized it will handle any normal river activity.

**Rep Boe:** How are we going to stabilize this and still end up with a historical site? Won't it be disintegrated?

**Ms. Berg:** 1:01:00 If we can stabilize the bank we should be able to save the rest of the site. The majority of the site is at the top of the bank.

**Rep Schmidt:** Are the Three Affiliated tribes putting money into this or just staff time?

**Ms. Berg:** They are just advisory and they are not charging us for their time. They are tribal elders.

**Rep Schmidt:** They are not willing to cost share?

**Ms. Berg:** It is a State Historic Site. It wasn't a culturally appropriate thing to ask for the money.

**Chairman Monson:** Even if we fund this it won't get priority in full committee and then we have to try to sell it on the floor. If we don't fund it what happens? We have to make serious choices.

**Ms. Berg:** Given the amount of snow we have the crack will go up into the site, more graves will surface, part of it will drop into the river. Archeologically it is very important for the history of the river and the Mandan tribe from the 1400s to 1738. This area has some of the few earth lodges that still exists from that culture.

**Chairman Monson:** If this were important to the Three Affiliated Tribes, you'd think they'd put some money into it. The reality is we don't have the money.

**Chris Kadrmas LC:** It was a onetime loan or line of credit. The only thing you could do is address it in the deficiency bill. There is a total of \$3,500,000, \$250,000 was from the general fund, \$250,000 was from other funds and I believe \$1.2 million was in the loan.

**Ms. Berg:** It was an emergency fund.

**Chairman Monson:** How much do you have obligated to the contracting or engineering plan if we take back everything you haven't spent?

**Dave Skalsky:** We had a contract with Atwell for \$696,295. A significant portion has been spent. I can get you the numbers for what we still owe them.

**Chris Kadrmas:** 1:11:50 They were appropriated \$2 million from the disaster relief fund, \$250,000 from the general fund and I assume that's where some of this came out of. They were also given authority for the \$1.2 million in the loan.

**Chairman Monson:** Chris if we shut this down after paying for the engineers figure out where the money has been taken from and we put it back into the fund if we reduce the authority.

**Rep Schmidt:** The property I own has two burial sites because the state has identified it as a historical site. I can't do anything with it. If the Three Affiliated Tribes know that we are in dire need of funding, if they choose not to participate in the funding for this then I'm not voting for it.

**Rep Sanford:** This is our history, ND history, this is a group of friends that have a vested interest in it. They should be given an opportunity to invest in it.

**Chairman Monson:** If we could offer a match of some kind if you get funding from The Three Affiliated Tribes- we have to get some outside funding.

**Chris Kadrmas:** Only \$250,000 is from the general fund, \$2 million was from the disaster fund.

**Chairman Monson:** This is a kind of disaster, that's how we reached into that fund. After we get some numbers we can give them authority to get outside funding or maybe we can do a match.

**Chris Kadrmas:** I will have to see how the committee could rescind that spending authority.

**Rep Schmidt:** Standing Rock and Three Affiliated Tribes aren't hurting for funds.

**Rep Boe:** Thinking back to the last funding this is how we approached it then, as creative funding. It's not a huge savings to stop.

**Rep Schatz:** Can you make a formal request of the Three Affiliated Tribes to do this?

**Ms. Berg:** We will go up to talk to them about this.

**Rep Schatz:** I'm thinking this is some kind of emergency so you would want to do this as soon as possible. Make a formal request, they might respond.



**Chairman Monson:** We might be able to do a match if we can do an emergency funding again. Otherwise it will come out of your budget.  
We'll take a 10-minute break. 1:25:11

**Chairman Monson:** called the committee to order on the Historical Society budget.

**Ms. Berg:** Attachment 2, an update on the It project, was passed out for interested parties, no testimony.

**Chairman Monson:** Are there other places you could cut?

**Ms. Berg:** Dave and I will sit down and find some areas. Personnel switches back and forth so it's not as simple as "cut the budget for the program, cut the personnel.

**Chairman Monson:** Did you have to cut \$800,000 more after the governor's budget?

**Vice Chairman Streyle:** We should work from our budget.

**Chairman Monson:** Yes, I can't rap my head around all of the budgets. We'll address this one next week, maybe next Wednesday. This closes our discussion on the Historical Society. The Secretary of State will be coming in at 10:30.

# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1018  
2/1/2017  
27725

- Subcommittee  
 Conference Committee

*Virginia L Moch*

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

To provide an appropriation to defray the expenses of the state historical society.

### Minutes:

Attachments 1-2

**Chairman Monson:** called the committee to order on the historical society budget, HB 1018. The 7% reduction comes to about \$900,000 on this budget. The two governors didn't come close to this number. We need \$900,000 further reduction in salaries in order to balance our budget. Two of the 3 FTEs taken out by Dalrymple were vacant positions, but the next \$700,000 will be a big hit. We talked about taking out the cultural heritage grants, but Dalrymple had already taken that. We are still looking at taking another \$875,000. (see attachment 1) 4:20-6:20 We need to discuss Double Ditch. They can still borrow money and do Double Ditch before June 30. They'll have a hard time paying back loans if we reduce more FTEs and operating. They have authority to borrow until June 30 unless we take that spending authority away in an emergency clause.

**Rep Martinson:** We are on the news with DAPL for disturbing sacred grounds. The PR would be overwhelming if we let this site go and the historical society would have to deal with it and they are the ones in charge of protecting those sites. Even though we don't like it I think we have to let it go.

**Chris Kadrmas LC:** There was \$250,000 from the general fund, \$2 million from the state disaster relief fund and the \$1.25 million loan authorization.

**Chairman Monson:** You haven't borrowed any money from the BND, you've taken some of the \$2 million from the disaster relief fund to pay your engineering fees. There won't be any more general funds following this. If you get special funds you could use those.

**Rep Schatz:** Have you talked to the Three Affiliated Tribes?

**Claudia Berg:** We have met with Chairman Fox and hope to meet with him again this Friday. They are not inclined to support it financially. They feel it is the state's obligation.

**Rep Schatz:** We do give them \$200,000,000 out of the oil extraction tax, just subtract it.



**Chairman Monson:** I don't think we want to go down that road. It is a state site. It is their ancestors. We could give the historical the authority to spend special funds. If we cut their funds they wouldn't have the flexibility to pay back their loans.

**Rep Boe:** This is the exact argument we had 2 years ago. We asked the tribes to help, they declined. The only thing that changed was DAPL.

**Chairman Monson:** The other thing that changed is we don't have the money. Before we give authority for the disaster fund I think we need to know how much money is in there and if any others are looking at that for funding. Leaving it as it is may be the best we can do.

**Rep Schmidt:** It disheartens me that they wouldn't be willing to participate and collaborate on this. I'm for just continuing the way we are going.

**Vice Chairman Streyle:** I hope we pay for the graves in Fargo when they flood, too, and give them the same consideration.

**Rep Martinson:** We don't have much choice on this. I think we should do it. See what happens in the senate. The funding is not going to happen.

**Chairman Monson:** If you had the spending authority to continue borrowing on that line of credit and you had \$2 million from the disaster relief fund, how much can you get done by June 30? Do you have a plan that does not involve the corps and does not interrupt Morton County, can you come up with a plan within what you have until June 30?

**Ms. Berg:** Yes, we have the plan. We reengineered part of it with existing funds. There will be no weirs in the water, everything is above the high water mark so we've eliminated working with the corps completely. The last of the engineering is being completed, we have the money in place to do the bid specks, and it is ready to go to bids shortly. It will be \$3.5 million to cover the project and pay for the engineers.

**Chairman Monson:** If you end up short you can go to the tribes. Before we do anything we need to get some numbers from the disaster relief fund. Something else could happen such as a flood.

**Mr. Kadrmas:** The ending relief fund is anticipated to be \$25.6 million. The \$2 million already came out last biennium.

**Rep Schatz:** The new way to fund things is a Go Fund Me Account.

**Chairman Monson:** Some of the tribes have deep pockets and may want to help. Back to attachment 24:20-

**Mr. Kadrmas:** They had 5 vacant FTEs, they still have 2, one of the vacant FTEs indicated that it has been offered.

**Chairman Monson:** The 7% reduction only works to reduce the budget if it is out of the general fund. Can we stay with the 7%, it can be a big cut? With this budget it would be another \$9 million. Can they even operate on that? There is an amendment to work the health insurance overall so we need to see how that comes out. In the end there will be another \$191,000 added to your health insurance line because the committee that does that already signed the contract. They took out a maintenance man. Chris how can unfunding 2 FTEs come out to such a small number, \$58,237?

**Dave Skalsky:** Governor Dalrymple took out the funding for 3 FTEs and left the 2 positions there. *(attachment2)*

**Mr. Kadrmas:** They did reduce the budget by \$283,939 in their base level but they had already used some of it \$235,702, in the allotment so that left the \$58,237 decrease. They reduced their temps, too, and that is the same scenario where they actually reduced it by \$364,865 from their base level starting point which correlates to \$147,000 for us because they utilized \$207,651 of it in the allotment.

**Chairman Monson:** We're looking at a budget that is 85% general fund. Is there a way to justify that big a hit on their salaries line? Another million out of this budget is a big stretch.

**Rep Martinson:** I don't think we have a choice. We have to have the money there for Double Ditch. Let's do the best we can even if it isn't 7%.

**Chairman Monson:** We may have to be more generous on this budget. The 7% is the number we need to come up with to reduce, yet.

**Rep Martinson:** Let's do 3.5% to be consistent with what we did yesterday when the agency's funds were 50% general funds.

**Mr. Kadrmas:** That would be \$437,428.

**Vice Chairman Streyle:** I was told some of the maintenance staff from the capitol go over to help, but they don't get paid for it.

**Mr. Skalsky:** We have a custodial staff. We occasionally help their maintenance staff. We have a guy that supervises the custodial staff. They help with snow removal and things like that. They have the electrical and plumbing staff for the whole capitol grounds and they pay for that. That is the same for the water commission and the library. So, no, we do not reimburse them for that.

**Chairman Monson:** 37:10- continues How does the base payroll change relate to this?

**Lori Laschkewitsch OMB:** 37:55 The base salary change will include the continuing of the salary increase and any change in the payroll. It does not include Governor Dalrymple's 1%.

**Vice Chairman Streyle:** We need to do something about the classification changes. It's getting old that they reclassify employees which moves the base up and we can't do anything about it.



**Ms. Laschkewitsch OMB:** If we reduce that number it would be decreasing salaries that employees have now. We can give you what is included in that base change, but their budget still had to come in as a 90% budget. They weren't able to inflate anything for extra credit. Part of that change is a system change in the way IBARS handles it.

**Chairman Monson:** Maintenance men make a lot less than say an engineer. Every time we remove an FTE, they might be short on low paying jobs.

**Mr. Skalsky:** If you give up an FTE and need to replace a higher level, you have to come up with funds to make up the difference. One of the things we've done is when we had to let go one of our maintenance FTEs we gave the others a \$100 increase for the extra duties they had to make up for what he did. I believe agencies will need to leave openings open longer to roll up some funds to pay temporary help.

**Vice Chairman Streyle:** I'm saying they are getting raises that we didn't approve.

**Ms. Laschkewitsch:** The cost for the historical to continue with salaries was \$373,000 Their base salary is only \$364,000. They have reduced salaries already.

**Rep Martinson:** What if we just gave you a check and you figure it out.

**Mr. Skalsky:** That would be the best. We'd have to go to our board of directors also. We have to cut \$1.8 million to get to the allotment and your budget.

**Chairman Monson:** What are you doing with the money you were allotted for capital improvements.

**Mr. Skalsky:** We have 80 historical structures, some need shingles, etc.

**Chairman Monson:** I would hope when we gave you funds you used them because we are taking capital improvements out of every body's budget.

**Mr. Skalsky:** If you took that out we'd be in big trouble with insurance.

**Chairman Monson:** 47:30-1:00:00 Why would Governor Dalrymple take \$300,000 out of grants?

**Mr. Skalsky:** That's the federal grant program. We had an appropriation that we've never really reached so there was no reason to ask for it.

**Chairman Monson:** 48:40 Removes funding for Yellowstone, Missouri, and Fort Union, is that a onetime thing? It is zero.

**Mr. Kadrmas:** That was \$4,492. I left that on so you would be aware that they used that as part of their allotment.

**Mr. Skalsky:** There was a committee called Fort Union-Lewis and Clark Committee and that money was to cover some travel costs, etc. That was taken out last biennium.

**Chairman Monson:** 49:45 Governor Burgum took out funding for capital assets by more than Dalrymple put in.

**Mr. Skalsky:** If we have a project that can use funds from another project, we do that.

**Chairman Monson:** We'll do the salaries line at a 3.5% reduction. We put in sec 3 and 4 of Dalrymple's budget. We will check out the possibilities of Double Ditch continuing. On the green sheets there is a \$100,000 funding of the Welk Homestead. This is ongoing. It is what was appropriated last time.

**Mr. Kadrmas:** It is in their base. It is the total operation.

**Vice Chairman Streyle:** There is no need to address each one of these, that will be in their hands. The electronic records project \$172,800, did that become part of their base?

**Mr. Skalsky:** That was one-time funding for that plus buying additional terabytes in the software system. A big part of that was for their consultant which we didn't use much. We spent most of the time with ITD, and returned most of those funds into our allotment.

**Chairman Monson:** So this will just be a pass through to IT. 1:00:00 They have a new building which increases costs. We will address this one more time to revisit Double ditch and whatever is decided about the health insurance. Anything else? 1:00:23



# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1018  
2/7/2017  
28037

- Subcommittee  
 Conference Committee

*Virginia L Moch*

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

To provide an appropriation for defraying the expenses of the state historical society.

### Minutes:

Attachment 1

**Chairman Monson:** called the committee to order on the historical society. (see attachment 1) 2:40-11:00 Michael, tell me about funding for capital assets?

**Chairman Monson:** 11:00 Double Ditch is our biggest stumbling block. They've spent \$700,000 on engineering. They are not doing anything into the river, it's all up on top. They have money to finish the project. They assure us they have a plan and can do it. If they make the loans sec 4 says they have to find the money. I hope they would go to the Three Affiliated Tribes to help them pay off the loan. They can't come to the deficiency.

**Rep Martinson:** It is a state problem, we can't tell them to go out and raise the money. We can't pretend we've done the right thing. It's going to be a big PR problem. Is there something more we can do?

**Chairman Monson:** There is no certain time to pay back their loan. They could pay it back in a later biennium or maybe the three affiliated Tribes will kick in money.

**Rep Schatz:** Is there any possibility that the bank will not erode anymore?

**Chairman Monson:** I doubt it. There will be more this spring when the water starts coming down.

**Rep Schatz:** They've had 17 sites disturbed already and there hasn't been a PR problem.

**Chairman Monson:** I haven't heard that it is a PR problem. We should do what we talked about, let them take out the loan and give them the authority. In two years if they can't pay the loan, we'll address it again.

**Rep Sanford:** A couple of years ago we struggled with this. A funding mechanism was put in place. They say they can do it for this cost. Let's give them the carryover authority and let the plan go forward.

**Rep Boe:** Last time we got very creative in the funding and I don't think we can out create ourselves so just let it go.

**Michael Johnson LC:** I'll add it to the list.

**Chairman Monson:** Give them authority to carryover and go to the bank if they need a loan. Whatever we had before will go forward. Michael, can you get this together by tomorrow morning at 9:30?

**Mr. Johnson:** That will work.

**Chairman Monson:** Lori is there anything on 1078 that should be in 1018? No, then Michael will write this up and we'll finish this tomorrow morning at 9:30. 24:41



# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1018  
2/8/2017  
28037

- Subcommittee  
 Conference Committee

*Virginia L Moch*

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

To provide an appropriation to defray the expenses of the state historical society.

### Minutes:

Attachment 1-2

**Chairman Monson:** called the committee to order on HB 1018 budget for the historical society.

**Claudia Berg Director of the State Historical Society:** Comstock is suing us over construction as the general contractor for phase 2 of the Heritage Center. They would like to recoup some money from the limestone issue on the building. We have hired Circlen Law Firm, the firm that is also representing the Veteran's Home in a construction law suit with Comstock. We are confident we will win this, although it is costing us in lawyer fees. The court case is scheduled for November 2017

**Chairman Monson:** So you won't recoup anything from them. You are trying to keep from spending more money.

**Rep Martinson:** They have not completed the work, correct? In dollars, how much work is left to complete?

**Ms. Berg:** Correct. We are holding \$300,000 but it is not that much work. We are allowed to hold 3 times the amount so we can hire someone to complete the work. They won't come back to finish.

**Rep Martinson:** Could you use the \$300,000 to pay the lawyers and we could give you money the next biennium to finish the work.

**Dave Skalsky State Historical Society:** The money we are holding is \$384,000 and the money it would cost to finish is \$160,000. It's not state money, it's part of the money the foundation has raised and would transfer to us to finish the project. Another piece of the issue is the limestone.

**Rep Martinson:** Why don't we allow them to borrow it from the foundation and we will reimburse it?

**Dave Skalsky:** That could be done if the foundation agrees to it.

**Rep Martinson:** We are trying to get another \$300,000 out of this budget. Why don't we borrow it and the state can reimburse it?

**Chairman Monson:** You were trying to get money from the deficiency fund and they denied you. How much was that?

**Mr. Skalsky:** It was \$294,600 and we paid \$30,000 out of our current budget.

**Chairman Monson:** The Deficiency did not pay that so I don't think we should.

**Rep Boe:** Are we defending the foundation's money or the state's money?

**Chairman Monson:** We are defending the foundation's money.

**Rep Boe:** And we are nervous about asking the foundation for money to protect their money?

**Rep Martinson:** They didn't complete the job. The foundation had to raise matching funds for the project. So you are splitting hairs on whose money you are defending.

**Vice Chairman Streyle:** What are the projected lawyer fees, are we going to spend more than we owe?

**Chairman Monson:** I think we have to address this when we get some solid numbers. We'll be long gone in November. We will have to address it when we know what it cost.

**Rep Martinson:** If we don't get attorney fees back it will probably be a loss.

**Mr. Skalsky:** The lawyer said the actual cost could be \$1.2 or \$1.3 million because it is not just lawyer fees there is a limestone issue. If it were just the \$384,000 we probably would have been better off just paying it.

**Chairman Monson:** How much does it cost you to run the Lawrence Welk site?

**Mr. Skalsky:** About \$85,000.

**Chairman Monson:** Take that out Chris. I convinced leadership that we leave Double Ditch the way we decided yesterday.

**Chris Kadrmas LC;** You would like to include carryover authority on the back side?

**Chairman Monson:** Yes, (see attachment 1) 13:30-20:40 I hope you will go out and get some funds to finish this.



**Mr. Kadrmas:** If committee would like to vote on the amendment, they can, because you will see it before it goes to full house and if there are any changes you want to make then, you can.

**Chairman Monson:** I think we are able to do a motion on this and if it turns out that once we get the amendment and we find something that didn't look right we can reconsider it and fix it or do it in the full committee. I will take a motion on this.

**Rep Streyle:** makes the motion to amend HB 1018 and Rep Martinson seconds it.to amend HB1018.

**Roll call vote:** Yes 7. No 0. Absent 0. Motion carried.

**Rep Streyle:** Made a motion for a Do Pass As Amended on HB1018.

**Rep Maritinson:** Seconded.

**Roll call vote:** Yes 7. No 0. Absent 0. Motion carried.

**Rep Schatz:** Will carry this one.

**Chairman Monson:** Hearing closed.

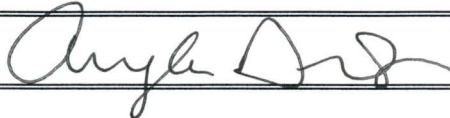
# 2017 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB1018  
2/16/2017  
Job 28484

- Subcommittee  
 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:**

**Chairman Delzer** called the committee to order.

**Rep. Schatz** reviewed amendment 01001.

**Rep. Monson** explained section six of the amendment.

**Rep. Schatz** continued to review amendment.

**Rep. Nelson:** Under the grants column, what is the source of funding in the other column?

**Rep. Schatz:** The federal government. Dave Skalsky said the federal government gives them grants, the \$900,000, but they don't ever get it so they thought they would reduce it by \$300,000.

**Chairman Delzer:** If they got more federal money, they would just have to come to the emergency commission to get authority to accept it.

**Rep. Brabandt:** If the funding is removed from the Lawrence Welk homestead, what happens to the homestead?

**Chairman Delzer:** They would have to take care of it themselves within their existing budget.

**Rep. Brabandt:** Don't we own it?

**Chairman Delzer:** I think we do.

**Rep. Brandenburg:** This is very important to Emmons County.



**Rep. Schatz:** I move that we pass the amendment to HB1018.

**Rep. Boe:** Second.

**Voice Vote taken: Motion carried.**

**Chairman Delzer:** There is another amendment that I would like to explain. Double Ditch has been tough. I understand that the Historical Society has every right within the current appropriations to do what they want to do. What we're trying to do with this is to tell them that as far as this Legislative body is concerned, there are two things; one that they should not do it, but it doesn't tell them they can't because they have that authority. It would say this Legislature thinks they should not borrow the money to do it. It also says that it would be the intent of this Legislature if they did borrow the money, they would need to raise money to pay it back. That's the biggest thing.

**Rep. Nelson:** Rep. Schatz did talk about the remains of the buried that are washing ashore or being uncovered and then that they're being reburied. How much is the cost of that?

**Chairman Delzer:** Who's bearing the cost, do you know?

**Rep. Schatz:** I do not.

**Rep. Monson:** I don't either. The cost probably isn't that great. I think they turn the remains over to the Three Affiliated Tribes. They have a burial ceremony.

**Chairman Delzer:** Are they interring them at Double Ditch?

**Rep. Monson:** I guess they are. They move them up farther from the edge of the river.

**Chairman Delzer:** Last time, we made every effort to get the tribe to take part in this and they haven't taken any part in it. That would be the idea; to try to do that again.

**Rep. Schmidt:** When we had this discussion last session, we made an effort to have the Three Affiliated take it over from us and they refused. This session we asked for the Three Affiliated to at least cost-share with the state to construct this protective system and they refused. But what they are doing is they're providing elders out on the site to give consultation and they're not charging us for that.

**Chairman Delzer:** This would not say it should be raised from Three Affiliated; it just should be raised.

**Rep. Martinson:** I'll move your amendment.

**Rep. Schmidt:** Second.

**Voice Vote taken: Motion carries.**

**Rep. Schatz:** I move HB1018 as amended.

House Appropriations Committee

HB1018

02/16/2017

Page 3

**Rep. Monson:** Second.

A Roll Call vote was taken. Yea: 18      Nay: 1      Absent: 2

**Chairman Delzer:** Motion carries. Rep. Schatz will carry the bill.

**Chairman Delzer** adjourned the committee.



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, after "society" insert "; and to provide an exemption"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	293,454	(293,454)	0
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	3,299,901	(142,811)	3,157,090
Total general fund	\$17,254,791	(\$846,019)	\$16,408,772
Full-time equivalent positions	78.00	(3.00)	75.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$208,926, of which \$191,055 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 19, insert:

**"SECTION 6. EXEMPTION - DOUBLE DITCH HISTORIC SITE REPAIRS.** The amounts appropriated to the state historical society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for double ditch historic site repairs, as contained in sections 5 and 6 of chapter 52 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available for defraying the expenses of the double ditch historic site repairs during the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	293,454	(293,454)	
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	3,299,901	(142,811)	3,157,090
General fund	\$17,254,791	(\$846,019)	\$16,408,772
FTE	78.00	(3.00)	75.00

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

	<b>Adjusts Funding for Base Payroll Changes<sup>1</sup></b>	<b>Adds Funding for Health Insurance Increase<sup>2</sup></b>	<b>Removes 3 FTE Positions<sup>3</sup></b>	<b>Removes Funding for Temporary Employees<sup>4</sup></b>	<b>Underfunds Salaries and Wages<sup>5</sup></b>	<b>Removes Funding for the Welk Homestead Historic Site<sup>6</sup></b>
Salaries and wages	\$353,797	\$208,926	(\$164,630)	(\$147,986)	(\$437,428)	(\$50,000)
Operating expenses						(35,000)
Capital assets						
Grants						
Cultural heritage grants						
<b>Total all funds</b>	<b>\$353,797</b>	<b>\$208,926</b>	<b>(\$164,630)</b>	<b>(\$147,986)</b>	<b>(\$437,428)</b>	<b>(\$85,000)</b>
Less estimated income	(10,682)	17,871	0	0	0	0
<b>General fund</b>	<b>\$364,479</b>	<b>\$191,055</b>	<b>(\$164,630)</b>	<b>(\$147,986)</b>	<b>(\$437,428)</b>	<b>(\$85,000)</b>
FTE	0.00	0.00	(3.00)	0.00	0.00	0.00

	<b>Adjusts Base Level Funding<sup>7</sup></b>	<b>Total House Changes</b>
Salaries and wages		(\$237,321)
Operating expenses	(100,414)	(135,414)
Capital assets	(22,641)	(22,641)
Grants	(300,000)	(300,000)
Cultural heritage grants	(293,454)	(293,454)
<b>Total all funds</b>	<b>(\$716,509)</b>	<b>(\$988,830)</b>
Less estimated income	(150,000)	(142,811)
<b>General fund</b>	<b>(\$566,509)</b>	<b>(\$846,019)</b>
FTE	0.00	(3.00)

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Three FTE positions and \$164,630 from the general fund is removed. The 2015 Legislative Assembly appropriated \$390,332 for these positions for the 2015-17 biennium, which was reduced by \$225,702 to \$164,630 during the 2015-17 biennium as a result of general fund budget reductions.

<sup>4</sup> Funding of \$147,986 from the general fund for temporary employees is removed.

<sup>5</sup> General fund salaries and wages are underfunded.

<sup>6</sup> Funding is removed for the operation of the Welk Homestead Historic Site.

<sup>7</sup> Base level funding is adjusted as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Reduces funding for grants		(\$300,000)	(\$300,000)
Adjusts operating expenses	(\$250,414)	150,000	(100,414)
Removes cultural heritage grants	(293,454)		(293,454)
Reduces capital assets	(22,641)		(22,641)
<b>Total</b>	<b>(\$566,509)</b>	<b>(\$150,000)</b>	<b>(\$716,509)</b>

This amendment also:



- Adds a section identifying the cost of the health insurance premium increase.
- Provides an exemption from North Dakota Century Code Section 54-44.1-11 for funds appropriated for Double Ditch Historic Site repairs for the 2015-17 biennium to allow the funds to continue to be spent in the 2017-19 biennium.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, after "society" insert "; to provide legislative intent; and to declare an emergency"

Page 2, after line 19, insert:

**"SECTION 5. LEGISLATIVE INTENT - LOAN FOR DOUBLE DITCH HISTORIC SITE REPAIRS.** It is the intent of the sixty-fifth legislative assembly that the state historical society not obtain a loan from the bank of North Dakota for defraying the expenses of double ditch historic site repairs as authorized as a contingency in section 6 of chapter 52 of the 2015 Session Laws. It is further the intent of the sixty-fifth legislative assembly that if the state historical society chooses to obtain the loan that funding needed for repayment of the loan plus interest be raised by the historical society from nonstate sources.

**SECTION 6. EMERGENCY.** Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

Sections are added to provide legislative intent that the State Historical Society refrain from obtaining a loan to provide funding for repairs to the Double Ditch Historic Site and to declare the section an emergency.



*Done*  
*10/3*  
*2/17/17*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, after "society" insert "; to provide an exemption; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	<u>293,454</u>	<u>(293,454)</u>	<u>0</u>
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	<u>3,299,901</u>	<u>(142,811)</u>	<u>3,157,090</u>
Total general fund	\$17,254,791	(\$846,019)	\$16,408,772
Full-time equivalent positions	78.00	(3.00)	75.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$208,926, of which \$191,055 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 19, insert:

**"SECTION 6. EXEMPTION - DOUBLE DITCH HISTORIC SITE REPAIRS.** The amounts appropriated to the state historical society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for double ditch historic site repairs, as contained in sections 5 and 6 of chapter 52 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available for defraying the expenses of the double ditch historic site repairs during the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 7. LEGISLATIVE INTENT - LOAN FOR DOUBLE DITCH HISTORIC SITE REPAIRS.** It is the intent of the sixty-fifth legislative assembly that the state historical society not obtain a loan from the Bank of North Dakota for defraying the expenses of double ditch historic site repairs as authorized as a contingency in section 6 of chapter 52 of the 2015 Session Laws. It is further the intent of the sixty-fifth legislative assembly that if the state historical society chooses to obtain the loan that funding needed for repayment of the loan plus interest be raised by the historical society from nonstate sources.

**SECTION 8. EMERGENCY.** Section 7 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - House Action**

2013

	Base Budget	House Changes	House Version
Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	293,454	(293,454)	
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	3,299,901	(142,811)	3,157,090
General fund	\$17,254,791	(\$846,019)	\$16,408,772
FTE	78.00	(3.00)	75.00

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

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Removes 3 FTE Positions <sup>3</sup>	Removes Funding for Temporary Employees <sup>4</sup>	Underfunds Salaries and Wages <sup>5</sup>	Removes Funding for the Welk Homestead Historic Site <sup>6</sup>
Salaries and wages	\$353,797	\$208,926	(\$164,630)	(\$147,986)	(\$437,428)	(\$50,000)
Operating expenses						(35,000)
Capital assets						
Grants						
Cultural heritage grants						
Total all funds	\$353,797	\$208,926	(\$164,630)	(\$147,986)	(\$437,428)	(\$85,000)
Less estimated income	(10,682)	17,871	0	0	0	0
General fund	\$364,479	\$191,055	(\$164,630)	(\$147,986)	(\$437,428)	(\$85,000)
FTE	0.00	0.00	(3.00)	0.00	0.00	0.00

	Adjusts Base Level Funding <sup>7</sup>	Total House Changes
Salaries and wages		(\$237,321)
Operating expenses	(100,414)	(135,414)
Capital assets	(22,641)	(22,641)
Grants	(300,000)	(300,000)
Cultural heritage grants	(293,454)	(293,454)
Total all funds	(\$716,509)	(\$988,830)
Less estimated income	(150,000)	(142,811)
General fund	(\$566,509)	(\$846,019)
FTE	0.00	(3.00)

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Three FTE positions and \$164,630 from the general fund is removed. The 2015 Legislative Assembly appropriated \$390,332 for these positions for the 2015-17 biennium, which was reduced by \$225,702 to \$164,630 during the 2015-17 biennium as a result of general fund budget reductions.

<sup>4</sup> Funding of \$147,986 from the general fund for temporary employees is removed.

<sup>5</sup> General fund salaries and wages are underfunded.

<sup>6</sup> Funding is removed for the operation of the Welk Homestead Historic Site.

<sup>7</sup> Base level funding is adjusted as follows:



30/3

	General Fund	Other Funds	Total
Reduces funding for grants		(\$300,000)	(\$300,000)
Adjusts operating expenses	(\$250,414)	150,000	(100,414)
Reduces capital assets	(22,641)		(22,641)
Removes cultural heritage grants	(293,454)		(293,454)
Total	(\$566,509)	(\$150,000)	(\$716,509)

This amendment also:

- Adds a section identifying the cost of the health insurance premium increase.
- Provides an exemption from North Dakota Century Code Section 54-44.1-11 for funds appropriated for Double Ditch Historic Site repairs for the 2015-17 biennium to allow the funds to continue to be spent in the 2017-19 biennium.
- Adds a section providing legislative intent that the State Historical Society refrain from obtaining a loan from the Bank of North Dakota for the repair of Double Ditch Historic Site which was authorized by the 2015 Legislative Assembly. It provides further intent that if the State Historical Society does obtain the loan for the repairs, it is to raise funding from nonstate sources for the repayment of the loan plus interest.
- Adds a section declaring the legislative intent section to be an emergency measure.

Date: 2-8-2017  
Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1018**

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: 17.0503.01001

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Rep Streyle Seconded By Rep Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson	✓		Rep Boe	✓	
Vice Chairman Streyle	✓				
Rep Martinson	✓				
Rep Sanford	✓				
Rep Schatz	✓				
Rep Schmidt	✓				

Total (Yes) 7 No 0

Absent 0

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

If the vote is on an amendment, briefly indicate intent:  
New budget with reductions for State Historical Society



Date: 2-8-2017  
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. HB 1018**

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar
- Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Streyle Seconded By Representative Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson	✓		Rep Boe	✓	
Vice Chairman Streyle	✓				
Rep Martinson	✓				
Rep Sanford	✓				
Rep Schatz	✓				
Rep Schmidt	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Representative Schatz

If the vote is on an amendment, briefly indicate intent: New budget with reductions for state historical society

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB1018**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0503.0100 1

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Rep. Schatz    Seconded By Rep. Boe

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Schatz		
Vice Chairman Kempenich			Rep. Schmidt		
Rep. Boehning			Rep. Streyle		
Rep. Brabandt			Rep. Vigesaa		
Rep. Brandenburg			Rep. Boe		
Rep. Kading			Rep. Delmore		
Rep. Kreidt			Rep. Holman		
Rep. Martinson					
Rep. Meier					
Rep. Monson					
Rep. Nathe					
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					

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

Absent \_\_\_\_\_

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

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

Motion carries



**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB1018**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 17-0503.01002

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Rep. Martinson Seconded By Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Schatz		
Vice Chairman Kempenich			Rep. Schmidt		
Rep. Boehning			Rep. Streyle		
Rep. Brabandt			Rep. Vigesaa		
Rep. Brandenburg			Rep. Boe		
Rep. Kading			Rep. Delmore		
Rep. Kreidt			Rep. Holman		
Rep. Martinson					
Rep. Meier					
Rep. Monson					
Rep. Nathe					
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					

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

Absent \_\_\_\_\_

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

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

Motion carries

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. HB1018**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 01001 and 01002

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Schatz Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Schatz	X	
Vice Chairman Kempenich	X		Rep. Schmidt	X	
Rep. Boehning	A		Rep. Streyle	X	
Rep. Brabandt	X		Rep. Vigesaa	X	
Rep. Brandenburg		X	Rep. Boe	X	
Rep. Kading	X		Rep. Delmore	X	
Rep. Kreidt	A		Rep. Holman	X	
Rep. Martinson	X				
Rep. Meier	X				
Rep. Monson	X				
Rep. Nathe	X				
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				

Total (Yes) 18 No 1

Absent 2

Floor Assignment Rep. Schatz

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



**REPORT OF STANDING COMMITTEE**

**HB 1018: 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). HB 1018 was placed on the Sixth order on the calendar.

Page 1, line 2, after "society" insert "; to provide an exemption; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	<u>293,454</u>	<u>(293,454)</u>	<u>0</u>
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	<u>3,299,901</u>	<u>(142,811)</u>	<u>3,157,090</u>
Total general fund	\$17,254,791	(\$846,019)	\$16,408,772
Full-time equivalent positions	78.00	(3.00)	75.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$208,926, of which \$191,055 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 19, insert:

**"SECTION 6. EXEMPTION - DOUBLE DITCH HISTORIC SITE REPAIRS.**

The amounts appropriated to the state historical society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for double ditch historic site repairs, as contained in sections 5 and 6 of chapter 52 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available for defraying the expenses of the double ditch historic site repairs during the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 7. LEGISLATIVE INTENT - LOAN FOR DOUBLE DITCH HISTORIC SITE REPAIRS.** It is the intent of the sixty-fifth legislative assembly that the state historical society not obtain a loan from the Bank of North Dakota for defraying the expenses of double ditch historic site repairs as authorized as a contingency in section 6 of chapter 52 of the 2015 Session Laws. It is further the intent of the sixty-fifth legislative assembly that if the state historical society chooses to obtain the loan that funding needed for repayment of the loan plus interest be raised by the historical society from nonstate sources.

**SECTION 8. EMERGENCY.** Section 7 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
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Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000

Cultural heritage grants	293,454	(293,454)	
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	3,299,901	(142,811)	3,157,090
General fund	\$17,254,791	(\$846,019)	\$16,408,772
FTE	78.00	(3.00)	75.00

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

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Removes 3 FTE Positions <sup>3</sup>	Removes Funding for Temporary Employees <sup>4</sup>	Underfunds Salaries and Wages <sup>5</sup>	Removes Funding for the Welk Homestead Historic Site <sup>6</sup>
Salaries and wages	\$353,797	\$208,926	(\$164,630)	(\$147,986)	(\$437,428)	(\$50,000)
Operating expenses						(35,000)
Capital assets						
Grants						
Cultural heritage grants						
Total all funds	\$353,797	\$208,926	(\$164,630)	(\$147,986)	(\$437,428)	(\$85,000)
Less estimated income	(10,682)	17,871	0	0	0	0
General fund	\$364,479	\$191,055	(\$164,630)	(\$147,986)	(\$437,428)	(\$85,000)
FTE	0.00	0.00	(3.00)	0.00	0.00	0.00

	Adjusts Base Level Funding <sup>7</sup>	Total House Changes
Salaries and wages		(\$237,321)
Operating expenses	(100,414)	(135,414)
Capital assets	(22,641)	(22,641)
Grants	(300,000)	(300,000)
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Total all funds	(\$716,509)	(\$988,830)
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FTE	0.00	(3.00)

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<sup>4</sup> Funding of \$147,986 from the general fund for temporary employees is removed.

<sup>5</sup> General fund salaries and wages are underfunded.

<sup>6</sup> Funding is removed for the operation of the Welk Homestead Historic Site.

<sup>7</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for grants		(\$300,000)	(\$300,000)
Adjusts operating expenses	(250,414)	150,000	(100,414)
Reduces capital assets	(22,641)		(22,641)
Removes cultural heritage grants	(293,454)		(293,454)
Total	(\$566,509)	(\$150,000)	(\$716,509)

This amendment also:

- Adds a section identifying the cost of the health insurance premium increase.
- Provides an exemption from North Dakota Century Code Section 54-44.1-11 for funds appropriated for Double Ditch Historic Site repairs for the 2015-17 biennium to allow the funds to continue to be spent in the 2017-19 biennium.
- Adds a section providing legislative intent that the State Historical Society refrain from obtaining a loan from the Bank of North Dakota for the repair of Double Ditch Historic Site which was authorized by the 2015 Legislative Assembly. It provides further intent that if the State Historical Society does obtain the loan for the repairs, it is to raise funding from nonstate sources for the repayment of the loan plus interest.
- Adds a section declaring the legislative intent section to be an emergency measure.



**2017 SENATE APPROPRIATIONS**

**HB 1018**

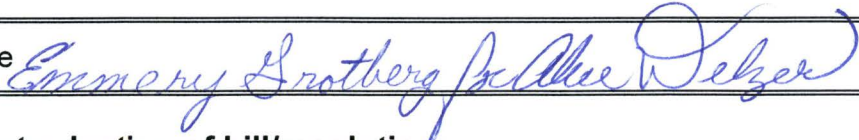
# 2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee  
Harvest Room, State Capitol

HB 1018  
3/3/2017  
JOB #28682

- Subcommittee  
 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; to provide for an exemption; to provide for legislative intent; and to declare an emergency.

## Minutes:

1. Claudia J. Berg testimony
2. David Skalsky Testimony
3. Randy Phelan Testimony
4. Wendi Wells Testimony
5. Amy Mossett Testimony
6. Lisa H. Lone Fight M.S. Card
7. Amy Guthrie Sakariassen Testimony
- 7A. Amy Guthrie Sakariassen Card

**V. Chairman Krebsbach:** Called the Committee to order on HB 1018. All committee members were present. Lori Laschkewitsch, OMB and Chris Kadrmas, Legislative Council were also present.

(1:05 – 13:40) **Claudia Berg, Director, ND State Historical Society:** Testified in favor of HB 1018 and presented written Testimony attached # 1, which states the purpose of the Historical Society and the mission to inspire all North Dakotans about their history especially the history in their own backyard. Miss Berg said their mission is to identify, preserve, interpret, and promote the heritage of ND and its people.

(13:42) **V. Chairman Krebsbach:** You mentioned you are collecting county records; what type of records are you collecting from counties?

**Ms. Berg:** Most are official government records from counties and we also collect all the newspapers from around the state.

**Senator Robinson:** Commended Ms. Berg and her staff for the work they have done with the Heritage Center. He asked about the amount of items that are in storage and if that will be moved out.

**Ms. Berg:** We will never have all that material on exhibit because some of it is more research value and it is too delicate or in poor condition to exhibit or show. It is more about how much

material we can rotate through for the visitors to see without it all being on display at the same time. Many materials are sensitive to light and we rotate those things just for their safety and longevity. Right now we have about 12% of our collection on exhibit. As we continue to collect, those numbers shift. Museums typically have about 10% on exhibit, which is pretty standard.

**V. Chairman Krebsbach:** Asked about travelling exhibits and if that is still being done.

**Ms. Berg:** Yes. We have a national chocolate exhibit coming in the spring. We will ticket for that; we are allowed to ticket for the special exhibits so we need to look at ways of recouping a little money to feed that program. After that, we have some smaller exhibits as well. With budget constraints, it will be one of our bigger challenges and that is why we are going to be working with concerted effort with our foundation to find those sponsors that match up with those exhibits.

**Senator Robinson:** A few years ago, a few of us had a tour of the warehouse storage. Is that facility still in place and what is the plan for those things in cold storage?

**Ms. Berg:** We have two offsite storage facilities. One is located at Fort Abraham Lincoln which is cold storage. We have a cast iron tractor and we are working to remove a lot that material because it is not a good place to be storing a lot of our collections but we still have that one. We are working with state parks; they would like that facility for their use but in the mean time we do have another offsite storage facility on the East end of Bismarck that is heated and cooled and that has a good portion of our larger object collections. We are in the process of putting in a new heating and cooling unit so we just redid the roof out there. We are going to need that facility. The Heritage center is extensive storage for some materials that don't need to be as sensitively handled or climate controlled.

**(21:00 – 29:36) Dave Skalsky, Assistant Director for State Historical Society** testified in favor of HB 1018 and provided written Testimony attached # 2 which is testimony regarding capital asset funding carried over to the 20178-19 biennium and to report on reductions made to the 2015-17 appropriation and 2017-19 budget. He referred to attachment # 1 – General Fund Reduction. **(23:42)** referred to attachment #2 in his testimony – Description of the proposed budget reductions to meet the Governor's 2017-19 90% budget Request. He went back to page 2 of his testimony regarding Capital Assets, Cultural Heritage Grants, Yellowstone-Missouri-Ft. Union and Optional Adjustment Request. He then told a story regarding a trip to the Welk Homestead. He then requested consideration for the appropriation in HB 1024.

**Senator Oehlke:** Asked about the Heritage Center being closed Saturday and Sunday, and if that is seasonal. He said he had some folks come from Devils Lake that wanted to visit and the doors were locked. Discussion followed regarding that issue and Ms. Berg stated the doors should not have been locked and asked Senator Oehlke to invite their friends back and they would get a personal tour.

**(33:20) Randy Phelan, Vice Chairman of the Nation:** Testimony for Double Ditch Site – Testimony attached # 3. Asking for support for bank stabilization at Double Ditch to prevent



further collapse of the riverbank and to protect the human burials and cultural resources that are currently being unearthed as a result of accelerated rotational erosion.

(35:30) **Senator Mathern:** What are the reasons for the plastic flowers out by the gate?

**Mr. Phelan:** Our main concern is the erosion. Over thousands of people are buried there.

**Senator Mathern:** Asked about the option to return the land to the 3 affiliated tribes nation. Are you suggesting a title transfer of the land?

**Mr. Phelan:** Our biggest concern is our ancestors are buried there. We want to work hand and hand with the Historical Society so our ancestors can be taken care of.

**Senator Erbele:** You have that one line here where it says stabilization projects have been completed along the Missouri river. Are you familiar or aware of other areas of the river that have already been stabilized and are any of them historical in nature?

**Mr. Phelan:** I think those were general construction along the Missouri River. Our main concern is the Double Ditch bank.

**V. Chairman Bowman:** It seems to me we addressed the same problem two years ago. Was anything done in the last two years other than a large amount of money being spent on engineering design?

**Mr. Phelan:** The biggest concern was the Corps of Engineers putting obstacles up and their demands have slowed down the process.

**V. Chairman Bowman:** We know it's a serious problem and I thought we had it under our belt two years ago but if the Corps of Engineers isn't doing their job than we have to get after the Corps.

**V. Chairman Krebsbach:** Asked Ms. Berg to answer the question.

**Ms. Berg:** We started two years ago and we hired an engineering firm who specializes in working on the Missouri River bank stabilization projects, they made a huge 3 ring binder report and it went to the Corps of Engineers and some other organizations. The Corps has held that up for almost two years. They have not issued the permit, every time we submit an answer to one of their questions, they would ask more questions instead of reading the full report. We went back to engineers, redesigned the bank stabilization section, pulled it out of the river and everything now is above the high water mark so we will no longer need a permit from the Corps. Now we can move forward, we have the package ready to go, but now, not having the funding for that loan, it is going to take two years to raise \$1M and we can't issue a contract without having that money secured so we are at a hold again.

**V. Chairman Krebsbach:** We did give them X number of dollars and then we authorized them to take out a loan, that language for that loan has been removed by the House.

**Ms. Berg:** That is correct. We were moving forward on this and we went to the House with this bill. Because that money hadn't been spent, we have spent \$700,000 for the project but the loan component hadn't been taken out yet so they saw money they could get back. The House has tried to recover that \$1.25M which has caused those issues.

**V. Chairman Bowman:** What will be the total cost if it can be completed?

**Ms. Berg:** \$3.5M.

**V. Chairman Krebsbach:** Do you have funds left over from the carry-over from the previous session? If so, how much?

**Ms. Berg:** We can get those numbers for you. The general appropriation has been sent down, part of the emergency funds have been sent down, but not all of them.

**V. Chairman Krebsbach:** Will you give us the total amount?

**Mr. Skalsky:** The total that was authorized in SB 1018 was \$3.5M. That \$1.25M was the loan from BND. We have committed about \$700,000 of that funding so far. The funding is still actually there and if you look at HB 1018, Section 6, it talks about the funding remaining but the House added Section 7 to the bill and section 7 says if we do take out the loan, we have to raise the money to pay it back.

**Senator Hogue:** Can you provide us any more information on this Corps permit application? I know after the 2011 flood, the Corps approved all kinds of stabilization projects up and down the river in that area so I am not understanding why there is silence from on this particular project.

**Mr. Skalskay:** We have sent in the information we feel was necessary but it is lack of activity on the part of the Corps.

(46:45 – 51:50) **Cory Spotted Bear, Three Affiliated Tribes:** He said good morning in the Mandan language. Mr. Spotted Bear gave information about the tribes and expressed his concern about his relatives lying in the sacred burial site. He asked the committee to pay forward and assist the complete \$1.25M for the loan. He said they had found a solution to bypass the challenges of the Army Corps and the project is ready to go five months from today.

He asked if his people could put efforts forward to preserve the Mandan language, if the committee could put forth efforts to preserve the historical and cultural treasure there it will be something we can have for future generations.

Mr. Spotted Bear told the committee a story about a German man working with Mandan people.

(52:40 – 56:20) **Wendi Wells, member of the Mandan, Hidatsa and Arikara Tribes:** Testified in favor of HB 1018, particular on behalf of the perseveration efforts for Double Ditch Indian Village. She provided written Testimony attached # 4.

I understand that there is a cap in Century Code and I am asking you to increase that cap to fulfill this obligation.



(57:39 – 1:02:32) **Amy Mossett, member of the Mandan Hidatsa and Arikara Nation:** Testified in favor of HB 1018, particularly regarding the Double Ditch Historic Site, Testimony attached # 4 – asking for funding appropriation for bank stabilization at Double Ditch to reserve the historical site and to prevent further disturbance and exposure of human burials and funerary objects. She said it was important to halt the slumping and erosion of the bank at the Double Ditch Site.

**Senator Mathern:** I noticed there is a lot of badger holes on the site and as they dig, there are items that come up. Were bodies buried on the soil or what was the burial method?

**Amy Mossett:** The burial practices as far as I understand were underground burials. Consider how long that place was occupied for 300 years and thousands of people living in that village and when you consider the burials, there have to be thousands of our ancestors buried there. It's called Double ditch because there were two ditches along the area, but there were actually four ditches which would indicate how the population declined and the village contracted. Our ancestors are all over under Double Ditch.

**V. Chairman Krebsbach:** I am going to ask Ms. Berg how the State Historical Society ended up with this property?

**Ms. Berg:** We acquired the site in 1936, and it took almost 20 years to acquire the site because of the multiple landowners and it was important to acquire all of the land for that site.

**Senator Hogue:** Let's assume that we cannot convince the House that the money should be put back is it a plausible solution to put the money back with MHA and Three affiliated. Is that a plausible solution to have it surveyed and deeded to the tribe, and get what we can from the House? We can say that we understand that this is an important historic site for the people of ND but it is especially sacred for the tribe and my thought is that the people who care the most deeply about this would be the best to manage it. In your view, is that a plausible outcome?

**Mrs. Berg:** It would be handing the problem off to another entity because the engineering cost would remain the same. If it was to be managed by the Three Affiliated Tribes, the stabilization project still needs to happen and the cost wouldn't change if there was somebody else overseeing the project or the site. There is the potential that it could be given over to the tribes, but the maintenance cost today still remains the same for this project. We are in active partnerships with that site and we have plans for the future for interpreting the site and doing more joint efforts on that as well but we haven't actively talked about giving the site to the Three Affiliated Tribes but they would still need that money to do what needs to be done by the engineer standards to stabilize that bank.

**V. Chairman Krebsbach:** Do you know how many acres we are talking about?

**Ms. Berg:** The bank itself is 2,000 linear feet and if the crack going perpendicular should let loose, 16 acres could collapse or be destroyed. We are very close to going to bed with this project.



**V. Chairman Krebsbach:** So at this time it would be futile to go back to the Corps of Engineers because your plans now exclude them?

**Ms. Berg:** Correct. I can also clarify one thing with the Corps. The original design had small rears that went into the water. They were curved small rears that took the current away from the shore line and I think that was the biggest stumbling block. There were others concerned that it was going to shift the current to the other side of the river further downstream and all the engineering said it wouldn't do that. To eliminate all the concerns, we pulled the rears out of the project and redesigned the stabilization system above the high water mark.

**V. Chairman Bowman:** When you get the bids, sometimes they don't always work. How long will we be obligated for this if we invest the \$3.5M. We are assuming the engineer design is going to take care of the problem but sometimes they don't. What guarantee do we have by investing that much money that we are going to get something that is permanent that we don't have to come back and revisit.

**Ms. Berg:** The engineering is doing the best job they can for the situation. If there was to be another catastrophic flood, there would be more damage. But I think the method they are using there are a lot of pilings going in all along that shore line and they feel that is the best. Other projects they have done along the Missouri River further south is the same kind of stabilization and they have found that to be the most effective and it has worked well for them in other projects.

(1:11:00 – 1:15:00) **Lisa H. Lone Fight, Senior Scientific Advisor for the Tribe:** Testified in favor of HB 1018 particularly regarding the Double Ditch Site – Testimony attached # 6, which is basically her calling card. We could maybe consider what Senator Hogue asked about. I also sat on the Museum of the Rockies Museum board and they have a very sisterly relationship with the Historical Society of ND.

(1:16:00) **Amy Guthrie Sakariassen, Board of Advisors, Mountains/Plains Office:** Testified in favor of HB 1018 regarding the funding to restore Double Ditch Historic Site – Testimony attached #7B. She also gave the committee her calling card (See Attachment #7A).

**Senator Wanzek:** I am trying to imagine the magnitude of an engineering designer project that it would take to keep 16 acres of earth from shifting. Do you have any knowledge of what is going to be done?

**Amy Guthrie Sakariassen:** It is an ambitious project but we have no choice but to undertake it. Due to Claudia's efforts, we found an engineer who has the credentials to get it done and I am impressed with the plan before is.

**V. Chairman Krebsbach:** Closed the hearing on HB 1018.

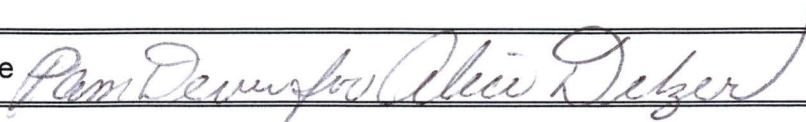
# 2017 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1018  
3/23/2017  
JOB # 29641

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

A Subcommittee Hearing for the State Historical Society

### Minutes:

Atch#1 = Salary & Wage reduction Summary

**Chairman Krebsbach** called the subcommittee hearing to order in the Senate Conference Room at 3:00 pm regarding HB 1018. Let the record show that all subcommittee members were present: Chairman Krebsbach, Senator Erbele and Senator Mathern. Michael Johnson, Legislative Council and Lori Laschkewitsch, OMB were also present.

**Claudia Berg** introduced her people. Fern Swenson, Director of Archeology and Historic Preservation; DaveSkalsky, Assistant Director of the Society and Marlo Sveen, the Development Officer for our foundation. I am Claudia Berg, the Director of the Historical Society.

**Chairman Krebsbach:** We have two things, Double Ditch and the monies for the law suit that you are facing that has been taken away. We need to address that as a committee. Is there further things that we really have to work on. I notice you were cut in temporary employees as well as reduced by 3 FTEs.

**Ms.Berg:** Correct. Dave Skalsky has some information that he has put together on that. We would like to discuss some of those additional cuts that were proposed. They will be a real challenge as we move forward.

**Dave Skalsky, Assistant Director: (0.02.12-0.06.36)** presented Attachment # 1 – Salary and Wage Reduction Summary. I will go through and explain how we can anticipate making those cuts. In the executive budget we were cut \$755,000. The House made those cuts of 3 ½% pf our salary line. Part of that is I think is just knowing where we would be at this point in the game. Another memo made by the House is to remove temporary salary funding for the Welk Homestead and that is \$50,000. In addition to that they also removed \$35,000 in operating money. My big concern is those additional House amendments, a form of \$37,000 and the \$50,000 for the Welk Homestead. So anything above the executive budget makes me a little nervous. If you drop down to the next area I explained where the 10% executive budget recommendations would come from. We have cut already



3 FTEs, and that would continue through the next biennium and we are looking at temporary salary cuts of \$364,000. That would impact our historic sites interns, Heritage Center and Gallery guides, that's mainly what we do with our temporary salary money there. And for these cuts, our temporary salary money is about \$1.5M. This would be 23% of that. Our seasonal site staff, they are there about 5 months a summer. We would have to cut 17 seasonal positions. In Medora, we have one FT staff person. The next area is to comply with the House amendments, we kind of presented this to the Board, If we don't make cuts with staff, I guess the two options are cuts at the Heritage Center and cuts to historic sites. The Board members know how valuable the sites are throughout the state of ND. But they were really cautious about cutting all the staff or just making cuts to staff the Heritage Center preserve the site because they say that's where our core mission is. Both of them would be considered more cuts at the Heritage Center and sites would see these additional cuts. Both of them would be considered more cuts at the Heritage Center and sites if we see these additional cuts. To come up with the \$487,000, if we would look at sites, we would have to close Pembina State Museum, General Trading Post and Kitsen, in there would be one FTE and that the sites at Pembina State Museum. We would also have to close the Welk site, Fort Abercrombie, former governor's mansion, and camp Hancock, and then I'd still have to find additional \$34,000. So that's just the significance of this. We would still look at the Heritage Center too. Now if we don't any cuts to the sites we'd be looking at 3 or 4 more FTE at the Heritage Center. That additional cuts we're prepared to try to make it work with the 10% governor's recommendation. But that's pretty significant and do what the House is asking us to do.

**Senator Erbele:** On these sites, you have pretty good visitor records, don't you? As far as out of state visitors. Do you have any way of putting numbers together to show the House the economic impact of closing those because it's not only fees you collect off that site but if there's a significant amount of out-of-state travel and stuff like that, they're going to be dropping dollars at various locations around that site as well. Do you have any numbers to show the economic impact?

**Mr. Skalsky:** I know tourism has that. We have not spent time working on that.

**Senator Erbele:** I think that would help make a point because, you know, you save this money, but your loss throughout the state will be greater.

**Skalsky:** We recognize the importance of our sites out there. We have already cut back on hours. If you close a site, the community involvement goes away.

**Ms. Berg:** Those sites are educational sites as well. There is a quality of life that is much harder to quantify in the community as well.

**Senator Mathern:** When the House made the cuts, they were only specific about one salary, the one at Welk. The other ones are general?

**Mr. Skalsky:** I just think they know the Senate is behind the Welk site. It was the last amendment.

**Senator Mathern:** The last ones un-descript.

**Mr. Skalsky:** They did not specifically say what it was.

**Senator Mathern:** Do you want it specified?

**Mr. Skalsky:** No. if for some reason I can make it work. We have 3 gone already. If you look at the 10% recommendation, when we met with OMB, I said I will give you the biennium as far as I can. I may have to cut more staff than the three. I need to find some flexibility. I am trying to get into the biennium as far as I can. Break out between the FTE and temp, doesn't do me any good.

**Senator Mathern:** Let's say we restored the \$487,000. Would you want it in the same way that we just restore that amount of dollars? Or would you want specificity?

**Mr. Skalsky:** Just restore. It wouldn't have to be changed; just put back in.

**Chairman Krebsbach:** The 3 FTE's are \$390,000 and the temp staff is \$364,000. Is that correct?

**Mr. Skalsky:** That's correct. Legislative Council may have a different number.

**Senator Erbele:** Looking at the line of \$364,000 temp staff. Is that system wide, and do you have specifics of what you do at each site?

**Mr. Skalsky:** The ideas I have behind that is system wide. The biggest hit would be our gallery guys at the Heritage Center. Sometimes we get summer interns.

**Senator Erbele:** The Jamestown Courthouse is a historical site. Is it staffed at all?

**Mr. Skalsky:** We are looking at opening up a bit this summer and see how it goes.

**Senator Erbele:** What about Lewis and Clark? You would be mentally prepared to handle the \$755,000 cut of the executive budget if the House cuts were a non-issue?

**Mr. Skalsky:** I would be happy with that. We will have to look at sites and adjust hours. I am positive we can work with these adjustments and what we are doing at the Heritage Center, so we don't have to start closing the door at these sites; the Welk site, Fort Buford and Medora.

**Chairman Krebsbach :** Do some community sites provide volunteers?

**Ms. Berg:** Most of our sites have friend's groups. They help with fund raising. Some have volunteers. Most of our sites are out in very rural areas, so it makes it harder to find people to volunteer. But the friend's groups have become a very important part for our sites.

**Senator Erbele:** Do you have visitor tallies for each sites? He was told yes. Could we get them? They said yes.



**Senator Erbele** : On the Welk site, you have to have two people on site?

**Mr. Skalsky**: Yes, for safety reasons.

**Senator Erbele**: I know that the tourism folks coming on board are friends at the Welk site. Would be alright if there is a paid staff and a volunteer staff there? If friend's group could provide a second person, rather than having to pay for two people.

**Mrs. Berg**: Yes, that happens already. If we have one paid staff person, the second one could be a volunteer.

**Senator Mathern**: I am looking at attachment 3, about funds that are remaining. There is \$191,000 left in the governor's gallery. What if we eliminated that? What is the governor's gallery?

**Ms. Berg**: The governor's gallery is our traveling and temporary exhibit gallery. With the elimination one-time funding, most of that would be gone. We are looking for sponsors and donors to continue exhibit development. By the end of the biennium that will be spent down. There are still some traveling exhibits coming in and still follow-up expenses on that.

**Chairman Krebsbach**: Are there any incoming displays to be coming in the next 24 months? You have to do this in advance, right?

**Ms. Berg**: Yes, some are 4 or 5 years out to get on a national schedule. We have bookings through the fall, but nothing past that because of the budget cuts. That is also where our staff has been cut.

**Senator Mathern: (0.21.31)** We had a fair amount of social activities at the Heritage Center. Does that bring in any money or is it a headache?

**Ms. Berg**: We charge for that. We have to hire security and staff after hours. We cover our expenses.

**Senator Mathern**: Can you go up in fees for using the Center?

**Ms. Berg**: We are trying to stay in the middle ground compared to other rental facilities in the community. We don't want to outprice ourselves. It is a great showcase for the state.

**Mr. Skalsky**: We make enough there to pay for help, staff, pay for tables.

**Senator Mathern**: What if we would double it? Would you lose your customers?

**Mr. Skalsky**: I am sure we would lose customers.

**Ms. Berg**: By the number of staff we have, we can't handle any more bookings. It could be \$2000 for an evening event for the building. It is not inexpensive; it's competitive.

**Chairman Krebsbach**: Any more on the dollars and cents on the salaries and wages?

**Senator Erbele:** I am in the budget book here, so off in the far right, move the Welk site, if that were put back in to your pool with all the other sites so it's not to be separated out would that work? There should be no need to separate because it would be owned like any other site. What column does it go into?

**Mr. Skalsky: (0.25.33)** It was in the overall budget.

**Senator Erbele:** What line would I put that in?

**Michael Johnson, Legislative Council:** There's \$50,000 in the salary line, and then there is \$35,000 in the operating expense line.

**Chairman Krebsbach:** Is it's \$85,000 rather than \$50,000.

**Senator Erbele:** But I don't see any other operating numbers here though.

**Chairman Krebsbach:** They only took out the salary. They did not take out the operating. Or did they take out the operating?

**Mr. Skalsky:** They took them both out. My schedule, I just talked about the wage piece of it.

**Chairman Krebsbach: (0.26.37)** What I was reading was that there was funding of \$147,986 for temporary employees and \$225,000. Does that come up to the \$437? We need to come up to, we need the \$390,000 plus the \$164,000 is where the \$437,000 comes from. That isn't it either.

**Michael Johnson:** Tying to this schedule, the \$487,428 includes underfunding salary and wages of \$437,428 and then remove funding from the Welk Homestead by \$50,000, so those two items totaled the \$487.

**Chairman Krebsbach:** Those two items equal the \$487,000.

**Senator Mathern:** If we restored the \$487,428, would that still be short on the Welk site? Cause there would be some operating, or did you include the operating in that total number?

**Mr. Skalsky:** That's all the salaries. They also took additional \$35,000 out for operating.

**Senator Mathern:** So you didn't show operating in here. That was confirmed.

**Mr. Skalsky:** That's the only adjustment that they made to operating.

**Chairman Krebsbach:** I have a question for Michael. The funding of the \$147,986 that's shown on page two of this document of the book, does it include the \$50,000 for the Welk temporary salary or not. It does not.

**Michael Johnson:** No it does not.



There was discussion among the committee.

**Lori Laschkewitsch, OMB:** The \$147,000 that's because it is off the base budget and then some of the reductions in the governor's 10% reductions over to the 90%. So the additional reductions that the House made is the number 5 on that statement of purpose which is the \$437,428. Number 6 has \$50,000 worth of salaries to the Welk and \$35,000 where the operating. Those two numbers are the numbers that the House changed.

**Chairman Krebsbach(0.30.59)** So number 5 is inclusive of the temporary and the full-time that they removed too. Thank you for clarifying that. We will have to do some deliberation on all of this but if there is no more let's move to the lawsuit situation. That was in your contingency, that they took that out? It is in the Deficiency bill. We don't have to worry about that. They'll cover that in that bill. However, we can voice our opinion. The other thing is the Double Ditch. It has been suggested to me, and I don't know if it was suggested in the House, it maybe not anything feasible, but I'll bring it out so we can look at it. It has been suggested that we look to the Native American Tribes to see they would be willing to contribute anything to this cause. Was that discussed in the House?

**Mr. Skalsky:** Yes, it was discussed. It was also discussed two years ago. They feel it is a state site and it's their responsibility. There was testimony, I guess in the Senate Appropriations Committee and one person said if you are not going to take care of it, give it back to us. I think that was because of frustration. They did not say they would pay for this state project.

**Fern Swenson: (0.33.14)** I know that they are frustrated in the sense that that's not what we asked from other communities for the other 56 state historical sites that we have. They pretty much say it's a slap in the face to expect them to pay for it because it is on state land. We've had the site for a long time. The fact that there is burials the site gets a lot of visitation. Would we do that if it were somebody else's cemetery?

**Chairman Krebsbach:** Does the Historical Society have any other burial sites?

**Ms. Swenson:** Some do, and we do have a cemetery as well. But it's not in a location that we would see that erosion happening along the river. Some of our other village sites, like Huff Indian Village, about 30 miles south of Mandan has burials, but the site has been stabilized so there is riprap on that site, so it is stable. And Fort Clark, the river now is about a mile away, so that is stable. That would have many burials due to the Small Pox epidemic particularly the 1837 Small Pox epidemic. Those are the ones that come to mind.

**Chairman Krebsbach:** I personally want to see us do something as the state. The simplest thing would be to just have continued the authority for the loan. But that is something we will have to cross with the House in Conference, no doubt.

**Senator Mathern:** Could you bring us up to speed on the bid letting of that project? Is there potentially any changes in the cost of that project?

**Ms. Berg:** We've been working on this project within our budget. The bid documents are being prepared now, so we would be ready in a few weeks to go to bid on this project.

**Senator Mathern:** I thought they were out on this project.

**Ms. Berg:** Not yet. The design had been altered when the Corps of Engineers was being a challenge. So we engineered to take it up to the high water mark so that work was done and now is being incorporated into the project. **(0.36.43)**

**Senator Mathern:** Was the Governor making any change in that project or is that entire change we are discussing here made in the House?

**Ms. Berg:** Just in the House.

**Senator Mathern:** So the governor's office is supportive of the project as is?

**Ms. Berg:** They did not do anything with the budget.

**Chairman Krebsbach:** We had someone that suggested that someone would like to take a look at the site with you. It's a person from state that has done some work in stabilizing places around Devils Lake, for example, that had high water and we said we would gladly furnish you with the name and the contact, and all of that. I don't think it hurts to check it out further. I'll get it for you right after we adjourn.

**Senator Erbele:** I need a little clarification. You had the engineering specs done, so the case of Chairman Krebsbach's contact of the person that has done engineering around the Devils Lake area. He can come, look at your specs and then provide a bid, are we to that point. Is that kind of information available and are you willing, or is it a public bid opening?

**Ms. Berg:** It will be. All will see the specs. It should be within 2 or 3 weeks.

**Mr. Skalsky:** We had emails going back and forth with the water commission and they have done projects like this and there are certain specs that you have to put certain language in. At Well Engineering has been working with the water engineers. We want to do our best, so we don't get sued. The specs are done, and he hoped to get them to the documents back to us today. We will have the AG's office review these before they go out. If you still think and you wanted to and you had someone, I believe we could let them look at them. I don't see that being a problem. even if they wanted to talk to our engineers, I don't see that being a problem.

**Chairman Krebsbach:** They perhaps would want to do that to make a bid.

**Mr. Skalsky:** I'm not sure if something like that we have to wait. It might be there where they can't access the information until the bid specs are done. If it was the water commissioner, or something, but if they want to bid, that might be a little bit different story.

**Senator Mathern:** **(0.40.13)** What exactly would we have to do with this bill to return this project to how we had approved it last time and was approved by the governor's office?



**Mr. Skalsky:** If Section 7 was taken out, we could move forward as we have been doing. The only question will be is the deficiency appropriation to pay the loan back is in HB 1024. So if Section 7 was taken out, actually the E & E committee put in Section 6 and said move forward. Section 7 got put in the full House committee there. The only question would be is we don't get the money to repay back the loan if it is not put back in the deficiency appropriation bill. They took out the ability to pay the loan back which you will see coming up in 1024. If Section 7 was taken out we could proceed with the project. We just wouldn't have the money to pay back the loan. So I think the Bank of ND would sit there and not get their money until a future biennium.

**Chairman Krebsbach:** To clarify my mind, the deficiency would be the mechanic to pay it back. However, if you would not be utilizing that loan before June of this year, would you not need continuing appropriation for that loan?

**Lori Laschkewitsch, OMB:** No, that language is in section 6.

**Chairman Krebsbach:** We don't have to worry about that. Basically section 7 has to go then. I think we know where we are at. Is there anything further you want to discuss?

**Mr. Skalsky:** The deficiency appropriation about the legal fees, I think they had about \$294,500. Hopefully that will also get addressed. That would be another 10% of our operating budget if we had to find that in our current operating budget.

**Chairman Krebsbach:** That would be difficult. That is in a different subcommittee but we can visit with them on that.

**Senator Mathern:** I would consider we ask Michael to address the amendments, so that when we meet next time we have them and we can consider them. They would be restoring the operating 35 and the salary 487 and eliminating Section 7 and then we get ready and get the bill passed.

**Chairman Krebsbach:** That would be fine with me. At least we'd have a starting point. We have a plan. So, Michael, do you know what the plan is.

**Michael Johnson:** Could you repeat those numbers? I know there's removal of Section 7, there's restoring the 437 for 28, restoring the 85 for the Welk. Just those 3 items?

**Senator Mathern:** Is \$35 enough for the Welk? I was thinking we had to part of the 50 so it would be \$437.

**Chairman Krebsbach:** We would restore 85, that would include the 50 and the 35.

**Senator Mathern:** So that's the 437, the 50 and 35 and then measure 7. That was confirmed by Michael.

**Senator Erbele:** Do you charge a fee at all the sites? Like Admission fee or anything like that?

**Ms. Berg:** Some sites we do not charge and other sites we do charge. The fees that are charged covers some of the expenses of running the site and programing. That's how some of those sites are operated is by those fees. **(0.45.04)**

**Senator Erbele:** Does that show up anywhere on your income line?

**Mr. Skalsky:** We have a continuing appropriation to accept those fees and use them toward the sites. Admissions, for example, are used for programing. Most of it is used to help the temporary seasonal staff out there. In fact, pretty much all fee money is used to pay seasonal people. The sites we don't charge for are the unmanned sites, like Fort Clark where we just have signage and the grass mowed there.

**Senator Erbele:** Is that accounted for in your requests on the dollar? Or do you need \$35,000 in operating for Welk, for example, is that taking in account you need \$35,000 over and above what you are going to take in on anticipated fees? Or do you get a little gravy money?

**Mr. Skalsky:** That money does not show up here. If we were to use some of the fees to help with the Welk site staff that would be an addition like the \$50,000 salaries there, which I think that's always been at the Welk site. For example, a lot of our admission money is used at Medora to pay staff there. So if you would ask me how much I have in our general fund budget for temporary staff at Medora it would be very little because most of that is funded with admissions money. Like for the Welk, for example, I would probably bunch it all from the general fund money because we don't get enough admissions to man our sites. What I'm getting at we'll probably use general fund money to pay for the staff at the Welk but at Medora, we'll take admissions money to pay for that.

**Senator Erbele:** What do you do with what you collect at the Welk site?

**Mr. Skalsky:** The money that gets collected at the Welk site goes into a fund 603, which is fees account for us. That doesn't show up here. So we have access to that money to pay for stuff that the general fund doesn't cover like the staff at Medora.

**Senator Erbele:** So the money collected in any one given site can be disbursed or cover to plug holes throughout the system.

**Mr. Skalsy:** What I do, I put in, I have it identified so if you ask me what my admissions were like at the Welk site, I could tell you that. But it goes in the fund 603 and I was to adjust every temporary person for where the sites are I'd being doing it constantly.

**Senator Erbele:** I am just looking for a justification. I mean if we are putting in \$50,000 or \$80,000 or whatever, regardless of where it goes but the contribution of that site to the total system has to have a value **(0.48.05)**

**Mr. Skalsky:** Correct. That's how we handle it.

**Ms. Berg:** I could add one comment and Welk being the example that the Tri County Tourism Alliance, which is the three counties in that area, have been working very hard on tourism development and the Welk site was the hub of all of that organization. And they have been



spending the last two years organizing that and so it's one of those things, if at this point, we end up having to close that site, it ripples through a number of organizations and two year's worth of effort from a lot of other groups and that's NDSU Extension Service, it's local communities, it's EDC's of a lot of the communities in those three counties. So a lot of these sites really are networked out into their regional areas as kind of hub of operation for development. **(0.49.32)**.

**Senator Erbele:** The group that you just referenced, Tri County Tourism Alliance, how do you rate that against other friend's groups? Are they as vital as any of them out there or they do have a lot to grow and learn yet?

**Ms. Berg:** NO, they've been very active and very supportive. A couple other friend's groups over the last several years have focused on raising a fair amount of money to go physically into sites for rehabbing buildings. Tri County has been laying the ground work for heritage tourism. There are a number of organizations that have partnered on that, and they know the history and are very passionate about it. It connects up with NDSU German/Russian collection. It has a solid network of partners out there. Fundraising is something that we will have to look at as well. They are very active at looking for tourists to come in and go to the restaurants and have options of German-Russian food; go to other county and local museums and the cemeteries so they've really created the fabric of content for that program, which has been vital for a destination. Its' been a really impressive organization. **(0.51.23)**

**Chairman Krebsbach:** I have another meeting at 4. We will wind this up. We will see you next week. The meeting was adjourned.

# 2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee  
Harvest Room, State Capitol

HB 1018  
3/29/2017  
JOB # 29784

Subcommittee  
 Conference Committee

Committee Clerk Signature

*Alice DeBor by Mary Jo Wicken*

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

A Subcommittee hearing for the Historical Society.

## Minutes:

1. Proposed Amendment # 17. 0503.02001

Chairman Krebsbach called the subcommittee hearing to order on HB 1018 in the Harvest Room. Let the record show that all three members are present: V. Chairman Krebsbach, Chair; Senator Erbele and Senator Mathern. Lori Laschkewitsch, OMB and Chris Kadrmas, Legislative Council were also present.

**Chairman Krebsbach:** We have this bill, the amendments prepared under the suggestion of Senator Mathern are as follows (please see attachment #1). I will give the Historical Society a chance to look over the amendment. It addresses the health insurance issue, adding back the wages and the one FTE, we also added the \$85,000 for the restoration of the Welk Historical Site. Any comments on the amendment?

**Senator Mathern:** We took out the Double Ditch requirement.

**Chairman Krebsbach:** That isn't in this amendment, I am going to request the removal of the language in the authorization of a loan for \$1.125M and put only for the authority to borrow up to that amount. The House had other language about it being cost sharing and that they were not to receive...

**Chris Kadrmas, Legislative Council:** The committee asked that section 7, which provided legislative intent that the State Historical Society not draw on that loan and the emergency measure attached to that section was removed.

**Chairman Krebsbach:** So the loan authorization is left, but all the other restrictive things with it are removed, correct?

**Chris Kadrmas:** That's correct. That's all done in that legislative intent section. To be clear, the bill does not contain any loan authorization for the Historical Society, since they have that authorization currently, it just provides carryover authority for that funding into the 2017-2019 biennium.



**Ms. Claudia Berg, Director of State Historical Society:** That would work for us.

**Chairman Krebsbach:** Any other discussion?

**Chris Kadrmas:** You had mentioned to add back the FTE position.

**Chairman Krebsbach:** It's just the salaries, there was no removal of the FTE evidently. Or is that included in that?

**Chris Kadrmas:** It is my understanding that the funding is added back. All the underfunded salaries were added back, there are no underfunded salaries; but no FTE authorized positions were added back.

**Chairman Krebsbach:** That includes both in the temporary positions and the FTE.

**Chris Kadrmas:** How ever the agency wants to use it, they aren't losing any additional positions outside of what the House removed. It removes the underfunding of salaries. It does add back the funding for the Lawrence Welk Homestead Operations.

**Senator Erbele:** In adding the funding back for the Welk site, I would like to see it worded that the money is restored to the operating line to all sites so that we get rid of the stand-alone entities. We don't reference that as a separate site, make the part of the on-going budget of all sites.

**Chris Kadrmas:** The only reason the operation of the Welk site is listed is because the House specifically indicated that. The agency includes the operation of that within their overall budget, they don't identify them separately anyway. It was just an item that the House had pulled out on their own, because the agency does include that, it is not one specific line.

**Chairman Krebsbach:** It would be included in the operational, but the House pulled it out.

**Chris Kadrmas:** The funding was reduced for that site; it doesn't mean that they couldn't use their funding for that site.

**Chairman Krebsbach:** Does that satisfy your concerns?

**Senator Mathern:** I would move the amendments. 2<sup>nd</sup> by Senator Erbele.

**Chairman Krebsbach:** Call the roll on the adoption of the Amendment # 17.0503.02001.

**A Roll Call vote was taken. Yea: 3; Nay: 0; Absent: 0. Motion passes.**

**Chairman Krebsbach:** I would like to hear from the Historical Society.

Both Mr. Skalsky and Ms. Berg thanked the committee.

The subcommittee hearing on HB 1018 was adjourned.

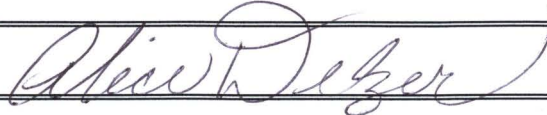
# 2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee  
Harvest Room, State Capitol

HB 1018  
3/30/2017  
JOB # 29817

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

A DO PASS AS AMENDED for the Historical Society.

## Minutes:

1. Proposed Amendment # 17.0503.02001

**Chairman Holmberg:** called the Committee to order on HB 1018. Roll Call was taken. All committee members were present. Stephanie Gullickson, OMB and Michael Johnson, Legislative Council were also present.

**V. Chairman Krebsbach:** moved the adoption of Amendment # 17.0503.02001 to HB 1018. 2<sup>nd</sup> by Senator Mathern.

**V. Chairman Krebsbach:** They adjusted the health insurance and we added back both salaries and wages. The House had removed the funds for the Welk Homestead, we added that back. In Double Ditch we removed that session so that goes back that they have the carry- over from last session regarding Double Ditch.

**Chairman Holmberg:** I thought they were going to remove the line item for Lawrence Welk and that would just be in the agency.

**V. Chairman Krebsbach:** But when they pulled it out it became a separate part so we put it back in.

**Chairman Holmberg:** Would you call the roll on the Amendment?

**A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0.**

**V. Chairman Krebsbach:** Moved a Do Pass as Amended. 2<sup>nd</sup> by Senator Grabinger.

**Chairman Holmberg:** Would you call the roll on a Do Pass as Amended on HB 1018?

**A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0. Senator Erbele will carry the bill.** The hearing was closed on HB 1018. Discussion followed regarding other bills.



C3  
 3/30-2017  
 1 of 2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018

Page 1, line 2, after the first semicolon insert "and"

Page 1, line 2, remove "; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$13,604,636	\$234,970	\$13,839,606
Operating expenses	3,986,308	(100,414)	3,885,894"

Page 1, replace lines 17 through 19 with:

"Total all funds	\$20,554,692	(\$481,539)	\$20,073,153
Less estimated income	<u>3,299,901</u>	<u>(144,106)</u>	<u>3,155,795</u>
Total general fund	\$17,254,791	(\$337,433)	\$16,917,358"

Page 1, line 22, replace "\$208,926" with "\$193,789"

Page 1, line 22, replace "\$191,055" with "\$177,213"

Page 1, line 23, replace "\$1,249" with "\$1,241"

Page 3, remove lines 1 through 8

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - State Historical Society - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$13,604,636	\$13,367,315	\$472,291	\$13,839,606
Operating expenses	3,986,308	3,850,894	35,000	3,885,894
Capital assets	1,770,294	1,747,653		1,747,653
Grants	900,000	600,000		600,000
Cultural heritage grants	293,454			
Total all funds	\$20,554,692	\$19,565,862	\$507,291	\$20,073,153
Less estimated income	<u>3,299,901</u>	<u>3,157,090</u>	<u>(1,295)</u>	<u>3,155,795</u>
General fund	\$17,254,791	\$16,408,772	\$508,586	\$16,917,358
FTE	78.00	75.00	0.00	75.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adds Funding for Salaries and Wages <sup>2</sup>	Adds Funding for the Operation of the Welk Homestead <sup>3</sup>	Total Senate Changes
Salaries and wages	(\$15,137)	\$437,428	\$50,000	\$472,291
Operating expenses			35,000	35,000
Capital assets				
Grants				
Cultural heritage grants				
Total all funds	(\$15,137)	\$437,428	\$85,000	\$507,291

CS  
3/20/2014  
2 of 2

Less estimated income	(1,295)	0	0	(1,295)
General fund	(\$13,842)	\$437,428	\$85,000	\$508,586
FTE	0.00	0.00	0.00	0.00

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<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change.

<sup>2</sup> Adds \$437,428 from the general fund for salaries and wages. The House underfunded salaries and wages \$437,428 from the general fund. The Senate version does not underfund salaries and wages.

<sup>3</sup> Funding is restored for the operation of the Welk Homestead Historic Site. The House removed funding for the operation of the Welk Homestead Historic Site.

---

The Senate removed sections added by the House providing legislative intent regarding the Double Ditch Historic Site repairs and an emergency measure.



Date: 3-27-17

Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1018**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: Amendment #17-0503.02001

- Recommendation:
- Adopt Amendment
  - Do Pass     Do Not Pass     Without Committee Recommendation
  - As Amended     Rerefer to Appropriations
  - Place on Consent Calendar
- Other Actions:     Reconsider     \_\_\_\_\_

Motion Made By Mathern    Seconded By Erbele

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	<input checked="" type="checkbox"/>	
Vice Chair Krebsbach	<input checked="" type="checkbox"/>		Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele	<input checked="" type="checkbox"/>				
Senator Wanzek					
Senator Kilzer					
Senator Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) 3    No 0

Absent 0

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

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

Date: 3-30-17

Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1018**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0503.02001

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Krebsbach    Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14    No 0

Absent 0

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

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



Date: 3-30-17

Roll Call Vote #: 2

**2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1018**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Krebsbach    Seconded By Grabinger

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Erbele

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

**REPORT OF STANDING COMMITTEE**

**HB 1018, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)**  
 recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1018  
 was placed on the Sixth order on the calendar.

Page 1, line 2, after the first semicolon insert "and"

Page 1, line 2, remove "; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$13,604,636	\$234,970	\$13,839,606
Operating expenses	3,986,308	(100,414)	3,885,894"

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Page 3, remove lines 1 through 8

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$13,604,636	\$13,367,315	\$472,291	\$13,839,606
Operating expenses	3,986,308	3,850,894	35,000	3,885,894
Capital assets	1,770,294	1,747,653		1,747,653
Grants	900,000	600,000		600,000
Cultural heritage grants	<u>293,454</u>			
Total all funds	\$20,554,692	\$19,565,862	\$507,291	\$20,073,153
Less estimated income	<u>3,299,901</u>	<u>3,157,090</u>	<u>(1,295)</u>	<u>3,155,795</u>
General fund	\$17,254,791	\$16,408,772	\$508,586	\$16,917,358
FTE	78.00	75.00	0.00	75.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adds Funding for Salaries and Wages <sup>2</sup>	Adds Funding for the Operation of the Welk Homestead <sup>3</sup>	Total Senate Changes
Salaries and wages	(\$15,137)	\$437,428	\$50,000	\$472,291
Operating expenses			35,000	35,000
Capital assets				
Grants				
Cultural heritage grants				
Total all funds	(\$15,137)	\$437,428	\$85,000	\$507,291
Less estimated income	<u>(1,295)</u>	<u>0</u>	<u>0</u>	<u>(1,295)</u>
General fund	(\$13,842) 0.00	\$437,428 0.00	\$85,000 0.00	\$508,586 0.00



FTE

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<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change.

<sup>2</sup> Adds \$437,428 from the general fund for salaries and wages. The House underfunded salaries and wages \$437,428 from the general fund. The Senate version does not underfund salaries and wages.

<sup>3</sup> Funding is restored for the operation of the Welk Homestead Historic Site. The House removed funding for the operation of the Welk Homestead Historic Site.

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The Senate removed sections added by the House providing legislative intent regarding the Double Ditch Historic Site repairs and an emergency measure.

**2017 CONFERENCE COMMITTEE**

**HB 1018**

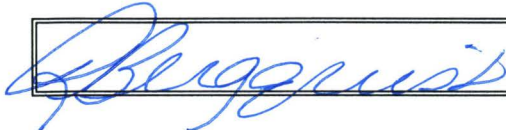


# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division  
Roughrider Room, State Capitol

HB 1018  
4/11/2017  
30071

- Subcommittee  
 Conference Committee



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

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

## Minutes:

Attachment 1

**Chairman Schatz:** We have before us the Historical Society. On the long sheet (attachment 1) Senate has added 507 thousand dollars and then on back side section 6 the issue of the Double Ditch ND loan proceeds.

**Chairman Karen Krebsbach:** Salaries issue, there was good cause to our committee for the need for these funds and for the reductions to be restored. With the funds gone it would be hard to staff the outlining places that they have. We determined that funds should be restored for seasonal temporary people. We also added back in the 85 thousand for the funding for the Welk Homestead.

**Representative Streyle:** Every single budget had to take a cut in the salaries line, except this one.

**Chairman Karen Krebsbach:** We still have to take care of government functions and we see this cut as very drastic and we need to make sure they can do what they were intended to do.

**Representative Streyle:** So we are going to send this to the floor with an increase of "just because". It's an increase of 1.72% and the reduction was only a few percentage points I hardly see that as a drastic reduction.

**Chairman Schatz:** If there are no further comments, I declare the hearing closed.

# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division  
Roughrider Room, State Capitol

HB 1018  
4/12/2017  
30084

- Subcommittee  
 Conference Committee

*Virginia Lee Moch*

## 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; and to provide an exemption.

## Minutes:

1

**Chairman Schatz:** Called the conference committee on HB 1018 to order. Are there any proposals to come before the conference committee?

**Chairman Krebsbach:** (see attachment 1) The third page was the most revealing to us as to what they were experiencing in this budget if it were to go as it came to us, and that is why we added what we did.

**Representative Streyle** This is no different than any other agency, they all had to make tough decisions. I would **make a motion to add section 7 and 8 back in to the bill relating to the legislative intent for funding of Double Ditch.** The funding for this is in another bill but I think it should be in this bill.

**Representative Schatz:** We have a motion to add section 7 and 8, do we have a second?

**Representative Schmidt: Second.**

**Chairman Representative Schatz:** The motion is to put in section 7 saying that it is the intent of the legislature to NOT authorize a loan for Double Ditch. If they need a loan it is required from NON state sources and section 8 is an emergency clause of the original House Bill 1018 to be put back in. Is there any further discussion?

**Chairman Krebsbach:** I cannot support that. That is going back on a promise that the state made. I am going to refer to page 3 of the handout.

**Representative Streyle:** This will have no effect; the money is in the parks budget for a million. There is nothing stopping them from doing this right now.



**Chairman Krebsbach:** First of all, we have to make sure that the other bill goes through, you are putting it back on their shoulders to raise the \$250,000 that we gave them authority for last session. Why are we pulling it back now?

**Representative Streyle:** We did the same thing to others. We took from the Water Commission. We are taking from parks to put it in their budget, that's even worse. We are taking sovereign land money to open recreational opportunities and giving it to the historical society which has nothing to do with sovereign lands.

**Chairman Krebsbach:** I have not seen a plan for water usage or the funding in Parks and Rec or what it was initially intended for. We have many areas of sovereign land and I haven't seen any proposals, here we have a definite need and a definite proposal.

**Senator Mathern:** One of the unique things about this agency is the amount of money that they are already raising. Us putting this in demonstrates our recognition of all of their fund raising activities. So I resist the motion, too.

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

**Motion fails**

**Representative Schatz:** Since we are not going to agree on any dollar figures, do you have any other proposals?

**Representative Streyle:** I make a **motion to remove 300 thousand form salary lines and \$50,000 from the Lawrence Welk funding line.**

**Representative Schmidt: Second.**

**Representative Schatz:** Discussion?

**Senator Erbele:** Why single out one single entity? Why pick out one that is working?

**Representative Streyle:** That's how it was added in on the Senate side. I could change the motion to \$500,000 on the salary line and \$200,000 on operating and let them decide where they spend the \$85,000. That's a lot of money and I don't agree with it.

**Representative Schatz:** With everything you are restoring they are only cutting 1.2%. That's not much of a cut. We've cut a lot of budgets and we've cut up to 7%.

**Representative Schmidt:** We started with Governor Dalrymple's budget and decided about 7% above that would be cut. We did that across the board. On this one it's less than 7%. Representative Streyle's proposal is even further less than what everybody else is taking. Chris what is the percentage of the \$437,438?

**Chris Kadrmas LC:** It is roughly 4½%.

**Representative Schmidt:** So we gave them roughly 2½% more than what we gave everybody else to cut and now with Representative Streyle's proposal it is even more than that.

**Representative Streyle:** In the FTEs in the K-12, even in that budget we cut 8 FTEs, and thins one we didn't even cut 4% because we recognized that 7% was aggressive for this budget based on what they do. We are now completely reversing and increasing the salary line by \$234,000.

**Representative Schmidt:** Another thought, when we got Governor Dalrymple budget we didn't have the most recent forecast and when we got that forecast we ended up adding another 7% to all the others.

**Chairman Krebsbach:** I want to call you to the page of attachment 1 page 3 removing the temporary staff, that is a reduction of 23% reduction in temporary salaries.

**Representative Streyle:** They could have taken it from the grant line, that was their choice. They are playing a game, they had a choice of where to take the cut.

**Chairman Krebsbach:** I don't think we should second guess what they are saying, they should know, I have no idea, we don't work there. Maybe some of those grants are committed, I have no idea. They are a small agency and they have an awful lot of area to cover.

**Senator Mathern:** I wanted to ask the house why you made a specific cut to the Welk House? Why that verses many others that are under the context of the Historical Society?

**Representative Streyle:** I think this should have been done last session. Not that many people go through there. Now we are going to spend 100 thousand this biennium.

**Representative Schatz:** We do have a deficiency this year and we need to cut some budgets. There's a lot of cuts to everyone.

**Senator Erbele:** In terms of this, there's a monetary impact to the state from this. We get people to stop in these places and they spend some money. The Welk home had 700 plus people come through there. There's an economic impact, it's hard to measure but it is there.

**Representative Streyle:** I would be open to take that out of operating and let them decide where to put it. Based on your numbers, 700 people at \$85,000 that's \$121 per person. That's not a good return.

**Representative Schmidt:** We have a motion; may we repeat the motion please?

**Representative Streyle:** The senate restored \$437,000, motion would be to restore \$137,428 which would be a \$300,000 cut, to the unfunded salary and wages line. And restoring \$35,000 in the Welk house which would be a \$50,000 cut. Just to be clear, they could fund that with their operating line with whatever level they want.



**Senator Erbele:** I'd like to get away from identifying any specific sights, so the reduction becomes a part of the whole.

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

### **Motion fails**

**Representative Streyle:** I would like to read this from the tribune article about Double Ditch "If the state can't fund this then the Three Affiliated Tribes should fund it. The state should give it back to the tribes." That is absolutely what we should do.

**Senator Mathern:** It's an archeological and culture project that goes back 100s and 100s of years. To say that the tribe should pay for it would be like saying that the Manheim Cathedral in Germany is going to be restored and you and I should pay for it because we are of German descent. The people of the area all own it and we all have a responsibility because it is not a site of a particular group, it is a historical site.

**Representative Schmidt:** With respect to that Senator, when we started talking about this there was a million-dollar loan from BND, things went south when we started doing the engineering for the project. The engineering cost a lot of time, it wasn't the Corps of Engineers that delayed it. The second part of that is that because of the relationship at the time, Governor Burgum was trying to improve those relationships between the tribal government and the state, we strongly supported that. We thought we should be able to ask the Three Affiliated Tribes to have a partnership to preserve the site and to restore that relationship. We asked the State Historically Society twice to ask them for financial help and no financial help. The second thing we asked was the Heritage Fund had a carryover of \$9 million, we reinstated another \$2 million, that's \$19 million in the Outdoor Heritage Fund. Some of their projects are questionable, some are good. We asked if we could use the heritage fund to fund Double Ditch through there for \$1.2 million and take the other million that was to go to Parks and Rec and put it in. We could have used the heritage fund to fund this. I see no reason why we can't still do that. We still want to improve relationships between the tribal government and the state. I think this is a wonderful way to support that relationship, we are funding it when they are not. We would be able to get it done.

**Senator Mathern:** One of the thing we have in place is an application and granting procedure for the Outdoor Heritage Fund. We don't want to become the granting agency and micromanaging that fund. If we did what you suggested, we would be going around that process and the criteria the board would use to select that. I hope that if we move that million dollars in there's still a quarter of a million dollars that needs to be raised by our actions or some grants. I just want to make the point that ALL people appreciate Double Ditch, not just the native people.

**Representative Schmidt:** It was so important to take the million dollars out of sovereign lands to put into this, and earmarking it and the Outdoor Heritage Funds. We earmark projects all the time and we call it one-time funding or this time funding. It can be written as

such as I don't see any problem doing this, this is an extraordinary scenario, this should be paid out of this fund. That's why we set it up.

**Representative Schatz:** We've reached the deadline so we are going to close this and reschedule, so I declare this conference committee closed. 30:27

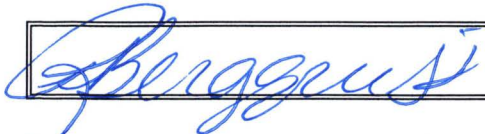


# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division  
Roughrider Room, State Capitol

HB 1018  
4/14/2017  
30139

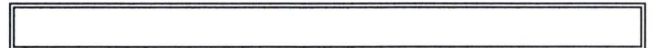
Subcommittee  
 Conference Committee



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

To provide an appropriation for defraying the expenses of the State Historical Society.

## Minutes:



**Chairman Mike Schatz** called the conference committee on HB 1018 to order. Senator Sorvaag is sitting in for Senator Erbele today.

**Chairman Streyle:** I make a motion we add 500 thousand for the state disaster relief fund including the emergency clause for Double Ditch.

## Representative Schmidt: Second

**Chairman Krebsbach:** We are transferring the 500 thousand from parks and rec and we have been discussing the fact that being this is coming out of the disaster relief fund; rather than having to go to the bank to borrow the addition 250 thousand we should like request that the transfer being 750 thousand.

**Representative Streyle:** I would hope that we reject that, this is the deal, a million dollars, this is the second part of the deal.

**Senator Mathern:** I think the intent would be to complete it on one transaction, the bids have been let on the project and it would be sad if there was another delay. Please reconsider the motion and change it to 750, that way we eliminate any potential barriers on this project.

**Representative Schmidt:** This was all to be borrowed so instead of borrowing 1.2 million dollars the loan is 250 thousand dollars. In regards to the disaster relief fund I believe the 500 is appropriate in this situation. The disaster relief fund is more about flooding than it is for erosion. I talked to Karlene Fine, she said if the application is in by May 1<sup>st</sup> they will get their funds by July 1<sup>st</sup>.

**Chairman Krebsbach:** We are trying to make it easier because their timeline is Nov 15, if they get the money form the Heritage fund that would take care of it but if not they have to come back to the next session. We can work it out just so we get the project completed.

**Chairman Schatz:** Any other discussion?

**A Roll Call vote was taken. Yea: 6      Nay: 0      Absent: 0**

**Motion Carries**

**Chairman Schatz:** Double Ditch is taken care of, any other provision to discuss today?

**Streyle:** This budget is a reduction of 1.95% if you look at the previous budget parks was about 12.5% of general fund. What we had sent over at less than 5% reduction and we still believe there's a middle ground here. I won't support the senate restoring all that money.

**Chairman Schatz:** The other day you put up an amendment to add 137 thousand and to add 35 thousand so there has been movement but it has been rejected.

**Chairman Krebsbach:** With the 10% executive cut and the governors cut, they have experienced about 22% cut in salaries and if we were to go with what you want to further cut that would make it over a 50% cut in salaries in this agency.

**Representative Streyle:** Look at the bill, it's not a 50% cut, what you sent it over as was 13 million dollars we cut 237 thousand out of the 13 million out of the salary line.

**Chairman Schatz:** If you had 78 FTEs and you've only gone down to 75 and you took a 50% cut there would be a lot less FTEs in this then there are right now.

**Chairman Krebsbach:** These were the figures presented to me and it shows that you cut is 437 thousand.

**Senator Mathern:** Many of the cuts that were at their discretion were moved in to the salary line. If they could have cut something else the impact wouldn't have been so great. We are talking about not having staff at the different places.

**Representative Streyle:** I motion to zero out the grants line and remove 600 thousand and leave the salary line alone.

**Representative Schmidt: Second**

**Chairman Krebsbach:** I have to remind you that those are federal grants, why would we want to turn that money away?

**Representative Streyle:** I'll withdraw that motion and make a motion to cut out 300 thousand from the salary line item.

**Representative Schmidt: Second**

**Chairman Schatz:** Further discussion?



**Chairman Krebsbach:** I cannot support that, that's not leaving them enough to continue operations.

**Representative Streyle:** Everybody is taking a cut, we are cutting the general fund budget 1.95%, other than DPI, every budget is going down way more than this.

**Senator Mathern:** Could we take off the Welk Home so we can get it down to salary?

**Representative Streyle:** This motion had nothing to do with that. My motion is simply on the 437, it would be a 300-thousand-dollar reduction. As the bill came from the senate, you restored the 85 thousand, my motion has nothing to do with that. It simply has to do with the 437.

**Chairman Krebsbach:** I appreciate the movement by the house. We need to confer with Senator Erbele, he has put a lot of time in to this.

**Chairman Schatz:** There's a motion on the floor so is there any other discussion?

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

**Motion Fails**

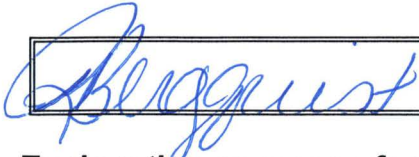
**Chairman Schatz:** If there's nothing else we will close this conference committee

# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division  
Roughrider Room, State Capitol

HB 1018  
4/17/2017  
30180

Subcommittee  
 Conference Committee



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

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

## Minutes:

**Chairman Schatz:** Called the conference committee to order on the historical society bill HB 1018. We will note that all the conferees are here. If everyone still has their budget sheet from 4-11-2017 we will work off of that. Friday we basically worked on Double Ditch and got \$500,000 from the Disaster Relief Fund and \$500,000 from the Parks and Rec Grant. So that was settled. The remaining two issues are the \$437,000 for the salaries and \$85,000 for the Welk Homestead. Does anyone have any proposals?

**Senator Mathern:** I think part of the discussion was to take the Welk homestead off the table by restoring the \$85,000 so that we treat all of those the same. We still have to come up with the \$85,000.

**Chairman Krebsbach:** That's what I recall also from Friday's meeting. On the Double Ditch. Between the two \$500,000 that brings us to a million leaving only \$250,000 that they would have to borrow if needed from the state bank and that would go in to contingency payment in the next session.

**Representative Streyle:** Absolutely not would that be contingent. That is private funds or out of their base. I don't support that one bit, if they want to borrow it, they can pay for it through their donations. It was never intent to give them money next session.

**Senator Mathern:** The other thing we discussed was taking the \$750,000 out of the Disaster Relief Fund so they wouldn't have to deal with it in anymore and it is taken care of.

**Representative Streyle:** You should have sent the bill over with that then. We are giving you exactly what you wanted. We are not going up any higher. The intent wasn't "We'll borrow it and we'll give you the money next session." It's "You find a way to raise it or pay back the borrowed funds."



**Chairman Krebsbach:** We left the language in that would have put \$1.5 million in as it was. We removed your language with the intent that if they did take the loan they would have to take it ALL out of private funding. We removed that section and left the initial language in, this was from before the agreement was made on the \$500,000 from Parks and Rec and the \$500,000 from the Disaster Relief.

**Chairman Schatz:** Right, in the 02001 Christmas tree version.

**Representative Streyle:** We just said do not borrow the funds. Just because we gave them the funds doesn't mean that now we support it being funded next session. All you did was take out the clause that says "Don't borrow funds." We can't make that promise for next session, that's up to the next Legislative Assembly.

**Chairman Krebsbach:** It was strictly extending what we have in the bill at this time in to the next session.

**Representative Schmidt:** The original bill said to borrow 1.2 million from the Bank of ND. That loan did not occur over the period of that first year. The house said go ahead and borrow the money if you can but don't borrow it from the Bank of North Dakota. Obviously, the state isn't going to pick up the payment, so who is going to pay it if they can't? Then the senate and Parks and Rec there was a million dollars offered to pay for that part of the loan being there was still \$250,000 left. The senate offered to take that money out of the Sovereign Lands money coming out of the Resources Trust Fund. When we got together we agreed to take that \$500,000, put it back in to the Sovereign Lands fund and we would take \$500,000 out of the disaster relief fund. Originally it would have been a loan for \$1 million in cash and they would have to raise \$250,000. The original would have been a LOAN for a million bucks. Just this weekend Governor Burgum called a state of emergency for flooding in 9 counties. I do not know if that funding will occur. So our last discussion with \$500,000 coming out of Sovereign Lands and \$500,000 coming out of Disaster Relief with them coming up with the \$250,000 is a good situation.

**Senator Mathern:** Representative Schmidt has just outlined the steps here, all of those steps indicate an interest to address this issue and there is a lot of creativity there. I would suspect we can be even more creative. Why don't we do the entire 1.25 million from the Parks and the Disaster Relief Fund, but add some wording that it is UP TO that amount and that would help get the project done and it will come out to less than that.

**Representative Streyle:** This is over on our side. We agreed 100% to what you sent over. Now we are talking about salary dollars and trying to come to a compromise on the agency itself, excluding this subject.

**Chairman Krebsbach:** I was very clear on the record that we need to get Double Ditch taken care of completely. This would be placing an unfair burden on them.

**Representative Streyle:** We can't tell the next session "You Shall" give the agency \$250,000 next session. It will hold no weight. They can borrow the money or raise it and if they can make a good case for next session, fine.

**Representative Schmidt:** If they can't pay back \$250,000 then how are they going to pay back a 1.2 million-dollar loan? I think they have enough credibility with the people to get that money.

**Chairman Schatz:** I agree with Representative Streyle. We funded it for a million dollars and then we moved on. We have some other issues here, now we are digging it up again. I will go look at the record. Things were said, but it doesn't mean they were agreed upon. We are not talking about that; we are moving on. We will talk about the salary and the Lawrence Welk site. We also said we would fund this, but we didn't give them any money.

**Representative Streyle:** I make a motion on the salary line to make that \$230,000

**Representative Schimdt: Second**

**Senator Erbele:** You're making the 437 line and making that 230, and then the 85 thousand is not funded,

**Representative Streyle:** The proposal is to put \$230,000 in the salary line, they can give whatever they choose to Lawrence Welk.

**Senator Robert Erbele:** You don't take something out that has already been bought, paid for and established. In my mind you take the 85 and add it to the 437 and then you have 522 then we start talking about the number where we are going to agree.

**Representative Streyle:** It is not including Welk. They can use whatever they wish. Add those 2 lines together for 230 thousand, they can spend it wherever they want.

**Senator Erbele:** You are looking at a \$292,000 reduction.

**Senator Mathern:** I want to correct the intent on Double Ditch. It was set up that we would pay that loan back, we were not sending them out to do fund raising. I want to clarify this.

**Motion to reduce salary line to \$230,000 by Representative Streyle**

**Second by Representative Schmidt**

**A roll call vote was taken. Yea: 3    Nay: 3    Absent:0**

**Motion Fails**

**Chairman Representative Schatz:** If there aren't any more amendments we will close our discussions for the day.

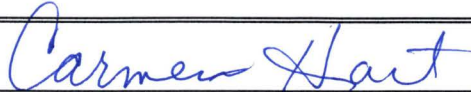


# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division  
Roughrider Room, State Capitol

HB 1018  
4/19/2017  
30223

Subcommittee  
 Conference Committee



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

To provide an appropriation for defraying the expenses of the State Historical Society.

## Minutes:



**Chairman Mike Schatz:** Called the conference committee to order on the Historical Society budget HB 1018. All conferees are present. I will review the differences between us. On Friday 6-0 was the vote of funding Double Ditch for a million dollars and the \$437,428 for salaries and wages and \$85,000 for operating and maintenance. I have a proposal that we divide those numbers for salaries and wages and operating and maintenance in half which totals \$262,000. We should find a middle ground and that should be to the Senate's advantage on the middle ground.

**Chairman Krebsbach:** We have something to look at on those two issues, and then we do have one other issue that we have to look at and that is the funding of the additional \$250,000 for Double Ditch.

**Representative Streyle:** We are not dealing with that. They can go to the Heritage Grant Fund for that or find it. That is a resolved issue.

**Chairman Krebsbach:** The Heritage Grant Fund sounds great, and I hope that it can be successful so they don't have to borrow. If they don't, I want to see them be able to borrow and to take care of this thing once and for all.

**Representative Streyle:** They can borrow right now. The language for borrowing is out, so if they want to go borrow it, go to the bank tomorrow.

**Chairman Krebsbach:** My concern is that it be part of state funding and not into their own assets or having to do fundraising special for that.

**Representative Streyle:** You should have put it in the budget. You sent over a million dollars, and we agreed with that.

**Chairman Krebsbach:** We had \$1.25 million carryover as a loan, and that was in the budget last session and it is carried from our bill to you this session.

**Chairman Schatz:** What I am reading here is the bill/resolution that we passed 6-0 on 4-14, so all the senators and representatives voted for this and that is part of the minutes. Chris Kadrmas confirmed that was in the 4-14 minutes. We have the half million from the Parks and Rec. There has been no talk, no votes on the other \$250,000. They can borrow the money. You want to fund \$250,000 more out of the general fund?

**Chairman Krebsbach:** They need to have the latitude to borrow when they need it. It's clear on the tape where I said with the \$500,000 from the Parks and Rec. and the \$500,000 from the Disaster Relief, that gives us a million, and I said I want to make clear that the \$250,000 still stands that they borrow and it would be paid back as a contingency in the next session.

**Representative Streyle:** We cannot force the next legislature to do anything.

**Chairman Schatz:** He read the transcript from 4-14. (:06:59-:07:29) I don't hear where we said we thought we would go along with the \$750,000. That it was rejected.

**Chairman Krebsbach:** You said that we hadn't made request for the additional \$250,000. It is evident there that we did. We asked to take \$750,000 out of the Disaster Relief. We have to clear up this misunderstanding.

**Representative Streyle:** We said no. We voted on the motion. We agreed to the million dollars. Done. You shouldn't have voted yes on the motion if you wanted more, or you should have sent it across with \$1.2 million instead of a million. They can go to the Heritage fund to find that \$250,000. In fact, they should have done it for the full amount.

**Senator Mathern:** I believe the intent was to keep the borrowing authority in place of the \$1,250,000, and in the process we learned about the \$1,000,000-dollar option which essentially eliminated the full borrowing need, but it retained the borrowing need for the \$250,000 if we were not going to put that in in cash. I'm wondering if reinstating the original language of the borrowing authority is the way to address this.

**Representative Streyle:** They have that authority now.

**Senator Erbele:** I read along in the minutes on my phone with what you read there a minute ago. A little later Representative Schmidt says this was all to be borrowed, so instead of borrowing \$1.2 million, the loan is \$250,000.

**Representative Schmidt:** It does not say in any document that they can't borrow those dollars. We said you can't borrow from the Bank of ND. Instead of borrowing the \$1.2 million, we came up with the \$500,000 which events to go borrow the other \$250,000. We never took that authority away other than from the Bank of ND.

**Senator Erbele:** Can you elaborate why not the Bank of ND?



**Representative Streyle:** We sent the bill across to you that said they can't, but you stripped that section out. We said yes, we agree not to put that section back in. They absolutely have 100% authority to go borrow the money from the Bank of ND right now.

**Senator Erbele:** Rep. Schmidt, are you okay with that?

**Representative Schmidt:** Any bank including the Bank of ND is okay with me, so the borrowing is \$250,000 instead of \$1.2.

**Chairman Krebsbach:** It would be the carryover figure from the last session excluding the million dollars that we have been granted. It would be the carryover effect of the \$1.2 million from the last session, and it would take off the million dollars that we have received, so there would still be the \$250,000 left for them to borrow, and we would carry that over into the 17-19 biennium.

**Representative Streyle:** They said they are starting on May 1, so go borrow the money on May 2.

**Chairman Krebsbach** requested a short recess. (:13:33-:13:47)

**Chairman Schatz:** Chris could you give us the funding analogy.

**Chris Kadrmas, LC:** I'll read the session laws that explain carryover authority in Section 6. The House and Senate's version contains Section 6 which gives carryover authority. Section 5 is the appropriation from the Disaster Relief Fund for Double Ditch historic site, so it is the appropriation of \$250,000 from the General Fund and \$2 million from the Disaster Relief Fund. Section 6 is a loan authorization of \$1.25 million and an appropriation for those loan proceeds, so they are getting a carryover authority for that. The Senate's version removed the House's Section 7 which provided legislative intent that the State Historical Society will not borrow, and the concern and the difference is that Section 7 will still not be included in the final bill as provided by the conference committee, and that the carryover authority is still contained within the bill which it is because Section 6 is within both versions of the bill.

**Chairman Schatz:** They can borrow money from the Bank of ND through 2019, and how much can they borrow?

**Chris Kadrmas:** Correct. They could borrow \$1.25 million, but the way the Senate brought it over, the \$1million of that loan is replaced by \$500,000 from the Disaster Relief Fund this biennium and \$500,000 from the Resources Trust Fund this biennium, and the State Historical Society will only need \$250,000.

**Chairman Schatz:** They are still able to borrow the 1.25? We don't have any restriction on that?

**Chris Kadrmas:** That is correct. That would be the same case for how the House delivered the bill to the Senate.

**Chairman Schatz:** Except for Section 7 which eliminated the borrowing?

**Chris Kadrmas:** Correct.

**Senator Mathern:** It sounds like it is a resolved issue since we both had Section 6 in our bills.

**Chris Kadrmas:** If the committee wanted to vote on insuring that Section 7 from the House's version will not be included in the conference committee amendment, it would be a point of clarity.

**Senator Erbele:** I move for that clarity of Section 7.

**Chris Kadrmas:** When this final amendment is done, the Senate will have to recede from their amendments, and that will essentially bring it back to the House's version which includes Section 7. There was a vote to add back Section 7, but there was no vote regarding the removal of it.

**Senator Krebsbach:** Seconds.

**A roll call vote was taken. Yea: 5 Nay: 1 Absent: 0**

Meeting adjourned.



# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division  
Roughrider Room, State Capitol

HB 1018  
4/19/2017  
30239

Subcommittee  
 Conference Committee

*Virginia L Moch*

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

To provide an appropriation for defraying the expenses of the Historical Society.

## Minutes:

**Chairman Schatz:** Called the conference committee to order on the historical society budget HB1018. Roll was taken. We are missing Senator Krebsbach and Representative Schmidt. Do you have any proposals or are we waiting for Senator Krebsbach?  
2:00 Krebsbach enters.

**Representative Streyle:** It was brought to my attention that we need a section saying the State Disaster Relief Fund won't be available until July 1.  
Makes motion

**Senator Mathern seconds**

**a roll call vote was taken. Yea: 5 Nay: 0 Absent: 1**

## Motion carries

**Chairman Krebsbach:** I have requested an amendment be drafted, however a delay in timing, they weren't quite ready and it's a good thing because we had to add some more language. We are requesting the \$35,000 be reinstated for operations. We would take 50% of the total salary package which would be \$437,428 plus the \$50,000 from the Welk area making a total of \$487,428 and dividing that in half, giving back \$243,714. The only other change is the \$13,000 which is taken out for health insurance, which is in all budgets. The red language spells out the appropriation for Double Ditch historic site repairs.

**Representative Streyle:** Chris, do we need the Parks in there, since it is already passed?

**Chris Kadrmas LC:** Yes. The state historical society does have authority and is appropriated gifts and grants, but we felt that for clarity we showed that the \$500,000 from the state Disaster Relief Fund and the \$500,000 grant from Parks and Rec is appropriated to the agency.

**Chairman Schatz:** We will take a short recess to discuss.  
7:05

**Motion by Streyle**

**Second by Erbele**

**a roll call vote was taken. Yea: 5    Nay: 0    Absent:1**

**Motion Carries**

**Chris Kadrmas:** You still need a vote on the **senate recedes and further amends. When the amendment is written it will show that the \$85,000 for Welk's is being restored fully, but there will be reduction in the operations that Welk's is removed from the discussion as the committee wanted. Essentially there will be an increase of \$35,000 to operations. I am removing any language with the Welk Homestead. The committee can vote now. I will make the amendment, if you see anything you need to change you can schedule another meeting, if not, we move on.**

**Chairman Krebsbach makes the motion senate recedes and further amends**

**Senator Mathern seconds it**

**A roll call vote was taken. Yea: 5    Nay: 0    Absent: 1**

**Motion carries**

**Chairman Krebsbach expressed Thanks for the cooperation and the perseverance of the committee and Chairman Schatz responded in like.**

**Meeting adjourned.**



9/20/17/17/18  
 10/12

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018

That the Senate recede from its amendments as printed on pages 1276 and 1277 of the House Journal and pages 1059 and 1060 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 2, after the first semicolon insert "and"

Page 1, line 2, remove "; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$13,604,636	(\$8,744)	\$13,595,892
Operating expenses	3,986,308	(100,414)	3,885,894"

Page 1, replace lines 17 through 19 with:

"Total all funds	\$20,554,692	(\$725,253)	\$19,829,439
Less estimated income	<u>3,299,901</u>	<u>(144,106)</u>	<u>3,155,795</u>
Total general fund	\$17,254,791	(\$581,147)	\$16,673,644"

Page 1, line 22, replace "\$208,926" with "\$193,789"

Page 1, line 22, replace "\$191,055" with "\$177,213"

Page 1, line 23, replace "\$1,249" with "\$1,241"

Page 2, after line 23, insert:

**"SECTION 6. APPROPRIATION - STATE DISASTER RELIEF FUND - DOUBLE DITCH HISTORIC SITE REPAIRS.** There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, and from other funds received from a grant from the parks and recreation department, the sum of \$500,000, or so much of the sum as may be necessary, to the state historical society for the purpose of defraying the expenses of double ditch historic site repairs, for the biennium beginning July 1, 2017, and ending June 30, 2019. For the purposes of calculating the unobligated balance of the state disaster relief fund under section 57-51.1-07.5, the moneys appropriated in this section from the state disaster relief fund may not be considered an obligation of the state disaster relief fund until after July 31, 2017. The funding appropriated in this section is considered one-time funding."

Page 3, remove lines 1 through 8

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$13,604,636	\$13,367,315	\$228,577	\$13,595,892	\$13,839,606	(\$243,714)
Operating expenses	3,986,308	3,850,894	35,000	3,885,894	3,885,894	

4/20/17 DA  
2 of 2

Capital assets	1,770,294	1,747,653		1,747,653	1,747,653	
Grants	900,000	600,000		600,000	600,000	
Cultural heritage grants	293,454					
Double ditch historic site repairs			1,000,000	1,000,000		1,000,000
Total all funds	\$20,554,692	\$19,565,862	\$1,263,577	\$20,829,439	\$20,073,153	\$756,286
Less estimated income	3,299,901	3,157,090	998,705	4,155,795	3,155,795	1,000,000
General fund	\$17,254,791	\$16,408,772	\$264,872	\$16,673,644	\$16,917,358	(\$243,714)
FTE	78.00	75.00	0.00	75.00	75.00	0.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adds Funding for Salaries and Wages <sup>2</sup>	Restores Funding for the Operation of the Welk Homestead <sup>3</sup>	Adds Funding for Double Ditch Historic Site Repairs <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	(\$15,137)	\$193,714	\$50,000		\$228,577
Operating expenses			35,000		35,000
Capital assets					
Grants					
Cultural heritage grants					
Double ditch historic site repairs				1,000,000	1,000,000
Total all funds	(\$15,137)	\$193,714	\$85,000	\$1,000,000	\$1,263,577
Less estimated income	(1,295)	0	0	1,000,000	998,705
General fund	(\$13,842)	\$193,714	\$85,000	\$0	\$264,872
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change, the same as the Senate version.

<sup>2</sup> Restores \$193,714 from the general fund for salaries and wages. The House underfunded salaries and wages by \$437,428 from the general fund. The Senate version did not underfund salaries and wages.

<sup>3</sup> Funding of \$85,000 is restored for the operation of the Welk Homestead Historic Site, of which \$50,000 was for salaries and wages and \$35,000 was for operating expenses, the same as the Senate version. The House removed funding for the operation of the Welk Homestead Historic Site.

<sup>4</sup> Adds a section appropriating \$1,000,000 of which \$500,000 is from the state disaster relief fund and \$500,000 is from other funds from a grant from the Parks and Recreation Department to the State Historical Society for Double Ditch Historic Site repairs. The section also provides that for the purposes of calculating the unobligated balance of the state disaster relief fund under North Dakota Century Code Section 57-51.1-07.5, the money appropriated shall not be considered an obligation from the state disaster relief fund until after July 31, 2017. This funding is intended to replace \$1 million of funding the Historical Society may need to obtain through a loan from the Bank of North Dakota as authorized by the 64<sup>th</sup> Legislative Assembly. Neither the House nor Senate version included this section.

This amendment also:

- Removes sections added by the House providing legislative intent regarding the Double Ditch Historic Site repairs and an emergency measure, the same as the Senate version.



**2017 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1018 as (re) engrossed

**House Appropriations Education Environment Committee**

- Action Taken**     **HOUSE accede to Senate Amendments**  
 **HOUSE accede to Senate Amendments and further amend**  
 **SENATE recede from Senate amendments**  
 **SENATE recede from Senate amendments and amend as follows**
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Streyle      Seconded by: Representative Schmidt

Representatives	4-11 2017	4-12		Yes	No	Senators	4-11 2017	4-12		Yes	No
Chairman Mike Schatz	x	x		x		Chairman Karen Krebsbach	x	x			x
Representative Jim Schmidt	x	x		x		Senator Robert Erbele	x	x			x
Representative R. Streyle	x	x		x		Senator Tim Mathern	x	x			x
Total Rep. Vote				<b>3</b>		Total Senate Vote					<b>3</b>

Vote Count      Yes:   3        No:   3        Absent:   0  

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**Restore sections 7 & 8 of the original house bill**

*relating to funding for Double Ditch*

**Motion Fails**

**2017 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1018 as (re) engrossed

**House Appropriations Education Environment Committee**

- Action Taken**     **HOUSE accede to Senate Amendments**  
 **HOUSE accede to Senate Amendments and further amend**  
 **SENATE recede from Senate amendments**  
 **SENATE recede from Senate amendments and amend as follows**
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Streyle      Seconded by: Representative Schmidt

Representatives				Yes	No	Senators				Yes	No
Chairman Mike Schatz				x		Chairman Karen Krebsbach					x
Representative Jim Schmidt				x		Senator Robert Erbele					x
Representative R. Streyle				x		Senator Tim Mathern					x
Total Rep. Vote				3		Total Senate Vote					3

Vote Count      Yes:   3        No:   3        Absent:   0  

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**Restore 137 thousand to unfunded wages and 35 thousand  
 to Welk's house**

**Motion Fails**



2017 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1018 as (re) engrossed

House Appropriations Education+Environment Committee

- Action Taken
- HOUSE accede to Senate Amendments
  - HOUSE accede to Senate Amendments and further amend
  - SENATE recede from Senate amendments
  - SENATE recede from Senate amendments and amend as follows
  - Unable to agree, recommends that the committee be discharged and a new committee be appointed
  - adopt amendment

Motion Made by: Representative Streytle Seconded by: Representative Schmidt

Representatives	4-14	Yes	No	Senators	4-14	Yes	No
Chairman Mike Schatz	✓	✓		Chairman Karen Krebsbach	✓	✓	
Representative Jim Schmidt	✓	✓		Senator Robert Erbe <u>Sorvang</u>	✓	✓	
Representative R. Streytle	✓	✓		Senator Tim Mathern	✓	✓	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

add 500,000 to double ditch from the Disaster Relief fund

MOTION CARRIES

**2017 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1018 as (re) engrossed

**House Appropriations Education Environment Committee**

- Action Taken**
- HOUSE accede to Senate Amendments
  - HOUSE accede to Senate Amendments and further amend
  - SENATE recede from Senate amendments
  - SENATE recede from Senate amendments and amend as follows
  - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Streyle Seconded by: Representative Schmidt

Representatives					Senators				
			Yes	No				Yes	No
Chairman Mike Schatz			✓		Chairman Karen Krebsbach				✓
Representative Jim Schmidt			✓		Senator Robert Erbe <u>Sorvaag</u>				✓
Representative R. Streyle			✓		Senator Tim Mathern				✓
Total Rep. Vote					Total Senate Vote				

Vote Count      Yes: 3                      No: 3                      Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Remove \$300,000 from salary line

Motion Failed



**2017 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1018 as (re) engrossed

**House Appropriations Education+Environment Committee**

- Action Taken**     **HOUSE accede to Senate Amendments**  
 **HOUSE accede to Senate Amendments and further amend**  
 **SENATE recede from Senate amendments**  
 **SENATE recede from Senate amendments and amend as follows**
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Streyle    Seconded by: Schmidt

Representatives	4-11 2017	4-1	Yes	No	Senators	4-11 2017	4-1	Yes	No
Chairman Mike Schatz	✓		✓		Chairman Karen Krebsbach	✓			✓
Representative Jim Schmidt	✓		✓		Senator Robert Erbele	✓			✓
Representative R. Streyle	✓		✓		Senator Tim Mathern	✓			✓
Total Rep. Vote			3		Total Senate Vote				3

Vote Count      Yes:   3        No:   3        Absent:   0  

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*make salary line \$230,000*

*Motion Fails*

**2017 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1018 as (re) engrossed

**House Appropriations Education+Environment Committee**

- Action Taken**
- HOUSE accede to Senate Amendments
  - HOUSE accede to Senate Amendments and further amend
  - SENATE recede from Senate amendments
  - SENATE recede from Senate amendments and amend as follows
  - Unable to agree, recommends that the committee be discharged and a new committee be appointed
  - adopt amendment*

Motion Made by: Senator Erbele <sup>4-19</sup> Seconded by: Senator Krebsbach <sup>4-19</sup>

Representatives	4-19 2017	4-1		Yes	No	Senators	4-19 2017	4-1		Yes	No
Chairman Mike Schatz	✓			✓		Chairman Karen Krebsbach	✓			✓	
Representative Jim Schmidt	✓			✓		Senator Robert Erbele	✓			✓	
Representative R. Streyle	✓				✓	Senator Tim Mathern	✓			✓	
Total Rep. Vote				2	1	Total Senate Vote				3	

Vote Count      Yes: 5      No: 1      Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Take out section 7 of the bill.*

*Motion passes*



**2017 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1018 as (re) engrossed

**House Appropriations Education+Environment Committee**

- Action Taken**
- HOUSE accede to Senate Amendments
  - HOUSE accede to Senate Amendments and further amend
  - SENATE recede from Senate amendments
  - SENATE recede from Senate amendments and amend as follows
  - Unable to agree, recommends that the committee be discharged and a new committee be appointed
  - adopt amendment*

Motion Made by: Representative streyle Seconded by: Senator Mathern

Representatives	4-19 2017	Yes	No	Senators	4-19 2017	Yes	No
Chairman Mike Schatz	✓	✓		Chairman Karen Krebsbach	✓	✓	
Representative Jim Schmidt	AB	AB		Senator Robert Erbele	✓	✓	
Representative R. Streyle	✓	✓		Senator Tim Mathern	✓	✓	
Total Rep. Vote		<u>2</u>		Total Senate Vote		<u>3</u>	

Vote Count      Yes: 5                      No: 0                      Absent: 1

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Motion to make the state disaster relief funding effective July 1, 2017*

Date: 4/19/2017  
Roll Call Vote #: 2

2017 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1018 as (re) engrossed

House Appropriations Education+Environment Committee

- Action Taken  HOUSE accede to Senate Amendments  
 HOUSE accede to Senate Amendments and further amend  
 SENATE recede from Senate amendments  
 SENATE recede from Senate amendments and amend as follows  
 Unable to agree, recommends that the committee be discharged and a new committee be appointed  
 adopt amendment

Motion Made by: Representative Streytle Seconded by: Senator Erbele

Representatives	4-19 2017		Yes	No	Senators	4-19 2017		Yes	No
Chairman Mike Schatz			✓		Chairman Karen Krebsbach			✓	
Representative Jim Schmidt			AB		Senator Robert Erbele			✓	
Representative R. Streytle			✓		Senator Tim Mathern			✓	
Total Rep. Vote			2		Total Senate Vote			3	

Vote Count Yes: 5 No: 0 Absent: 1

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment 17.0503.02003



**2017 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. 1018 as (re) engrossed

**House Appropriations Education and Environment Committee**

- Action Taken
- HOUSE accede to Senate Amendments
  - HOUSE accede to Senate Amendments and further amend
  - SENATE recede from Senate amendments
  - SENATE recede from Senate amendments and amend as follows
  - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Chairman Krebsbach Seconded by: Representative Streye

Representatives					Senators				
			Yes	No				Yes	No
Chairman					Chairman				
<u>Mike Schatz</u>			✓		<u>Krebsbach</u>			✓	
Representative					Senator				
<u>Schmidt</u>			AB		<u>Robert Erbele</u>			✓	
Representative					Senator				
<u>Streye</u>			✓		<u>Tim Mathern</u>			✓	
Total Rep. Vote					Total Senate Vote				

Vote Count      Yes: 5                      No: 0                      Absent: 1

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number 17.0503.02003 . \_\_\_\_\_ of amendment

LC Number 17.0503.04000 . \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment  
Senate recedes and further amends

Insert LC: 17.0503.02003  
House Carrier: Schatz  
Senate Carrier: Erbele

**REPORT OF CONFERENCE COMMITTEE**

**HB 1018, as engrossed:** Your conference committee (Sens. Krebsbach, Erbele, Mathern and Reps. Schatz, Streyle, Schmidt) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1276-1277, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1276 and 1277 of the House Journal and pages 1059 and 1060 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 2, after the first semicolon insert "and"

Page 1, line 2, remove "; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$13,604,636	(\$8,744)	\$13,595,892
Operating expenses	3,986,308	(100,414)	3,885,894"

Page 1, replace lines 17 through 19 with:

"Total all funds	\$20,554,692	(\$725,253)	\$19,829,439
Less estimated income	3,299,901	(144,106)	3,155,795
Total general fund	\$17,254,791	(\$581,147)	\$16,673,644"

Page 1, line 22, replace "\$208,926" with "\$193,789"

Page 1, line 22, replace "\$191,055" with "\$177,213"

Page 1, line 23, replace "\$1,249" with "\$1,241"

Page 2, after line 23, insert:

**"SECTION 6. APPROPRIATION - STATE DISASTER RELIEF FUND - DOUBLE DITCH HISTORIC SITE REPAIRS.** There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, and from other funds received from a grant from the parks and recreation department, the sum of \$500,000, or so much of the sum as may be necessary, to the state historical society for the purpose of defraying the expenses of double ditch historic site repairs, for the biennium beginning July 1, 2017, and ending June 30, 2019. For the purposes of calculating the unobligated balance of the state disaster relief fund under section 57-51.1-07.5, the moneys appropriated in this section from the state disaster relief fund may not be considered an obligation of the state disaster relief fund until after July 31, 2017. The funding appropriated in this section is considered one-time funding."

Page 3, remove lines 1 through 8

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$13,604,636	\$13,367,315	\$228,577	\$13,595,892	\$13,839,606	(\$243,714)
Operating expenses	3,986,308	3,850,894	35,000	3,885,894	3,885,894	



Insert LC: 17.0503.02003  
 House Carrier: Schatz  
 Senate Carrier: Erbele

Capital assets	1,770,294	1,747,653		1,747,653	1,747,653	
Grants	900,000	600,000		600,000	600,000	
Cultural heritage grants	293,454					
Double ditch historic site repairs			1,000,000	1,000,000		1,000,000
Total all funds	\$20,554,692	\$19,565,862	\$1,263,577	\$20,829,439	\$20,073,153	\$756,286
Less estimated income	3,299,901	3,157,090	998,705	4,155,795	3,155,795	1,000,000
General fund	\$17,254,791	\$16,408,772	\$264,872	\$16,673,644	\$16,917,358	(\$243,714)
FTE	78.00	75.00	0.00	75.00	75.00	0.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adds Funding for Salaries and Wages <sup>2</sup>	Restores Funding for the Operation of the Welk Homestead <sup>3</sup>	Adds Funding for Double Ditch Historic Site Repairs <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	(\$15,137)	\$193,714	\$50,000		\$228,577
Operating expenses			35,000		35,000
Capital assets					
Grants					
Cultural heritage grants					
Double ditch historic site repairs				1,000,000	1,000,000
Total all funds	(\$15,137)	\$193,714	\$85,000	\$1,000,000	\$1,263,577
Less estimated income	(1,295)	0	0	1,000,000	998,705
General fund	(\$13,842)	\$193,714	\$85,000	\$0	\$264,872
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change, the same as the Senate version.

<sup>2</sup> Restores \$193,714 from the general fund for salaries and wages. The House underfunded salaries and wages by \$437,428 from the general fund. The Senate version did not underfund salaries and wages.

<sup>3</sup> Funding of \$85,000 is restored for the operation of the Welk Homestead Historic Site, of which \$50,000 was for salaries and wages and \$35,000 was for operating expenses, the same as the Senate version. The House removed funding for the operation of the Welk Homestead Historic Site.

<sup>4</sup> Adds a section appropriating \$1,000,000 of which \$500,000 is from the state disaster relief fund and \$500,000 is from other funds from a grant from the Parks and Recreation Department to the State Historical Society for Double Ditch Historic Site repairs. The section also provides that for the purposes of calculating the unobligated balance of the state disaster relief fund under North Dakota Century Code Section 57-51.1-07.5, the money appropriated shall not be considered an obligation from the state disaster relief fund until after July 31, 2017. This funding is intended to replace \$1 million of funding the Historical Society may need to obtain through a loan from the Bank of North Dakota as authorized by the 64<sup>th</sup> Legislative Assembly. Neither the House nor Senate version included this section.

This amendment also:

- Removes sections added by the House providing legislative intent regarding the Double Ditch Historic Site repairs and an emergency measure, the same as the Senate version.

Insert LC: 17.0503.02003  
House Carrier: Schatz  
Senate Carrier: Erbele

Engrossed HB 1018 was placed on the Seventh order of business on the calendar.



**2017 TESTIMONY**

**HB 1018**

**Department 701 - State Historical Society  
House Bill Nos. 1018 and 1078**

**Executive Budget Comparison to Prior Biennium Appropriations**

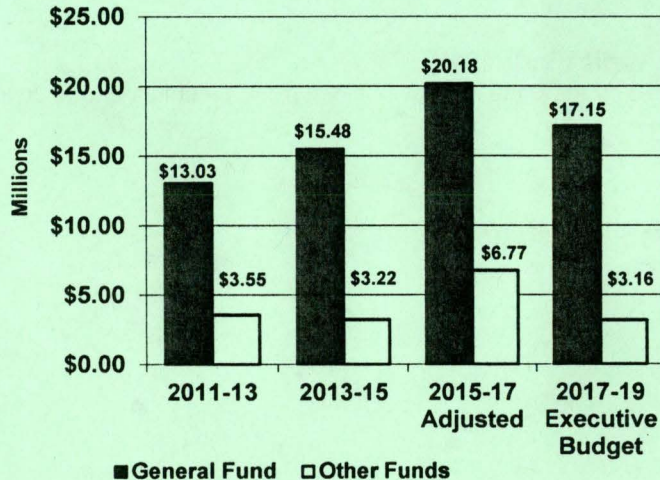
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	77.00	\$17,149,885	\$3,161,503	\$20,311,388
2015-17 Adjusted Legislative Appropriations <sup>1</sup>	78.00	20,177,760	6,774,901	26,952,661
Increase (Decrease)	(1.00)	(\$3,027,875)	(\$3,613,398)	(\$6,641,273)

<sup>1</sup>The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but do not include \$15,000 of allocations from the general fund to the agency from the state agency energy impact funding pool for temporary salary adjustments for agency employees located in areas of the state affected by energy development.

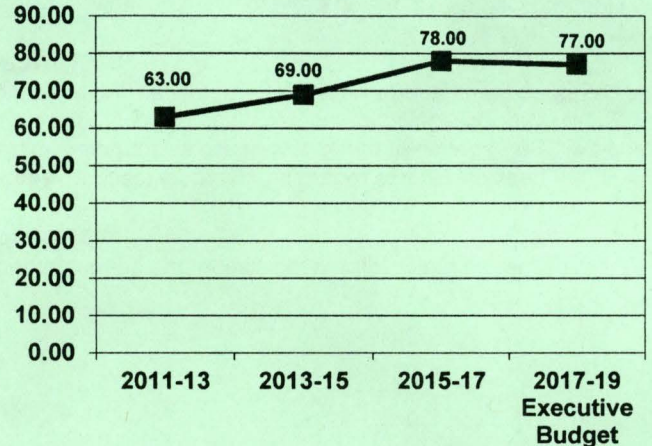
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$17,149,885	\$0	\$17,149,885
2015-17 Adjusted Legislative Appropriations	17,254,791	2,922,969	20,177,760
Increase (Decrease)	(\$104,906)	(\$2,922,969)	(\$3,027,875)

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$17,149,885	\$3,161,503	\$20,311,388
2017-19 Base Level	17,254,791	3,299,901	20,554,692
Increase (Decrease)	(\$104,906)	(\$138,398)	(\$243,304)

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$51,598 is for salary increases and \$208,926 is for health insurance increases	\$238,240	\$22,284	\$260,524
2. Adds funding related to base payroll changes	\$364,479	(\$10,682)	\$353,797
3. Removes 1 custodial FTE position	(\$106,393)		(\$106,393)
4. Unfunds 2 FTE positions	(\$58,237)		(\$58,237)
5. Reduces funding for temporary employees	(\$147,986)		(\$147,986)
6. Adjusts funding for capital assets	(\$76,141)	\$225,000	\$148,859
7. Reduces grant funding		(\$300,000)	(\$300,000)
8. Reduces funding for operating expenses	(\$25,414)	(\$75,000)	(\$100,414)
9. Removes funding for cultural heritage grants	(\$293,454)		(\$293,454)



**Other Bill Sections Recommended to be Added in the Executive Budget  
(As Detailed in House Bill No. 1078)**

**Appropriation - Revolving fund** - Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.

**Appropriation - Gifts, grants, and bequests** - Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

**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.

**Deficiency Appropriation**

**Double Ditch Historic Site repairs** - House Bill No. 1024 provides a deficiency appropriation of \$1,265,625 from the strategic investment and improvements fund to the State Historical Society for repayment of a Bank of North Dakota loan for the Double Ditch Historic Site repairs authorized by the 2015 Legislative Assembly in Section 6 of 2015 Senate Bill No. 2018.

**Heritage Center expansion project litigation** - House Bill No. 1024 provides a deficiency appropriation of \$294,500 from the strategic investment and improvements fund to the State Historical Society for legal fees associated with litigation related to the Heritage Center expansion project.

**Significant Audit Findings**

The operational audit of the State Historical Society conducted by the State Auditor's office for the biennium ended June 30, 2014, included significant audit findings related to the following:

- Segregation of duties weakness surrounding inventory.
- Lack of controls regarding inventory loss prevention.

**Major Related Legislation**

At this time, no major related legislation has been introduced affecting this agency.



**State Historical Society - Budget No. 701  
House Bill Nos. 1018 and 1078  
Base Level Funding Changes**

	<u>Executive Budget Recommendation</u>			
	<u>FTE Position</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
<b>2017-19 Biennium Base Level</b>	78.00	\$17,254,791	\$3,299,901	\$20,554,692
<b>2017-19 Ongoing Funding Changes</b>				
Base payroll changes		\$364,479	(\$10,682)	\$353,797
Salary increase - Performance		47,203	4,395	51,598
Health insurance increase		191,037	17,889	208,926
Removes custodial FTE position	(1.00)	(106,393)		(106,393)
Unfunds archivist and exhibits specialist FTE positions		(58,237)		(58,237)
Removes temporary employee funding		(147,986)		(147,986)
Adds funding for capital assets		148,859		148,859
Remove grant funding			(300,000)	(300,000)
Removes funding for operating expenses		(250,414)	150,000	(100,414)
Removes funding for cultural heritage grants		(293,454)		(293,454)
Total ongoing funding changes	(1.00)	(\$104,906)	(\$138,398)	(\$243,304)
<b>One-time funding items</b>				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	(1.00)	(\$104,906)	(\$138,398)	(\$243,304)
<b>2017-19 Total Funding</b>	77.00	\$17,149,885	\$3,161,503	\$20,311,388

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

	<u>Executive Budget Recommendation</u>
Appropriation - Revolving fund	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.



## Department 701 - State Historical Society

## Appropriations Comparisons to the Original and Adjusted Base Budgets

### General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$18,102,389	\$3,489,650	\$21,592,039
General fund reductions	(847,598)	(566,681)	(1,414,279)
Adjusted 2015-17 appropriations	\$17,254,791	\$2,922,969	\$20,177,760
Executive Budget changes	(104,906)	(2,922,969)	(3,027,875)
2017-19 Executive Budget	\$17,149,885	\$0	\$17,149,885

### Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced funding for salaries and wages	(\$433,353)	\$0	(\$433,353)
Reduced funding for operating expenses	(118,707)	0	(118,707)
Reduced funding for capital assets	(80,000)	0	(80,000)
Reduced funding for cultural heritage grants	(211,046)	0	(211,046)
Removed funding for Yellowstone-Missouri-Fort Union	(4,492)	0	(4,492)
Reduced funding for technology costs	0	(46,681)	(46,681)
Removed funding for the electronic records project	0	(264,000)	(264,000)
Reduced funding for Dakota the Dinosaur	0	(100,000)	(100,000)
Reduced funding for traveling and historic sites exhibits	0	(49,000)	(49,000)
Reduced promotion funding for historical events	0	(107,000)	(107,000)
Total reductions	(\$847,598)	(\$566,681)	(\$1,414,279)
Percentage reduction to ongoing and one-time general fund appropriations	4.68%	16.24%	6.55%

### 2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$238,240	\$0	\$238,240
Adds funding for salaries and wages	364,479	0	364,479
Removes funding for 3 FTE positions	(390,332)	225,702	(164,630)
Reduces funding for temporary employees	(355,637)	207,651	(147,986)
Adds funding for capital assets	68,859	80,000	148,859
Reduces funding for operating expenses	(369,121)	118,707	(250,414)
Removes funding for cultural heritage grants	(504,500)	211,046	(293,454)
Removes funding for Yellowstone-Missouri-Fort Union	(4,492)	4,492	0
Total	(\$952,504)	\$847,598	(\$104,906)

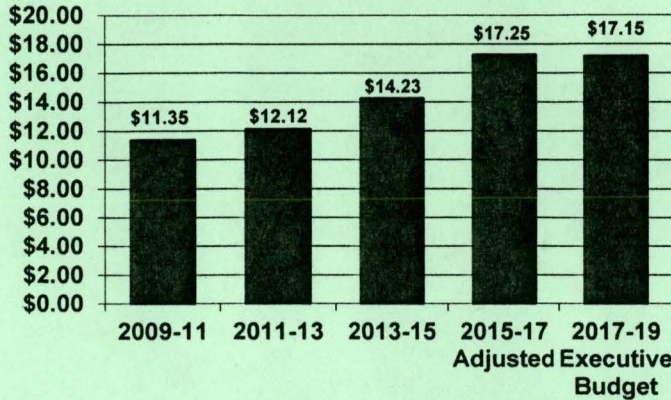


Department 701 - State Historical Society

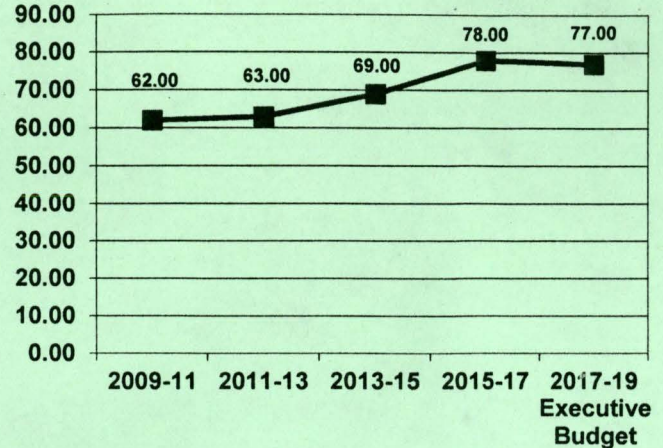
## Historical Appropriations Information

### Ongoing General Fund Appropriations Since 2009-11

Agency Funding (in Millions)



FTE Positions



■ Ongoing General Fund Appropriations

Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$11,352,752	\$12,119,191	\$14,231,811	\$17,254,791	\$17,149,885
Increase (decrease) from previous biennium	N/A	\$766,439	\$2,112,620	\$3,022,980	(\$104,906)
Percentage increase (decrease) from previous biennium	N/A	6.8%	17.4%	21.2%	(0.6%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	6.8%	25.4%	52.0%	51.1%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2011-13 Biennium

- Added funding for salaries and wages for seasonal temporary employees \$174,000
- Added funding for capital assets \$271,000

#### 2013-15 Biennium

- Added funding for 5 FTE positions \$682,190
- Added funding for salaries and wages for seasonal temporary employees \$183,549

#### 2015-17 Biennium (Original Amounts)

- Added funding for 3 FTE positions \$503,864
- Added funding to transfer 7 maintenance FTE positions (\$678,269) and related operating expenses (\$100,000) from the Office of Management and Budget for the Heritage Center \$778,269
- Added funding for salaries and wages for seasonal temporary employees \$305,605
- Added funding for temporary employee salary increases \$155,226
- Added funding for an electronic records project \$172,800
- Added funding for 4<sup>th</sup> grade and governing North Dakota curriculum \$100,000
- Increased funding for operating expenses \$458,895
- Increased funding for capital assets \$100,569
- Added funding for Welk Homestead operations \$100,000



**2017-19 Biennium**

1. Removes funding for 3 FTE positions, but retain 2 FTE positions as unfunded positions	(\$164,630)
2. Reduces funding for temporary employees	(\$147,986)
3. Adds funding for capital assets	\$148,859
4. Reduces funding for operating expenses	(\$250,414)
5. Removes funding for cultural heritage grants	(\$293,454)



HB# 1018/1078

11/5/17

att 1



**STATE  
HISTORICAL  
SOCIETY  
OF NORTH DAKOTA**

**HB 1018 and HB 1078  
Claudia J. Berg, Director  
January 5, 2017**

*To identify, preserve, interpret, and promote the heritage of North Dakota and its people.*

As the director of the State Historical Society it is a pleasure to represent the agency today. Once again we want to express our gratitude for the support you provided in our expansion efforts over the past decade. The expansion of the Heritage Center created a platform that has launched us onto the national scene. We have grown agency programs and collections, a very heartfelt thank you to the legislature that has chosen to invest in our vision for the historical legacy of our state. As investments in the Heritage Center continue to grow, we turn to our historic sites in a new ten year plan. Rehabbing the Ft. Totten gym into a community center in the center of Spirit Lake Reservation, networking the Ronald Reagan Minuteman Missile Site into the Cold War Corridor, utilizing the Welk Homestead, solidifying a Germans from Russia destination in North Dakota and the Northern Great Plains, and continuing the productive relationships with the Mandan, Hidatsa and Arikara nations in the Missouri River corridor enhancing interpretive opportunities on an international scale. As we move forward we enter a planning phase and the agency will bring these projects forward at an appropriate time.

It is also important that we acknowledge all the governors from Bill Guy to Jack Dalrymple who all stepped forward to promote and support the State Historical Society and its Foundation over the past fifteen years. We are so very grateful for their vision and leadership. It is our mission to inspire all North Dakotans about their history and to appreciate the history in their own backyard.

**The following items are a 2015-2017 biennial update on agency activities:**

**Collections:**

- Collections continue to grow. The backlog of county records continue to be addressed, all ND newspapers- daily and weekly, are continuously being microfilmed. Decades of backlogged artifacts and specimens continue to be catalogued while new acquisitions are donated or deposited. As the state and federal repository for ND we are obligated to accept archival, artifact and archaeological materials.
- The digital records initiative is moving forward. Establishing a plan with partner agencies and hiring trained staff were critical first steps. After extensive research *Preservica* was purchased as the program to manage the state's digital records. The digital records initiative will launch in June 2017.
- *ReDiscovery* software was purchased to coordinate all agency collecting areas. This will enable website accessibility and enhance research capabilities.
- The acquisition of Dakota, the duckbilled dinosaur, was completed and will remain on exhibit at the Center.

**Historic Sites:**

- Friends groups at Fort Totten (\$100,000) and Stutsman County Courthouse (\$75,000) have raised their stated goals, and restoration projects continue at both sites. An additional tourism grant was awarded through the city of Jamestown for the courthouse. The Whitestone Hill friends group and advisory group continue to support programs and future development at the site. A new friends group was established for the Welk Homestead. The Masons have established a presences and program partnerships at Ft. Buford. The friends at the Former Governors' Mansion continue to support preservation projects and programs and a new partnership is in development for Camp Hancock.
- Bank stabilization at Double Ditch continues. Atwell Engineering has produced an extensive report and we are working on the bid documents for work on the site while waiting for permits from the State Water Commission and the US Army Corps of Engineers. While waiting for permits a second fault line has developed and a total of 17 burials have been disturbed. We continue to plan for completion by spring 2017.



### **Education:**

- Converting the fourth grade North Dakota Studies curriculum to an electronic format is moving forward. Three of six units were planned for this biennium but the budget will allow for an additional unit to be completed. The web-based curriculum allows for broader use of the material.
- Teacher workshops were conducted to ensure the use of the North Dakota Studies materials.

### **Programs and Partners:**

- The State Historical Society Foundation has proven to be a critical partner in implementing our vision and assisting in fundraising to ensure programming continues.
- Partnerships with other state agencies produced quality programs at the Heritage Center. The ND Native American Hall of Honors, in partnership with the ND Indian Affairs Commission, opened its inaugural exhibit in September. The Red River Hall and Paaverud Galleries featured ND art exhibits produced by the ND Council on the Arts. The ND Geological Survey paleo lab is located in the Heritage Center and oversees the content in the Geologic Time Gallery.
- The Treehouse exhibit opened this past year and has proven to be a welcomed and much used space for families with young children. Ten additional exhibits were installed in the Heritage Center and historic sites.
- Public programming included lectures, workshops, movies, concerts, performances and gallery guides. Produced by agency staff, many of these events were in partnership with other organizations. Audiences included statewide pre-K, K-12 and college level school groups, families, and lifelong learners; half of our visitors are regional, national and worldwide tourists.

### **Historic Preservation:**

- A ten-year Historic Preservation Plan was produced.
- Review and compliance responsibilities continued in the State Historic Preservation Office (SHPO). A federal program, the SHPO staff reviewed over 6,600 statewide projects. The state repository of cultural resource files is housed at the Heritage Center where over 100 cultural resource contractors use these files every month.
- Six Certified Local Governments received \$156,000 in grants. WE are obligated to provide six percent of our budget towards this program.

### **Marketing and Communications:**

- The quarterly publication, *North Dakota History, Journal of the Northern Plains*, provides the only publication of scholarly research on the state's history. The quarterly newsletter, *Plains Talk*, and occasional books are also published by the agency.
- The new Heritage Center & State Museum website was launched this past year; more than 792,000 visitors have visited three of our websites (State Museum, Historical Society, ND Studies) from 2015-17. The North Dakota Heritage Center and State Museum YouTube video channel has had more than 10,400 views.
- A marketing plan was produced and a visitor survey conducted. Social media is used extensively; staff-produced blogs, and an e-newsletter, and Facebook, Twitter, YouTube, and Pinterest are used to promote programs. The last two years our Heritage Center visitor numbers have remained consistent at 230,000 annually.
- The agency has won publication, education and exhibition awards, architectural awards, and several tourism awards were also received.

Over the 2015-17 biennium we have served:

- 460,000 visitors to the Heritage Center
- 792,000 virtual users of our websites, with 2,608,470 page views
- 10,400 YouTube viewers
- 168,000 visitors at state historic sites
- More than 4,000 people benefitted from our outreach services across the state (SEND, workshops, technical assistance)

For your reference the following paper provides more detailed information on the State Historical Society.





## The State Historical Society of North Dakota

North Dakota Heritage Center  
612 East Boulevard Avenue, Bismarck, ND 58505-0830  
Tel: (701) 328-2666 Fax: (701) 328-3710  
[www.history.nd.gov](http://www.history.nd.gov) and [www.statemuseum.nd.gov](http://www.statemuseum.nd.gov)

**Mission:** To identify, preserve, interpret, and promote the heritage of North Dakota and its people.

**Governing Authority:** State Historical Board

**Appointed Members:** Margaret Puetz, President (Bismarck); Gereld Gerntholz, Vice President (Valley City); Albert I. Berger, Secretary (Grand Forks); Calvin Grinnell (New Town), Diane K. Larson (Bismarck); Terrance Rockstad (Bismarck); H. Patrick Weir (Medora); Sara Otte Coleman, Director of State Tourism Office - Department of Commerce (Bismarck); Alvin A. Jaeger, Secretary of State; Jesse Hanson, Interim Director, North Dakota Department of Parks and Recreation; Kelly Schmidt, State Treasurer; Grant Levi, Director, North Dakota Department of Transportation.

**Senior Staff:** Claudia J. Berg, Director and State Historic Preservation Officer; David C. Skalsky, Assistant Director; Kimberly Jondahl, Communications and Education Director; Mark Sundlov, Museum Director; Ann Jenks, State Archivist; Fern Swenson, Deputy State Historic Preservation Officer and Archaeology and Historic Preservation Director.

**Personnel Profile:** Full-time, 78; part-time, about 40. Volunteer program consists of over 200 people who contribute more than 13,500 hours annually.

**Facilities:** North Dakota Heritage Center and State Museum and 57 state historic sites, including five staffed year-round. Average annual attendance: Heritage Center 230,000 and historic sites 84,600, serving 314,600 visitors annually.

**State Historic Sites Staffed (seasonally or year-round):** Camp Hancock (Bismarck)\*; Chateau de Mores (Medora)\*; Former Governors' Mansion (Bismarck)\*; Fort Abercrombie (Abercrombie)\*; Fort Buford (near Williston)\*; Fort Clark Trading Post (near Washburn); Fort Totten (near Devils Lake)\*; Gingras Trading Post (Walhalla)\*; Whitestone Hill Battlefield (near Kulm); Ronald Reagan Minuteman Missile Site\*(near Cooperstown); and Welk Homestead (near Strasburg).

\* also features visitor center

**State Archives:** The two-dimensional collection contains 113,852 books and periodicals; 6,339 maps; 2 million photographic images; 2,640 manuscript collections; 2,400 state archival records series and 1,788 local archival records series; 1,474 titles of newspapers; 2,407 oral histories; 2,223 feet of shelf space of moving image film. The Archives contains extensive genealogical resources. These numbers can be misleading; as an example, the map count is based on ODIN records, where one catalog record for quad maps might contain 8,000 individual items.

**Collections:** More than 72,000 history, natural history, and ethnology objects and over 12 million archaeological items fill over 25,000 square feet of storage space at the Heritage Center and over 28,000 square feet of two off-site storage facilities. Objects represent the breadth of North Dakota's history and pre-history and vary from pottery fragments dating back thousands of years



to the latest 21<sup>st</sup> century objects. Collections are used for research, education, and exhibits, and are preserved in perpetuity for the people of North Dakota.

**Educational Programs:** The Heritage Center presents ten permanent and rotating exhibit galleries and ten historic sites that host permanent and rotating exhibit galleries across the state. Exhibits interpret the first 600 million years of life to contemporary events and people. Youth, family and school programs, field tours, History Alive! museum theater, Sensational Sundays, music, storytelling, lecture series; gallery guide demonstrations, for-credit teacher workshops, National History Day in North Dakota for students grades 6-12, North Dakota Studies Program for students grades 4-12, Suitcase Exhibits for North Dakota (SEND) Program for students to lifelong learners. Field services for county, local and tribal historical societies statewide are provided by State Historical Society staff. The annual Governor's Conference on North Dakota History is held each fall.

**Recent Publications:** Quarterly journal, *North Dakota History: Journal of the Northern Plains*; quarterly newsletter, *Plains Talk*. Published books include: "North Dakota: People Living on the Land" (2014 online edition); "A Traveler's Companion to North Dakota State Historic Sites, 3<sup>rd</sup> Edition" (2014); "Passport to North Dakota History" (2014 Edition); "Fairy Tale Pictures" reproduction (2012); DVD "People of the Upper Missouri" (2012); "Lt. G.K. Warrens 1885-86 Manuscripts of the Missouri River" (2012); "Father Christmas Stories" reproduction (2010); and "Fort Totten Military Post and Indian School 1867-1959, Second Edition" (2010).

**Archaeology and Historic Preservation:** By administering a federal historic preservation grant program, the State Historical Society serves as the State Historic Preservation Office and has the responsibility to identify, evaluate, and protect historic properties in North Dakota. Services include evaluating architectural and archaeological properties, providing assistance to historic property owners, nominating properties to the National Register of Historic Places and State Historic Sites Registry, administering the Preservation Tax Credit Program, reviewing the impact of federally-related projects on historic properties, and providing information about historic preservation and restoration. The division is the repository for 70,000 site forms, 17,400 cultural resource reports, over 425 National Register nominations, and 39,000 slides of historic buildings and archaeological sites. Recorded sites and areas that have undergone cultural resource studies are in a Geographic Information System.

**Foundation:** The State Historical Society of North Dakota (SHSND) Foundation. Tax exempt, 501(c)(3). Virginia A. Nelsen, Executive Director; Marlo Sveen, Development Director; Gina Buchholtz, Development Officer; Lori Wangler, Communication and Database; and Kris Hockett, Executive Secretary. The Foundation is the private, non-profit organization arm for the State Historical Society, supporting projects, programs, and activities. Members receive the quarterly publications, *North Dakota History* and *Plains Talk*, a 15 percent discount on all gift items at the State Historical Society's museum stores, and other benefits. For membership information, call (701) 222-1966, visit [www.statehistoricalfoundation.com](http://www.statehistoricalfoundation.com), e-mail at [statehistoricalfoundation@btinet.net](mailto:statehistoricalfoundation@btinet.net), or write SHSND Foundation, P.O. Box 1976, Bismarck, ND 58502-1976.



HB 1018/1078  
att#2  
1/5/17

House Bill 1078  
Education and Environment Division of the House Appropriations Committee  
January 5, 2017

Testimony by David Skalsky, Assistant Director  
State Historical Society of North Dakota

Chairman Monson and members of the committee, my name is David Skalsky and I am the Assistant Director of the State Historical Society of North Dakota. I am here today to present testimony regarding capital asset funding carried over to the 2017-19 biennium, information regarding the 2015-17 budget cuts as well as the 2017-19 10% Executive Budget required reduction, and information regarding our latest audit.

**Capital Asset Funding Carried Over to the 2017-19 Biennium:**

NDCC Chapter 54-44.1.11 states, in part, that "... the State Historical Society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committee of the next subsequent legislative assembly."

- Historic Site Repairs - \$289,053 was carried over to complete repairs and maintenance on buildings located at our historic sites. This includes repairs to the heat pumps at the Pembina State Museum, the painting of buildings located at the Ft. Totten and Gingras Trading Post State Historic Sites, electrical and HVAC system work to buildings located at the Ft. Buford State Historic Site, and fencing at the Medicine Rock and Ft. Rice State Historic Sites.
- Exhibits - \$80,000 was carried over for the installation, maintenance, and planning of Historic Site and Heritage Center exhibits. This includes the updating of exhibits at the Chateau de Mores and Ft. Buford State Historic Sites as well as the planning of a WWI exhibit to eventually be displayed at the North Dakota Heritage Center.

## State Historical Society of North Dakota

2015-17 and 2017-19 (10%) Budget Cuts

Description	2015-17 General Fund Cuts	Additional G-Fund Cuts	2017-19 (10%) General Fund Cuts
<b>Cuts to On-going Funding</b>			
a. Salaries and Wages	(\$433,353)	(\$321,844)	(\$755,197)
b. Operating Expenses	(\$118,707)	(\$250,414)	(\$369,121)
c. Capital Assets	(\$80,000)	(\$96,929)	(\$176,929)
d. Cultural Heritage Grants	(\$211,046)	(\$293,454)	(\$504,500)
e. Yellowstone-Missouri-Ft Union	(\$4,492)	\$0	(\$4,492)
	(\$847,598)	(\$962,641)	(\$1,810,239)
<b>Cuts to One-time Funding</b>			
f. Technology Costs	(\$46,681)		
g. Electronic Records Project	(\$264,000)		
h. Dakota	(\$100,000)		
i. Traveling and Historic Site Exhibits	(\$49,000)		
j. Historical Events Funding	(\$107,000)		
	(\$566,681)		
<b>Total Cuts</b>	(\$1,414,279)		

### Cuts to On-going Funding

	2015-17 General Funds	2017-19 (10%) General Funds
<b>a. Salaries and Wages</b>		
Three FTE positions have been eliminated through attrition - The positions include an Archivist I, Museum Graphics Position, and a Custodial Position.	(\$260,353)	(\$390,332)
Cuts to temporary salary funding. These funds are used to pay agency interns, gallery guides, security, and historic site temporary staff.	(\$173,000)	(\$364,865)
	(\$433,353)	(\$755,197)
<b>b. Operating Expenses</b>	(\$118,707)	(\$369,121)
Reduces general fund operating costs by 11.86% for the 2017-19 biennium. Costs such as staff travel and training, marketing, and public programming have been cut. More cuts will be made in these areas as a major portion of our operating budget is used to pay for costs which cannot be cut as easily. These costs include property insurance, utilities, electronic storage and IT services.		
<b>c. Capital Assets</b>	(\$80,000)	(\$176,929)
The 2017-19 reduction is for 10% of the bond payment and extraordinary repair amounts included in our 2015-17 (current) budget. This amount was adjusted back in our base budget, by OMB, to accurately reflect the 2017-19 bond payment and extraordinary repair amounts. OMB did the adjustment this way to accommodate the IBARS (Budgeting) system.		
<b>d. Cultural Heritage Grants</b>	(\$211,046)	(\$504,500)
The 2017-19 reduction would eliminate the Cultural Heritage Grant program.		
<b>e. Yellowstone-Missouri-Ft Union</b>	(\$4,492)	(\$4,492)
The legislature changed the century code to eliminate the Yellowstone-Missouri - Ft Union Committee. This funding was available to the committee, in the past, should they need it to cover expenses.		



**Cuts to One-time Funding**

**2015-17  
General Funds**

**f. Technology Costs**

(\$46,681)

One-time funding of \$100,650 was appropriated to pay ITD to add terabyte storage. \$46,681 of this funding was eliminated due to budget cuts. Although this funding has been cut, we believe we will be able to add the terabytes needed using operating funds. The operating funds should be available because the implementation of the electronic records software has taken longer than expected. This delay resulted in the monthly savings of ITD costs related to housing and maintaining the additional storage.

**g. Electronic Records Project**

(\$264,000)

\$264,000 was provided to hire a consultant to assist with the vetting, acquisition, and implementation of the electronic records software. While we did involve a consultant on a limited basis, we were able to save this money as most of the work was completed by existing internal staff and by working closely with ITD staff. The new software should be installed and in production by the end of January 2017.

**h. Dakota**

(\$100,000)

\$1,500,000 was appropriated to purchase Dakota. \$1,400,000 was used to purchase Dakota and \$100,000 was turned back due to the budget reductions.

**i. Traveling and Historic Sites Exhibits**

(\$49,000)

\$300,000 appropriated for traveling exhibits for the Governors Gallery and funding to repair and replace exhibits at the Historic Sites was cut by \$49,000.

**j. Historical Event Funding**

(\$107,000)

\$200,000 appropriated for programming and historical events at the historic sites and Heritage Center was reduced by \$107,000 due to budget cuts.

Changes from the 2015-17 (Original Appropriation) to the 2017-19 HB 1078 Appropriation					
	2015-17 Leg. Approp	Remove 2015-17 One-Time	2017-19 Executive Budget Base Changes	Executive Budget 10% G-Fund Reduction	2017-19 Appropriation
Salaries and wages	14,037,989		623,549	(755,197)	13,906,341
Operating expenses	4,669,665	(564,650)	150,000	(369,121)	3,885,894
Capital assets	4,450,294	(2,600,000)	245,788	(176,929)	1,919,153
Double Ditch State Historic Site	3,500,000	(3,500,000)	0		0
Grants	900,000	0	(300,000)		600,000
Cultural heritage grants	504,500	0	0	(504,500)	0
Exhibits	300,000	(300,000)	0		0
Yellowstone-Missouri-Ft. Union	4,492	0	0	(4,492)	0
Total all funds	28,366,940	(6,964,650)	719,337	(1,810,239)	20,311,388
Less estimated income	6,774,901	(3,475,000)	(138,398)	0	3,161,503
Total general fund appropriation	21,592,039	(3,489,650)	857,735	(1,810,239)	17,149,885
FTE	78.00			(1.00)	77.00

2015-17 Legislative (Original Appropriation) Reconciled to 2017-19 HB 1078								
	2015-17 Leg. Approp	G-Fund Allotment On-Going	Remove 2015-17 One-Time	House Bill 1018 Base Level	2017-19 Executive Budget Base Changes	Add Back 2015-17 G-Fund Allotment	Executive Budget 10% G-Fund Reduction	2017-19 Appropriation
Salaries and wages	14,037,989	(433,353)		13,604,636	623,549	433,353	(755,197)	13,906,341
Operating expenses	4,669,665	(118,707)	(564,650)	3,986,308	150,000	118,707	(369,121)	3,885,894
Capital assets	4,450,294	(80,000)	(2,600,000)	1,770,294	245,788	80,000	(176,929)	1,919,153
Double Ditch State Historic Site	3,500,000	0	(3,500,000)	0	0	0		0
Grants	900,000	0	0	900,000	(300,000)	0		600,000
Cultural heritage grants	504,500	(211,046)	0	293,454	0	211,046	(504,500)	0
Exhibits	300,000	0	(300,000)	0	0	0		0
Yellowstone-Missouri-Ft. Union	4,492	(4,492)	0	0	0	4,492	(4,492)	0
Total all funds	28,366,940	(847,598)	(6,964,650)	20,554,692	719,337	847,598	(1,810,239)	20,311,388
Less estimated income	6,774,901	0	(3,475,000)	3,299,901	(138,398)	0	0	3,161,503
Total general fund appropriation	21,592,039	(847,598)	(3,489,650)	17,254,791	857,735	847,598	(1,810,239)	17,149,885
FTE	78.00			78.00			(1.00)	77.00



## Significant Audit Findings (Two year period ended June 30, 2014)

Finding - Segregation of duties weakness surrounding inventory.

Agency Action Taken:

- Security profiles of users were changed in the Retail Pro system.
- The IT Administrator is now the system administrator and is the only person who may add/remove or modify user profiles in the Retail Pro system.
- Store manager duties have been shifted to other temporary staff to increase the segregation of duties. The museum store is a small retail operation and there are times where the store manager may need to operate a cash register or retrieve inventory items.

Finding - Lack of controls regarding inventory loss prevention.

Agency Action Taken:

- Key card access for maintenance staff has been removed. They are required to contact security before entering the storeroom.
- We are keeping all packing slips as requested by staff from the auditor's office. Since some shipments do not come with packing slips we continue to use the actual invoice for payment and to reconcile to items recorded in the Retail Pro system. This continues to insure that we only pay for the items we receive.

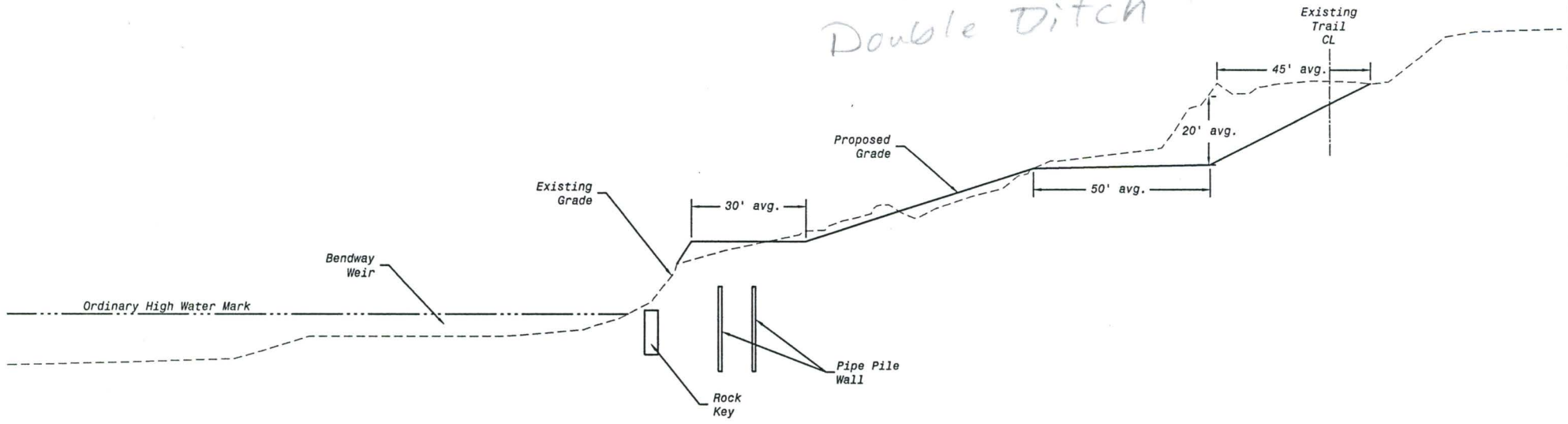
We contacted the Auditors Office, in November 2016, and asked them if they could meet with us to go over the changes we have made. We plan to meet within the next few weeks to further discuss the things we have corrected and to see if they have any additional comments or concerns. The auditor's initial response was positive and it appears that our changes will be acceptable.

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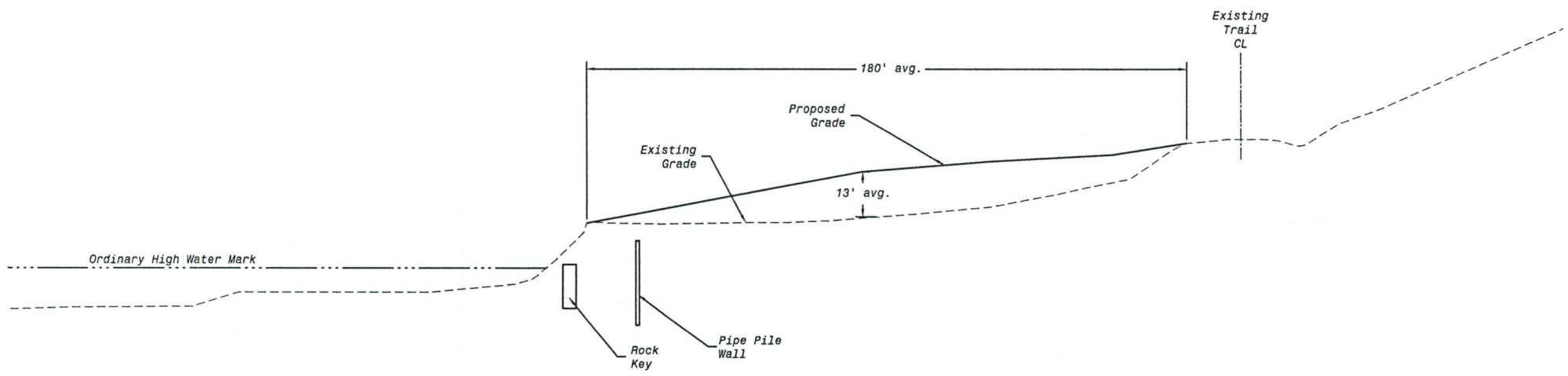
1-18-17

HB 1018

# Double Ditch



NORTH SLIDE SECTION



SOUTH SLIDE SECTION



AH: 2

1-18-17

HB 1018

Historical Society

Updating anyone in IT would be interested  
in this committee  
no testimony

## State of North Dakota

# DIGITAL ARCHIVES STUDY REPORT

## 2016 Progress Report and Checklist

This document offers a progress report of the recommendations presented by Tournesol Consulting as of December 2016. Completed in May 2014, Tournesol Consulting presented recommendations to the State of North Dakota regarding the implementation of a digital records preservation program during the 2015-2017 Biennium. In the report, Tournesol Consulting outlined steps the State Archives and the Information Technology Department (ITD) needed to take regarding authorities, technology infrastructure, strategy, staffing, policy framework, and funding to establish and sustain a digital archives repository for electronic records generated by state government entities.

### December 2016

Prepared by the Digital Preservation Working Group  
Becky Lingle, ITD - State Records Management Administrator  
Chuck Pickard, ITD - Enterprise EDMS Coordinator  
Ann Jenks, SHSND - State Archivist  
Dave Mayer, SHSND - Information Technology Administrator  
Lindsay Schott, SHSND - Electronic Records Archivist

## **2.0 Recommendations for 2015-2017 Biennium**

### **2.1 Develop Digital Preservation Strategy**

#### *Recommendations:*

- Adopt and promulgate a records and information management (RIM) life cycle reference model
- Inventory the State's digital information systems and map records series to the systems that manage them (all media)
- Identify preferred long-term preservation file formats and promote to state agencies
- Develop guidance to state agencies on transferring archival records
- Engage and educate state employees on electronic records management and digital preservation approaches and techniques

#### *Progress:*

- Adopted a records and information management lifecycle reference model of: Creation-Active Use-Inactive Storage-Disposition
- ITD Records Management is working to leverage information gathered in the Application Inventory conducted by ITD to assist with mapping record series to information systems
- State Archives has developed guidelines and a form (SFN 60838) for transferring state agency digital records to the State Archives, identified the accepted file formats, and identified file naming conventions
- State Archives developed webpage on SHSND website for questions regarding management and transferring of electronic records to the State Archives, including a list of long-term preservation file formats
- Webpage includes tutorials on descriptive metadata, creating zip files, using Secure File Transfer System to transfer electronic records
- Lindsay Schott polled the agency record coordinators regarding the content and type of tutorials requested by agencies

#### *Next Steps:*

- Electronic records management and digital preservation training will be developed and delivered once the Preservica software is installed.

### **2.2 Add Digital Preservation Archivist to SHS Staff**

#### *Recommendations:*

- Adding an experienced Digital Preservation Archivist to the staff of the SHSND
- Staff member will focus on designing a long-term preservation strategy and working with State Records Management to build a tactical plan to transfer electronic records from agencies

#### *Progress:*

- SHSND originally posted the job in October 2015 – no qualified applicants were received
- Lindsay Schott, archives specialist, worked on getting electronic records ingested from removable media and the FTP site to a standalone computer/ITD server
- In May 2016, the SHSND posted the position again; Lindsay Schott accepted the Electronic Records Archivist position



### 2.3 Add Dedicated Electronic Records Analyst to ITD Staff

*Recommendations:*

- Adding an Electronic Records Analyst to ITD Records Management staff as soon as possible
- Work in tandem with the State Archives and other ITDM domains to map record series to digital information systems in ITD's portfolio
- Establish a comprehensive, enterprise wide inventory of record systems

*Progress:*

- The position was not approved for the 2015-2017 biennium by the Legislature

*Next Step:*

- Current ITD Records Management staff will continue to work with the State Archives

### 2.4 Integrate Digital Preservation Domain into Enterprise Architecture Governance

*Recommendations:*

- Digital Preservation be added as a technical domain within Enterprise Architecture
- Dedicated cross-functional working group ("Digital Preservation Working Group") be established to establish requirements and promote good practices across the state enterprise
- Strengthen and improve the existing statutes, guidelines, policies, and practices that govern the activities of the State Archives, ITD, and other state entities regarding the establishment and management of a conforming ISO 14721 digital preservation repository for permanent government records of historical value

*Progress:*

- ITD Record Management and State Archives are represented on the Data Architecture team and participate in the Social Media User Group and Digital Asset Management Working Group
- Digital Preservation Work Group consists of Becky Lingle, Chuck Pickard, Ann Jenks, Lindsay Schott, and Dave Mayer
- ITD Records Management and the State Archives plan to review and update North Dakota Century Code statutes, Electronic Records Management Guidelines, Records Management Implementation Procedures, and Records Disposal Procedure, where applicable. Some of the procedures will change with the implementation of ITD's online Record Management System
- State Archives is reviewing policies and procedures regarding digital preservation, the use of a digital archives repository software (Preservica), metadata, and other areas of electronic records preservation
- The Document Management Standard, Databases Standard, Digital Imaging Standard, and Record Migration Standard are being reviewed by the Data Architecture team

*Next Steps:*

- Provide access through tools on the web, e-newsletters, and trainings to new ITD Records Management and SHSND State Archives guidelines, procedures, and standards to state agencies and local governments

## 2.5 Adopt and Promote an Information and Records Life Cycle Management Model

### *Recommendations:*

- ITD Records Management and SHSND State Archives identify and promulgate a life cycle management model for state government data, information, and records
- Establish a consensus on a life cycle reference model be undertaken as one of the first outcomes by the proposed Digital Preservation Working Group

### *Progress:*

- The established records lifecycle management model is Creation -> Active Use -> Inactive Storage -> Disposition

### *Next Steps:*

- Work to promote the lifecycle model to records coordinators, and IT coordinators, on ITD's website, and through trainings, etc.

## 2.6 Inventory Digital Information Systems and Map to Record Series

### *Recommendations:*

- Stakeholders will be positioned to support ITD Records Management and SHSND State Archives in the development of a comprehensive inventory of state agencies' application and mapping to record series
- ITD Records Management supplements the updated forms and changes to procedures and guidelines with a new form for scheduling structured systems
- State Archives and Electronic Record Archivist can begin to engage with ITD Enterprise Architecture and agencies to strategize about the transfer of archival records

### *Progress:*

- ITD conducted an application inventory

### *Next Steps:*

- Incorporate a connection between the record control number and the system in future enhancements to the Record Management System

## 2.7 Update Appraisal and Scheduling Techniques for Electronic Records of Permanent Value

### *Recommendation:*

- Map record series as they currently exist using a record control number to specific locations where electronic records are stored (FileNet, etc.) and identify records of historical values along with records that may be officially destroyed after the elapse of a specified period of time
- Provide training to ITD and State Archives staff on how to map record series to digital information systems and advise agencies on how to assign records retention periods to electronic records at or near the time of their creation and receipt
- Assign records retention and disposition rule to electronic records at or near time of creation or received
- Identify preferred preservation file formats and encourage state agencies to convert electronic records of historical value to one of these formats as early in the life cycle of the records as possible



- Crawl networks and other digital repositories to identify official electronic records of historical value and purge duplicate copies as appropriate
- Copy relational database tables that contain electronic records of historical value and “prune” the tables to remove information that does not require long-term preservation. Transfer the tables to interoperable standards based relational database schema or produce a PDF report from the tables that can be saved in a fixed format
- Encourage state agencies to transfer copies of electronic records of historical value to the State Archives soon after their creation and receipt

*Progress:*

- State Archives has tutorials regarding the steps for transfer of electronic records on the State Archives on the website
- State Archives is not currently accessioning relational databases, but will accept PDF reports generated by the relational databases
- State Archives does not plan on pre-accession copies of electronic records of historical value soon after creation or receipt
- The State of North Dakota ITD has a nightly back-up of records stored on the network

*Next Steps:*

- Plan to educate agency records and IT coordinators on associating record control numbers, retention periods, and disposal methods to electronic records at or near the time of their creation or receipt

## **2.8 Migrate Electronic Records Accepted by State Archives to Network Storage**

*Recommendations:*

- Institute a short-term program to catalog and then migrate these files to storage media that can be backed-up and managed more effectively

*Progress:*

- Lindsay Schott has reviewed the state agency series in the State Archives to find removable media with electronic records
- Schott has been using an open-source program, DataAccessioner, to transfer electronic records off the removable media or when accepting records from state agencies from the FTP site. She is also doing virus checks, running checksums to ensure authenticity, and creating metadata to allow access to the records

*Next Steps:*

- Schott will continue to migrate data off of removable media when discovered in state agency series
- State Archives continues to work towards implementing *Preservica* as the digital archive repository
- Once *Preservica* is in full production, already ingested data will be migrated to *Preservica* and new transfers will be ingested directly into the system

## 2.9 Proactively Address Archives Ambiguity through Education and Engagement

### *Recommendation:*

- ITD, State Records Management, and the State Archivist work together to develop training and communications materials that address this ambiguity
- Update ITD and SHS policies, procedures, guidelines, and standards to help ameliorate the current situation and advance digital preservation objectives

### *Progress:*

- Refer to program as Digital Preservation rather than Digital Archives
- Identified the references to the term 'archive' on ITD's website, guidelines, and procedures, will continue to review to determine appropriate use of archives versus preservation

### *Next Steps:*

- Create training on the difference of the role of the State Archives versus archiving files – including records retention and scanning files

## 2.10 Configure and Implement Email Archive

### *Recommendation:*

- Implement an email archive to eliminate the ad hoc processes staff members use to manage email for records retention and reference purposes
- Configure and implement IBM products (IBM FileNet, Content Manager, and Content Collector) to establish an automated email archive integrated into the existing Microsoft Exchange environment

### *Progress:*

- Need software/system with no funding provided by Legislature - Need buy in from the Governor's Office
- If the employee needs to interact with documents via searching for example, then a Content Foundation license would be needed

### *Next Steps:*

- Research *Preservica's* tools for email archiving

## 2.11 Initiate Development of Digital Preservation Policy Framework

### *Recommendations:*

- Working Group begins work on a draft digital preservation policy framework during the 2015-17 biennium
- Key features of the policy framework include:
  - Identify through systematic archival appraisal digital content of long-term value that must be preserved across generations of technologies
  - Establish and sustain a digital preservation environment that implements tools, technologies, and strategies to mitigate technology obsolescence that over time can render digital content unreadable, unusable, and untrustworthy
  - Comply with prevailing international and community standards for digital preservation and access



- Encompass historical material that originates in digital form as well as historical assets converted to digital form
- Protect North Dakota investments in its employees, business processes, and technologies through a statewide digital preservation program that promotes collaboration with agencies and local government
- Demonstrate organizational commitment through the identification of and promulgation of sustainable digital preservation strategy and funding
- Identify roles and responsibilities of state digital preservation stakeholders and the means to hold them accountable for protection of permanent government records
- Identify the role and responsibilities of the digital preservation repository system operator
- High level recommendations for the development and maintenance of a North Dakota State Government Digital Preservation Policy Framework include:
  - Engage third party digital preservation experts to work with the State Archives to oversee the drafting of a Digital Preservation Policy Framework
  - Submit the draft to the Digital Preservation Working Group for review and endorsement
  - The State Archivists recommends that the ITD CIO and the Director of the State Historical Society jointly issue the Digital Preservation Policy Framework
  - On at least a biannual basis the State Archivist initiates the review of the Digital Preservation Policy Framework in consultation with ITD and state agencies
  - The Digital Preservation Working Group endorses recommended changes
  - The ITD CIO and Director of the State Historical Society jointly issue a revised Digital Preservation Policy Framework

*Progress:*

- State Archives drafted a Digital Preservation Policy Framework in May 2015
- Working to identify digital content of long-term historical value

*Next Steps:*

- Edit May 2015 Digital Preservation Policy Framework and submit to Digital Preservation Working Group for approval
- Establish digital preservation environment – mitigate technology obsolescence
- Comply with prevailing international and community standards
- Include historical material that originates in digital form and historical assets converted to digital form
- Promote collaboration with state agencies and local government

### **3.0 Preservation Environment Recommendations**

#### **3.1 Establish Centralized Standards-Based Digital Preservation Repository for State Government Records of Historical Value**

*Recommendations:*

- ITD adopts specifications for a Level Four digital repository in their plans for a sustainable centralized digital preservation environment, and ITD and SHS adopt a planning horizon of four

to six years to fully implement a Level Four preservation repository that can ingest, preserve, and provide access to permanent state government records of archival value

*Progress:*

- As of December 2016, the State Historical Society has begun the steps to install *Preservica*, however, ingest has not begun

*Next Steps:*

- Continue implementation of *Preservica* as the digital preservation repository

### **3.2 Technical Staffing for Preservation Environment**

*Recommendation:*

- Be prepared to add additional technical staff will be needed as the preservation environment for permanent electronic records is developed
- In-house tools may be needed to support the North Dakota preservation repository
- Add Technology Consultant position that serves as an advocate for ITD electronic records and represent the management of permanent state government records to the Architecture Review Board and other technology committees

*Progress:*

- Dave Mayer, Information Technology Administrator for SHSND, serves as technology advocate for SHSND

*Next Steps:*

- Advocate for an Electronic Records Analyst at ITD to work in tandem with the Electronic Records Archivist in supporting digital preservation and electronic records management in state and local government

### **3.3 Implement ISO 14721 Conforming Preservation Repository**

*Recommendations:*

- ISO 14721 conforming preservation repository will include:
  - Negotiate for and accept appropriate information from information Producers.
  - Obtain sufficient control of the information provided to the level needed to ensure Long-Term Preservation.
  - Determine, either by itself or in conjunction with other parties, which communities should become the Designated Community and, therefore, should be able to understand the information provided.
  - Ensure that the information to be preserved is Independently Understandable to the Designated Community. In other words, the community should be able to understand the information without needing the assistance of the experts who produced the information. If the creators do not adequately describe the content, the likeliness of retrieval or access decreases greatly.
  - Follow documented policies and procedures, which ensure that the information is preserved against all reasonable contingencies, and which enable the information to be disseminated as authenticated copies of the original, or as traceable to the original.



- Make the preserved information available to the Designated Community.
- Add specialized expertise to the staffs of ITD and SHS as well as the development of several key instruments (life cycle model, updated standards and statutes, electronic records management strategy, and digital preservation policy framework) before a digital preservation repository is designed and implemented
- ISO 14721 digital repository has a similar preservation environment: Staging, Storage, and Dissemination

*Progress:*

- SHSND purchased *Preservica*, a digital repository management software. The software has an online access capability which will take some time to implement

*Next Steps:*

- Implement *Preservica*

### 3.3.1 Develop Preservation Environment Specifications

*Recommendation:*

- Create environment that will conform to ISO 14721 OAIS and include these areas:
  - Staging:
    - Receive electronic records (SIPs) from state agencies
    - Validation of digital objects to ensure the materials meet submission standards
    - Preparations of the datasets from metadata for long-term preservation
    - Creation of AIP for transfer to archival storage
  - Archival Storage:
    - Conduct periodic device/media renewal and format transformations
    - Collect and maintain metadata associated with digital preservation activities that support an electronic chain of custody
    - Protect the physical security of AIPs from tampering, corruption, or natural disaster through geographically dispersed, firewall-protected repositories, and periodic audits of conformance to OAIS specifications
  - Dissemination:
    - Protection of AIPs from direct public access
    - Creation of publicly available descriptive material about the content of AIPs that may be searched
    - Production of DIPs in alternative presentation formats in response to user requests

*Progress:*

- SHSND purchased *Preservica* - *Preservica* is an OAIS compliant system which addresses all of the above

*Next Steps:*

- Implement *Preservica*

### 3.3.2 Conduct Periodic System Operator and Preservation Environment Audits

*Recommendation:*

- Conduct audits periodically once the system is operational
- Two types of audit process are applicable:
  - ISO 16363:2012 Audit and Certification of Trustworthy Repositories
    - Focuses on staffing, contractual obligations, financial sustainability, governance of digital objects and risk management
  - ISO 27002:2012 Code of Practice for Information Security Controls
  - Focuses on threats, vulnerabilities, and countermeasures by assessing system access controls, authentication, and authorization
- Combine elements from both types of recommended audits

*Progress:*

- *Preservica* has the ability to assign user roles and access rights, fine-grained security at the collection or item record level, and maintains extensive audit trails

*Next Steps:*

- Implement *Preservica*

### 3.3.3 Ensure Long-Term Storage and Procedural Suitability

*Recommendation:*

- Monitor hardware and software for technological obsolescence, environmental issues affecting hardware, serviceability, deprecated data formats, or software that requires resources that are no longer available
- Be able to demonstrate that it can react and adapt based on monitoring information about its collections, changing circumstances, and technological changes
- Be able to respond to inevitable changes in any international or community standards

*Progress:*

- Lindsay Schott has created an inventory of all state series transferred to the State Archives currently on external media, most of which is obsolete
- Schott continues to work to ingest these records off the media and onto a standalone computer until the implementation of *Preservica*
- *Preservica* will capture preservation metadata, including what obsolete software/hardware the records were created in in the past

*Next Steps:*

- Implement *Preservica*

### 3.3.4 Implement Security in the Preservation Environment

*Recommendation:*

- Use either ISO 27002 or NIST SP800-53 as the basis for security controls – both address monitoring, logging, and the use of checksums and hash totals



- Preservation environments entails using the most robust levels of monitoring and logging (including authorized changes) to help ensure the authenticity and integrity of the archival materials
- Use multiple preservation masters to identify and eliminate data corruption by automatically comparing and validating objects across masters

*Progress:*

- *Preservica* allows the assignment of a wide variety of user roles and access rights including different securities at the collection and individual records levels
- *Preservica* also maintains extensive audit trails across all functions of ingest and preservation activity
- ITD has mirrored backups in Bismarck and Mandan and is also investigating the use of cloud storage

*Next Steps:*

- Implement *Preservica*

### **3.3.5 Design and Test Submission Information Packages (Ingest)**

*Recommendation:*

- Design of Ingest Submission Information Packages (SIP) protocols, procedures, and best practices and use cases tailored to the requirements of the State Archives
- Creation of an Ingest test bed on a dedicated part of the FileNet repository to validate the completeness of recommended SIP protocols, procedures, and best practices
- Implementation of these protocols, procedures, and best practices in the digital preservation repository when it is operational

*Progress:*

- Lindsay Schott has created tutorials for state agencies to follow when transferring records to the State Archives
- Currently (December 2016) state agencies are utilizing either the ITD Secure Files Transfer System or external media to transfer records
- When *Preservica* is implemented, procedures and protocols may change – for example, state agencies may use the Upload Wizard tool from *Preservica* to transfer SIPs directly into the digital repository – then, the State Archives can evaluate the metadata and records before placing them into a dark archive for preservation
- This will be an ongoing process as new technologies emerge – both in record creation and record preservation

*Next Steps:*

- Continue to educate state agencies about the requirements for transfers to the State Archives
- Implement *Preservica*

### 3.3.6 Institute Technology Watch Programs to Mitigate Technology Obsolescence

*Recommendation:*

- Periodic device/media renewal
- Adoption of sustainable interoperable open standard formats for electronic records of historical value in the custody of the digital preservation repository
- Monitoring the Library of Congress list of sustainable file formats and adopting new formats when appropriate

*Progress:*

- The State Archives has adopted standard file format requirements that they ask the state agencies to use – however, because we are receiving records from the past most of these file formats are not implemented
- Here is the list of State Archives approved file formats

<i>Documents</i>	<i>Microsoft Word and Excel, PDF, PDF/A, Plain Text (.txt), Rich Text (.rtf)</i>
<i>Photographs</i>	<i>JPEG, TIFF</i>
<i>Audio Files</i>	<i>WAV, MP3</i>
<i>Video Files</i>	<i>MP4, Apple ProRes, Contact staff for other formats</i>
<i>Other</i>	<i>Contact Archives staff</i>

- Once *Preservica* is implemented, migrations away from obsolete file formats will ensure the content remains accessible and readable for decades to come
- *Preservica* uses standard file format registries and migration tools, such as DROID, PRONOM, and Linked Data Registries to automate preservation actions and migration pathways

*Next Steps:*

- Continue to educate state agencies about the requirements for files formats
- Implement *Preservica*



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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version				House Changes to Revised Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2017-19 Biennium Base Level</b>	78.00	\$17,254,791	\$3,299,901	\$20,554,692	78.00	\$17,254,791	\$3,299,901	\$20,554,692	0.00	\$0	\$0	\$0
<b>2017-19 Ongoing Funding Changes</b>												
Base payroll changes		\$364,479	(\$10,682)	\$353,797				\$0		(\$364,479)	\$10,682	(\$353,797)
<b>Salary increase</b>				<b>0</b>				<b>0</b>				<b>0</b>
Health insurance increase		191,055	17,871	208,926				0		(191,055)	(17,871)	(208,926)
<b>Employee portion of health insurance</b>		<b>(100,086)</b>	<b>(9,361)</b>	<b>(109,447)</b>				<b>0</b>		100,086	9,361	109,447
Removes custodial FTE position	(1.00)	(106,393)		(106,393)				0	1.00	106,393		106,393
Unfunds 2 FTE positions		(58,237)		(58,237)				0		58,237		58,237
<b>Removes 2 FTE positions</b>	<b>(2.00)</b>			<b>0</b>				<b>0</b>	<b>2.00</b>			<b>0</b>
Removes temporary employee funding		(147,986)		(147,986)				0		147,986		147,986
Adds funding for capital assets		148,859		148,859				0		(148,859)		(148,859)
Remove grant funding			(300,000)	(300,000)				0			300,000	300,000
Removes funding for operating expenses		(250,414)	150,000	(100,414)				0		250,414	(150,000)	100,414
Removes funding for cultural heritage grants		(293,454)		(293,454)				0		293,454		293,454
Remove funding for Yellowstone-Missouri_Ft Union				0				0				0
Remove funding for exhibits				0				0				0
<b>Reduces funding for capital assets</b>		<b>(171,500)</b>		<b>(171,500)</b>				<b>0</b>		171,500		171,500
Total ongoing funding changes	(3.00)	(\$423,677)	(\$152,172)	(\$575,849)	0.00	\$0	\$0	\$0	3.00	\$423,677	\$152,172	\$575,849
<b>One-time funding items</b>												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	<b>(3.00)</b>	<b>(\$423,677)</b>	<b>(\$152,172)</b>	<b>(\$575,849)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>3.00</b>	<b>\$423,677</b>	<b>\$152,172</b>	<b>\$575,849</b>
<b>2017-19 Total Funding</b>	<b>75.00</b>	<b>\$16,831,114</b>	<b>\$3,147,729</b>	<b>\$19,978,843</b>	<b>78.00</b>	<b>\$17,254,791</b>	<b>\$3,299,901</b>	<b>\$20,554,692</b>	<b>3.00</b>	<b>\$423,677</b>	<b>\$152,172</b>	<b>\$575,849</b>
										2.5%	4.8%	2.9%

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version
Appropriation - Revolving fund	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

att 2 HB 1018 A 2-1-2017

Prepared by the Legislative Council staff  
for Education and Environment Division  
February 1, 2017

**HOUSE BILL NO. 1018  
LISTING OF PROPOSED CHANGES TO BASE LEVEL**

Department -

Proposed funding changes:

Description	FTE	General Fund	Special Funds	Total
1 Remove funding for cultural heritage grants		(\$293,454)		(\$293,454)
2 Remove funding and authority for the 3 FTE	(3.00)	(\$164,630)		(\$164,630)
3				\$0
4				\$0
5				\$0
Total proposed funding changes		<u>(\$458,084)</u>	<u>\$0</u>	<u>(\$458,084)</u>



att 1 HB 1018 2-7-2017 pim.

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version				House Changes to Revised Executive Budget Increase (Decrease) - Executive Budget			
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<b>2017-19 Ongoing Funding Changes</b>												
Base payroll changes		\$364,479	(\$10,682)	\$353,797		\$364,479	(\$10,682)	\$353,797				\$0
Salary increase				0				0				0
Health insurance increase		191,055	17,871	208,926		191,055	17,871	208,926				0
Employee portion of health insurance		<b>(100,086)</b>	<b>(9,361)</b>	<b>(109,447)</b>				0		100,086	9,361	109,447
Removes custodial FTE position	(1.00)	(106,393)		(106,393)	(1.00)	(106,393)		(106,393)				0
Unfunds 2 FTE positions		(58,237)		(58,237)		(58,237)		(58,237)				0
Removes 2 FTE positions	<b>(2.00)</b>			0	<b>(2.00)</b>			0				0
Removes temporary employee funding		(147,986)		(147,986)		(147,986)		(147,986)				0
Adds funding for capital assets		148,859		148,859		148,859		148,859				0
Remove grant funding			(300,000)	(300,000)			(300,000)	(300,000)				0
Removes funding for operating expenses		(250,414)	150,000	(100,414)		(250,414)	150,000	(100,414)				0
Removes funding for cultural heritage grants		(293,454)		(293,454)		(293,454)		(293,454)				0
Remove funding for Yellowstone-Missouri_Ft Union				0				0				0
Remove funding for exhibits				0				0				0
Reduces funding for capital assets		<b>(171,500)</b>		<b>(171,500)</b>		(171,500)		(171,500)				0
Underfunds salaries and wages				0		(437,428)		(437,428)		(437,428)		(437,428)
Total ongoing funding changes	(3.00)	(\$423,677)	(\$152,172)	(\$575,849)	(3.00)	(\$761,019)	(\$142,811)	(\$903,830)	0.00	(\$337,342)	\$9,361	(\$327,981)
<b>One-time funding items</b>												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	<b>(3.00)</b>	<b>(\$423,677)</b>	<b>(\$152,172)</b>	<b>(\$575,849)</b>	<b>(3.00)</b>	<b>(\$761,019)</b>	<b>(\$142,811)</b>	<b>(\$903,830)</b>	<b>0.00</b>	<b>(\$337,342)</b>	<b>\$9,361</b>	<b>(\$327,981)</b>
<b>2017-19 Total Funding</b>	<b>75.00</b>	<b>\$16,831,114</b>	<b>\$3,147,729</b>	<b>\$19,978,843</b>	<b>75.00</b>	<b>\$16,493,772</b>	<b>\$3,157,090</b>	<b>\$19,650,862</b>	<b>0.00</b>	<b>(\$337,342)</b>	<b>\$9,361</b>	<b>(\$327,981)</b>
										(2.0%)	0.3%	(1.6%)

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version
Appropriation - Revolving fund	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version				House Changes to Revised Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2017-19 Biennium Base Level</b>	78.00	\$17,254,791	\$3,299,901	\$20,554,692	78.00	\$17,254,791	\$3,299,901	\$20,554,692	0.00	\$0	\$0	\$0
<b>2017-19 Ongoing Funding Changes</b>												
Base payroll changes		\$364,479	(\$10,682)	\$353,797		\$364,479	(\$10,682)	\$353,797				\$0
Salary increase				0				0				0
Health insurance increase		191,055	17,871	208,926		191,055	17,871	208,926				0
Employee portion of health insurance		<b>(100,086)</b>	<b>(9,361)</b>	<b>(109,447)</b>				0		100,086	9,361	109,447
Removes custodial FTE position	(1.00)	(106,393)		(106,393)	(1.00)	(106,393)		(106,393)				0
Unfunds 2 FTE positions		(58,237)		(58,237)		(58,237)		(58,237)				0
Removes 2 FTE positions	<b>(2.00)</b>			0	<b>(2.00)</b>			0				0
Removes temporary employee funding		(147,986)		(147,986)		(147,986)		(147,986)				0
Removes grant funding			(300,000)	(300,000)			(300,000)	(300,000)				0
Removes funding for operating expenses		(250,414)	150,000	(100,414)		(250,414)	150,000	(100,414)				0
Removes funding for cultural heritage grants		(293,454)		(293,454)		(293,454)		(293,454)				0
Removes funding for Yellowstone-Missouri_Ft Union				0				0				0
Removes funding for exhibits				0				0				0
Reduces funding for capital assets		<b>(22,641)</b>		<b>(22,641)</b>		(22,641)		(22,641)				0
Underfunds salaries and wages				0		<b>(437,428)</b>		<b>(437,428)</b>		(437,428)		(437,428)
Total ongoing funding changes	(3.00)	(\$423,677)	(\$152,172)	(\$575,849)	(3.00)	(\$761,019)	(\$142,811)	(\$903,830)	0.00	(\$337,342)	\$9,361	(\$327,981)
<b>One-time funding items</b>												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	(3.00)	(\$423,677)	(\$152,172)	(\$575,849)	(3.00)	(\$761,019)	(\$142,811)	(\$903,830)	0.00	(\$337,342)	\$9,361	(\$327,981)
<b>2017-19 Total Funding</b>	75.00	\$16,831,114	\$3,147,729	\$19,978,843	75.00	\$16,493,772	\$3,157,090	\$19,650,862	0.00	(\$337,342) (2.0%)	\$9,361 0.3%	(\$327,981) (1.6%)

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version
Appropriation - Revolving fund	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.	Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

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Other Sections in State Historical Society - Budget No. 701

**Burgum Executive Budget Recommendation  
(Changes to Dalrymple Budget in Bold)**

**House Version**

Exemption - Double Ditch Historic Site repairs

Section 5 provides that the amount appropriated to the State Historical Society from the general fund, the state disaster relief fund, and Bank of North Dakota loan authorization for the repair of the Double Ditch Historic Site, as contained in Sections 5 and 6 of Chapter 52 of the 2015 Session Laws, is not subject to the provisions of Section 54-44.1-11.

17.0503.01001  
Title.

Prepared by the Legislative Council staff for  
House Appropriations - Education and  
Environment Division Committee

Fiscal No. 1

February 8, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, after "society" insert "; and to provide an exemption"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	<u>293,454</u>	<u>(293,454)</u>	<u>0</u>
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	<u>3,299,901</u>	<u>(142,811)</u>	<u>3,157,090</u>
Total general fund	\$17,254,791	(\$846,019)	\$16,408,772
Full-time equivalent positions	78.00	(3.00)	75.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$208,926, of which \$191,055 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 19, insert:

**"SECTION 6. EXEMPTION - DOUBLE DITCH HISTORIC SITE REPAIRS.** The amounts appropriated to the state historical society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for double ditch historic site repairs, as contained in sections 5 and 6 of chapter 52 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available for defraying the expenses of the double ditch historic site repairs during the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	<u>293,454</u>	<u>(293,454)</u>	<u></u>
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	<u>3,299,901</u>	<u>(142,811)</u>	<u>3,157,090</u>
General fund	\$17,254,791	(\$846,019)	\$16,408,772
FTE	78.00	(3.00)	75.00



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

	<b>Adjusts Funding for Base Payroll Changes<sup>1</sup></b>	<b>Adds Funding for Health Insurance Increase<sup>2</sup></b>	<b>Removes 3 FTE Positions<sup>3</sup></b>	<b>Removes Funding for Temporary Employees<sup>4</sup></b>	<b>Underfunds Salaries and Wages<sup>5</sup></b>	<b>Removes Funding for the Welk Homestead Historic Site<sup>6</sup></b>
Salaries and wages	\$353,797	\$208,926	(\$164,630)	(\$147,986)	(\$437,428)	(\$50,000)
Operating expenses						(35,000)
Capital assets						
Grants						
Cultural heritage grants						
<b>Total all funds</b>	<b>\$353,797</b>	<b>\$208,926</b>	<b>(\$164,630)</b>	<b>(\$147,986)</b>	<b>(\$437,428)</b>	<b>(\$85,000)</b>
Less estimated income	(10,682)	17,871	0	0	0	0
<b>General fund</b>	<b>\$364,479</b>	<b>\$191,055</b>	<b>(\$164,630)</b>	<b>(\$147,986)</b>	<b>(\$437,428)</b>	<b>(\$85,000)</b>
FTE	0.00	0.00	(3.00)	0.00	0.00	0.00

	<b>Adjusts Base Level Funding<sup>7</sup></b>	<b>Total House Changes</b>
Salaries and wages		(\$237,321)
Operating expenses	(100,414)	(135,414)
Capital assets	(22,641)	(22,641)
Grants	(300,000)	(300,000)
Cultural heritage grants	(293,454)	(293,454)
<b>Total all funds</b>	<b>(\$716,509)</b>	<b>(\$988,830)</b>
Less estimated income	(150,000)	(142,811)
<b>General fund</b>	<b>(\$566,509)</b>	<b>(\$846,019)</b>
FTE	0.00	(3.00)

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Three FTE positions and \$164,630 from the general fund is removed. The 2015 Legislative Assembly appropriated \$390,332 for these positions for the 2015-17 biennium, which was reduced by \$225,702 to \$164,630 during the 2015-17 biennium as a result of general fund budget reductions.

<sup>4</sup> Funding of \$147,986 from the general fund for temporary employees is removed.

<sup>5</sup> General fund salaries and wages are underfunded.

<sup>6</sup> Funding is removed for the operation of the Welk Homestead Historic Site.

<sup>7</sup> Base level funding is adjusted as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Reduces funding for grants		(\$300,000)	(\$300,000)
Adjusts operating expenses	(\$250,414)	150,000	(100,414)
Removes cultural heritage grants	(293,454)		(293,454)
Reduces capital assets	(22,641)		(22,641)
<b>Total</b>	<b>(\$566,509)</b>	<b>(\$150,000)</b>	<b>(\$716,509)</b>

This amendment also:

- Adds a section identifying the cost of the health insurance premium increase.
- Provides an exemption from North Dakota Century Code Section 54-44.1-11 for funds appropriated for Double Ditch Historic Site repairs for the 2015-17 biennium to allow the funds to continue to be spent in the 2017-19 biennium.



Department 701 - State Historical Society  
House Bill No. 1018

**Dalrymple Executive Budget Comparison to Prior Biennium Appropriations**

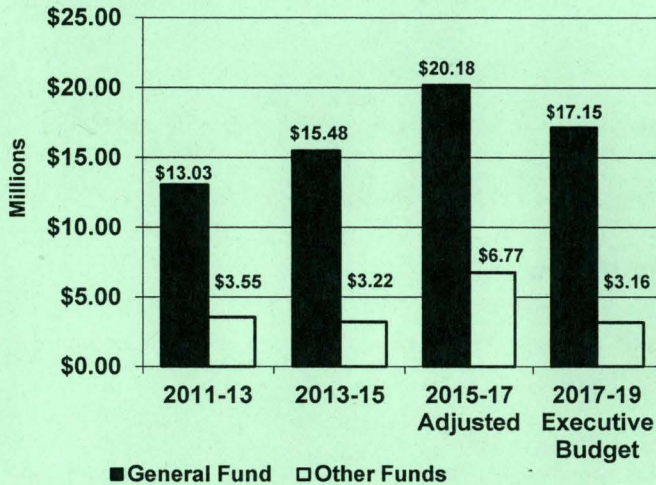
	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	77.00	\$17,149,885	\$3,161,503	\$20,311,388
2015-17 Adjusted Legislative Appropriations <sup>1</sup>	78.00	20,177,760	6,774,901	26,952,661
Increase (Decrease)	(1.00)	(\$3,027,875)	(\$3,613,398)	(\$6,641,273)

<sup>1</sup>The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but do not include \$15,000 of allocations from the general fund to the agency from the state agency energy impact funding pool for temporary salary adjustments for agency employees located in areas of the state affected by energy development.

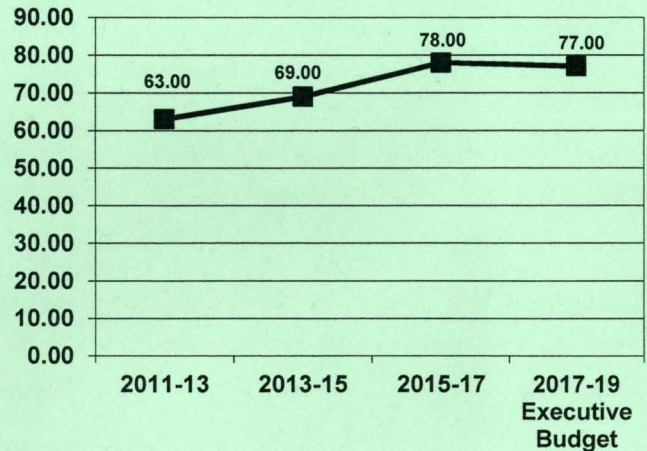
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	\$17,149,885	\$0	\$17,149,885
2015-17 Adjusted Legislative Appropriations	17,254,791	2,922,969	20,177,760
Increase (Decrease)	(\$104,906)	(\$2,922,969)	(\$3,027,875)

Agency Funding



FTE Positions



**Dalrymple Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	\$17,149,885	\$3,161,503	\$20,311,388
2017-19 Base Level	17,254,791	3,299,901	20,554,692
Increase (Decrease)	(\$104,906)	(\$138,398)	(\$243,304)

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

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

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$51,598 is for salary increases and \$208,926 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) <b>The Senate removed funding for the salary increases.</b>	\$238,240	\$22,284	\$260,524
2. Adds funding related to base payroll changes	\$364,479	(\$10,682)	\$353,797
3. Removes 1 FTE custodial position	(\$106,393)		(\$106,393)



4. Unfunds 2 FTE positions. (The Burgum budget removed the 2 unfunded FTE positions.)	(\$58,237)		(\$58,237)
5. Reduces funding for temporary employees	(\$147,986)		(\$147,986)
6. Adjusts funding for capital assets. (The Burgum budget reduces funding for capital assets from the general fund by an additional \$22,641.)	(\$76,141)	\$225,000	\$148,859
7. Reduces grant funding		(\$300,000)	(\$300,000)
8. Reduces funding for operating expenses	(\$25,414)	(\$75,000)	(\$100,414)
9. Removes funding for cultural heritage grants	(\$293,454)		(\$293,454)

**Other Sections in House Bill No. 1018**

**Health insurance increase** - Section 2 identifies the amount included in the agency appropriations relating to increases in employee health insurance premiums from \$1,130 to \$1,249 per month.

**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.

**Exemption - Double Ditch Historic Site repairs** - Section 6 added by the House provides that the amount appropriated to the State Historical Society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for the repair of the Double Ditch Historic Site, as contained in Sections 5 and 6 of Chapter 52 of the 2015 Session Laws, is not subject to the provisions of North Dakota Century Code Section 54-44.1-11.

**Legislative intent - Double Ditch Historic Site repairs** - Section 7 added by the House provides legislative intent that the State Historical Society refrain from obtaining the Bank of North Dakota loan for the repairs of Double Ditch Historic Site. It provides further intent that if the State Historical Society obtains the loan that the funding needed for repayment of the loan plus interest be raised by the State Historical Society from nonstate sources.

**Emergency declaration** - Section 8 added by the House declares Section 7 to be an emergency measure.

**Continuing Appropriations**

**Concession fund** - Section 55-02-04 - Operation of the State Historical Society museum store.

**State Historical Society gifts and bequests fund** - Section 55-01-04 - Gifts and bequests for support of museum operations.

**State Historical Society revolving fund** - Section 55-03-04 - Archaeological permits.

**Significant Audit Findings**

The operational audit of the State Historical Society conducted by the State Auditor's office for the biennium ended June 30, 2014, included significant audit findings related to the following:

- Segregation of duties weakness surrounding inventory.
- Lack of controls regarding inventory loss prevention.

**Major Related Legislation**

At this time, no major related legislation has been introduced affecting this agency.



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

	<b>Burgum Executive Budget Recommendation</b> <b>(Changes to Dalrymple Budget in Bold)</b>				<b>House Version</b>			
	<b>FTE Position</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>	<b>FTE Position</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2017-19 Biennium Base Level</b>	78.00	\$17,254,791	\$3,299,901	\$20,554,692	78.00	\$17,254,791	\$3,299,901	\$20,554,692
<b>2017-19 Ongoing Funding Changes</b>								
Base payroll changes		\$364,479	(\$10,682)	\$353,797		\$364,479	(\$10,682)	\$353,797
<b>Salary increase</b>				<b>0</b>				<b>0</b>
Health insurance increase		191,055	17,871	208,926		191,055	17,871	208,926
<b>Employee portion of health insurance</b>		<b>(100,086)</b>	<b>(9,361)</b>	<b>(109,447)</b>				<b>0</b>
Removes FTE custodial position	(1.00)	(106,393)		(106,393)	(1.00)	(106,393)		(106,393)
Unfunds 2 FTE positions		(58,237)		(58,237)		(58,237)		(58,237)
<b>Removes 2 FTE positions</b>	<b>(2.00)</b>			<b>0</b>	<b>(2.00)</b>			<b>0</b>
Removes temporary employee funding		(147,986)		(147,986)		(147,986)		(147,986)
Removes grant funding			(300,000)	(300,000)			(300,000)	(300,000)
Removes funding for operating expenses		(250,414)	150,000	(100,414)		(250,414)	150,000	(100,414)
Removes funding for cultural heritage grants		(293,454)		(293,454)		(293,454)		(293,454)
Removes funding for Yellowstone-Missouri-Ft Union				0				0
Removes funding for exhibits				0				0
Removes funding for capital construction carryover				0				0
<b>Reduces funding for capital assets</b>		<b>(22,641)</b>		<b>(22,641)</b>		<b>(22,641)</b>		<b>(22,641)</b>
Underfunds salaries and wages				0		(437,428)		(437,428)
Removes funding for the Welk Homestead				0		(85,000)		(85,000)
Total ongoing funding changes	(3.00)	(\$423,677)	(\$152,172)	(\$575,849)	(3.00)	(\$846,019)	(\$142,811)	(\$988,830)
<b>One-time funding items</b>								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	<b>(3.00)</b>	<b>(\$423,677)</b>	<b>(\$152,172)</b>	<b>(\$575,849)</b>	<b>(3.00)</b>	<b>(\$846,019)</b>	<b>(\$142,811)</b>	<b>(\$988,830)</b>
<b>2017-19 Total Funding</b>	<b>75.00</b>	<b>\$16,831,114</b>	<b>\$3,147,729</b>	<b>\$19,978,843</b>	<b>75.00</b>	<b>\$16,408,772</b>	<b>\$3,157,090</b>	<b>\$19,565,862</b>

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

	<b>Burgum Executive Budget Recommendation</b> <b>(Changes to Dalrymple Budget in Bold)</b>	<b>House Version</b>
Health insurance increase		Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Appropriation - Revolving fund	Section 3 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.	Section 4 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.



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

**Burgum Executive Budget Recommendation  
(Changes to Dalrymple Budget in Bold)**

**House Version**

Appropriation - Gifts, grants, and bequests

Section 4 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

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

Exemption - Double Ditch Historic Site repairs

Section 6 provides that the amount appropriated to the State Historical Society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for the repair of the Double Ditch Historic Site, as contained in Sections 5 and 6 of Chapter 52 of the 2015 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Legislative intent - Double Ditch Historic Site repairs

Section 7 provides legislative intent that the State Historical Society refrain from obtaining the Bank of North Dakota loan for the repairs of Double Ditch Historic Site. It provides further intent that if the State Historical Society obtains the loan that the funding needed for repayment of the loan plus interest be raised by the State Historical Society from nonstate sources.

Emergency declaration

Section 8 declares Section 7 to be an emergency measure.



## Department 701 - State Historical Society

## Appropriations Comparisons to the Original and Adjusted Base Budgets

### General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$18,102,389	\$3,489,650	\$21,592,039
General fund reductions	(847,598)	(566,681)	(1,414,279)
Adjusted 2015-17 appropriations	\$17,254,791	\$2,922,969	\$20,177,760
Dalrymple Executive Budget changes	(104,906)	(2,922,969)	(3,027,875)
2017-19 Dalrymple Executive Budget	\$17,149,885	\$0	\$17,149,885

### Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced funding for salaries and wages	(\$433,353)	\$0	(\$433,353)
Reduced funding for operating expenses	(118,707)	0	(118,707)
Reduced funding for capital assets	(80,000)	0	(80,000)
Reduced funding for cultural heritage grants	(211,046)	0	(211,046)
Removed funding for Yellowstone-Missouri-Fort Union	(4,492)	0	(4,492)
Reduced funding for technology costs	0	(46,681)	(46,681)
Removed funding for the electronic records project	0	(264,000)	(264,000)
Reduced funding for Dakota the Dinosaur	0	(100,000)	(100,000)
Reduced funding for traveling and historic sites exhibits	0	(49,000)	(49,000)
Reduced promotion funding for historical events	0	(107,000)	(107,000)
Total reductions	(\$847,598)	(\$566,681)	(\$1,414,279)
Percentage reduction to ongoing and one-time general fund appropriations	4.68%	16.24%	6.55%

### 2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

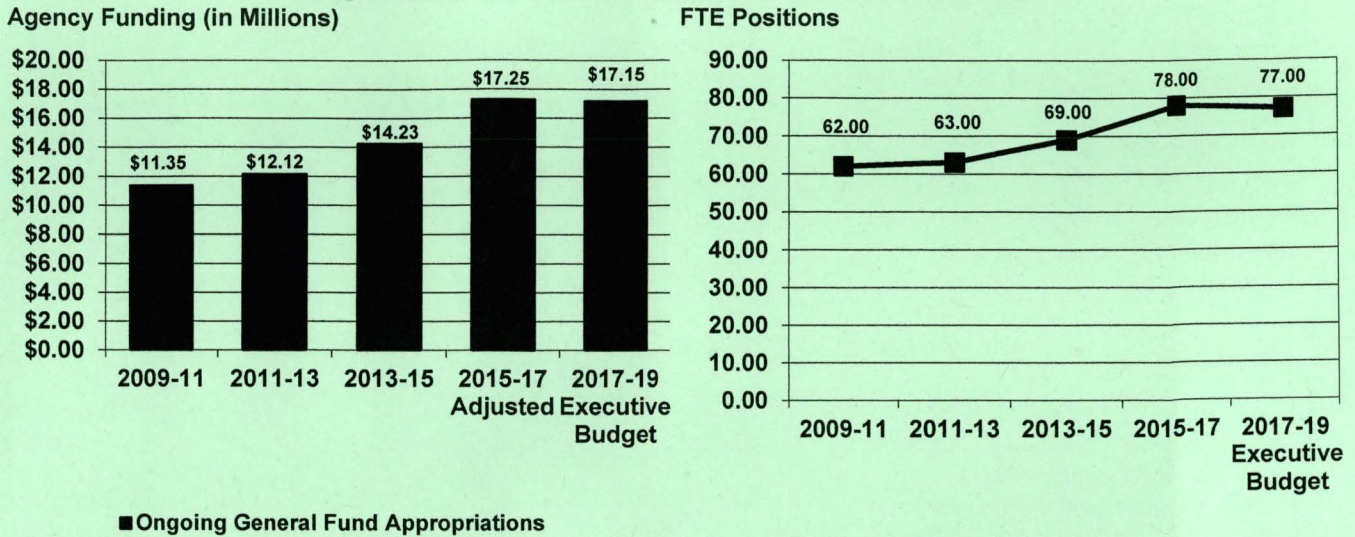
	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$238,240	\$0	\$238,240
Adds funding for salaries and wages	364,479	0	364,479
Removes funding for 3 FTE positions	(390,332)	225,702	(164,630)
Reduces funding for temporary employees	(355,637)	207,651	(147,986)
Adds funding for capital assets	68,859	80,000	148,859
Reduces funding for operating expenses	(369,121)	118,707	(250,414)
Removes funding for cultural heritage grants	(504,500)	211,046	(293,454)
Removes funding for Yellowstone-Missouri-Fort Union	(4,492)	4,492	0
Total	(\$952,504)	\$847,598	(\$104,906)



Department 701 - State Historical Society

# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Ongoing general fund appropriations	\$11,352,752	\$12,119,191	\$14,231,811	\$17,254,791	\$17,149,885
Increase (decrease) from previous biennium	N/A	\$766,439	\$2,112,620	\$3,022,980	(\$104,906)
Percentage increase (decrease) from previous biennium	N/A	6.8%	17.4%	21.2%	(0.6%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	6.8%	25.4%	52.0%	51.1%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2011-13 Biennium

- Added funding for salaries and wages for seasonal temporary employees \$174,000
- Added funding for capital assets \$271,000

#### 2013-15 Biennium

- Added funding for 5 FTE positions \$682,190
- Added funding for salaries and wages for seasonal temporary employees \$183,549

#### 2015-17 Biennium (Original Amounts)

- Added funding for 3 FTE positions \$503,864
- Added funding to transfer 7 FTE maintenance positions (\$678,269) and related operating expenses (\$100,000) from the Office of Management and Budget for the Heritage Center \$778,269
- Added funding for salaries and wages for seasonal temporary employees \$305,605
- Added funding for temporary employee salary increases \$155,226
- Added funding for an electronic records project \$172,800
- Added funding for 4<sup>th</sup> grade and governing North Dakota curriculum \$100,000
- Increased funding for operating expenses \$458,895
- Increased funding for capital assets \$100,569
- Added funding for Welk Homestead operations \$100,000



**2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)**

1. Removes funding for 3 FTE positions, but retains 2 FTE positions as unfunded positions. (The Burgum budget removed the 2 unfunded FTE positions.)	(\$164,630)
2. Reduces funding for temporary employees	(\$147,986)
3. Adds funding for capital assets. (The Burgum budget reduced funding for capital assets by \$22,641.)	\$148,859
4. Reduces funding for operating expenses	(\$250,414)
5. Removes funding for cultural heritage grants	(\$293,454)





**STATE  
HISTORICAL  
SOCIETY  
OF NORTH DAKOTA**

HB1018 3-3-17  
Senate Appropriations on HB 1018  
Claudia J. Berg, Director  
March 3, 2017

#1  
p1

*To identify, preserve, interpret, and promote the heritage of North Dakota and its people.*

As the director of the State Historical Society it is a pleasure to represent the agency today. Once again we want to express our gratitude for the support you provided in our expansion efforts and the investment in our vision for the historical legacy of our state. The expansion of the Heritage Center created a platform that has launched North Dakota onto the national scene and we have taken full advantage of these new opportunities. We recognize and appreciate the challenges you have in this legislative session. But, we hope we can convince you that the state has invested wisely in us and we have produced exceptional programs and services for our numerous constituencies.

As investments in the Historical Society and North Dakota continue to grow, we turn to our historic sites in a new ten year plan. Rehabbing the Ft. Totten gym into a community center in the center of Spirit Lake Reservation, networking the Ronald Reagan Minuteman Missile Site into the Cold War Corridor, utilizing the Welk Homestead, solidifying a Germans from Russia destination in North Dakota and the Northern Great Plains, and continuing the productive relationships with the Mandan, Hidatsa and Arikara nations in the Missouri River corridor enhancing interpretive opportunities on an international scale. As we move forward we enter a planning phase, continuing partnerships, and establishing new resources; the agency will bring these projects forward over the next several years.

It is also important that we acknowledge all the governors from Bill Guy to Jack Dalrymple who all stepped forward to promote and support the State Historical Society and its Foundation over the past fifteen years. We are so very grateful for their vision and leadership. It is our mission to inspire all North Dakotans about their history especially the history in their own backyard.

**The following items are a 2015-2017 update on agency activities:**

**Collections:**

- Collections continue to grow. The backlog of county records continue to be addressed, all ND newspapers- daily and weekly, are continuously being microfilmed. Decades of backlogged artifacts and specimens continue to be catalogued while new acquisitions are donated or deposited. As the state and federal repository for ND we are mandated or obligated to accept archival, artifact and archaeological materials.
- The digital records initiative is moving forward. Establishing a plan with partner agencies and hiring trained staff were critical first steps. After extensive research *Preservica* was purchased as the program to manage the state's digital records. The digital records initiative will launch in June 2017.
- *ReDiscovery* software was purchased to coordinate all agency collecting areas. This will enable website accessibility and enhance research capabilities.
- The acquisition of Dakota, the duckbilled dinosaur, was completed and will remain on exhibit at the Center.

**Historic Sites:**

- Friends groups at Fort Totten (\$100,000) and Stutsman County Courthouse (\$75,000) have raised their stated goals, and restoration projects continue at both sites. An additional tourism grant was awarded through the city of Jamestown for the courthouse. The Whitestone Hill friends group and advisory group continue to support programs and future development at the site. A new friends group was established for the Welk Homestead. The Masons have established a presences and program partnerships at Ft. Buford. The friends at the Former Governors' Mansion continue to support preservation projects and programs and a new partnership is in development for Camp Hancock.



#1  
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- Bank stabilization at Double Ditch continues. Atwell Engineering has produced an extensive report and we are working on the bid documents for work on the site. A second fault line has developed and a total of 18 burials have been disturbed. We continue to plan for completion by summer 2017.

#### **Education:**

- Converting the fourth grade North Dakota Studies curriculum to an electronic format is moving forward. Three of six units were planned for this biennium but the budget will allow for an additional unit to be completed. The web-based curriculum allows for broader use of the material.
- Teacher workshops were conducted to ensure the use of the North Dakota Studies materials.

#### **Programs and Partners:**

- The State Historical Society Foundation has proven to be a critical partner in implementing our vision and assisting in fundraising to ensure programming continues. Traveling exhibits for the Governors Gallery is their priority.
- Partnerships with other state agencies produced quality programs at the Heritage Center. The ND Native American Hall of Honors, in partnership with the ND Indian Affairs Commission, opened its inaugural exhibit in September. The Red River Hall and Paaverud Galleries featured ND art exhibits produced by the ND Council on the Arts. The ND Geological Survey paleo lab is located in the Heritage Center and oversees the content in the Geologic Time Gallery and several public programs.
- The Treehouse exhibit opened this past year and has proven to be a welcomed and much used space for families with young children. Ten additional exhibits were installed in the Heritage Center and historic sites.
- Public programming included lectures, workshops, movies, concerts, performances and gallery guides. Produced by agency staff, many of these events were in partnership with other organizations. Audiences included statewide pre-K, K-12 and college level school groups, families, and lifelong learners; half of our visitors are from North Dakota, and half are national and worldwide tourists.

#### **Historic Preservation:**

- A ten-year Historic Preservation Plan was produced.
- Review and compliance responsibilities continued in the State Historic Preservation Office (SHPO). A federal program, the SHPO staff reviewed over 6,600 statewide projects. The state repository of cultural resource files is housed at the Heritage Center where over 100 cultural resource contractors use these files every month.
- Six Certified Local Governments received \$156,000 in grants. We are obligated to provide six percent of our budget towards this program.

#### **Marketing and Communications:**

- The quarterly publication, *North Dakota History, Journal of the Northern Plains*, provides the only publication of scholarly research on the state's history. The quarterly newsletter, *Plains Talk*, and occasional books are also published by the agency.
- The new Heritage Center & State Museum website was launched this past year; more than 792,000 visitors have visited three of our websites (State Museum, Historical Society, ND Studies) from 2015-17. The North Dakota Heritage Center and State Museum YouTube video channel has had more than 10,400 views.
- A marketing plan was produced and a visitor survey conducted. Social media is used extensively; staff-produced blogs, and an e-newsletter, and Facebook, Twitter, YouTube, and Pinterest are used to promote programs. The last two years our Heritage Center visitor numbers have remained consistent at 230,000 annually.
- The agency has won publication, education, exhibition, architectural, and several tourism awards.

#### **Over the 2015-17 biennium we have served over 1.4 M people:**

- 460,000 visitors to the Heritage Center
- 792,000 virtual users of our websites, with 2,608,470 page views
- 10,400 YouTube viewers
- 168,000 visitors at state historic sites
- More than 4,000 people benefitted from our outreach services across the state (SEND, workshops, technical assistance)





## The State Historical Society of North Dakota

North Dakota Heritage Center

612 East Boulevard Avenue, Bismarck, ND 58505-0830

Tel: (701) 328-2666 Fax: (701) 328-3710

[www.history.nd.gov](http://www.history.nd.gov), [www.statemuseum.nd.gov](http://www.statemuseum.nd.gov), [www.ndstudies.gov](http://www.ndstudies.gov)

**Mission:** To identify, preserve, interpret, and promote the heritage of North Dakota and its people.

**Governing Authority:** State Historical Board

**Appointed Members:** Margaret Puetz, President (Bismarck); Gereld Gerntholz, Vice President (Valley City); Albert I. Berger, Secretary (Grand Forks); Calvin Grinnell (New Town), Diane K. Larson (Bismarck); Terrance Rockstad (Bismarck); H. Patrick Weir (Medora); Sara Otte Coleman, Director of State Tourism Office - Department of Commerce (Bismarck); Alvin A. Jaeger, Secretary of State; Jesse Hanson, Interim Director, North Dakota Department of Parks and Recreation; Kelly Schmidt, State Treasurer; Grant Levi, Director, North Dakota Department of Transportation.

**Senior Staff:** Claudia J. Berg, Director and State Historic Preservation Officer; David C. Skalsky, Assistant Director; Kimberly Jondahl, Communications and Education Director; Mark Sundlov, Museum Director; Ann Jenks, State Archivist; Fern Swenson, Deputy State Historic Preservation Officer and Archaeology and Historic Preservation Director.

**Personnel Profile:** Full-time, 78; part-time, about 40. Volunteer program consists of over 200 people who contribute more than 13,500 hours annually.

**Facilities:** North Dakota Heritage Center and State Museum and 57 state historic sites, including five staffed year-round. Average annual attendance: Heritage Center 230,000 and historic sites 84,600, serving 314,600 visitors annually.

**State Historic Sites Staffed (seasonally or year-round):** Camp Hancock (Bismarck)\*; Chateau de Mores (Medora)\*; Former Governors' Mansion (Bismarck)\*; Fort Abercrombie (Abercrombie)\*; Fort Buford (near Williston)\*; Fort Clark Trading Post (near Washburn); Fort Totten (near Devils Lake)\*; Gingras Trading Post (Walhalla)\*; Whitestone Hill Battlefield (near Kulm); Ronald Reagan Minuteman Missile Site\* (near Cooperstown); and Welk Homestead (near Strasburg).

\* also features visitor center

**State Archives:** The two-dimensional collection contains 113,852 books and periodicals; 6,339 maps; 2 million photographic images; 2,640 manuscript collections; 2,400 state archival records series and 1,788 local archival records series; 1,474 titles of newspapers; 2,407 oral histories; 2,223 feet of shelf space of moving image film. The Archives contains extensive genealogical resources. These numbers can be misleading; as an example, the map count is based on ODIN records, where one catalog record for quad maps might contain 8,000 individual items.

**Collections:** More than 72,000 history, natural history, and ethnology objects and over 12 million archaeological items fill over 25,000 square feet of storage space at the Heritage Center and over 28,000 square feet of two off-site storage facilities. Objects represent the breadth of North Dakota's history and pre-history and vary from pottery fragments dating back thousands of years to the latest

#1  
P3



21<sup>st</sup> century objects. Collections are used for research, education, and exhibits, and are preserved in perpetuity for the people of North Dakota.

**Educational Programs:** The Heritage Center presents ten permanent and rotating exhibit galleries and ten historic sites that host permanent and rotating exhibit galleries across the state. Exhibits interpret the first 600 million years of life to contemporary events and people. Youth, family and school programs, field tours, History Alive! museum theater, Sensational Sundays, music, storytelling, lecture series; gallery guide demonstrations, for-credit teacher workshops, National History Day in North Dakota for students grades 6-12, North Dakota Studies Program for students grades 4-12, Suitcase Exhibits for North Dakota (SEND) Program for students to lifelong learners. Field services for county, local and tribal historical societies statewide are provided by State Historical Society staff. The annual Governor's Conference on North Dakota History is held each fall.

**Recent Publications:** Quarterly journal, *North Dakota History: Journal of the Northern Plains*; quarterly newsletter, *Plains Talk*. Published books include: "North Dakota: People Living on the Land" (2014 online edition); "A Traveler's Companion to North Dakota State Historic Sites, 3<sup>rd</sup> Edition" (2014); "Passport to North Dakota History" (2014 Edition); "Fairy Tale Pictures" reproduction (2012); DVD "People of the Upper Missouri" (2012); "Lt. G.K. Warrens 1885-86 Manuscripts of the Missouri River" (2012); "Father Christmas Stories" reproduction (2010); and "Fort Totten Military Post and Indian School 1867-1959, Second Edition" (2010).

**Archaeology and Historic Preservation:** By administering a federal historic preservation grant program, the State Historical Society serves as the State Historic Preservation Office and has the responsibility to identify, evaluate, and protect historic properties in North Dakota. Services include evaluating architectural and archaeological properties, providing assistance to historic property owners, nominating properties to the National Register of Historic Places and State Historic Sites Registry, administering the Preservation Tax Credit Program, reviewing the impact of federally-related projects on historic properties, and providing information about historic preservation and restoration. The division is the repository for 70,000 site forms, 17,400 cultural resource reports, over 425 National Register nominations, and 39,000 slides of historic buildings and archaeological sites. Recorded sites and areas that have undergone cultural resource studies are in a Geographic Information System.

**Foundation:** The State Historical Society of North Dakota (SHSND) Foundation. Tax exempt, 501(c)(3). Virginia A. Nelsen, Executive Director; Marlo Sveen, Development Director; Gina Buchholtz, Development Officer; Lori Wangler, Communication and Database; and Kris Hockett, Executive Secretary. The Foundation is the private, non-profit organization arm for the State Historical Society, supporting projects, programs, and activities. Members receive the quarterly publications, *North Dakota History* and *Plains Talk*, a 15 percent discount on all gift items at the State Historical Society's museum stores, and other benefits. For membership information, call (701) 222-1966, visit [www.statehistoricalfoundation.com](http://www.statehistoricalfoundation.com), e-mail at [statehistoricalfoundation@btinet.net](mailto:statehistoricalfoundation@btinet.net), or write SHSND Foundation, P.O. Box 1976, Bismarck, ND 58502-1976.

House Bill 1018  
Senate Appropriations Committee  
March 3, 2017

HB 1018  
3-3-17

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Testimony by David Skalsky, Assistant Director  
State Historical Society of North Dakota

Chairman Holmberg and members of the committee, my name is David Skalsky and I am the Assistant Director of the State Historical Society of North Dakota. I am here today to present testimony regarding capital asset funding carried over to the 2017-19 biennium and to report on reductions made to the 2015-17 appropriation and 2017-19 budget.

**Capital Asset Funding Carried Over to the 2017-19 Biennium:**

NDCC Chapter 54-44.1.11 states, in part, that "... the State Historical Society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committee of the next subsequent legislative assembly."

- Historic Site Repairs - \$289,053 was carried over to complete repairs and maintenance on buildings located at our historic sites. This includes repairs to the heat pumps at the Pembina State Museum, the painting of buildings located at the Ft. Totten and Gingras Trading Post State Historic Sites, electrical and HVAC system work to buildings located at the Ft. Buford State Historic Site, and fencing at the Medicine Rock and Ft. Rice State Historic Sites.
- Exhibits - \$80,000 was carried over for the installation, maintenance, and planning of Historic Site and Heritage Center exhibits. This includes the updating of exhibits at the Chateau de Mores and Ft. Buford State Historic Sites as well as the planning of a WWI exhibit to eventually be displayed at the North Dakota Heritage Center.



## General Fund Reduction Information and One Time Funding Summary

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**Attachment I** - Schedule of the 2015-17 and 2017-19 General Fund Reductions

**Attachment II** - Description of the Society's proposed reductions to meet the Governor's 2017-19, 90% budget request.

**Attachment III** – 2015-2017 One Time Funding Summary

### Changes the Society is asking the committee to make to our budget:

We understand that the State is in a different financial position then it was just two years ago and we will do our part to cut costs. Having said that, the impact of the 10% reduction required by the Executive Budget guidelines is significant. Additional cuts beyond those made in the executive budget will cut into our core mission and likely cause a number of site closings.

- Restore \$802,293 in salaries and wages. This includes \$437,428 removed by the House and \$364,865 in temporary salaries removed in the executive budget. Staff is the lifeblood of the agency and is responsible for creating the visitor and educational experience.
- Restore the \$85,000 in funding related to the Welk Homestead as removed by the House.
- Restore the \$294,500 in deficiency funding appropriated in HB 1024 to pay legal fees associated with the Comstock Lawsuit. Although this funding is not reflected in this bill, I am mentioning it again as it would severely impact our ability to provide services if we have to pay these fees from our operating budget. This would be an additional 9.6% in cuts for total operating cuts of 23.5%.

- Remove Section 7 of HB 1018 requiring the Society to raise money to pay back a Bank of ND loan authorized to complete the bank stabilization of the Double Ditch State Historic Site and restore the \$1,250,000 in funding from the strategic and improvement fund that was removed in the deficiency appropriation bill, HB 1024.

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We believe Section 6 allows us to continue with the project but does not provide for a mechanism to repay the loan. While the \$1,250,000 will be needed to complete the project, the loan process may not be necessary as these funds will not likely be needed until after July 1, 2017. There may be a better way to appropriate the \$1,250,000 but we are not sure what that would be.

This concludes my testimony. I will answer any questions you may have.

Sections 6 & 7 of the 2017-19, HB 1018 are provided below for reference purposes.

**SECTION 6. EXEMPTION - DOUBLE DITCH HISTORIC SITE REPAIRS.** The amounts appropriated to the state historical society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for double ditch historic site repairs, as contained in sections 5 and 6 of chapter 52 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available for defraying the expenses of the double ditch historic site repairs during the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 7. LEGISLATIVE INTENT - LOAN FOR DOUBLE DITCH HISTORIC SITE REPAIRS.** It is the intent of the sixty-fifth legislative assembly that the state historical society not obtain a loan from the Bank of North Dakota for defraying the expenses of double ditch historic site repairs as authorized as a contingency in section 6 of chapter 52 of the 2015 Session Laws. It is further the intent of the sixty-fifth legislative assembly that if the state historical society chooses to obtain the loan that funding needed for repayment of the loan plus interest be raised by the historical society from nonstate sources.



## State Historical Society of North Dakota

2015-2017 and 2017-2019 General Fund Reduction \*\*

Description	(A) 2015-2017 Budget G-Fund Reduction	(B) 2017-2019 Additional G-Fund Cuts	(C) 2017-2019 (10%) Executive G-Fund Cuts	(D) 2017-2019 Gov Burgum G-Fund Cuts	(E) 2017-2019 House Changes to Revised Executive Budget	(F) Total
<b>Cuts to On-going Funding</b>						
a. Salaries and Wages	(\$433,353)	(\$321,844)	(\$755,197)		(\$437,428)	(\$1,192,625)
5% of the Health Insurance Premium			\$0	(\$100,086)	\$100,086	\$0
b. Operating Expenses	(\$118,707)	(\$250,414)	(\$369,121)			(\$369,121)
c. Capital Assets	(\$80,000)	(\$96,929)	(\$176,929)	(\$171,500)		(\$348,429)
d. Cultural Heritage Grants	(\$211,046)	(\$293,454)	(\$504,500)			(\$504,500)
e. Yellowstone-Missouri-Ft Union	(\$4,492)		(\$4,492)			(\$4,492)
f. Welk Homestead			\$0		(\$85,000)	(\$85,000)
	(\$847,598)	(\$962,641)	(\$1,810,239)	(\$271,586)	(\$422,342)	(\$2,504,167)
			(1) FTE's	(2) FTE's		(3) FTE's
<b>Cuts to One-time Funding</b>						
f. Technology Costs	(\$46,681)					
g. Electronic Records Project	(\$264,000)					
h. Dakota	(\$100,000)					
i. Traveling and Historic Site Exhibits	(\$49,000)					
j. Historical Events Funding	(\$107,000)					
	(\$566,681)					
<b>Total Cuts 2015-17</b>	(\$1,414,279)					

\*\* Note: This schedule does not include executive budget base adjustments such as the increase to cover the health insurance premium, addition and subtraction of the 1% pay increase for employees, or adjustment for repair funding.

**Column (A)** - Represents the reductions made as required by the Governor and Legislature for the 2015-17 Biennium. The \$847,598 in on-going reductions were made when determining the base level amount included in HB 1018.

**Column (B)** - Represents the additional general fund cuts that were proposed to meet the 90% executive budget guidelines.

**Column (C)** - Represents the total reductions proposed to meet the 90% executive budget guidelines. **With the exception of the reduction in the number of FTE's, all proposed reductions were included in the executive recommendation. The executive budget removed the funding for three FTE's as proposed but only reduced the number of FTE's by one. Governor Burgum's recommendations removed the two unfunded FTE's.**

**Column (D)** - Governor Burgum recommended cuts to have state employees pay 5% of their health insurance premium and reduced capital funding by \$171,500. He also recommended removing the two unfunded FTE's that were included in the executive budget. The House added back the health insurance premium adjustment.

**Column (E)** - The House amended the bill to add back the \$100,086 reduction recommended by Governor Burgum as he proposed employees pay 5% of their health insurance premium. They also reduced salaries and wages by \$437,428 but did not specify where the reduction was to be made. They also reduced funding \$85,000 (\$50,000 temporary salaries and \$35,000 operating) to pull out funding to operate the Welk Homestead State Historic Site.

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**State Historical Society – HB 1018**

**Description of the proposed budget reductions to meet the Governor's 2017-19 90% budget Request.**

**1. Salaries and Wages – (\$390,332) (3 FTE's) and (\$364,865) (Temporary Employees)**

(\$392,332) (3 FTE's) - The 2017-19 budget, as submitted, reflects a reduction in 3 full time staff positions. The positions include an archivist, exhibit specialist, and custodial position. The elimination of the archivist position will cause a backlog in the processing of photos, manuscripts, and other paper documents and the elimination of the exhibit specialist will impact our ability to repair current exhibits and the installation of new exhibits at the historic sites and Heritage Center. The elimination of the custodial position will cause the least amount of impact but will definitely affect our ability to prepare for and clean up after events held at the Heritage Center.

(\$364,865) (Temporary Employees)

Cutting temporary staff will have the biggest impact on the historic sites maintenance and interpretative programs. Since it is already difficult to maintain the historic sites with the staff we have, we believe we will eventually need to eliminate additional FTE positions to free up funding for temporary site staff. Other areas impacted by a reduction in funding for temporary staff include Heritage Center security and gallery guides, and agency interns.

**2. Operating Cuts – (\$369,121)**

Every division within the agency will be impacted by operating cuts. We anticipate some divisional cuts exceeding 40%. A significant portion of the agencies operating budget is for insurance, repairs, historic site utilities, and IT data processing and communications. Since these expenses typically increase due to inflation and cannot be cut if the goal is to maintain current services, other areas such as professional staff development, historic sites and Heritage Center Governor's Gallery exhibits, agency wide curriculum development, ND Studies program, printing of publications and journals, social media marketing, historical events and public programming at the ND Heritage Center and historic sites will need to be reduced. If we cannot find enough funding to cut in these areas, we will look at delaying the replacement of equipment and delaying the number of terabytes we plan to add to IT storage. The additional terabytes are needed to accept certain electronic records from other state agencies as required by state law. State agencies would need to keep their digital records until we have sufficient space to accept them.



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**3. Capital Assets - (\$176,129)**

The 2017-19 reduction is for 10% of the bond payment and extraordinary repair amounts included in our 2015-17 budget. This amount was adjusted back in our base budget, by OMB, to accurately reflect the 2017-19 bond payment and extraordinary repair amounts. OMB did the adjustment this way to accommodate the IBARS (Budgeting) system.

**4. Cultural Heritage Grants – (\$504,500)**

The cultural heritage grant program awards grants to eligible entities for preservation projects, educational programs, archival supplies, and staff education and training. While this is a popular grant program, we believe that the assets managed by and services provided by the State Historical Society of North Dakota should be maintained before funding is provided to entities outside of the Agency. Further reductions in funding, in lieu of cuts to the grant program, would significantly impact our ability to continue to provide services and maintain the state property we manage.

**5. Yellowstone-Missouri-Ft Union – (\$4,492)**

We proposed that pass-through funding for the Yellowstone-Missouri-Ft Union Commission be eliminated as part of the 10% cut as the commission is no longer required in state statute and has not met for some time.

**Optional Adjustment Request**

\$364,865 (Temporary Employees)

We request that funding for the temporary salary cuts that were made as part of the 10% base budget reduction be restored. The cuts to temporary staff will impact our ability to maintain historic sites and the interpretive programming at the sites. We only have one full time staff person, per site, at four of our major historic sites and two full time staff positions at one of our major historic sites. We rely heavily on temporary staff to maintain and operate our historic sites. If temporary salaries are sufficient, they may also be used to hire interns as internships play a very important part in hiring quality employees.

<b>State Historical Society of North Dakota</b>				
2015-2017 One Time Funding Summary				
	2015-17 G-Fund One Time Appropriation	2015-17 G-Fund One Time Reduction	2015-17 Remaining G-Fund Appropriation	2015-17 G-Funds Remaining as of February 28, 2017
<p><b>a. Technology Costs</b></p> <p>One-time funding of \$100,650 was appropriated to pay ITD to add terabyte storage. \$46,681 of this funding was eliminated due to budget cuts. Although this funding has been cut, we believe we will be able to add the terabytes needed using operating funds. The operating funds should be available because the implementation of the electronic records software has taken longer than expected. This delay resulted in the monthly savings of ITD costs related to housing and maintaining the additional storage.</p>	\$100,650	(\$46,681)	\$53,969	\$0
<p><b>b. Fort Totten and Stutsman Repairs</b></p> <p>\$850,000 G-Funds &amp; \$175,000 Special Funds</p> <p>While significant improvements have been made, additional work is being completed on the restoration and stabilization of the hospital building located at the Ft Totten State Historic Site and the Stutsman Courthouse located in Jamestown. As promised, the friends groups associated with Ft Totten and the Stutsman County Courthouse, and the city of Jamestown have raised \$175,000 for these projects.</p>	\$850,000	\$0	\$850,000	\$168,737
<p><b>c. Electronic Records Project</b></p> <p>\$264,000 was provided to hire a consultant to assist with the vetting, acquisition, and implementation of the electronic records software. While we did involve a consultant on a limited basis, we were able to save this money as most of the work was completed by existing internal staff and by working closely with ITD staff. The new software should be installed and in production by the end of January 2017.</p>	\$264,000	(\$264,000)	\$0	\$0
<p><b>d. Dakota</b></p> <p>\$1,500,000 was appropriated to purchase Dakota. \$1,400,000 was used to purchase Dakota and \$100,000 was turned back due to the budget reductions.</p>	\$1,500,000	(\$100,000)	\$1,400,000	\$0
<p><b>e. Traveling and Historic Sites Exhibits</b></p> <p>\$300,000 appropriated for traveling exhibits for the Governors Gallery and funding to repair and replace exhibits at the Historic Sites was cut by \$49,000. Remaining funds are committed for sites exhibits and Chocolate, a traveling exhibit.</p>	\$300,000	(\$49,000)	\$251,000	\$191,646
<p><b>f. Historical Event Funding</b></p> <p>\$200,000 appropriated for programming and historical events at the historic sites and Heritage Center was reduced by \$107,000 due to budget cuts.</p>	\$200,000	(\$107,000)	\$93,000	\$35,022
<p><b>g. Whitestone Hill Native Memorial</b></p> <p>\$25,000 G-Funds &amp; \$50,000 Special Funds</p> <p>This funding was appropriated to design a native memorial to be located at the Whitestone Hill State Historic Site. Initial meetings involving staff and members from different tribes were held but the progress stopped when the protests started at the Dakota Access Pipeline. No funds have been raised for this project to date.</p>	\$25,000	\$0	\$25,000	\$25,000



By Randy Phelan 3-3-17 AB 1018

Double Ditch State Historic Site is one of North Dakota's cultural treasures. This site was occupied continuously for 300 years by Mandan people and represents the advent of successful agricultural traditions on the Northern Plains. We ask that you restore the funding for bank stabilization at Double Ditch to prevent any further collapse of the riverbank and to protect the human burials and cultural resources that are currently being unearthed as a result of accelerated rotational erosion.

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The North Dakota State Historical Society and the Army Corps of Engineers need to work together quickly to prevent further erosion.

As there have been some disagreements about how to address the erosion, we ask the legislature to give the state agency discretion to revise its engineering plans for repair of Double Ditch in order to meet permitting requirements imposed by the Corps Of Engineers to ensure timely repairs are completed.

Other bank stabilization projects have been completed along the Missouri River and we ask the Double Ditch banks be stabilized as well.

Alternatively, if the agencies cannot come up with a timely solution we ask the state to return the lands to the MHA Nation and we will address this important issue.



3-3-17 AB 1018

Handwritten initials and the number 1.

Hello my name is Wendi Wells, I am a member of the Mandan, Hidatsa and Arikara tribes. I am here to testify on behalf on my ancestral lands and the perseveration efforts for Double Ditch Indian village. The Double Ditch Indian village is significant to the MHA Nation and the State of North Dakota. As history on the first of nations people, occupied this area. The Double Ditch Indian village was a large earth lodge village occupied by the Mandan's for nearly 300 years from 1490-1875. Archeological surveys also reveal that two additional ditches were constructed in the late 15<sup>th</sup> century. Which considers this area the oldest prehistoric settlements in the State.

The Double ditch generates great interest and capital in tourism, for the State of North Dakota. But holds significant value to MHA Nation. Double ditch is significant in demonstrating the historic development of an economic trade system on the Missouri River. Being farmers, the Mandan's chose to build their villages near the fertile flood plains of the river.

The Double Ditch Indian village was abandoned after the 1775-1872 due to a smallpox epidemic. Unifying the Mandan's, the Hidatsa's and Arkiara's. Double ditch represents the strength of the MHA Nation and our ancestors, as we remain still here.

In 2015, the State of North Dakota appropriated \$3.5 million dollars through house bill 1018. Which is a BILL for an Act to provide an appropriation for defraying the expenses of the state historical society. Per house bill 1024, the State Historical Society needs around \$1.2 million dollars (1,265,625). For the preservation efforts of Double Ditch.

The MHA Nation has unique relationship with the State of North Dakota. As the MHA Nation, has vast amount of resources in which contributes greatly to the State of North Dakota. Especially the oil and gas tax agreement. In which, the State of North Dakota has received \$418 million from extraction tax and \$435 million from production taxes. This relationship is significant in demonstrating the importance of preserving the culture of the Tribe as well as the State.

Per the North Dakota Century Code 55-02-09, the historical impact emergency fund was established and is administered by the director of the State Historical Society of North Dakota. The fund was authorized for the purpose of emergency mitigation of adverse effects on cultural resources and historical building, structures, or objects in the state. The Double Ditch Indian village is an emergency as there are more than 10,000 human remains in this area. This is history of my people and my ancestors but also a history of the first inhabits of the great state of North Dakota.

Public law 89-665, also known as the National Historic Preservation Act of 1966 is legislation intended to preserve historical and archeological sites. Public Law 102-575, Congress finds and declares that: It shall be the policy of the Federal Government, in cooperation with other nations and in partnership with the States, local governments, Indian tribes, and private organizations and individuals to-

(1) use measures, including financial and technical assistance, to foster conditions under which our modern society and our prehistoric and historic resources can exist in productive harmony and fulfill the social, economic, and other requirements of present and future generations



HB 1018  
Senate Appropriations Committee  
March 3, 2017

3-3-17 AB1017  
#5  
P1

Honorable Chairman Ray Holmberg & Members of the Senate Appropriations Committee


My name is Amy Mossett and I am a life-long citizen of North Dakota, a member of the Mandan Hidatsa and Arikara Nation and I have spent many years of my life promoting cultural heritage tourism for my Tribe and for our State. I co-founded our Tribes' Tourism Office and I served on former Governor John Hoeven's planning and advisory committees for cultural heritage tourism. I've also presented various aspects of our shared history throughout North Dakota and across the United States.

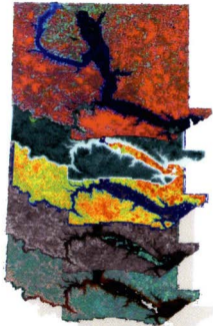
I appreciate all that our State Historical Society does in preserving, protecting, and interpreting the historical, educational, and cultural resources at our State historic sites and today I'm here to express concern about the 18 human burials that have been exposed since 2013 as a result of rotational slumping and erosion between Double Ditch State Historic Site and the Missouri River. Two of the graves were exposed only since November.

Double Ditch was occupied continuously for over 300 years by thousands of our Mandan ancestors who farmed and established a massive trade network on the Missouri River. From the late 1400s to the 1780s, ten generations of Mandan agriculturalists lived, died and were buried at this site. Since 2015, another crack has developed between the village and the Missouri River and if the bank stabilization project currently in progress is not expedited, further accelerated erosion and slumping could result in destruction and loss of acreage within the village site and hundreds of graves and hundreds of funerary objects will be disturbed, unearthed and exposed.

Double Ditch State Historic Site is one of our State's unique cultural treasures. This village was occupied longer than any other along the Missouri River and the site has been visited and researched more than any other village site in this area. Through advanced technology and instruments, non-invasive archeological investigations at this site have revealed new information about the sites cultural features which include the discovery of two additional ditches.

I am respectfully asking that the funding appropriation for bank stabilization at Double Ditch be carried into the 2017-19 biennium in order that the State Historical Society can expedite the completion of the bank stabilization project which will halt the accelerated slumping and erosion, protect the integrity of the village site, and prevent further disturbance and exposure of human burials and funerary objects. Thank you.

  
Amy Mossett  
PO Box 245  
Halliday ND 58636



HB 1018 3-3-17 #6

Office of Science, Technology and Policy

Tribal Chairman's Office

Mandan, Hidatsa and Arikara Nation

404 Frontage Road- New Town, ND 58763 P1



**Lisa H. Lone Fight M.S.**

Senior Scientific Advisor

701-421-2159

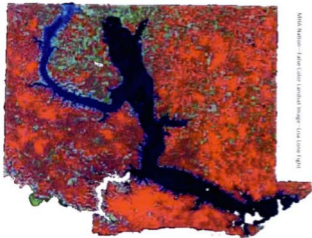
406-548-2456

MHA.STP@gmail.com

LHLONEFIGHT@mhanation.com







Missi Nation—False Color Landsat Image—Lisa Lowe Figure

- **Environmental Sciences**
- **Earth Sciences**
- **Spatial Sciences**
- **Indigenous Sciences**
- **Land Cover Change**
- **Climate Change**
- **Sustainability**
- **Research and Policy**
- **Energy/Renewables**

HB 1018 STATE HISTORICAL SOCIETY 03-03-17 SENATE APPROPRIATIONS HEARING # 6 (page 1 – card)

Lisa H. Lone Fight M. S, Senior Scientific Advisor for the Tribal Chairman's Office

Mandan, Hidatsa and Arikara Nation

Ms. Lone Fight testified in support of HB 1018, particularly regarding the Double Ditch Site Restoration Project. She did not present written testimony, but provided her card to the committee.



HB 1018

3-3-17

**Amy Guthrie Sakariassen**

BOARD OF ADVISORS  
MOUNTAINS/PLAINS OFFICE

603 North Mandan Street  
Bismarck, ND 58501

P 701.258.3526

M 701.202.2950

E [yippity@hotmail.com](mailto:yippity@hotmail.com)

# MA

PI

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3-3-17

HB 1018

# 7B

Amy Guthrie Sakariassen

603 N. Mandan St.

Bismarck, ND 58501

March  
~~February~~ 3, 2017

P1

Dear ~~Editor~~ Legislators,

Before this year's legislative assembly lie many difficult decisions. Within the power of the legislators of 2017 is the authority to keep intact earlier pledged appropriations intended for the bank stabilization of the endangered river banks within Double-Ditch State Historic Site.

Double-Ditch is an archaeological site of immense importance in the record of human history on the Great Plains. Just north of Bismarck, high on the eastern bluffs of the Missouri River, some ten generations of the Mandan Indians lived in a fortified village, farming the rich bottomlands, and creating a prosperous community. The story of that people and that population and trading center is one of the iconic and ever-unfolding stories of archaeology, regarded world-wide as a significant part of history.

Part of this state and this nation, Double-Ditch represents the patterns of history familiar to the world: the flourishing and decline of a rich indigenous cultural center, the drama and conflict of western expansion into the center of the United States, and the appalling tragedy of smallpox. Double-Ditch experienced it all.

Without stabilization of the river bank, some thousands of human burials and a full 14 acres of this uniquely significant site will be doomed. Plans to cope with the accelerating erosion have been made, money had been appropriated by the last assembly.

Now, withdrawal of these funds is being considered. Without the necessary stabilization the Mighty Missouri will be allowed to swallow an enormous piece of our history. We sandbag with our neighbors during high water and floods. Let's encourage our legislators to give protection to a property that we, as North Dakotans, all own.

Amy Guthrie Sakariassen, Bismarck



701-202-2950

HB 1018

3-23-17 HB 1018  
Sub comm

# 1  
PI

# State Historical Society of North Dakota Senate Appropriations Sub Committee - Salary and Wage Reduction Summary

## Salary and Wage Cuts

Executive Budget 10%	<u>Sal &amp; Wages</u> (755,197)
House Amendment - Underfunds Salaries and Wages	(437,428)
House Amendment - Removes Temporary Salary Funding for the Welk Homestead	(50,000)
<b>Total Reduction</b>	<b><u><u>(1,242,625)</u></u></b>

## 10% Executive Budget & Governor Burgum's Cuts

Remove (3) FTE's (Exhibit Specialist, Archivist I, and Custodial Position)	<u>Sal &amp; Wages</u> (390,332)
Remove Temporary Staff (Historic Site Seasonal, Interns, Heritage Center Gallery Guides)	(364,865)
(This is a 23% reduction in temporary salaries (equivalent to cutting 17 seasonal staff paid \$11 per hour))	
<b>10% Executive Budget &amp; Governor Burgum's Cuts</b>	<b><u>(755,197)</u></b>

## Possible cuts needed to comply with House Amendments

Pembina State Museum, Gingras Trading Post, and Kittson (Pembina & Walhalla) (1 FTE and Temps)	(253,269)
Welk Site (Strasburg ND)	(50,000)
Ft Abercrombie (Abercrombie ND)	(70,000)
Former Governor's Mansion & Camp Hancock (Bismarck ND)	(80,000)
Unidentified	(34,159)
<b>House Amendments</b>	<b><u>(487,428)</u></b>
<b>Total Reduction</b>	<b><u><u>(1,242,625)</u></u></b>

Note: We would need to cut 3 or 4 more FTE's to comply with the House Amendments if temporary salaries are not cut. This would be in addition to the 3 FTE's positions that were already cut in the 10% Executive Budget Recommendation for a total of 7 FTE's.



17.0503.02001  
 Title.  
 Fiscal No. 1

Prepared by the Legislative Council staff for  
 Senator Krebsbach  
 March 24, 2017

3-29-17 HB 1018  
 Subcommittee #1  
 P1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018

Page 1, line 2, after the first semicolon insert "and"

Page 1, line 2, remove "; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$13,604,636	\$234,970	\$13,839,606
Operating expenses	3,986,308	(100,414)	3,885,894"

Page 1, replace lines 17 through 19 with:

"Total all funds	\$20,554,692	(\$481,539)	\$20,073,153
Less estimated income	<u>3,299,901</u>	<u>(144,106)</u>	<u>3,155,795</u>
Total general fund	\$17,254,791	(\$337,433)	\$16,917,358"

Page 1, line 22, replace "\$208,926" with "\$193,789"

Page 1, line 22, replace "\$191,055" with "\$177,213"

Page 1, line 23, replace "\$1,249" with "\$1,241"

Page 3, remove lines 1 through 8

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$13,604,636	\$13,367,315	\$472,291	\$13,839,606
Operating expenses	3,986,308	3,850,894	35,000	3,885,894
Capital assets	1,770,294	1,747,653		1,747,653
Grants	900,000	600,000		600,000
Cultural heritage grants	293,454			
Total all funds	\$20,554,692	\$19,565,862	\$507,291	\$20,073,153
Less estimated income	<u>3,299,901</u>	<u>3,157,090</u>	<u>(1,295)</u>	<u>3,155,795</u>
General fund	\$17,254,791	\$16,408,772	\$508,586	\$16,917,358
FTE	78.00	75.00	0.00	75.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adds Funding for Salaries and Wages <sup>2</sup>	Adds Funding for the Operation of the Welk Homestead <sup>3</sup>	Total Senate Changes
Salaries and wages	(\$15,137)	\$437,428	\$50,000	\$472,291
Operating expenses			35,000	35,000
Capital assets				
Grants				
Cultural heritage grants				
Total all funds	(\$15,137)	\$437,428	\$85,000	\$507,291

Less estimated income	(1,295)	0	0	(1,295)
General fund	(\$13,842)	\$437,428	\$85,000	\$508,586
FTE	0.00	0.00	0.00	0.00

#1  
p2

---

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change.

<sup>2</sup> Adds \$437,428 from the general fund for salaries and wages. The House underfunded salaries and wages \$437,428 from the general fund. The Senate version does not underfund salaries and wages.

<sup>3</sup> Funding is restored for the operation of the Welk Homestead Historic Site. The House removed funding for the operation of the Welk Homestead Historic Site.

---

The Senate removed sections added by the House providing legislative intent regarding the Double Ditch Historic Site repairs and an emergency measure.



3-30-17 AB 1018

17.0503.02001  
 Title.  
 Fiscal No. 1

Prepared by the Legislative Council staff for  
 Senator Krebsbach  
 March 24, 2017

#1  
 P1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018

Page 1, line 2, after the first semicolon insert "and"

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Total general fund	\$17,254,791	(\$337,433)	\$16,917,358"

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Page 3, remove lines 1 through 8

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - State Historical Society - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$13,604,636	\$13,367,315	\$472,291	\$13,839,606
Operating expenses	3,986,308	3,850,894	35,000	3,885,894
Capital assets	1,770,294	1,747,653		1,747,653
Grants	900,000	600,000		600,000
Cultural heritage grants	293,454			
Total all funds	\$20,554,692	\$19,565,862	\$507,291	\$20,073,153
Less estimated income	<u>3,299,901</u>	<u>3,157,090</u>	<u>(1,295)</u>	<u>3,155,795</u>
General fund	\$17,254,791	\$16,408,772	\$508,586	\$16,917,358
FTE	78.00	75.00	0.00	75.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adds Funding for Salaries and Wages <sup>2</sup>	Adds Funding for the Operation of the Welk Homestead <sup>3</sup>	Total Senate Changes
Salaries and wages	(\$15,137)	\$437,428	\$50,000	\$472,291
Operating expenses			35,000	35,000
Capital assets				
Grants				
Cultural heritage grants				
Total all funds	(\$15,137)	\$437,428	\$85,000	\$507,291

Less estimated income	(1,295)	0	0	(1,295)
General fund	(\$13,842)	\$437,428	\$85,000	\$508,586
FTE	0.00	0.00	0.00	0.00

---

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change.

<sup>2</sup> Adds \$437,428 from the general fund for salaries and wages. The House underfunded salaries and wages \$437,428 from the general fund. The Senate version does not underfund salaries and wages.

<sup>3</sup> Funding is restored for the operation of the Welk Homestead Historic Site. The House removed funding for the operation of the Welk Homestead Historic Site.

---

The Senate removed sections added by the House providing legislative intent regarding the Double Ditch Historic Site repairs and an emergency measure.



HB 1018 4/11/17 Att. 1

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

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2017-19 Biennium Base Level</b>	78.00	\$17,254,791	\$3,299,901	\$20,554,692	78.00	\$17,254,791	\$3,299,901	\$20,554,692	0.00	\$0	\$0	\$0
<b>2017-19 Ongoing Funding Changes</b>												
Base payroll changes		\$364,479	(\$10,682)	\$353,797		\$364,479	(\$10,682)	\$353,797				\$0
Health insurance increase		191,055	17,871	208,926		177,213	16,576	193,789		(13,842)	(1,295)	(15,137)
Removes FTE custodial position	(1.00)	(106,393)		(106,393)	(1.00)	(106,393)		(106,393)				0
Unfunds 2 FTE positions		(58,237)		(58,237)		(58,237)		(58,237)				0
Removes 2 FTE positions	(2.00)			0	(2.00)			0				0
Removes temporary employee funding		(147,986)		(147,986)		(147,986)		(147,986)				0
Removes grant funding			(300,000)	(300,000)			(300,000)	(300,000)				0
Removes funding for operating expenses		(250,414)	150,000	(100,414)		(250,414)	150,000	(100,414)				0
Removes funding for cultural heritage grants		(293,454)		(293,454)		(293,454)		(293,454)				0
Reduces funding for capital assets		(22,641)		(22,641)		(22,641)		(22,641)				0
Underfunds salaries and wages		(437,428)		(437,428)		0		0		437,428		437,428
Removes funding for the Welk Homestead		(85,000)		(85,000)		0		0		85,000		85,000
<b>Total ongoing funding changes</b>	<b>(3.00)</b>	<b>(\$846,019)</b>	<b>(\$142,811)</b>	<b>(\$988,830)</b>	<b>(3.00)</b>	<b>(\$337,433)</b>	<b>(\$144,106)</b>	<b>(\$481,539)</b>	<b>0.00</b>	<b>\$508,586</b>	<b>(\$1,295)</b>	<b>\$507,291</b>
<b>One-time funding items</b>												
No one-time funding items				\$0				\$0				\$0
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>(3.00)</b>	<b>(\$846,019)</b>	<b>(\$142,811)</b>	<b>(\$988,830)</b>	<b>(3.00)</b>	<b>(\$337,433)</b>	<b>(\$144,106)</b>	<b>(\$481,539)</b>	<b>0.00</b>	<b>\$508,586</b>	<b>(\$1,295)</b>	<b>\$507,291</b>
<b>2017-19 Total Funding</b>	<b>75.00</b>	<b>\$16,408,772</b>	<b>\$3,157,090</b>	<b>\$19,565,862</b>	<b>75.00</b>	<b>\$16,917,358</b>	<b>\$3,155,795</b>	<b>\$20,073,153</b>	<b>0.00</b>	<b>\$508,586</b>	<b>(\$1,295)</b>	<b>\$507,291</b>

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

	House Version	Senate Version
Health insurance increase	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Appropriation - Revolving fund	Section 4 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.	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.	Section 5 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

Other Sections in State Historical Society - Budget No. 701

House Version

Senate Version

Exemption - Double Ditch Historic Site repairs

Section 6 provides that the amount appropriated to the State Historical Society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for the repair of the Double Ditch Historic Site, as contained in Sections 5 and 6 of Chapter 52 of the 2015 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Section 6 provides that the amount appropriated to the State Historical Society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for the repair of the Double Ditch Historic Site, as contained in Sections 5 and 6 of Chapter 52 of the 2015 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Legislative intent - Double Ditch Historic Site repairs

Section 7 provides legislative intent that the State Historical Society refrain from obtaining the Bank of North Dakota loan for the repairs of Double Ditch Historic Site. It provides further intent that if the State Historical Society obtains the loan that the funding needed for repayment of the loan plus interest be raised by the State Historical Society from nonstate sources.

Emergency declaration

Section 8 declares Section 7 to be an emergency measure.



**Skalsky, David C.**

**From:** Skalsky, David C.  
**Sent:** Wednesday, April 12, 2017 9:32 AM  
**To:** Schatz, Mike A.; Schmidt, James E.; Streyle, Roscoe K.; Krebsbach, Karen K.; Erbele, Robert S.; Mathern, Tim  
**Cc:** Laschkewitsch, Lori L. (llaschkewitsch@nd.gov); Kadrmas, Chris J. (cjkadrmass@nd.gov); Berg, Claudia J.; Marlo S. (msveen@btinet.net)  
**Subject:** RE: HB 1018 (Historical Society Budget) - Conference Committee

Committee Members

I noticed an error after I sent the email. See correction in yellow. The \$364,865 is a 23% cut temporary salaries.

Sorry

Dave

---

**From:** Skalsky, David C.  
**Sent:** Wednesday, April 12, 2017 9:24 AM  
**To:** Schatz, Mike A.; Schmidt, James E.; Streyle, Roscoe K.; Krebsbach, Karen K.; Erbele, Robert S.; Mathern, Tim  
**Cc:** Laschkewitsch, Lori L. (llaschkewitsch@nd.gov); Kadrmas, Chris J. (cjkadrmass@nd.gov); Berg, Claudia J.; Marlo S. (msveen@btinet.net)  
**Subject:** HB 1018 (Historical Society Budget) - Conference Committee

HB 1018 Conference Committee Chairman Schatz and Committee Members

## Salary and Wage Cuts

During the conference committee meeting held at 4:30 on April 11, 2017, committee members inquired if the Society would be required to make any general fund salary and wage cuts if the general fund House salary and wage amendments totaling \$487,428 were restored. The answer is yes. Additional general fund salary and wage cuts of \$755,197, included in the executive budget and adopted by both the House and Senate, are still in place. The cuts include the removal of 3 FTE and a 23% reduction to temporary salaries. The cuts consist of the following:

### 1. Salaries and Wages – (\$755,197)

(\$392,332) (3 FTE's) - The 2017-19 budget, as submitted, reflects a reduction in 3 full time staff positions. The positions include an archivist, exhibit specialist, and custodial position. The elimination of the archivist position will cause a backlog in the processing of photos, manuscripts, and other paper documents and the elimination of the exhibit specialist will impact our ability to repair current exhibits and the installation of new exhibits at the historic sites and Heritage Center. The elimination of the custodial position will cause the least amount of impact but will definitely affect our ability to prepare for and clean up after events held at the Heritage Center.

(\$364,865) (23% Temporary Salary Reduction Employees – Equivalent to cutting 17 seasonal staff at \$11 per hour)

Cutting temporary staff will have the biggest impact on the historic sites maintenance and interpretative programs. Since it is already difficult to maintain the historic sites with the staff we have, we believe we will eventually need to eliminate additional FTE positions to free up funding for temporary site staff. Other areas impacted by a reduction in funding for temporary staff include Heritage Center security and gallery guides, and agency interns.

I have attached a schedule that was provided to the Senate Appropriations during our subcommittee meeting. This schedule provides a summary of the \$1,242,625 (\$755,197 10% Executive Budget Cuts plus \$487,428 in House Amendments) in salary and wage cuts currently included in HB 1018 and shows that it would take the closing of at least 7 Historic Sites or a reduction of 3 or 4 more FTE's to save the additional \$487,428 in general funds proposed in the House amendments.

### Double Ditch Project Update

The engineering design specifications and bid documents have been completed. The Attorney General's Office has reviewed the bid documents and the request for bids will be released in the newspaper today. Below is the current schedule of events.

Request for bids release: **April 12, 2017**

Bid deadline: **May 17, 2017**

Bid review/select contractor: **May 31, 2017**

Notice of Intent to Award: **May 31, 2017**

Negotiation and contract signed: **June 7, 2017**

Initiate work: **June 14, 2017**

Work completed (5 months): **November 15, 2017**

Please feel free to contact me if you have any questions.  
Thank you

Dave Skalsky

**David Skalsky**

Assistant Director, State Historical Society of ND

Phone 701-328-3562

Fax 701-328-3710

---

HISTORY FOR *everyone.*



# State Historical Society of North Dakota

## Senate Appropriations Sub Committee - Salary and Wage Reduction Summary

### Salary and Wage Cuts

	<u>Sal &amp; Wages</u>
Executive Budget 10%	(755,197)
House Amendment - Underfunds Salaries and Wages	(437,428)
House Amendment - Removes Temporary Salary Funding for the Welk Homestead	(50,000)
<b>Total Reduction</b>	<u><u>(1,242,625)</u></u>

### 10% Executive Budget & Governor Burgum's Cuts

	<u>Sal &amp; Wages</u>
Remove (3) FTE's (Exhibit Specialist, Archivist I, and Custodial Position)	(390,332)
Remove Temporary Staff (Historic Site Seasonal, Interns, Heritage Center Gallery Guides)	(364,865)
(This is a 23% reduction in temporary salaries (equivalent to cutting 17 seasonal staff paid \$11 per hour)	
<b>10% Executive Budget &amp; Governor Burgum's Cuts</b>	<u>(755,197)</u>

### Possible cuts needed to comply with House Amendments

Pembina State Museum, Gingras Trading Post, and Kittson (Pembina & Walhalla) (1 FTE and Temps)	(253,269)
Welk Site (Strasburg ND)	(50,000)
Ft Abercrombie (Abercrombie ND)	(70,000)
Former Governor's Mansion & Camp Hancock (Bismarck ND)	(80,000)
Unidentified	(34,159)
<b>House Amendments</b>	<u>(487,428)</u>
<b>Total Reduction</b>	<u><u>(1,242,625)</u></u>

Note: We would need to cut 3 or 4 more FTE's to comply with the House Amendments if temporary salaries are not cut. This would be in addition to the 3 FTE's positions that were already cut in the 10% Executive Budget Recommendation for a total of 7 FTE's.