

Department 701 - State Historical Society
Senate Bill No. 2018

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	\$23,208,113	\$13,584,872	\$36,792,985
2023-25 Base Level	19,386,350	3,229,952	22,616,302
Increase (Decrease)	\$3,821,763	\$10,354,920	\$14,176,683

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$981,168 is for salary increases and \$369,082 is for health insurance increases	\$1,203,719	\$146,531	\$1,350,250
2. Adds 4.75 FTE positions, including a digital specialist, trade services III position, trade services IV position, program manager II position, and brand marketing specialist.	\$400,978	\$770,038	\$1,171,016
3. Adds funding for historical building improvements to provide a total of \$7,417,309	\$500,000	\$0	\$500,000
4. Decreases funding for debt service payments to provide a total of \$592,375	(\$586,640)	\$0	(\$586,640)
5. Adds one-time funding for Medora site planning from the general fund and the strategic investment and improvements fund	\$150,000	\$2,000,000	\$2,150,000
6. Adds one-time funding from federal funding for historic building improvements from the strategic investment and improvements fund	\$0	\$6,751,500	\$6,751,500
7. Adjusts various line items from federal funds, of which \$328,340 is for grants, (\$534,304) is for operating expenses, (\$420,831) is for capital assets, and (\$296,853) is for salaries and wages	\$0	(\$923,648)	(\$923,648)
8. Adds one-time funding from federal funds for the Paul Bruhn historic revitalization grant	\$0	\$750,000	\$750,000
9. Adds one-time funding for improving exhibit engagement, of which \$75,000 is from special funds and \$595,000 is from the strategic investment and improvements fund	\$0	\$670,000	\$670,000
10. Adds one-time funding for America's 250 th celebration	\$1,000,000	\$0	\$1,000,000

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Appropriation - Revolving fund - Section 3 would appropriate all fees collected and deposited in the revolving fund to the State Historical Society.

Appropriation - Gifts, grants, and bequests - Section 4 would appropriate all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

Estimated income - Department of Transportation - Section 5 would identify that \$100,000 of funding in the estimated income line item is from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2023-25 biennium.

Exemption - Federal American Rescue Plan Act - Section 6 would allow 2021-23 biennium appropriation authority for amounts carried over from the American Rescue Plan Act to continue to be available for the purpose of deferred maintenance and extraordinary repair projects in the 2023-25 biennium.

Estimated income - Strategic investment and improvements fund - One-Time funding - Section 7 would identify \$9,346,500 from the strategic investment and improvements fund, of which \$6,751,500 is for critical repairs to historic site structures, \$2,000,000 is for capital project planning for Medora, and \$595,000 is for creating new and repairing existing exhibits. This would be considered a one-time funding item.

Permit application fees - Section 8 would amend North Dakota Century Code Section 55-03-01 to authorize the director to schedule and set the amount of filing fees for permit applications to investigate, evaluate, or mitigate adverse effects on cultural

resources, historic buildings, structures, or objects. Section 9 would amend Section 55-03-01.1 to authorize the director to schedule and set the amount of fees for permits to investigate, excavate, or otherwise record cultural resources on land owned by an instrumentality of the state and to excavate cultural resources on private land.

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.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

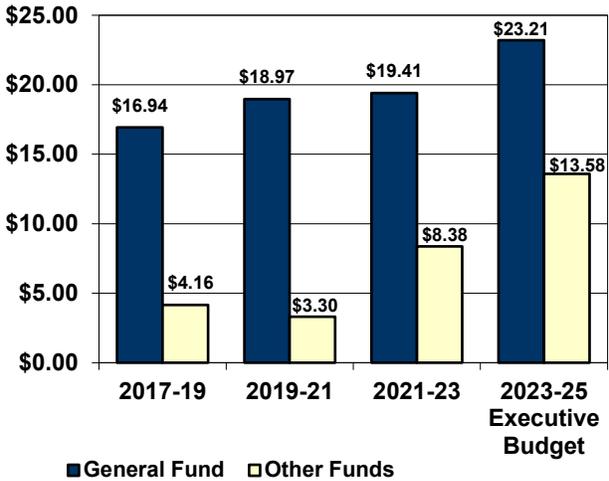
Major Related Legislation

House Bill No. 1085 - Relates to information required in biennial reports to be maintained on agency websites as alternative to printed reports.

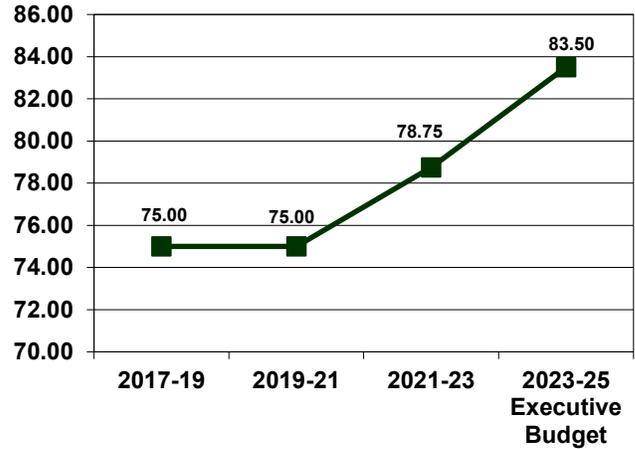
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$17,254,791	\$16,673,644	\$17,368,691	\$19,386,350	\$21,051,274
Increase (decrease) from previous biennium	N/A	(\$581,147)	\$695,047	\$2,017,659	\$1,664,924
Percentage increase (decrease) from previous biennium	N/A	(3.4%)	4.2%	11.6%	8.6%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(3.4%)	0.7%	12.4%	22.0%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Removed 1 FTE custodial position (\$106,393)
2. Removed 2 undesignated FTE positions (\$58,237)
3. Reduced salaries and wages in anticipation of savings from vacant positions and employee turnover (\$243,714)
4. Reduced funding for temporary employees (\$147,986)
5. Reduced funding for operating expenses from the general fund and increased funding from other funds by \$150,000 for a net adjustment of (\$100,414) (\$250,414)
6. Removed funding for cultural heritage grants (\$293,454)
7. Reduced funding for capital assets (\$22,641)

2019-21 Biennium

1. Removed ongoing funding for extraordinary repairs (\$307,357)
2. Reduced funding for bond payments to provide \$1,144,542 (\$214,754)
3. Added funding for cultural heritage grants \$500,000

2021-23 Biennium

1. Transferred 3.75 FTE positions and the Lewis and Clark Interpretive Center operations from the Parks and Recreation Department to the State Historical Society \$1,140,595
2. Increased funding for temporary employees to provide a total of \$1,965,545 \$400,000
3. Added ongoing funding for the State Archives Digital Repository (SADR) subscription expenses \$125,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds 1.75 FTE positions, including a digital specialist, a brand marketing specialist, and an interpretive resource specialist \$400,978
- 2. Adds funding for historical building improvements to provide a total of \$7,417,309 \$500,000
- 3. Decreases funding for debt service payments to provide a total of \$592,375 (\$586,640)

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$2,922,969	\$0	\$1,597,000	\$25,000	\$2,156,839

Major One-Time General Fund Appropriations

2017-19 Biennium

No one-time general fund appropriations \$0

2019-21 Biennium

- 1. Historic site and extraordinary repairs \$1,000,000
- 2. Exhibit and collections care \$372,000
- 3. Pioneer Village relocation (Senate Bill No. 2146) \$150,000

2021-23 Biennium

- 1. SADR upgrade \$25,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Operating expense inflationary costs \$120,795
- 2. Medora site planning \$150,000
- 3. Geographic information system (GIS) remote access and upgrades \$225,000
- 4. Newspaper preservation \$236,044
- 5. Digital interactive initiative \$425,000
- 6. America's 250th celebration \$1,000,000

State Historical Society - Budget No. 701
Senate Bill No. 2018
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	78.75	\$19,386,350	\$3,229,952	\$22,616,302
2023-25 Ongoing Funding Changes				
Cost to continue salary increases		\$96,400	\$10,449	\$106,849
Salary increase		859,325	121,843	981,168
Health insurance increase		344,394	24,688	369,082
Adjusts funding in various line items			(923,648)	(923,648)
Adds 1 FTE for digital specialist position	1.00	187,590		187,590
Adds .25 FTE to fully fund interpretive resource specialist	0.25	64,814		64,814
Adds 1 FTE for continuation of trade services III position	1.00		216,688	216,688
Adds 1 FTE for continuation of trade services IV position	1.00		244,142	244,142
Adds 1 FTE for continuation of program management II position	1.00		309,208	309,208
Adds .5 FTE for brand marketing position	0.50	148,574		148,574
Increase in ITD rates		24,022	50	24,072
Adds funding for GIS remote access and upgrade		14,400		14,400
Adds funding for newspaper preservation updates		12,045		12,045
Adjusts funding for debt service payments		(586,640)		(586,640)
Adds funding for ongoing historic building improvements		500,000		500,000
Total ongoing funding changes	4.75	\$1,664,924	\$3,420	\$1,668,344
One-time funding items				
Adds one-time funding for operating expense inflationary costs		\$120,795		\$120,795
Adds one-time funding for GIS remote access and upgrade		225,000	\$25,000	250,000
Adds one-time funding for digital interactive initiative		425,000		425,000
Adds one-time funding for Medora site planning		150,000	2,000,000	2,150,000
Adds one-time funding for digital humanities advancement			30,000	30,000
Adds one-time funding for newspaper preservation		236,044		236,044
Adds one-time funding for America's 250th celebration		1,000,000		1,000,000
Adds one-time funding for historical building improvements			6,751,500	6,751,500
Adds one-time funding for underrepresented community grant program			125,000	125,000
Adds one-time funding for improving exhibit engagement			670,000	670,000
Adds one-time federal funding for the Paul Bruhn historic revitalization grant			750,000	750,000
Total one-time funding changes	0.00	\$2,156,839	\$10,351,500	\$12,508,339
Total Changes to Base Level Funding	4.75	\$3,821,763	\$10,354,920	\$14,176,683
2023-25 Total Funding	83.50	\$23,208,113	\$13,584,872	\$36,792,985
<i>Federal funds included in other funds</i>			\$3,214,809	
<i>Total ongoing changes as a percentage of base level</i>	6.0%	8.6%	0.1%	7.4%
<i>Total changes as a percentage of base level</i>	6.0%	19.7%	320.6%	62.7%

Other Sections in State Historical Society - Budget No. 701

	Executive Budget Recommendation
Appropriation - Revolving fund	Section 3 would appropriate all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 would appropriate all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.
Estimated income - Department of Transportation	Section 5 would identify that \$100,000 of funding in the estimated income line item is from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2023-25 biennium.

Other Sections in State Historical Society - Budget No. 701

Executive Budget Recommendation

Exemption - American Rescue Plan Act

Section 6 would allow 2021-23 biennium appropriation authority for amounts carried over from the American Rescue Plan Act to continue to be available for the purpose of deferred maintenance and extraordinary repair projects in the 2023-25 biennium.

Estimated income - Strategic investment and improvements fund

Section 7 would identify \$9,346,500 from the strategic investment and improvements fund, of which \$6,751,500 is for critical repairs to historic site structures, \$2,000,000 is for capital project planning for Medora, and \$595,000 is for creating new and repairing existing exhibits. This would be considered a one-time funding item.

Permit application fees

Section 8 would amend Section 55-03-01 to authorize the director to schedule and set the amount of filing fees for permit applications to investigate, evaluate, or mitigate adverse effects on cultural resources, historic buildings, structures, or objects. Section 9 would amend Section 55-03-01.1 to authorize the director to schedule and set the amount of fees for permits to investigate, excavate, or otherwise record cultural resources on land owned by an instrumentality of the state and to excavate cultural resources on private land.

**SENATE BILL NO. 2018
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the state historical society; to provide an exemption; to amend and reenact sections 55-03-01 and 55-03-01.1, and to provide a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state historical society for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,791,624	\$ 2,291,262	\$18,082,886
Operating expenses	4,473,663	1,952,168	6,425,831
Capital assets	1,251,015	7,134,913	8,385,928
Grants	600,000	1,203,340	1,803,340
Cultural heritage grants	500,000	0	500,000
America's 250 th	0	1,000,000	1,000,000
Exhibits	<u>0</u>	<u>595,000</u>	<u>595,000</u>
Total all funds	\$22,616,302	\$14,176,683	\$36,792,985
Less estimated income	<u>3,229,952</u>	<u>10,354,920</u>	<u>13,584,872</u>
Total general fund	\$19,386,350	\$ 3,821,763	\$23,208,113
Full-time equivalent positions	78.75	4.75	83.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-23</u>	<u>2021-25</u>
Historic site and extraordinary repairs	\$4,200,000	\$ 6,751,500
State archives digital repository upgrade	25,000	0
Exhibits	0	670,000
Inflationary operating expenses	0	120,795
GIS remote access upgrade	0	250,000
Preservation workflow update	0	236,044
Digital interactive initiative	0	425,000
Medora area planning	0	2,150,000
America's 250 th celebration planning	0	1,000,000
Historic revitalization grant	0	750,000
Underserved community grant	0	125,000
Digital humanities grant	<u>0</u>	<u>30,000</u>
Total all funds	\$4,225,000	\$12,508,339
Less estimated income	<u>0</u>	<u>10,351,500</u>
Total general fund	\$4,225,000	\$ 2,156,839

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The historical society shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 3. REVOLVING FUND - APPROPRIATION. All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 4. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION. All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2023 and ending June 30, 2025.

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

SECTION 6. EXEMPTION – AMERICAN RESCUE PLAN ACT (ARPA). Section 54-44.1-11 does not apply to any amounts carried over from the American Rescue Plan Act (ARPA) pursuant to subsection 5 of section 2 of chapter 548 of the 2021 special session laws, and any unexpended funds from this appropriation may be used for the purpose of deferred maintenance and extraordinary repair projects during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 7. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – ONE TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$9,346,500 from the strategic investment and improvements fund, of which \$6,751,500 is for critical repairs to historic site structures, \$2,000,000 is for capital project planning for Medora, \$595,000 to create new and repair existing exhibits. This funding is considered a one-time funding item.

SECTION 8. AMENDMENT. Section 55-03-01 of the North Dakota Century Code is amended and reenacted as follows:

55-03-01. Permit required to investigate, evaluate, or mitigate adverse effect on cultural resources, historic buildings, structures, or objects - Application - Fee.

Any person, corporation, or other business entity, engaged in identifying, evaluating, or mitigating adverse effects on cultural resources, historic buildings, structures, or objects on any lands in North Dakota, under ~~section 106 of the National Historic Preservation Act of 1966 [Pub. L. 89-665; 80 Stat. 915; 16 U.S.C. 470, as amended by Pub. L. 91-243, Pub. L. 93-54, Pub. L. 94-422, and Pub. L. 94-458],~~ 36 CFR 800; or ~~subdivision u of subsection 1 of section 38-14.1-14,~~ any and all applicable state law, shall obtain an annual permit from the director of the state historical society. The permit application must be in the form prescribed by the director. Each application must be accompanied by a filing fee ~~of one hundred dollars as scheduled and set by the director of the agency.~~ The director may waive the fee requirement if the applicant is an instrumentality of the state. Following issuance of the annual permit, the permittee shall submit to the state historical society payment in the amount ~~of fifty dollars as scheduled and set by the director of the agency~~ with every cultural resources identification, monitoring report, evaluation, and mitigation report submitted to the director in compliance with the federal and state statutory and regulatory requirements identified in this section. A permittee submitting a report on behalf of a nonprofit corporation formed under chapter 10-33 does not have to pay the fee for filing the report.

SECTION 9. AMENDMENT. Section 55-03-01.1 of the North Dakota Century Code is amended and reenacted as follows:

55-03-01.1. Permit required to investigate, excavate, or otherwise record cultural resources on land owned by an instrumentality of the state and to excavate cultural resources on private land.

Any person engaged in the investigation, excavation, or other recording of cultural resources on land owned by an instrumentality of the state or in the excavation of cultural resources on private land for any purposes other than those identified in section 55-03-01 first shall obtain a permit from the director. A permit may be granted only for the investigation, excavation, or other recording of cultural resources at the locations described in the application for permit. Each application must be accompanied by a fee of ~~one hundred dollars~~ schedule as set by the director of the agency, unless the fee is waived, at the discretion of the director.