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Minnesota Historical Society

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mnhs.org/

AT A GLANCE

- The Minnesota Historical Society (MNHS) preserves and provides access to Minnesota's past
- MNHS serves more than 1,000,000 in-person customers each year, including visitors to historic sites and the History Center Museum and Library
- MNHS hosts 4,300,000 visits each year to its award-winning website
- MNHS preserves more than 1,000,000 items in the collection:
 - 340,361 photographs
 - 501,724 publications
 - 6,516 works of art
 - 251,533 objects
 - 50,300 cubic feet of manuscripts
 - 60,000 cubic feet in State Archives, plus 60 terabytes of digital records

PURPOSE

Created in 1849 by the Minnesota Territorial Legislature, the Minnesota Historical Society (MNHS) serves as the repository of state archival, documentary, photographic, archaeological, and museum collections, and as a center for research. MNHS also preserves and operates the historic sites network, consisting of 26 sites throughout the state. As an educational organization, it uses its collections and sites to engage, inform, and inspire the people of Minnesota. These efforts, as well as MNHS's partnerships in heritage preservation, support the MNHS mission: **Using the Power of History to Transform Lives: Preserving > Sharing > Connecting.**

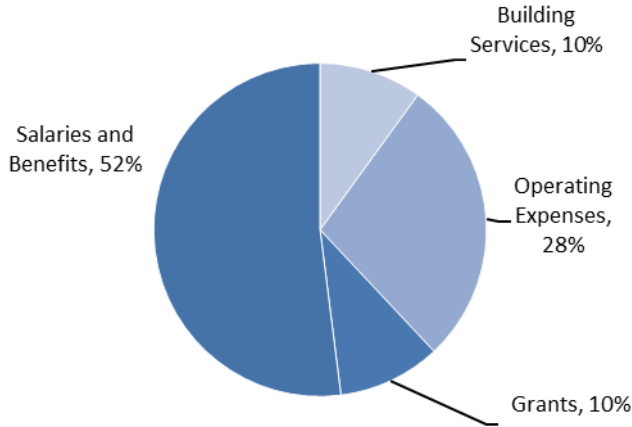
By sharing the stories of our state's past, MNHS's goal is to create community for all Minnesotans, whether new arrivals or those whose families have been in Minnesota for generations. MNHS supports the goal of having a well-informed citizenry that understands how people and events of the past have shaped the Minnesota of today.

BUDGET

Approximately two thirds of MNHS's funding comes from the State of Minnesota. MNHS delivers functions designated by law, such as preserving historic landmarks and resources, managing critical records and collections, and operating cultural destinations important to tourism. State support also includes capital funding to preserve historic buildings and construct new ones, as well as Legacy Amendment (Arts and Cultural Heritage Fund [ACHF]) support for new statewide history programs, including grants for local history organizations.

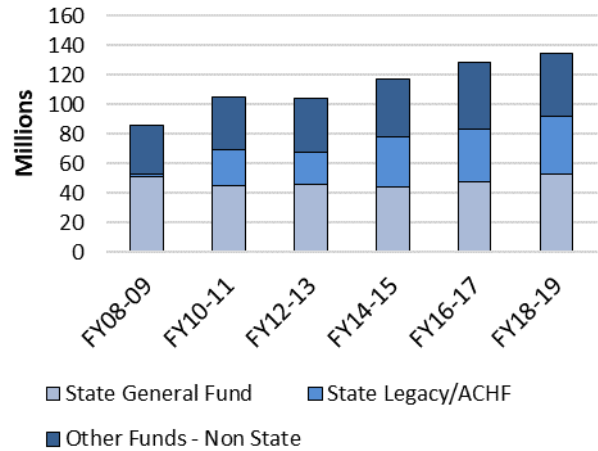
MNHS supplements state appropriations through private fundraising and earned revenue. Gifts from donors and members support everything from general operations and school field trips to important acquisitions, conservation work, and community outreach. Endowment funds give MNHS strength for today and tomorrow. Earned revenue from rental events, museum stores, admission fees, publication sales, and many other activities also provide a base of funding while keeping history accessible and at family-friendly prices.

Spending by Category FY 2019 Actual



Source: MNHS Audited Financial Statements

Historical Spending



Note: "Other Funds - Non State" includes admissions, fees, retail sales, memberships, and other donations. These funds do not pass through the state treasury.

Sources: Consolidated Fund Statement and MNHS Audited Financial Statements

STRATEGIES

- Collect and preserve Minnesota’s cultural heritage for today’s and future Minnesotans.
- Maintain and operate a network of historic sites and museums across the state to reach Minnesotans and visitors in order to share history where it happened
- Provide resources and training for teachers, and support and inspire students through participation in programs like National History Day
- Engage with diverse communities throughout Minnesota and reflect the diversity of Minnesotans in MNHS collections, programs, staffing, and governance
- Advance new efforts to collect and preserve digital materials that document the state’s history and culture
- Serve as a customer-oriented and accessible repository of state archival, documentary, photographic, archaeological, and museum collections

The MNHS Mission, Vision and Values can be found at: <http://www.mnhs.org/about/mission>

Minnesota Statutes, Chapter 138 provides guidance for administration of Minnesota’s history and historical organizations. (<https://www.revisor.mn.gov/statutes/?id=138&view=chapter>)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	29,194	23,568	22,968	23,518	23,518	23,518	23,918	24,218
2000 - Restrict Misc Special Revenue	121							
2301 - Arts & Cultural Heritage	17,733	21,280	14,763	24,773	2,437		2,437	
Total	47,048	44,848	37,731	48,291	25,955	23,518	26,355	24,218
Biennial Change				(5,873)		(36,549)		(35,449)
Biennial % Change				(6)		(42)		(41)
Governor's Change from Base								1,100
Governor's % Change from Base								2

Expenditures by Program

Historic Programs and Operations	40,696	44,527	37,410	47,970	25,634	23,197	26,034	23,897
Fiscal Agent	321	321	321	321	321	321	321	321
Historic Preservation	6,030							
Total	47,048	44,848	37,731	48,291	25,955	23,518	26,355	24,218

Expenditures by Category

Grants, Aids and Subsidies	47,048	44,848	37,731	48,291	25,955	23,518	26,355	24,218
Total	47,048	44,848	37,731	48,291	25,955	23,518	26,355	24,218

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
1000 - General								
Direct Appropriation	23,393	23,893	22,968	23,518	23,518	23,518	23,918	24,218
Open Appropriation	5,909							
Transfers Out	108	325						
Expenditures	29,194	23,568	22,968	23,518	23,518	23,518	23,918	24,218
Biennial Change in Expenditures				(6,276)		550		1,650
Biennial % Change in Expenditures				(12)		1		4
Governor's Change from Base								1,100
Governor's % Change from Base								2

2000 - Restrict Misc Special Revenue

Receipts	121							
Expenditures	121							
Biennial Change in Expenditures				(121)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2301 - Arts & Cultural Heritage

Balance Forward In	6,900	4,975	9,018	9,827	2,437		2,437	
Direct Appropriation	11,815	16,305	15,572	17,383	0	0	0	0
Transfers In	1,039				2,437		2,437	
Transfers Out	1,039				2,437		2,437	
Cancellations	22							
Balance Forward Out	960		9,827	2,437				
Expenditures	17,733	21,280	14,763	24,773	2,437		2,437	
Biennial Change in Expenditures				524		(37,099)		(37,099)
Biennial % Change in Expenditures				1		(94)		(94)
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2021 Appropriations	23,518	23,518	23,518	47,036
Forecast Base	23,518	23,518	23,518	47,036
Change Items				
Operating Adjustment		400	700	1,100
Total Governor's Recommendations	23,518	23,918	24,218	48,136
Fund: 2301 - Arts & Cultural Heritage				
FY2021 Appropriations	17,383	17,383	17,383	34,766
Base Adjustments				
One-Time Legacy Fund Appropriations		(17,383)	(17,383)	(34,766)
Forecast Base	17,383	0	0	0
Total Governor's Recommendations	17,383	0	0	0

Minnesota Historical Society

FY 2022-23 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	400	700	700	700
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	400	700	700	700
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$400,000 in FY 2022 and \$700,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Minnesota Historical Society (MNHS).

This represents a 2.3 percent increase over MNHS's FY 2022-2023 biennial state general fund base appropriation.

Rationale / Background:

This operating increase funds a portion of projected cost increases in the upcoming biennium. Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, IT, and legal services also grow. When salary and benefit costs increase without a commensurate increase in funding, those costs are absorbed through reductions in staffing levels, and therefore, programs and services delivered to the public are reduced. MNHS estimates that it will need to eliminate eight full-time equivalent (FTE) positions absent this additional funding.

MNHS's success is highly dependent on hiring, training, and retaining skilled staff, including museum professionals; educators and interpreters; archivists; and finance, human resources, facilities, and information technology positions. By investing in staff and providing a competitive compensation and benefit package, MNHS seeks to maintain its leadership role in bringing history to all Minnesotans.

The Minnesota Historical Society generates revenue from other sources in addition to state funding. In a typical year, state general funds support approximately 46 percent of the total salary and benefit costs for MNHS. Other funds – earned revenue, contributions, and memberships – support the remaining 54 percent. This funding recommendation is limited to state-funded salaries and related health care benefits.

State funding supports Library/Archives/Collections, Statewide Outreach activities, Historic Sites and Museums, educational programs for students and life-long learners, as well as shared services within MNHS.

This request will primarily support staffing of existing programs delivered statewide, rather than creating new programs. MNHS has focused its attention and existing resources on key strategic priorities, including serving educational needs and an increasingly diverse population in Minnesota, while delivering these programs via various digital methods whenever possible.

With this funding increase, MNHS will be able to continue meeting the demands of its users – including visitors on-line, in-person, or in classrooms across the State. In the highly unpredictable time of COVID-19, MNHS is adapting programs to rapidly changing conditions.

MNHS uses state funds to leverage non-state resources in order to deliver a stronger history program to all Minnesotans. Therefore, it is critical to maintain programs and services to continue generating non-state revenues. The converse is also true – if revenue generating services are reduced, such as open hours at historic sites and museums, earned revenue will decline, compounding reduced service levels. This recommended funding will support the generation of non-state revenue by maintaining levels of service across programs and facilities.

Proposal:

The Governor recommends increasing MNHS' operating budget to support the delivery of current services. For the MNHS, this funding will cover employee compensation growth.

Results:

This proposal is intended to allow the Minnesota Historical Society to continue to provide current levels of service and information to the public.

Program: Historic Programs and Operationswww.mnhs.org**AT A GLANCE**

- More than 1,000,000 in-person visitors to 26 sites statewide
- 4.3 million visits to our website, of which over 2.88 million are unique visitors
- Over 1,000,000 items in the collections are cared for and preserved for today's and future Minnesotans
- Provide service to 30,000 persons at History Center Library via in-person visits, telephone inquiries, classes, social media, and e-mail requests
- The Arts and Cultural Heritage Fund provided \$5.2 million through 219 grants awarded across Minnesota

PURPOSE AND CONTEXT

The Historic Programs and Operations program area is the main vehicle for MNHS's efforts to preserve history and deliver history programs to the people of Minnesota.

We serve the State of Minnesota and all Minnesotans, educators, schoolchildren, families, and life-long learners with a variety of services and products, including, but not limited to:

- State Archives – MNHS is statutorily responsible for working with state and local units of government to evaluate the historical importance of all of Minnesota's governmental records and arrange for their permanent preservation or disposal. This activity has experienced constant growth, and we continue to examine how best to handle records that are increasingly more complex and varied in their form and media format.
- Processing and conservation of materials selected for inclusion in MNHS' collections are organized, catalogued, and treated to ensure their long-term stability and usability.
- Maintenance and repair of historic sites including 152 buildings, many of which are more than 100 years old, 1,514 acres of land, and 23 miles of interpretive trails.
- *Northern Lights*, Minnesota's state social studies textbook, including an interactive digital edition, serves 57,000 students, or 80% of Minnesota's 6th graders.
- National History Day in Minnesota builds in-depth research and critical analysis skills as students research a topic related to an annual theme. Participants share their scholarship in one of five presentation categories and can enter their work into a series of competitive events. This program serves more than 25,000 students each year.
- Statewide teacher professional development programs served more than 700 participants during the most recent school year. Goals of the program include assisting teachers in meeting state academic standards, providing opportunities for teachers to deepen content knowledge, promoting the use of primary sources and multiple perspectives, and sharing MNHS' education resources.
- Historic sites, museum exhibits, and interpretive programs serve citizens statewide.

Further information about educational programs can be found at <http://education.mnhs.org>, including how MNHS programs help fulfill requirements of state-mandated academic standards for social studies.

MNHS also serves the life-long learning needs of seniors, family historians, and scholars through innovative public programs, the Gale Family Library at the Minnesota History Center, and on-line resources.

SERVICES PROVIDED

The Minnesota Historical Society preserves, and provides access to, evidence of Minnesota's past. This work is carried out for many different audiences, using a variety of methods. History happens in the following areas:

- Exhibits and Educational Programs (students and life-long learners)
- Education Outreach (History Day and youth history programs)
- Historic Sites and Museums (26 sites statewide)
- Heritage Preservation / Field Services & Grants
- Archaeology
- MNHS Press publishing
- Collections Management and Conservation
- Reference / Library
- State Archives
- Institutional Support (including Finance, Human Resources (including volunteers and interns), Inclusion & Community Engagement, Facilities, Strategic Communications, Development and Information Technology)

A full listing of MNHS functions and departments can be found at <http://www.mnhs.org>.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of visitors to History Center & sites	762,955	701,094	FY18, FY19
Quantity	Student visits	193,266	184,947	FY18, FY19

Minnesota Statutes, Chapter 138 provides guidance for administration of Minnesota's history and historical organizations. (<https://www.revisor.mn.gov/statutes/?id=138&view=chapter>)

Historic Programs and Operations

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<i>Expenditures by Fund</i>								
1000 - General	22,964	23,247	22,647	23,197	23,197	23,197	23,597	23,897
2301 - Arts & Cultural Heritage	17,733	21,280	14,763	24,773	2,437		2,437	
Total	40,696	44,527	37,410	47,970	25,634	23,197	26,034	23,897
Biennial Change				157		(36,549)		(35,449)
Biennial % Change				0		(43)		(42)
Governor's Change from Base								1,100
Governor's % Change from Base								2

Expenditures by Activity

General	22,964	23,247	22,647	23,197	23,197	23,197	23,597	23,897
Legacy	17,733	21,280	14,763	24,773	2,437		2,437	
Total	40,696	44,527	37,410	47,970	25,634	23,197	26,034	23,897

Expenditures by Category

Grants, Aids and Subsidies	40,696	44,527	37,410	47,970	25,634	23,197	26,034	23,897
Total	40,696	44,527	37,410	47,970	25,634	23,197	26,034	23,897

Historic Programs and Operations

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
1000 - General								
Direct Appropriation	23,072	23,572	22,647	23,197	23,197	23,197	23,597	23,897
Transfers Out	108	325						
Expenditures	22,964	23,247	22,647	23,197	23,197	23,197	23,597	23,897
Biennial Change in Expenditures				(367)		550		1,650
Biennial % Change in Expenditures				(1)		1		4
Governor's Change from Base								1,100
Governor's % Change from Base								2

2301 - Arts & Cultural Heritage

Balance Forward In	6,900	4,975	9,018	9,827	2,437		2,437	
Direct Appropriation	11,815	16,305	15,572	17,383	0	0	0	0
Transfers In	1,039				2,437		2,437	
Transfers Out	1,039				2,437		2,437	
Cancellations	22							
Balance Forward Out	960		9,827	2,437				
Expenditures	17,733	21,280	14,763	24,773	2,437		2,437	
Biennial Change in Expenditures				524		(37,099)		(37,099)
Biennial % Change in Expenditures				1		(94)		(94)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Fiscal Agent / Pass-through

AT A GLANCE

- Fiscal agent / Pass-through appropriations for various cultural organizations are processed by the Minnesota Historical Society at the request of the Minnesota legislature. Descriptions of project activities are provided by recipient organizations.

PURPOSE AND CONTEXT

At the request of the Minnesota Legislature, the Minnesota Historical Society handles funds for legislatively designated appropriations to a number of cultural organizations. These appropriations are not part of the MNHS operating budget.

SERVICES PROVIDED

MNHS disburses funds, as requested by the Legislature, to the following organizations:

Global Minnesota

Global Minnesota (formerly Minnesota International Center) connects individuals, organizations, and communities to the world. Through unique programs, Global Minnesota informs with relevant and timely information on international issues, foreign policy, and cultural topics and provides space and opportunities for Minnesotans to engage and discuss. A nonpartisan, nonprofit organization for nearly 65 years, Global Minnesota delivers programs that allow audiences to participate in international settings and for Minnesota to extend its influence around the globe, including 60 statewide foreign policy discussion groups, more than 30 global-themed public forums, and visits from nearly 400 international professionals through the U.S. Department of State.

Minnesota Air Guard Museum

The Minnesota Air Guard Museum serves as a community resource for the preservation of Minnesota's rich aviation history, especially its military history. The Museum offers activities and education for all ages. The private, nonprofit Minnesota Air National Guard Historical Foundation has the funding responsibility for the museum. The museum is located on the Minnesota Air National Guard Base at the Minneapolis/St. Paul International Airport. Currently 21 aircraft are displayed in an air park next to the museum.

The principal sources of financial support for the museum are: 1) the \$16,000 state biennial grant; 2) membership dues from approximately 500 members, and donations from museum visitors, tour groups, and organizations that hold events at the museum; and 3) private gifts and other grants.

US Hockey Hall of Fame

The United States Hockey Hall of Fame Museum is America's hockey showcase. Since 1973, the Hall has honored and recognized outstanding coaches, players, builders, and administrators who have contributed to the success and promotion of American Hockey. Visitors to the United States Hockey Hall of Fame Museum can experience the thrilling game action and inspiring achievements via physical displays, exhibits, video, theater, and memorabilia.

Eveleth, Minnesota has been designated "The Capital of American Hockey," and is known as the home of the United States Hockey Hall of Fame Museum because of its rich hockey traditions. Furthermore, the Iron Range and Minnesota in general have had significant impact on US Hockey.

Minnesota Agricultural Interpretive Center (MAIC) also known as Farmamerica

The governor and Minnesota state legislature commissioned the Minnesota Agricultural Interpretive Center (MAIC) in 1978 to preserve and promote the rich rural agricultural heritage of the state and its people. MAIC is a not-for-profit educational institution administered by a 15-member volunteer board of directors. The vision of the MAIC is to be the destination and primary resource where people and organizations can experience and learn about the history and the future of Minnesota Agriculture. The mission of the Minnesota Agricultural Interpretive Center is to create opportunities for children and adults to learn about Minnesota’s agricultural and environmental systems and how these systems provide food, fiber, and energy for the people of Minnesota and the world. MAIC maintains a 360-acre interpretive site and facilities located four miles west of Waseca.

At MAIC, the story of agriculture is being told through guided tours, hands-on learning experiences, festivals, and exhibitions. Visitors travel on a one-mile timeline road and become involved in activities as they move through the Prairie Interpretive Center, the pond/marsh, and to the settlement farm of the 1850s. The handicapped accessible walkway continues past the one-room schoolhouse, the country church, the 1920/1930s depression-era family dairy farm, the feed mill, and the blacksmith shop and town hall. New signage is underway to inform visitors about issues of the modern era. Visitors can also stop at the Agri-Hall Museum and the 1970s farmstead. In its 38-year history, MAIC has hosted hundreds of thousands of visitors. It is not uncommon to host 20,000 people each year through the school and group tours programs, outreach activities, and festivals throughout the year.

Minnesota Military Museum

The Minnesota Military Museum, located at Camp Ripley, is the primary outreach effort of the Military Historical Society of Minnesota Inc., a 501(c)(3) educational organization with a mission to "be Minnesota’s premier educational resource on military history and conflict resolution through exhibits and outreach efforts." The museum assists the Minnesota Historical Society as a resource to history organizations across the state and averages 15,000 visitors a year including 65 school and group tours.

The Museum is supported by the largest military-themed library in the state, a 500 cubic foot archival collection, and over 100,000 artifacts representing all branches of the military from Minnesota’s early years to the present. State support is essential as the museum receives no operational funding from the federal government, the military, or local governments. The organization raises roughly 70 percent of its operating revenue, primarily from museum store sales, small grants, and contributions from individuals, organizations, and businesses.

RESULTS

The Minnesota Historical Society is responsible for disbursing funds to these five organizations and collecting an annual report from each of the organizations, describing how funds were spent. MNHS does not receive an administrative fee for administering these funds, since, at this level of funding and with this number of organizations, minimal staffing is required.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of pass-through organizations	5	5	FY18-19, FY20-21

Fiscal Agent

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	321	321	321	321	321	321	321	321
Total	321	321	321	321	321	321	321	321
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Activity</u>								
Fiscal Agent	321	321	321	321	321	321	321	321
Total	321	321	321	321	321	321	321	321
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	321	321	321	321	321	321	321	321
Total	321	321	321	321	321	321	321	321

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
1000 - General								
Direct Appropriation	321	321	321	321	321	321	321	321
Expenditures	321	321	321	321	321	321	321	321
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Historic Preservation

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23	
<u>Expenditures by Fund</u>						
1000 - General	5,909					
2000 - Restrict Misc Special Revenue	121					
Total	6,030					
Biennial Change				(6,030)	0	
Biennial % Change						
<u>Expenditures by Activity</u>						
Historic Preservation	6,030					
Total	6,030					
<u>Expenditures by Category</u>						
Grants, Aids and Subsidies	6,030					
Total	6,030					

Historic Preservation

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23	
1000 - General						
Open Appropriation	5,909					
Expenditures	5,909					
Biennial Change in Expenditures				(5,909)		0
Biennial % Change in Expenditures						
2000 - Restrict Misc Special Revenue						
Receipts	121					
Expenditures	121					
Biennial Change in Expenditures				(121)		0
Biennial % Change in Expenditures						