

# **LSC Greenbook**

**Analysis of the Enacted Budget**

**Ohio Historical Society**

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## **ATTACHMENT:**

Budget Spreadsheet By Line Item

# Ohio Historical Society

- Appropriations of \$7.9 million in each fiscal year are 37.7% below FY 2009 spending levels
- Continuing initiatives to find local partners to manage state historic sites
- All state support for OHS is through the GRF

## OVERVIEW

### Agency Overview

The Ohio Historical Society (OHS) is a state-chartered nonprofit corporation dedicated to the preservation, interpretation, and study of Ohio's history. While the society is not a state agency, it receives general revenue funds for purposes prescribed in state law, including the operation of the Ohio Historical Center, the State Archives, the Ohio Historic Preservation Office, and the maintenance of designated state historic sites and museums. OHS also acts as the state's lead entity for federal historic preservation programs delegated to the state through the National Historic Preservation Act. OHS is governed by a Board of Trustees consisting of 21 members, including nine appointed by the Governor.

### Appropriation Overview

Appropriations by Fund Group, FY 2010-FY 2011					
Fund Group	FY 2009	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Revenue	\$12,724,266	\$7,932,431	-37.7%	\$7,932,431	0.0%
<b>TOTAL</b>	<b>\$12,724,266</b>	<b>\$7,932,431</b>	<b>-37.7%</b>	<b>\$7,932,431</b>	<b>0.0%</b>

\*FY 2009 figures represent actual expenditures.

As the table above shows, the budget appropriates about \$7.9 million each fiscal year in state support for the Historical Society, amounts that are 37.7% below FY 2009 expenditures of \$12.7 million. The entirety of this amount is supported by the GRF.

Typically, OHS derives about two-thirds of its funding from state appropriations, with the remainder coming from nonstate sources. In FY 2008, state GRF and capital funding comprised 68.3% of OHS's total support, or \$15.1 million out of \$22.0 million. Slightly under \$7.0 million was derived from outside sources. In FY 2009, state support amounted to 67.3% of total funding (\$14.7 million out of \$21.8 million), while OHS collected approximately \$7.1 million in nonstate revenues, over half of which was derived from governmental grants and contracts and private contributions and support. The remainder is comprised of various sources of operating income, such as admissions and parking fees, program service income, sales,

memberships and subscriptions, fees for facilities use and special events, and other sources.

OHS has experienced significant staff reductions in recent years due to reductions in state funding and a downturn in other sources of revenue. In the FY 2010-FY 2011 biennium, OHS is expecting to undertake further staff reductions, cutting back from 230 employees in June 2009 to 184 by December 31, 2009.

## **Major Initiatives**

### **Management of Historic Sites**

A main area of focus for OHS in the FY 2010-FY 2011 biennium is the management of its 58 designated state historic sites. As of August 2009, OHS has reached agreements with local partners for the management of 34 of these sites. Such entities include friends groups, local governments, local historical societies, and other organizations. During the current biennium, OHS intends to continue to find partners for the remaining sites and enter negotiations for partnership agreements that will allow local entities to oversee the management of each site. Sites considered for partnership status include historic homes and museums, roadside parks and monuments, and archaeological sites. Under these partnership agreements, OHS or the state would still maintain ownership of a site, but day-to-day operations would be ceded to staff or volunteers from the local partner organization, as would most maintenance and utility costs.

### **Collections, Exhibits, and State Archives**

OHS is also pursuing ways to maximize the cost effectiveness of its collection displays, exhibits, and access to the State Archives. OHS intends to reduce or cancel the use of rented exhibits at the Ohio Historical Center in order to reduce the costs of installing and operating such exhibits. Instead, the Society plans to create more of its own smaller-scale content and is exploring the possibility of creating exhibitions that can be both put on display at the Historical Center and also be transported to locations around the state. Another plan under consideration is placing some of its currently warehoused collections on public display to fill space that would otherwise be taken up by larger rented exhibitions. While OHS anticipates that this may reduce revenues from admissions to see popular traveling exhibits, the Society also believes a reduction in large rental, installation, and operating costs will offset any potential loss.

Because of budget limitations in recent years, the Society has drastically cut back the operations of the State Archives to the point that public access has only been available a limited number of hours each week. Under the budget, OHS will continue such reduced access to the State Archives. As a potential solution to this funding problem, OHS is entering discussions with local governments about the possibility of

instituting a records fee for archiving local government records; however, this concept is only in the preliminary stages and is not expected to come to fruition within the biennium.

### **Historic Preservation Tax Credit**

OHS is anticipating a greater workload for the Ohio Historic Preservation Office (OHPO) in the upcoming biennium due to an increase in applications for the state and federal Historic Preservation Tax Credits, for which OHPO provides historical review services to determine the eligibility of structures under the programs. The state program is operated by the Ohio Department of Development (ODOD) while the federal program is overseen by the U.S. Department of the Interior. Although Ohio is already ranked third in the United States in the number of federal Historic Preservation Tax Credit projects, the number of applications for both the state and federal credits is expected to grow as a result of economic stimulus programs at both levels of government. While the primary source of funding for the OHPO is federal, OHS is pursuing nonstate and nonfederal fundraising opportunities to support the operations of the office.

### **Outreach and Education Initiatives**

Beginning in FY 2010, OHS has a dedicated line item for its outreach and educational partnership programs through GRF funds appropriated to line item 360509, Outreach and Partnerships. Nevertheless, approximately 75% of the Society's outreach costs are provided through nonstate sources. Concerning the state appropriations, the budget redirects funds that were formerly accounted for in OHS's collections and site management line items for the purposes of pursuing further programs that provide outreach to schools, local history organizations, and others.

## ANALYSIS OF ENACTED BUDGET

The seven appropriation items in the Ohio Historical Society budget provide services to manage collections and historic sites, operate historic preservation, education, and outreach services, and provide pass-through grant funding to history-oriented organizations statewide. The appropriations for these purposes in FY 2010-FY 2011 are shown in the table below. Following the table, a narrative describes how each appropriation is used and any changes enacted by H.B. 1. Line items are presented in the same order they appear in the budget act.

<b>Appropriations for the Ohio Historical Society</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	360501	Education and Collections	\$2,304,228	\$2,304,228
GRF	360502	Site and Museum Operations	\$3,791,149	\$3,791,149
GRF	360504	Ohio Preservation Office	\$228,246	\$228,246
GRF	360505	National Afro-American Museum	\$414,798	\$414,798
GRF	360506	Hayes Presidential Center	\$281,043	\$281,043
GRF	360508	State Historical Grants	\$420,420	\$420,420
GRF	360509	Outreach and Partnership	\$492,547	\$492,547
<b>General Revenue Fund Subtotal</b>			<b>\$7,932,431</b>	<b>\$7,932,431</b>
<b>Total Funding: Ohio Historical Society</b>			<b>\$7,932,431</b>	<b>\$7,932,431</b>

### Education and Collections (360501)

This line item, renamed from "Operating Subsidy" under H.B. 1 due to efforts by OHS to align its budget with its programmatic activities, supports the maintenance of the Ohio Historical Society's collections of historical documents and artifacts, including the State Archives, and the development of educational content and programs, including the Ohio History Central web site, distance learning activities, and other multimedia educational content. These funds also support activities including workshops and seminars for local governments, genealogists, archivists, and archaeologists. The appropriation of approximately \$2.3 million in each fiscal year is 32.4% below FY 2009 spending of \$3.4 million for these purposes. Of the appropriated amount, the budget includes temporary law that earmarks \$910,459 in each fiscal year for the State Archives, Library, and Artifact Collections programs.

### Site and Museum Operations (360502)

This line item supports the operation and maintenance of 58 state historic sites, including the Ohio Historical Center and Ohio Village. Sites designated as state historic sites include those with national, international, state, and local significance in the areas

of political, military, natural, and archaeological history. OHS estimates that there were approximately 345,000 visits to state historic sites in FY 2008, the most recent data available to LSC. Currently, 34 of these sites are managed by local partners under agreements with OHS. During the FY 2010-FY 2011 biennium, OHS intends to pursue further partnership agreements with local entities in order to reduce direct costs the Society incurs to manage historic sites. The budget appropriates \$3.8 million in each fiscal year for this line item to support staffing and maintenance for nonpartnership sites, technical assistance to local organizations for marketing, collections care, and other services, and the operations of the Ohio Historical Center.

### **Ohio Preservation Office (360504)**

The Ohio Historic Preservation Office is charged with historic preservation responsibilities under federal and state law, including nominating properties for the National Register of Historic Places, and also administers the historical review process for applicants to the state and federal Historic Preservation Tax Credit programs. OHS reviews the historic significance of buildings for consideration under the programs and applies standards in accordance with guidelines laid out by the U.S. Department of the Interior. Under H.B. 1, the Office receives appropriations of \$228,246 in each fiscal year for these purposes. OHS anticipates making staff and service reductions at this funding level due to decreases in the availability of GRF funding as well as a decline in federal funds to support the Office's activities. Regardless, OHS anticipates a larger workload for the Office due to expanding interest in the Historic Preservation Tax Credit and projects supported by federal stimulus funds that require historical reviews.

### **National Afro-American Museum (360505)**

This line item provides state support to the National Afro-American Museum and Cultural Center (NAAMCC), located in Wilberforce. NAAMCC provides exhibits and educational programs on African-American history and culture. H.B. 1 provides appropriations of \$414,798 in each fiscal year for this line item, 37.5% below FY 2009 spending of \$664,129. According to OHS, this funding level will require a reduction in the hours that NAAMCC is open to the public, which in turn will reduce the revenue generated by the facility. In partial response to reduced funding in recent years, NAAMCC is in the process of shifting its focus toward a regional focus of African-American heritage. To this end, OHS is exploring the possibility of transferring some collections to the National Museum of African-American History and Culture in Washington, D.C.

### **Hayes Presidential Center (360506)**

This line item provides operating support to the Rutherford B. Hayes Presidential Center in Fremont, which includes the Hayes residence, a library, museum, and the tomb of Hayes and his wife. According to OHS, the Center receives approximately 37,000 visitors annually. The Center is operated independently from

OHS but is owned by the state and receives a state subsidy from this line item. Under H.B. 1, the amount appropriated for this purpose is \$281,043 in each fiscal year, 37.9% below FY 2009 expenditures of \$452,490. At this level, the Center is exploring reducing the portion of employee benefits covered by these funds, a possible staff reduction, the sale of the Dillon House, and the possibility of closing at least one day per week. The budget act includes a temporary law provision allowing all or part of the operations and maintenance of the Hayes Presidential Center to be transferred to the U.S. National Park Service or other federal government agency if such an agency chooses to do so.

### **State Historical Grants (360508)**

This line item typically serves as a pass-through for grants to local entities appropriated by the General Assembly. However, H.B. 1 does not include any earmarks for such grants as in past budgets. The act appropriates \$420,420 for this line item, which OHS will use instead to supplement GRF line item 360501, Education and Collections.

### **Outreach and Partnerships (360509)**

OHS will use this newly created line item to fund activities that provide schools and local history organizations around the state with outreach, curriculum, and professional development support. Activities include National History Day in Ohio, the case history program for K-12 classrooms, the Buckeye Council for History Education, and others. This line item will also provide support for OHS's role in coordinating activities to mark the sesquicentennial of the Civil War. H.B. 1 appropriates \$492,547 in each fiscal year for these purposes.

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**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

<b>Line Item Detail by Agency</b>			<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010 Appropriations</b>	<b>% Change FY09 - FY10</b>	<b>FY 2011 Appropriations</b>	<b>% Change FY10 - FY11</b>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>OHS Ohio Historical Society</b>								
GRF	360501	Education and Collections	\$ 3,576,259	\$ 3,406,394	\$ 2,304,228	-32.36%	\$ 2,304,228	0.00%
GRF	360502	Site and Museum Operations	\$ 8,331,745	\$ 7,153,984	\$ 3,791,149	-47.01%	\$ 3,791,149	0.00%
GRF	360504	Ohio Preservation Office	\$ 409,166	\$ 365,442	\$ 228,246	-37.54%	\$ 228,246	0.00%
GRF	360505	National Afro-American Museum	\$ 739,786	\$ 664,129	\$ 414,798	-37.54%	\$ 414,798	0.00%
GRF	360506	Hayes Presidential Center	\$ 504,037	\$ 452,490	\$ 281,043	-37.89%	\$ 281,043	0.00%
GRF	360508	State Historical Grants	\$ 835,940	\$ 681,827	\$ 420,420	-38.34%	\$ 420,420	0.00%
GRF	360509	Outreach and Partnership	\$0	\$0	\$ 492,547	N/A	\$ 492,547	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 14,396,933</b>	<b>\$ 12,724,266</b>	<b>\$ 7,932,431</b>	<b>-37.66%</b>	<b>\$ 7,932,431</b>	<b>0.00%</b>
<b>Ohio Historical Society Total</b>			<b>\$ 14,396,933</b>	<b>\$ 12,724,266</b>	<b>\$ 7,932,431</b>	<b>-37.66%</b>	<b>\$ 7,932,431</b>	<b>0.00%</b>