

LSC Redbook

Analysis of the Executive Budget Proposal

Ohio Historical Society

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Ohio Historical Society

- Appropriations of \$7.4 million in each fiscal year are 7.1% below FY 2011 levels
- 48 historic sites now managed in cooperation with partner organizations
- 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 the state's network of designated 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. Through these various channels, OHS operates educational programming, manages historical collections, and provides other services to promote the preservation, investigation, and appreciation of Ohio's historical and archaeological heritage. OHS is governed by a board of trustees currently consisting of 19 members, as well as 12 ex officio members that include members of state history groups, legislative leaders, and members of the Governor's cabinet.

Staffing

OHS currently employs a staff of 177 full-time equivalent (FTE) employees, led by the Executive Director, who is appointed by the Board. This is a 5.8% decrease from the 188 FTEs employed in FY 2010. Of the current 177 FTEs, 94 are supported by state GRF funds and 83 are paid from other OHS revenues. As shown in Table 1 below, the number of GRF-paid employees is expected to decrease to 90 in FY 2012 and FY 2013, while the number paid from other sources will increase to 87.

Funding Source	FY 2010	FY 2011	FY 2012 Estimate	FY 2013 Estimate
GRF	105	94	90	90
Nonstate Revenues	83	83	87	87
Total	188	177	177	177

OHS has experienced significant staff reductions in recent years due to limited funding from the state and a downturn in other sources of revenue, as well as initiatives to partner with local organizations and other third parties to manage historic sites. As OHS pursues partnerships with local entities for management of these sites, it is attempting to reduce its own site expenses by reducing staff to a minimum level required for maintenance and upkeep. Generally, employees that were formerly paid by OHS for these duties are now paid by local partner organizations that have entered into agreements with the Society to manage these sites.

Appropriation Overview

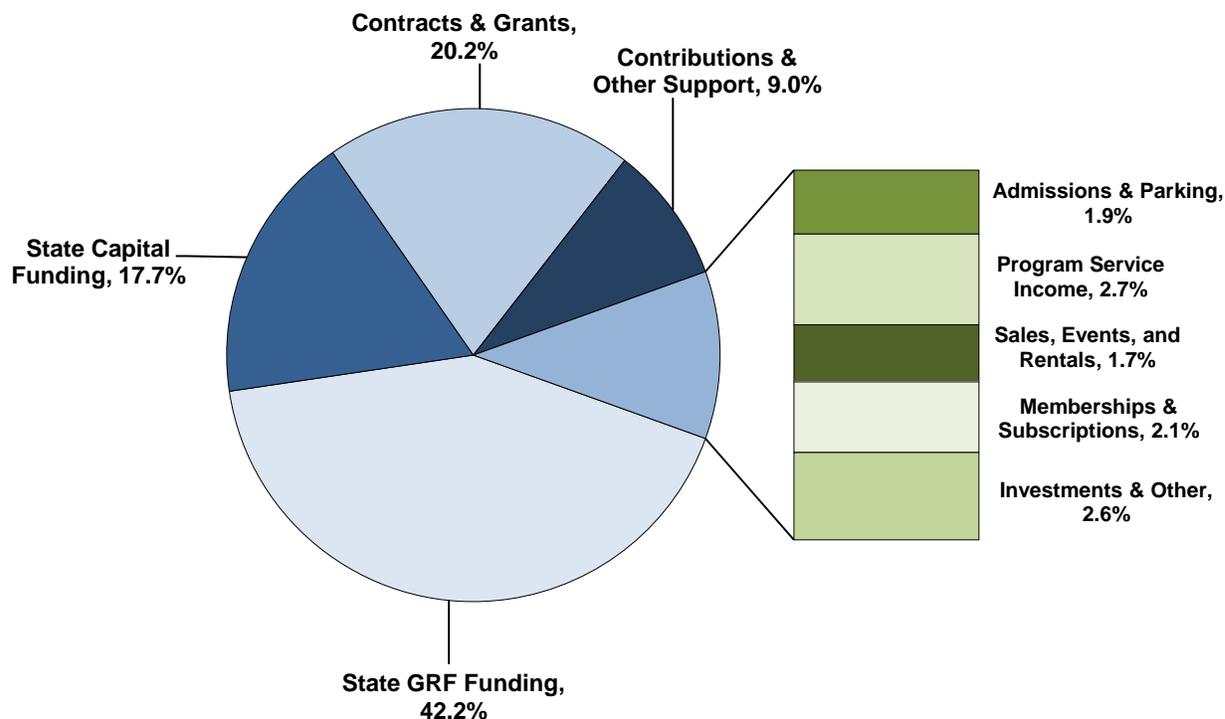
The executive proposal recommends just under \$7.4 million in each fiscal year for OHS. The entirety of this amount is supported by the GRF. The proposed funding for FY 2012 and FY 2013 represents levels that are 7.1% below FY 2011 adjusted appropriations of approximately \$7.9 million, as seen in Table 2.

Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$7,932,431	\$7,371,521	-7.1%	\$7,371,521	0.0%
TOTAL	\$7,932,431	\$7,371,521	-7.1%	\$7,371,521	0.0%

*FY 2011 figures represent actual appropriations for the fiscal year.

Typically, OHS derives over half of its funding from state appropriations, with the remainder coming from nonstate sources. In FY 2010, OHS reported total revenue and support of \$17.2 million, of which state funds comprised \$10.3 million (59.9%), including dollars appropriated through the Cultural Facilities Commission in the state capital budget. Nonstate income is derived from federal grants and contracts and private contributions, as well as operating revenues such as admissions and parking fees, program service charges, sales, memberships and subscriptions, fees for special events and the use of facilities, and other sources. Chart 1 displays a breakdown of all funding sources for OHS in FY 2010.

Chart 1: Ohio Historical Society Revenue and Support, FY 2010
(\$17.2 million total)



Major Initiatives

Collections Learning Center

OHS recently began work on renovations to exhibit space in the Ohio Historical Center that will update the facility as a Collections Learning Center. The project is expected to be completed over the course of three years and will replace current permanent exhibit space with visible storage of OHS's collections of three-dimensional artifacts. State capital funding totaling \$415,000 was appropriated for the project through the Ohio Cultural Facilities Commission in H.B. 462 of the 128th General Assembly, the capital reappropriations bill for FY 2011 and FY 2012.

Management of Historic Sites

In the FY 2012-FY 2013 biennium, OHS will continue its policy of operating historic sites by partnering with local organizations or other third parties. Currently, a total of 48 sites are managed in cooperation with outside groups. Of these, OHS has entered into management agreements with 39 local organizations to manage 44 sites. The remaining four sites are nature preserves or archaeological sites managed in cooperation with the Department of Natural Resources. In addition to these locations,

OHS staffs two additional sites, the Johnston Farm and Indian Agency in Piqua, Miami County, and the Wahkeena Nature Preserve in Fairfield County. During FY 2012 and FY 2013, OHS intends to continue pursuing local partnerships to manage these sites.

Recommendations of the Legislative Commission on the Education and Preservation of State History

The Legislative Commission on the Education and Preservation of State History was created by H.B. 1 of the 128th General Assembly, the main operating budget for the FY 2010-FY 2011 biennium. The Commission was charged with reviewing the state of historic preservation and education services provided by OHS, the Western Reserve Historical Society, and the Cincinnati Museum Center. The Commission issued its report in September of 2010, which contained a number of recommendations for OHS and other historical organizations to improve funding, efficiency, and service delivery. These include a mix of measures that would require legislative approval, as well as recommendations for action by OHS and other history groups. The recommendations include such items as the creation of an OHS operational endowment fund, an Ohio History license plate, and an income tax check-off for historic preservation activities.

ANALYSIS OF EXECUTIVE PROPOSAL

The six GRF line items in the OHS budget are used to manage collections and historic sites and support historic preservation, education, and outreach services. The Governor's recommended funding for these purposes in FY 2012-FY 2013 are shown in the table below.

Governor's Recommended Amounts for the Ohio Historical Society				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	360501	Education and Collections	\$2,368,997	\$2,368,997
GRF	360502	Site and Museum Operations	\$3,926,288	\$3,926,288
GRF	360504	Ohio Preservation Office	\$290,000	\$290,000
GRF	360505	National Afro-American Museum	\$414,798	\$414,798
GRF	360506	Hayes Presidential Center	\$281,043	\$281,043
GRF	360509	Outreach and Partnership	\$90,395	\$90,395
Total Funding: Ohio Historical Society			\$7,371,521	\$7,371,521

Education and Collections (360501)

The executive recommendation of approximately \$2.4 million in each fiscal year for this line item is 2.8% above the FY 2011 appropriation of \$2.3 million. Approximately \$540,000 of these funds in each fiscal year will provide the entirety of the funding for the State Archives, records digitization, and research services. About \$1.4 million annually will cover indirect administrative costs, such as financial management, information technology, human resources, public relations, and other such functions. The remainder of this line item will provide 50% of the support for preservation of and access to the state's collections of historical documents and artifacts and associated indirect costs. The other 50% of funding for these activities will come from nonstate sources.

In the FY 2010-FY 2011 biennium, this line item was supplemented by appropriations of about \$420,000 in each fiscal year to line item 360508, State Historical Grants, under H.B. 1 of the 128th General Assembly. Line item 360508 is eliminated in the executive budget proposal for FY 2012 and FY 2013.

Site and Museum Operations (360502)

This line item supports the operation and maintenance of 56 of 58 state historic sites, including 54 individual sites located throughout the state and the Ohio Historical Center and Ohio Village in Columbus (the National Afro-American Museum and the Hayes Presidential Center are also designated as state historic sites but receive separate line item appropriations in the OHS budget). Sites designated as state historic sites

include those with state, local, national, and international significance in the areas of political, military, natural, and archaeological history. In all, there were over 350,000 visits to state historic sites in FY 2010. At the end of FY 2010, 48 of these sites were managed by or in cooperation with third parties under partnership agreements with OHS.

The executive recommendation provides \$3.9 million in each fiscal year for this line item, a 3.6% increase over the FY 2011 appropriation of about \$3.8 million. Approximately \$1.9 million of this amount will be used in each year to fund OHS staff support to partner organizations for various activities including curatorial services, technical assistance, maintenance support, and marketing, as well as direct subsidies to local site managers, as well as two OHS-staffed sites for which partnership agreements are being sought. About \$326,000 in each fiscal year will be used to provide access and programs at the Ohio Historical Center, while \$1.7 million will be used for operating costs such as utilities, maintenance, and security at the Historical Center and the OHS collections storage facility.

Ohio Preservation Office (360504)

The Ohio Historic Preservation Office (OHPO) is the division of OHS that carries out historic preservation responsibilities under federal and state law. These functions include nominating properties for the National Register of Historic Places, maintaining inventories of historically and archaeologically significant properties, administering historical reviews for the federal Rehabilitation Tax Credit and the state Historic Preservation Tax Credit programs, conducting Section 106 historical reviews of projects receiving federal funds, and administering Ohio's portion of the National Park Service's Certified Local Government Program. OHPO would receive appropriations of \$290,000 in each fiscal year under the executive proposal, 27.1% above FY 2011 appropriations of \$228,246.

Even with this increase in state funding, OHS is not expected to meet the federal matching requirement to receive its full share of support from the National Park Service's Historic Preservation Fund, which requires a 60%-40% federal-state match. In FY 2010, Ohio was awarded a Historic Preservation Fund grant of just under \$1.1 million, which would have required a state match of approximately \$729,000, or 40% of the state-federal total of about \$1.8 million. A similar federal award is expected in FY 2012, pending federal budget legislation. The executive recommended amount of \$290,000 in each fiscal year represents 39.7% of the required state match at the FY 2010 Historic Preservation Fund award level.

National Afro-American Museum (360505)

This line item provides state support to the National Afro-American Museum and Cultural Center, located in Wilberforce, Greene County. The museum provides

exhibits and educational programs on African-American history and culture, and in recent years has narrowed its mission from a national scope to focus on Ohio and the Northwest Territory. The museum had over 8,600 visitors in 2010. The executive recommendation provides funding of \$414,798 in each fiscal year, flat funding the line item at the FY 2011 level. The state support will fund 90% of the museum's total operating costs.

Hayes Presidential Center (360506)

This line item provides a pass-through subsidy for the Rutherford B. Hayes Presidential Center in Fremont, Sandusky County. The Center includes the Hayes residence, a library, museum, and the tomb of President Hayes and his wife. The home and museum had a combined total of over 36,000 visitors in 2009. The Center is operated independently from OHS but is owned by the state. The executive proposal recommends funding of \$281,043 in each fiscal year for the Hayes Presidential Center, the same as the amount appropriated in FY 2011. This amount is expected to support 20% of the Center's total operating expenses. Other funding for the Center comes from admissions and private foundations. At this level of state support, the Center is closed one day per week and operates at reduced hours.

The executive proposal 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.

Outreach and Partnership (360509)

This line item is used to support OHS's Local History Office, which provides assistance to local historical societies and history-related groups and manages the state's historical markers program. The executive recommendation provides \$90,395 in each fiscal year, an 81.6% decrease from estimated FY 2011 expenditures of \$492,547 for these purposes. Overall, the amounts recommended by the executive will support 50% of the operating costs of the Local History Office in the upcoming biennium.

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Ohio Historical Society

General Revenue Fund

GRF 360501 Education and Collections

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$3,576,259	\$3,406,394	\$2,304,228	\$2,304,228	\$2,368,997	\$2,368,997
	-4.7%	-32.4%	0.0%	2.8%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 149.30; Section 295.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to maintain the collections of the Ohio Historical Society, including historical artifacts, specimens, and the State Archives. These funds also support the development of educational content and programs, such as school, summer camp, and distance learning programs, the Ohio History Central web site, and resources for researchers, archivists, and genealogists.

GRF 360502 Site and Museum Operations

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,331,745	\$7,153,984	\$3,791,149	\$3,791,149	\$3,926,288	\$3,926,288
	-14.1%	-47.0%	0.0%	3.6%	0.0%

Source: General Revenue Fund

Legal Basis: Section 295.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This appropriation item supports operational costs, including personnel, maintenance, and promotions, for 56 of the state's 58 historic sites, including the Ohio Historical Center and Ohio Village. This line item funds OHS-operated sites as well as provides limited operating support for 48 sites managed in cooperation with local partners.

Ohio Historical Society

GRF 360504 Ohio Preservation Office

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$409,166	\$365,442	\$228,246	\$228,246	\$290,000	\$290,000
	-10.7%	-37.5%	0.0%	27.1%	0.0%

Source: General Revenue Fund

Legal Basis: Section 295.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This appropriation item supports the Ohio Historic Preservation Office, which manages preservation programs in accordance with state and federal law. These include reviewing applications for state and federal preservation tax credits, cataloging historic properties, nominating sites for the National Register of Historic Places, and providing historical reviews and technical assistance to federally funded projects to ensure compliance with federal preservation requirements. These funds are also used to provide a state match in order to draw down support from the federal Historic Preservation Fund.

GRF 360505 National Afro-American Museum

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$739,786	\$664,129	\$414,798	\$414,798	\$414,798	\$414,798
	-10.2%	-37.5%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 149.302; Section 295.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. H.B. 658 of the 109th G.A.)

Purpose: This appropriation item is used to support the operations of the National Afro-American Museum and Cultural Center in Wilberforce. In partial response to reduced funding in recent years, the Center has narrowed its focus to the African-American heritage of Ohio and the Northwest Territory.

Ohio Historical Society

GRF 360506 Hayes Presidential Center

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$504,037	\$452,490	\$281,043	\$281,043	\$281,043	\$281,043
	-10.2%	-37.9%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 295.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This appropriation item is used for operation expenses at the Hayes Presidential Center in Fremont. The Center consists of Rutherford B. Hayes' residence, a library, a museum, and the tomb of Hayes and his wife. The Center is independently operated and also receives moneys from an endowment fund. Associated temporary law allows for the Center to be transferred to the National Park Service or other federal government agency.

GRF 360508 State Historical Grants

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$835,940	\$681,827	\$420,420	\$420,420	\$0	\$0
	-18.4%	-38.3%	0.0%	-100%	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This appropriation item provided pass-through funding for local historical projects and institutions.

GRF 360509 Outreach and Partnership

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$492,547	\$492,547	\$90,395	\$90,395
	N/A	N/A	0.0%	-81.6%	0.0%

Source: General Revenue Fund

Legal Basis: Section 295.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item provides funds for the Ohio Historical Society's activities to provide schools and local history organizations around the state with outreach, curriculum, and professional development support.

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
OHS Ohio Historical Society								
GRF	360501	Education and Collections	\$ 2,304,228	\$ 2,304,228	\$ 2,368,997	2.81%	\$ 2,368,997	0.00%
GRF	360502	Site and Museum Operations	\$ 3,791,149	\$ 3,791,149	\$ 3,926,288	3.56%	\$ 3,926,288	0.00%
GRF	360504	Ohio Preservation Office	\$ 228,246	\$ 228,246	\$ 290,000	27.06%	\$ 290,000	0.00%
GRF	360505	National Afro-American Museum	\$ 414,798	\$ 414,798	\$ 414,798	0.00%	\$ 414,798	0.00%
GRF	360506	Hayes Presidential Center	\$ 281,043	\$ 281,043	\$ 281,043	0.00%	\$ 281,043	0.00%
GRF	360508	State Historical Grants	\$ 420,420	\$ 420,420	\$ 0	-100.00%	\$ 0	N/A
GRF	360509	Outreach and Partnership	\$ 492,547	\$ 492,547	\$ 90,395	-81.65%	\$ 90,395	0.00%
General Revenue Fund Total			\$ 7,932,431	\$ 7,932,431	\$ 7,371,521	-7.07%	\$ 7,371,521	0.00%
Ohio Historical Society Total			\$ 7,932,431	\$ 7,932,431	\$ 7,371,521	-7.07%	\$ 7,371,521	0.00%