

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 \$8.1 million in FY 2014 and \$8.6 million in FY 2015
- Ohio History Fund supported by income tax refund donations
- Most state funding 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 History 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 17 members, as well as 12 ex officio members that include members of state history groups, legislative leaders, and members of the Governor's cabinet. After undergoing substantial staffing reductions since FY 2008, OHS currently employs a staff of 172 full-time equivalent (FTE) employees, led by the Executive Director, who is appointed by the Board.

Appropriation Overview

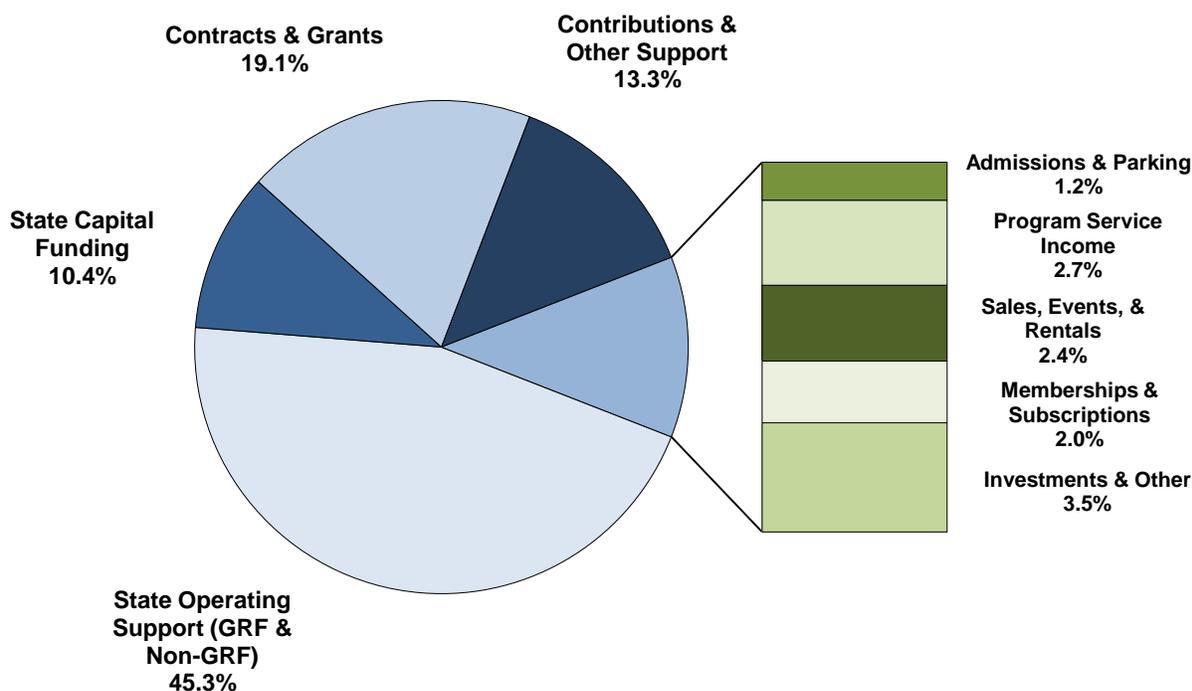
The executive proposal for OHS recommends appropriations totaling \$16.7 million over the FY 2014-FY 2015 biennium, of which about 97% is supported by the GRF. The remainder represents income tax refunds donated by taxpayers, which are deposited into the Ohio History Tax Check-off Fund (Fund 5KL0) to support the History Fund Grant Program. Table 1 shows OHS's proposed FY 2014-FY 2015 budget by fund group.

Table 1. Executive Budget Recommendations by Fund Group, FY 2014-FY 2015					
Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
General Revenue	\$7,762,091	\$7,871,521	1.4%	\$8,371,521	6.4%
Agency	\$292,500	\$250,000	-14.5%	\$250,000	0.0%
TOTAL	\$8,054,591	\$8,121,521	0.8%	\$8,621,521	6.2%

*FY 2013 figures represent estimated expenditures.

Typically, OHS derives over half of its funding from state appropriations, with the remainder coming from nonstate sources. In FY 2012, OHS reported total revenue and support of \$17.4 million, of which state funds comprised \$9.7 million (55.8%), 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 2012.

Chart 1: Ohio Historical Society Revenue and Support, FY 2012
 (\$17.4 million total)



Use of Reserves

From FY 2008 to FY 2013, state funding for OHS decreased by approximately 40%, from about \$13.6 million to just under \$8.1 million, and its staff was reduced from 254 to 172 during the same period. As a result, OHS's Board of Trustees authorized the Society to dip into approximately \$2.4 million of its private reserve funds, derived from philanthropic contributions and other private sources, to support the operations of the Ohio History Center and Ohio Village, State Archives, collections programs, and

historic sites between FY 2010 and FY 2012. The Board has authorized the use of an additional \$1.0 million in reserves in FY 2013 and \$500,000 in FY 2014.

Major Initiatives

History Fund Grant Program

In 2010, the Legislative Commission on the Education and Preservation of State History recommended the creation of an income tax check-off by which Ohio taxpayers could donate a portion of their refunds to OHS. This came to fruition in H.B. 153 of the 129th General Assembly, the main operating budget for FY 2012 and FY 2013. OHS is using the proceeds of this tax check-off to administer a competitive grant program, which will provide local history organizations, nonprofit organizations, and local governments with funding to engage in projects that support historic preservation and education. The first round of applications to the program, administered by OHS's Local History Office, were received in the fall of 2012, with the first round of awards expected to be announced in February 2013.

Ohio History Center and Ohio Village

In the FY 2012-FY 2013 biennium, OHS completed substantial renovations to exhibit space and created a new Welcome Lobby area in the Ohio History Center that updated the facility and provided for new exhibitions to be put on display. These projects were completed with a combination of state capital funding appropriated through the Cultural Facilities Commission and contributions from the American Electric Power Foundation. Additionally, OHS was able to reopen Ohio Village to the public on a regular basis after maintaining limited access for school groups and special events since 2003.

Local Management of Historic Sites

Over the past several years, OHS has engaged with local organizations to manage state historic sites in order to reduce direct costs to OHS while maintaining service levels. Currently, a total of 49 sites are managed in cooperation with 43 outside groups. Of these, OHS has entered into management agreements with 39 local organizations to manage 45 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 one additional site, the Johnston Farm and Indian Agency in Piqua, Miami County, and also manages the Lockington Locks site nearby. OHS intends to finalize a local partnership to manage these sites in the near future.

ANALYSIS OF EXECUTIVE PROPOSAL

The six GRF line items and one non-GRF appropriation 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 2014 and FY 2015 are shown in the table below.

Governor's Recommended Amounts for the Ohio Historical Society				
Fund	ALI and Name		FY 2014	FY 2015
General Revenue Fund				
GRF	360501	Education and Collections	\$2,368,997	\$2,368,997
GRF	360502	Site and Museum Operations	\$4,426,288	\$4,926,288
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
General Revenue Fund Subtotal			\$7,871,521	\$8,371,521
Agency Fund Group				
5KLO	360602	Ohio History Tax Check-off	\$250,000	\$250,000
Agency Fund Group Subtotal			\$250,000	\$250,000
Total Funding: Ohio Historical Society			\$8,121,521	\$8,621,521

Education and Collections (360501)

The executive recommendation of approximately \$2.4 million in each fiscal year for this line item is flat compared to FY 2013 appropriations. A portion of the funds in this line item provide the entirety of the funding for the State Archives, records digitization, and research services. Additionally, this line item covers indirect administrative costs associated with OHS's education and collections programs, such as financial management, information technology, human resources, public relations, and other such functions. Finally, this line item, along with nonstate sources, is used to support the preservation of and access to the state's collections of historical documents and artifacts and related indirect costs.

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 History 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 400,000 visits to state historic sites in FY 2012. At the end of FY 2010, 49 of these sites were managed by or in cooperation with 43 local organizations under partnership agreements with OHS.

The executive recommendation provides \$4.4 million in FY 2014 for this line item, a 12.7% increase over the FY 2013 appropriation of about \$3.9 million. The FY 2015 recommendation is \$4.9 million, 11.3% above the proposed FY 2014 amount. Approximately \$1.3 million was spent in FY 2012 to provide payments to local site managers for the operation of historic sites and museums under local partnership agreements, including activities such as curatorial services, technical assistance, maintenance support, and marketing, as well as to provide staff and operating expenses for one OHS-staffed site for which a partnership agreement is currently being sought. A similar amount will likely be dedicated to this purpose in FY 2014 and FY 2015. Additionally, this line item is used to provide access and programs at the Ohio History Center, Ohio Village, and OHS's collections storage facility, including the costs of utilities, maintenance, and security.

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, identical to the amounts appropriated for this purpose in the current biennium.

At this level of 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 2012, Ohio was awarded a Historic Preservation Fund grant of approximately \$1.1 million, which would have required a state match of approximately \$737,000, or 40% of the state-federal total of about \$1.8 million. The executive recommended amount of \$290,000 in each fiscal year represents 39.3% of the required state match at the FY 2012 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 reopened in 2012 after being closed due to a mold outbreak that occurred in the summer of 2011. The executive recommendation provides funding of \$414,798 in each fiscal year, flat funding the line item at the FY 2013 level. This state support will fund approximately 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 45,000 visitors in calendar year 2011, including visits for research and special events. 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 2013. This amount is expected to support about 22% 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. Currently, the Center is attempting to sell the historic Dillon House, which it has owned since 1962, and use the proceeds to add to its endowment.

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 Office also manages volunteer, educational, and community outreach programs; coordinates statewide conferences and workshops; and oversees the History Fund matching grant program. The executive recommendation provides \$90,395 in each fiscal year, the same appropriation level as the current biennium. Overall, the amounts recommended by the executive will support maintenance of current service levels in the upcoming biennium.

Ohio History Tax Check-off (360602)

H.B. 153 of the 129th General Assembly, the main operating budget for the FY 2012-FY 2013 biennium, created an income tax check-off that allows taxpayers to direct a portion of their refunds to OHS. To implement this provision, OHS created the History Fund Program, which offers competitive matching grants to local history

organizations, nonprofits, and local governments for organizational development initiatives, bricks-and-mortar projects, and program and collections activities. Eligible grantees must use the funding for projects that illuminate, conserve, or perpetuate Ohio's history and meet other criteria. Grant amounts depend on the type of project seeking funding, and range from a \$1,000 minimum for an organizational development project to a \$20,000 maximum for bricks-and-mortar or programs and collections projects. The first round of grants under this program is scheduled to be awarded in mid-to-late February 2013. To date, OHS has collected approximately \$150,000 in tax refund donations for the program. The executive budget provides appropriations of \$250,000 in each fiscal year of the FY 2014-FY 2015 biennium for this purpose.

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General Revenue Fund

GRF 360501 Education and Collections

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$2,304,228	\$2,304,228	\$2,368,997	\$2,368,997	\$2,368,997	\$2,368,997
	0.0%	2.8%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 149.30; Section 297.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$3,791,149	\$3,791,149	\$3,926,288	\$3,926,288	\$4,426,288	\$4,926,288
	0.0%	3.6%	0.0%	12.7%	11.3%

Source: General Revenue Fund

Legal Basis: Section 297.10 of Am. Sub. H.B. 153 of the 129th 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 History Center and Ohio Village. This line item funds OHS-operated sites as well as provides limited operating support for 49 sites managed in cooperation with local partners.

Ohio Historical Society

GRF 360504 Ohio Preservation Office

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$228,246	\$228,246	\$290,000	\$290,000	\$290,000	\$290,000
	0.0%	27.1%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 297.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$414,798	\$414,798	\$414,798	\$414,798	\$414,798	\$414,798
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 149.302; Section 297.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$281,043	\$281,043	\$281,043	\$281,043	\$281,043	\$281,043
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 297.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This appropriation item is used for operating 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.

GRF 360508 State Historical Grants

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$420,420	\$420,420	\$1,140,570	\$390,570	\$0	\$0
	0.0%	171.3%	-65.8%	-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. In the FY 2012-FY 2013 biennium, this line item included earmarks of \$195,285 in each fiscal year for the Cincinnati Museum Center, and \$195,285 in each fiscal year for the Western Reserve Historical Society.

GRF 360509 Outreach and Partnership

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$492,547	\$492,547	\$90,395	\$90,395	\$90,395	\$90,395
	0.0%	-81.6%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 297.10 of Am. Sub. H.B. 153 of the 129th G.A.

Purpose: This line item provides funds for the Ohio Historical Society's Local History Office, which manages activities to provide schools and local history organizations around the state with outreach, curriculum, and professional development support, and coordinates volunteer programs and statewide conferences and workshops.

Agency Fund Group

5KL0 360602 Ohio History Tax Check-off

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$292,500	\$250,000	\$250,000
	N/A	N/A	N/A	-14.5%	0.0%

Source: Agency Fund Group: Income tax refund contributions

Legal Basis: ORC 149.308; Originally established by the Controlling Board on October 29, 2012

Purpose: This line item uses donations from the income tax check-off for OHS to support the History Fund Grant Program, which provides competitive grants to local history organizations, nonprofits, and local governments for eligible historic preservation and education activities. Grants are issued in three categories: Organizational Development, Programs and Collections, and Bricks and Mortar. Minimum and maximum grant amounts vary based on the category of grant.

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
OHS Ohio Historical Society								
GRF	360501	Education and Collections	\$ 2,368,997	\$ 2,368,997	\$ 2,368,997	0.00%	\$ 2,368,997	0.00%
GRF	360502	Site and Museum Operations	\$ 3,926,288	\$ 3,926,288	\$ 4,426,288	12.73%	\$ 4,926,288	11.30%
GRF	360504	Ohio Preservation Office	\$ 290,000	\$ 290,000	\$ 290,000	0.00%	\$ 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	\$ 1,140,570	\$ 390,570	\$ 0	-100.00%	\$ 0	N/A
GRF	360509	Outreach and Partnership	\$ 90,395	\$ 90,395	\$ 90,395	0.00%	\$ 90,395	0.00%
General Revenue Fund Total			\$ 8,512,091	\$ 7,762,091	\$ 7,871,521	1.41%	\$ 8,371,521	6.35%
5KLO	360602	Ohio History Tax Check-off	\$ 0	\$ 292,500	\$ 250,000	-14.53%	\$ 250,000	0.00%
Agency Fund Group Total			\$ 0	\$ 292,500	\$ 250,000	-14.53%	\$ 250,000	0.00%
Ohio Historical Society Total			\$ 8,512,091	\$ 8,054,591	\$ 8,121,521	0.83%	\$ 8,621,521	6.16%