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Minnesota Historical Society

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www.mnhs.org

AT A GLANCE

- The Minnesota Historical Society (MNHS) preserves and provides access to Minnesota’s past.
- We serve nearly one million in-person customers each year, including visitors to historic sites, the History Center Museum and Library
- We host over five million visits each year to our award-winning website: mnhs.org
- We preserve over one million collections items such as:
 - 340,199 photographs
 - 499,126 publications
 - 6,421 works of art
 - 251,014 objects
 - 50,000 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’s (MNHS) mission is:

**Using the Power of History to Transform Lives:
Preserving > Sharing >Connecting.**

As an educational organization, we carry out this mission of serving all Minnesotans by preserving the record of our state’s past, and making it accessible for today’s and future generations.

This is accomplished through various means and for a variety of audiences. We serve families, school groups, life-long learners and tourists at historic sites and museums, the History Center Library, and through publications, educational programs, extensive digital information through the Society’s website, historic preservation education, exhibits, and other activities.

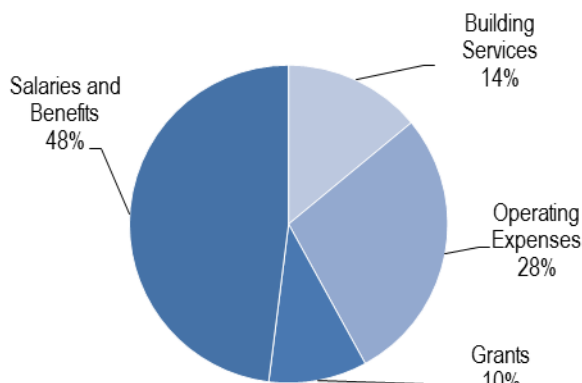
By telling the stories of our state’s past, our goal is to create community for all Minnesotans, whether new arrivals or citizens whose families have been in Minnesota for generations. We support the goal of having a well-informed citizenry that understands how people and events of the past have shaped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

MNHS contributes to the fulfillment of the following statewide outcome goals:

- **Minnesotans have the education and skills needed to achieve their goals**
- **A thriving economy that encourages business growth and employment opportunities**
- **A clean, healthy environment with sustainable uses of natural resources**
- **Strong and stable families and communities**
- **Efficient and accountable government services**

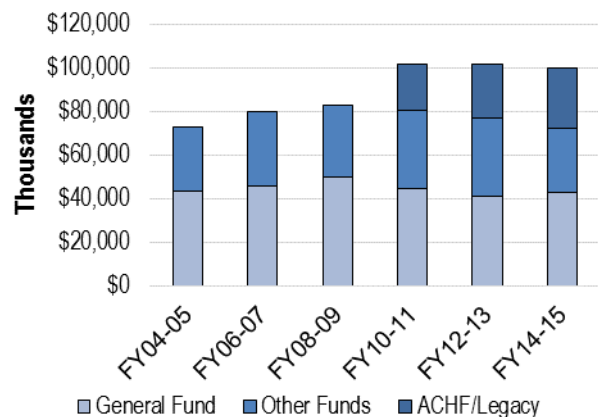
BUDGET

**Spending by Category
FY 15 Actual**



Source: MNHS Audited Financial Statements

Historical Spending



Source: MNHS Audited Financial Statements;

Note: “Other Funds” includes earned revenue such as admissions, fees, sales, memberships, and other donations. These funds do not pass through the state’s treasury, as they are managed by MNHS

Public funds, including funding from the State's general fund, provide a foundation of support and enable us to leverage non-public funds to create a nationally recognized history program. Typically, two thirds of our funding comes from the State of Minnesota. We deliver 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) support for new statewide history programs, including grants for local history organizations. Federal dollars support historic preservation programs mandated by federal law.

MNHS also receives support from donors and members. Their gifts 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. Finally, 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.

STRATEGIES

MNHS is guided by a strategic plan, from which the following strategic priorities were developed and adopted:

MNHS Strategic Priorities

- **Educational Achievement:** MNHS is engaged in partnerships that leverage historical resources and educational expertise to make a difference in the lives of more Minnesota youth, with special focus on underachieving students.
- **Diversity and Inclusiveness:** MNHS is continuously engaged with communities of color and American Indian nations, and the diversity of Minnesotans is reflected in the Society's collections, programs, staffing and governance.
- **Lifelong Learning:** MNHS is deeply engaged in cultivating meaningful relationships with adult audiences as lifelong learners, members, donors, volunteers and supporters.
- **Historic Sites, including Oliver Kelley Farm and Historic Fort Snelling:** MNHS is successfully addressing the major preservation and interpretive needs of its historic sites and museums, with special focus on Oliver Kelley Farm and Fort Snelling.
- **Content Development:** MNHS develops engaging historical information and resources that inspire the public. This content is shared effectively and broadly through exhibits, programs, books and products, reaching audiences digitally and through print, outreach and other media.
- **Sustainability and Stewardship:** MNHS develops and manages its resources to ensure the long-term sustainability of the programs it provides in service to the people of Minnesota. It provides good stewardship of all resources - financial, human capital, facilities and collections.

A full listing of the Society's Mission, Vision and Values Statement can be found at: <http://www.mnhs.org/about/mission>

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

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecasted Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	22,176	21,730	22,022	25,505	22,820	23,493	23,320	24,493
2000 - Restrict Misc Special Revenue	38	103	141	200	200	200	200	200
2301 - Arts & Cultural Heritage Fund	12,357	21,433	20,787	14,976	1,039	0	1,039	0
6000 - Miscellaneous Agency	18,461	18,851	19,395	19,395	19,395	19,395	19,395	19,395
Total	53,032	62,117	62,345	60,076	43,454	43,088	43,954	44,088
<i>Biennial Change</i>				7,272		(35,879)		(34,379)
<i>Biennial % Change</i>				6		(29)		(28)
<i>Governor's Change from Base</i>								1,500
<i>Governor's % Change from Base</i>								2

Expenditures by Program

Program: Fiscal Agents	448	339	446	371	321	321	321	321
Program: Historic Preservation	382	103	141	3,512	877	1,550	877	1,550
Program: Operations and Programs	52,202	61,675	61,758	56,193	42,256	41,217	42,756	42,217
Total	53,032	62,117	62,345	60,076	43,454	43,088	43,954	44,088

Expenditures by Category

Compensation	26,352	27,602	28,158	28,990	24,370	24,370	24,870	25,370
Operating Expenses	21,161	22,492	23,664	20,599	17,169	16,916	17,169	16,916
Grants, Aids and Subsidies	5,519	12,022	10,524	10,487	1,915	1,802	1,915	1,802
Total	53,032	62,117	62,345	60,076	43,454	43,088	43,954	44,088
<u>Full-Time Equivalents</u>	409.1	429.1	444.1	441.9	377.1	377.1	377.1	377.1

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	250	56	0	0	0	0	0	0
Direct Appropriation	21,783	21,674	22,022	22,193	22,143	22,143	22,643	23,143
Open Appropriation	344	0	0	3,312	677	1,350	677	1,350
Net Transfers	(145)	0	0	0	0	0	0	0
Expenditures	22,176	21,730	22,022	25,505	22,820	23,493	23,320	24,493
Balance Forward Out	56	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				3,621		(1,214)		286
<i>Biennial % Change in Expenditures</i>				8		(3)		1
<i>Gov's Exp Change from Base</i>								1,500
<i>Gov's Exp % Change from Base</i>								3
Full-Time Equivalents	196.7	196.1	199.5	189.1	189.1	189.1	189.1	189.1

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	38	103	141	200	200	200	200	200
Expenditures	38	103	141	200	200	200	200	200
<i>Biennial Change in Expenditures</i>				200		59		59
<i>Biennial % Change in Expenditures</i>				142		17		17
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2301 - Arts & Cultural Heritage Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	5,955	7,358	7,802	1,000	1,039	0	1,039	0
Direct Appropriation	13,800	14,075	13,985	15,015	0	0	0	0
Net Transfers	0	0	0	0	0	0	0	0
Cancellations	40	0	0	0	0	0	0	0
Expenditures	12,357	21,433	20,787	14,976	1,039	0	1,039	0
Balance Forward Out	7,358	0	1,000	1,039	0	0	0	0
<i>Biennial Change in Expenditures</i>				1,973		(34,724)		(34,724)
<i>Biennial % Change in Expenditures</i>				6		(97)		(97)
<i>Gov's Exp Change from Base</i>								0

2301 - Arts & Cultural Heritage Fund

<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	56.9	61.0	56.6	64.8	0	0	0	0

6000 - Miscellaneous Agency

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	18,461	18,852	19,394	19,395	19,395	19,395	19,395	19,395
Expenditures	18,461	18,851	19,395	19,395	19,395	19,395	19,395	19,395
<i>Biennial Change in Expenditures</i>				1,478		0		0
<i>Biennial % Change in Expenditures</i>				4		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	155.5	172.0	188.0	188.0	188.0	188.0	188.0	188.0

Minnesota Historical Society

FY18-19 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	500	1,000	1,000	1,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	1,000	1,000	1,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$500 thousand in FY2018 and \$1 million in each subsequent year to maintain the current level of service delivery at the Minnesota Historical Society

Rationale/Background:

Each year, employer-paid health care contributions, pension contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes. Particular areas of focus for state funding are Library/Archives/Collections, Statewide Outreach and Preservation activities, and Historic Sites and Museums, as well as general infrastructure of MNHS.

The Minnesota Historical Society (MNHS) generates revenue from other sources, in addition to state funding. State general funds support approximately 50% of the total salary and benefit costs for MNHS, with earned revenue, contributions and memberships providing the remaining 50%.

If an operational increase is not provided, the services MNHS delivers to Minnesotans will be impacted. Some examples of potential impacts include:

- History programs and related educational programs that are delivered in person, online and in classrooms.
- In addition to existing programs, strategic shifts to improve service to customers would be limited.
- Other increasing organizational demands, including technology infrastructure, continued and ongoing growth of collections and the increased demands of our customers for our services.
- Due to the unique funding structure in which MNHS uses state funds to leverage other non-state resources, we expect to see growth in support from other funding areas, as well. The converse is also true: if revenue generating services are reduced, such as historic sites and museums, earned revenue will decline, compounding reduced service levels.
- Reduced levels of service resulting in reduced visitation and, in turn, reduced revenue levels. This contrasts recent experience showing enhanced funding to support infrastructure has helped maintain visitation and revenue levels.

Results:

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

Statutory Change(s):

None required

Historical Society

FY18-19 Biennial Budget Change Item

Change Item Title: State Historic Preservation Office Transfer

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends transferring the duties and responsibilities of the Minnesota State Historic Preservation Office (SHPO) from the Minnesota Historical Society (MNHS) to the Department of Administration (Admin).

Rationale/Background:

Minnesota's legislature established SHPO in 1969 in response to passage of the National Historic Preservation Act of 1966. Each state has a SHPO that is delegated authority from the Federal government to implement and administer a State Historic Preservation Plan. The administration of this Plan is essential to balancing the dual State interest of protecting our history while allowing for economic development and growth.

Duties of SHPO include implementing a comprehensive statewide historic preservation plan, a survey and National Register Program, evaluation of rehabilitation projects that qualify for Federal assistance – including the execution of the state and federal tax credit programs for historic structure rehabilitation, and assisting Federal and state agencies, local governments and Tribes in carrying out their historic preservation responsibilities. In order to carry out its review responsibilities for the state tax credit program, the SHPO is permitted to charge a fee to help support program administration and the preparation of an economic impact report required by law. Administering the program entails reviewing proposed historic preservation projects and managing the financial activities related to the grant in lieu of credit program and fees.

As part of this responsibility, SHPO consults with appropriate agencies on Federal undertakings that may affect historic and cultural properties, and reviews and makes recommendations on the content and sufficiency of any plans developed to protect, manage, or to reduce or mitigate harm to such properties.

Proposal:

The Governor recommends moving the responsibilities associated with the State Historic Preservation Program, including associated federal responsibilities (M.S. 138.081) and the state credit for historic structure rehabilitation (M.S. 290.0681), to the Department of Administration.

Admin, in consultation with MNHS will develop a plan for the transfer of these functions, staff, systems, and associated funding sources. It is assumed that existing authority under M.S. 15.039 and 16B.37 will be used to effectuate the transfer.

Results:

After the plan for the full transition of all state historic preservation office functions has been successfully implemented, it is expected that SHPO will be fully integrated into Admin and overseen by the Commissioner of Administration.

Statutory Change(s):

M.S. 138.081, M.S. 290.0681

Program: Historic Programs and Operations

www.mnhs.org

AT A GLANCE

- One million in-person visitors
- Over three million visits to our website, of which over two million are unique visitors
- Over one million collections items are cared for and preserved for today's and future Minnesotans.

PURPOSE & CONTEXT

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

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

- Northern Lights, Minnesota's state social studies textbook, including a new digital, interactive edition
- National History Day in Minnesota, a program that serves over 30,000 students each year;
- In-classroom instruction via interactive distance learning
- History Center and historic sites exhibits and interpretive programs
- Teacher training programs.

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.

The work of MNHS fulfills several **Statewide Outcomes**, including:

A thriving economy that encourages business growth and economic opportunities. History and cultural tourism is a very important component of the state's \$11 billion tourism economy. Visitors to Minnesota want authentic educational experiences, which are provided by historic sites and museums. And, as co-administrator of the state's Historic Rehabilitation Tax Credit and Grant program, the State Historic Preservation Office plays an important role in an initiative that has created thousands of new, quality construction jobs. More information about this beneficial incentive can be found at:

<http://www.mnhs.org/shpo/grants/mnhistoricstructure rehabilitationstatetaxcredit.php>

Strong and stable families and communities. An important element that creates strong and healthy families and communities is an awareness of how we got to where we are today. MNHS provides opportunities for individuals to learn about their own family histories through genealogy resources; citizens can become aware of the history of the larger Minnesota community, through public programs, information resources such as MNopedia and outreach initiatives. <http://www.mnhs.org/genealogy>
<http://www.mnopedia.org>.

A clean, healthy environment with sustainable uses of natural resources. According to state statutes (MS 116B and 116D) and long-time tradition, historic and cultural resources are included in the definition of natural resources. MNHS works through the Minnesota Historic Preservation Office, Historic Sites Division, and other areas to preserve these irreplaceable, non-renewable resources.

Efficient and accountable government services. MNHS strives to deliver efficient service to the people of Minnesota in all aspects of its work, from timely historic preservation reviews to quality visitor experiences at historic sites and museums.

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:

- History Center Museum 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 /Minnesota Historic Preservation Office /Field Services & Grants
- Archaeology
- MNHS Press publishing
- Collections Management and Conservation
- Reference / Library
- State Archives
- Institutional Support (including Finance, Human Resources (incl. volunteers and interns), Facilities, Marketing & Communications, Development and Information Technology)

A full listing of MNHS's functions and departments can be found at: www.mnhs.org

RESULTS

As part of its Strategic Plan, MNHS has made a commitment to enhance its evaluation capacity, both organizationally as well as among individual staff members. Toward that end, we have hired a professional evaluation coordinator who has worked with every department to create a logic model that will lead to greater proficiency with data collection and evaluation.

The Minnesota Historical Society measures and evaluates many different aspects of its work. Following is a sample of some aspects of the evaluation work done by MNHS departments.

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	www.mnhs.org website visits	4,268,686	5,080,860	FY15-16
Quantity	www.mnhs.org website unique visitors	2,376,984	2,521,249	FY15-16
Quality	Field trip evaluation – “helps fulfill state academic standards” – teachers – strongly agree or agree	77%	78%	FY14-15
Quality	Field trip evaluation – “net promoter score” – recommend to other teachers	71%	67%	FY14-15
Results	Field trip evaluation - student impact: “increased knowledge of history” – a great deal or quite a bit	72%	95%	FY14-15
Results	Field trip evaluation - student impact: “Increased critical thinking and problem-solving skills” – a great deal or quite a bit	41%	74%	FY14-15

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

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	21,384	21,391	21,576	21,822	21,822	21,822	22,322	22,822
2301 - Arts & Cultural Heritage Fund	12,357	21,433	20,787	14,976	1,039	0	1,039	0
6000 - Miscellaneous Agency	18,461	18,851	19,395	19,395	19,395	19,395	19,395	19,395
Total	52,202	61,675	61,758	56,193	42,256	41,217	42,756	42,217
<i>Biennial Change</i>				4,074		(34,478)		(32,978)
<i>Biennial % Change</i>				4		(29)		(28)
<i>Governor's Change from Base</i>								1,500
<i>Governor's % Change from Base</i>								2

Expenditures by Budget Activity

Budget Activity: General	39,796	40,186	40,971	41,217	41,217	41,217	41,717	42,217
Budget Activity: Special	12,406	21,489	20,787	14,976	1,039	0	1,039	0
Total	52,202	61,675	61,758	56,193	42,256	41,217	42,756	42,217

Expenditures by Category

Compensation	26,352	27,602	28,158	28,990	24,370	24,370	24,870	25,370
Operating Expenses	21,123	22,389	23,523	20,399	16,969	16,716	16,969	16,716
Grants, Aids and Subsidies	4,727	11,683	10,078	6,804	917	131	917	131
Total	52,202	61,675	61,758	56,193	42,256	41,217	42,756	42,217

Full-Time Equivalents

	409.1	429.1	444.1	441.9	377.1	377.1	377.1	377.1
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1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	250	56	0	0	0	0	0	0
Direct Appropriation	21,335	21,335	21,576	21,822	21,822	21,822	22,322	22,822
Net Transfers	(145)	0	0	0	0	0	0	0
Expenditures	21,384	21,391	21,576	21,822	21,822	21,822	22,322	22,822
Balance Forward Out	56	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				623		246		1,746
<i>Biennial % Change in Expenditures</i>				1		1		4
<i>Gov's Exp Change from Base</i>								1,500
<i>Gov's Exp % Change from Base</i>								3
Full-Time Equivalents	196.7	196.1	199.5	189.1	189.1	189.1	189.1	189.1

2301 - Arts & Cultural Heritage Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	5,955	7,358	7,802	1,000	1,039	0	1,039	0
Direct Appropriation	13,800	14,075	13,985	15,015	0	0	0	0
Net Transfers	0	0	0	0	0	0	0	0
Cancellations	40	0	0	0	0	0	0	0
Expenditures	12,357	21,433	20,787	14,976	1,039	0	1,039	0
Balance Forward Out	7,358	0	1,000	1,039	0	0	0	0
<i>Biennial Change in Expenditures</i>				1,973		(34,724)		(34,724)
<i>Biennial % Change in Expenditures</i>				6		(97)		(97)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	56.9	61.0	56.6	64.8	0.0	0.0	0.0	0.0

6000 - Miscellaneous Agency

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	18,461	18,852	19,394	19,395	19,395	19,395	19,395	19,395
Expenditures	18,461	18,851	19,395	19,395	19,395	19,395	19,395	19,395
<i>Biennial Change in Expenditures</i>				1,478		0		0
<i>Biennial % Change in Expenditures</i>				4		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

6000 - Miscellaneous Agency

Full-Time Equivalents	155.5	172.0	188.0	188.0	188.0	188.0	188.0	188.0
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Program: Historic Preservation (Grant-in-Lieu of Credit)

www.mnhs.org or mnhs.org/shpo

AT A GLANCE

- Since 2010, the state of Minnesota has partnered with the private sector to preserve some of our state’s most significant historic structures.
- Minnesota’s Historic Rehabilitation Tax Credit has leveraged millions of non-state dollars that have been invested in our state’s economy, while preserving dozens of historic structures and creating thousands of construction jobs.
- Currently, nearly 100 projects are either completed, under construction or in the planning stage, with construction spending in the hundreds of millions of dollars over several years of construction.
- Under the law, project developers have the option to receive either a credit or a “grant in lieu of credit.” Currently, grant in lieu of credit projects in the “pipeline” total approximately \$15 million.

PURPOSE & CONTEXT

The Minnesota Historical Society’s State Historic Preservation Office (MNHS/SHPO) and the Minnesota Department of Revenue (DOR) administer the Historic Rehabilitation Tax Credit program to preserve Minnesota’s most significant historic structures, create quality construction jobs, and encourage revitalization of our communities.

SERVICES PROVIDED

Through this program, building projects that rehabilitate historic structures can receive a tax credit, or a grant in lieu of credit. The state credit parallels an existing federal historic rehabilitation tax credit, which is administered by the National Park Service. The MNHS/SHPO reviews state and federal tax credit projects in order to determine whether they have met historic preservation architectural standards. In order to carry out its review responsibilities for the state tax credit program, the MNHS/SHPO is permitted to charge a fee to help support the costs of administering the state program and the preparation of an economic impact report required by the law.

For the state program, developers are given a choice of claiming a tax credit or a grant in lieu of credit. MN DOR administers the tax credit funds, and the MNHS administers the grant in lieu of credit funds, which are contained in this budget program. While proportions have varied, the majority of projects have used the tax credit rather than the grant.

Actions under this budget program include administering the Historic Rehabilitation Tax Credit program, which entails reviewing proposed historic preservation projects and managing the financial activities related to the grant in lieu of credit program and fees.

Further information about the Minnesota Historic Rehabilitation Tax Credit program can be found at: <http://www.mnhs.org/shpo/grants/mnhistoricstructurerehabilitationstatetaxcredit.php>

RESULTS

As required by the law, the Minnesota Historical Society, with assistance from the University of Minnesota Extension Center for Community Vitality, has prepared an annual economic impact report: “Economic Impact of Projects Leveraged by the Minnesota Historic Rehabilitation Tax Credit.” A copy of the most recent report can be found at: http://www.mnhs.org/shpo/grants/docs_pdfs/Economic_Impact-Historic_Tax_Credit_2015.pdf. It is important to note that the economic analysis is based on estimates produced at the time of preliminary approval of projects, rather than final expenditures.

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Number of projects receiving preliminary approval	15	23	FY14-15
Quantity	Direct spending on qualifying rehab expenditures*	\$131.4 million	\$244.0 million	FY14-15
Results	Overall economic impact per state dollar invested	\$8.09	\$11.67	FY14-15
Results	Number of direct jobs created by program *	718	1,447	FY14-15

*Note: overall dollars spent on projects and jobs created will vary based on project size.

Minnesota Statutes Section 290.0681 provides legal authority for this activity.

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	344	0	0	3,312	677	1,350	677	1,350
2000 - Restrict Misc Special Revenue	38	103	141	200	200	200	200	200
Total	382	103	141	3,512	877	1,550	877	1,550
<i>Biennial Change</i>				3,168		(1,226)		(1,226)
<i>Biennial % Change</i>				653		(34)		(34)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Budget Activity

Budget Activity: Historic Preservation	382	103	141	3,512	877	1,550	877	1,550
Total	382	103	141	3,512	877	1,550	877	1,550

Expenditures by Category

Operating Expenses	38	103	141	200	200	200	200	200
Grants, Aids and Subsidies	344	0	0	3,312	677	1,350	677	1,350
Total	382	103	141	3,512	877	1,550	877	1,550

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Open Appropriation	344	0	0	3,312	677	1,350	677	1,350
Expenditures	344	0	0	3,312	677	1,350	677	1,350
<i>Biennial Change in Expenditures</i>				2,968		(1,285)		(1,285)
<i>Biennial % Change in Expenditures</i>				863		(39)		(39)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	38	103	141	200	200	200	200	200
Expenditures	38	103	141	200	200	200	200	200
<i>Biennial Change in Expenditures</i>				200		59		59
<i>Biennial % Change in Expenditures</i>				142		17		17
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

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 & 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 Society's 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 (which represents eight percent of our income); 2) membership dues from approximately 500 members, and donations from museum visitors and tour groups and organizations that hold events at the Museum (30 percent); and 3) private gifts and other grants (ten percent).

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 Military Museum

The Minnesota Military Museum, located at Camp Ripley, is the primary outreach effort of the Military Historical Society of Minnesota Inc. a 501c 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 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 government. The organization raises roughly 70 percent of their operating revenue, primarily from gift shop sales, small grants, and contributions from individuals, organizations, and businesses.

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 small part time museum staff of 5 is assisted by approximately 20 volunteers who donated over 5000 hours in FY 16.

Minnesota Agricultural Interpretive Center (MAIC) also known as Farmamerica

Agency Vision and Mission Statement: The governor and Minnesota state legislature commissioned the Minnesota Agricultural Interpretive Center in 1978 to preserve and promote the rich rural agricultural heritage of the state and its people. The Minnesota Agricultural Interpretive Center is a not-for-profit educational institution administered by a 15-member volunteer board of directors. The vision of the MAIC is that it will 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 Farmamerica, 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 thru the Prairie Interpretive Center, through the pond/marsh to the settlement farm of the 1850s. The handicap accessible walking path continues past the one-room schoolhouse, the country church, the 1920/1930s depression-era family dairy farm, the feed mill, and the blacksmith shop/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, Farmamerica 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 during throughout the year.

RESULTS

Results are described in each organization's narrative, as submitted by the organizations.

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	FY14-15 to FY16-17

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	448	339	446	371	321	321	321	321
Total	448	339	446	371	321	321	321	321
<i>Biennial Change</i>				30		(175)		(175)
<i>Biennial % Change</i>				4		(21)		(21)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Budget Activity

Budget Activity: Fiscal Agents	448	339	446	371	321	321	321	321
Total	448	339	446	371	321	321	321	321

Expenditures by Category

Grants, Aids and Subsidies	448	339	446	371	321	321	321	321
Total	448	339	446	371	321	321	321	321

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	448	339	446	371	321	321	321	321
Expenditures	448	339	446	371	321	321	321	321
<i>Biennial Change in Expenditures</i>				30		(175)		(175)
<i>Biennial % Change in Expenditures</i>				4		(21)		(21)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0