

Historical Society

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LFB Summary Items for Which an Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
2	Wisconsin History Center (Paper #440)
4	Security and Safety (Paper #441)
6	State Operations Adjustment (Paper #442)

LFB Summary Item Removed From Budget Consideration

<u>Item #</u>	<u>Title</u>
3	Wisconsin Black Historical Society and Museum

LFB Summary Items Addressed in a Previous Paper

<u>Item #</u>	<u>Title</u>
1	Standard Budget Adjustments (Paper #105)
5	Debt Service Reestimate (Paper #106)



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Joint Committee on Finance

Paper #440

Wisconsin History Center (Historical Society)

[LFB 2025-27 Budget Summary: Page 344, #2]

CURRENT LAW

The Wisconsin Historical Society (WHS) is responsible for collecting and disseminating information about the history of Wisconsin and the surrounding region. Its activities include collecting and preserving the state's archival records, operating 11 historic sites around the state and the Wisconsin Historical Museum, documenting and assisting in the preservation of historic properties, and publishing historical texts, including textbooks and curriculum support materials for school-aged children and teachers.

DISCUSSION POINTS

1. The Historical Society first began displaying collections in the state Capitol building in 1866, when the Legislature provided space in three rooms for the purpose. By 1900, the collections and visitors had grown, and a new museum was opened in the WHS headquarters building on the UW-Madison campus. The museum could accommodate approximately 35,000 visitors annually; however, the collections and need for additional space continued to grow. The former historical museum opened in 1968 and was converted from an old hardware store, and provided over 17,000 square feet of exhibition space to allow for more than double the number of annual visitors.

2. In its 2019-21 capital budget request, the Historical Society requested enumeration of \$100.0 million, including \$70.0 million of general fund supported borrowing and \$30.0 million of gifts, grants, and other receipts, to demolish the existing museum and construct the new Wisconsin History Center. The Historical Society indicated that the desire for a new museum had existed for decades, and the request was the result of deteriorating conditions at the current facility, including public safety considerations, failing technology, major facility maintenance issues, and insufficient space forcing the museum to turn away hundreds of school children each year. The building also

lacked seating, an adequately sized lobby, an appropriate number of elevators and restrooms, and a loading dock, which limited the size of items that could be displayed in exhibits. The Historical Society indicated that the new facility was expected to nearly double the number of students it could accommodate annually. By using the existing site, the benefits of the proximity of the museum to the Capitol, including the ability of school groups to visit both in one trip, would be maintained.

3. Under 2019 Act 9, the Legislature enumerated \$100.0 million for the construction of the new Wisconsin History Center to replace the current Historical Museum. The Act specified that the State Building Commission may not authorize construction of the museum until after the Historical Society certified it had raised \$30.0 million in gifts, grants, and other receipts for the project. The initial proposed timeline involved architect and engineer selection in October, 2019, a design report in August, 2020, bidding for the project in August, 2021, construction starting in November, 2021, and final completion in April, 2023.

4. The Historical Society worked with the Department of Administration (DOA) to consider plans and potential sites for the new museum. In its 2021-23 capital budget request, DOA requested \$4.0 million of building trust funds to begin preliminary planning for the redevelopment of the existing State Industry and Labor (GEF 1) Building that houses the Department of Workforce Development. As part of the request, DOA proposed relocating the Historical Museum from its current site, rather than demolishing the existing building and constructing a new one. In June, 2021, the Legislature removed the Historical Museum from the proposal for planning redevelopment of the GEF 1 building and allocated \$4.0 million of building trust funds to WHS for the project planning, site selection, and land and property acquisition. In October, 2021, it was announced that the two buildings adjacent to the former museum would be sold to the Wisconsin Historical Foundation to donate to WHS for construction of the new museum. The Historical Society then shifted back to its initial plan for constructing the new museum on its same site, with an anticipated opening by 2026.

5. The Wisconsin History Center replaces the former Historical Museum and two adjacent properties on Madison's Capitol Square, which will more than double the exhibition space of the museum and allow for the display of some of the Historical Society's largest objects. The new center is expected to serve 200,000 visitors annually. In anticipation of construction, which was expected to begin in 2024, the former museum was closed in December, 2022, with the exception of the first-floor retail store, which remained open through 2023. Historical Society staff moved artifacts and exhibitions into storage at the State Archive Preservation Facility to prepare for the opening of the new center.

6. The Historical Society indicates that its collections include over 150,000 cubic feet of archival collections, 25,000 maps and atlases, three million photographs, and 750,000 3D artifacts and archeological items, including American Indian collections. Approximately 6,300 items will be selected for display in the 35,000 square feet of exhibition space at the new History Center, and an additional approximately 18,000 items will be digitized for inclusion in films, media productions, audio recordings, and other immersive experiences within the center and in future changing exhibits.

7. In its 2023-25 capital budget request, the Historical Society requested an increase of \$60,487,000, including \$45,487,000 of general fund supported borrowing and \$15,000,000 of gifts, grants, and other receipts, for a revised total estimated cost for the History Center project. The

Governor recommended and the Legislature approved providing \$42,341,000 in cash and an increase of \$18,146,000 of gifts, grants, and other receipts. The updated proposed timeline included architect and engineer selection in December, 2022, approval from the State Building Commission in June, 2022, bidding for the project in July, 2024, starting construction in January, 2025, and final completion in September, 2026.

8. In June, 2022, the State Building Commission approved release of \$4.0 million of building trust funds to prepare design plans for the new museum. The Historical Society hired a design team in 2022 and completed pre-design work in January, 2023, along with an updated cost projection. In October, 2023, the State Building Commission approved the design report, which included an updated timeline with substantial completion of the building in March, 2027. WHS indicated that from 2019-2022, it incurred transition costs and real estate acquisition costs totaling \$7 million due to project delays and that these costs were covered with private funds. WHS also indicated that construction costs increased since the initial enumeration of funds, and that it has and will raise gift funds in addition to the initial commitment to ensure construction of the new museum is on schedule to open in 2027. As of January 2025, \$53.9 million in private gift funds had been raised toward a total fundraising goal of \$66.5 million.

9. In its 2023-25 agency budget request, the Historical Society requested \$1,450,000 PR annually from tribal gaming revenue in a newly-created biennial appropriation to support collections preservation, conservation, transportation, and preparation as well as digital infrastructure for the planning and operation of the Wisconsin History Center. Under 2023 Act 19, the 2023-25 biennial budget act, one-time funding of \$2,000,000 GPR was appropriated in 2023-24 in a new biennial appropriation to support the conservation, preservation, and preparation of historical artifacts as well as digital infrastructure for the planning and operation of the Wisconsin History Center. The Historical Society indicated that gift funds made up for the \$900,000 difference in the 2023-25 biennium.

10. The Historical Society secured temporary space in the U.S. Bank Plaza at 1 South Pinckney Street, across the Capitol Square from the former museum, to be able to continue offering programming and exhibits to school groups and the public during construction of the new History Center. Funding for the temporary exhibit is from Urban Land Interests, the site's property management and development firm, as well as fundraising efforts from the Wisconsin Historical Foundation. The temporary space includes walking tours, pop-up exhibits, speaker events, and previews of the new History Center. In addition, the retail store remained open in the former museum until Fall, 2023, then moved to the new temporary space.

11. Prior to opening the History Center, WHS anticipates the following one-time expenses: (a) installation of exhibits; (b) training for new staff; (c) IT supplies and services; (d) marketing and advertising; and (e) furniture, fixtures, and equipment related to ticketing, retail, and café operations, and other services.

12. WHS worked with a consultant focused on the museum and attraction industry to develop a staffing and operating budget plan for the new History Center. WHS anticipates a total of 21.0 FTE positions will be needed to operate the center, and has already reallocated and filled 7.0 FTE positions, including 4.0 FTE positions from the former museum. WHS also has 5.0 FTE positions that are vacant and will be reallocated for the History Center operations, which results in

9.0 FTE positions needed. WHS anticipates these 9.0 FTE positions will start at various times in FY 2026-27 leading up to the opening of the center. WHS indicated that these positions will be needed prior to the opening of the History Center for activities such as policy and procedure development, exhibit installation, and onboarding and training of part-time staff needed to operate services such as retail, and food and beverage.

13. The operating budget anticipated for the History Center in its third year, which is considered to be the steady year to be used as the ongoing financial model, includes revenues from the following sources: (a) \$2.0 million of net income from admissions, retail, and rentals; (b) \$525,000 of private contributions and sponsorships; (c) \$600,000 of endowment funds; and (d) \$2.7 million of state support, including \$1.0 million GPR that has already been reallocated for staffing and utilities. The anticipated operating expenses include \$3.2 million for staffing, \$500,000 for maintenance and occupancy, and \$2.0 million for programming, exhibits, marketing and other administration. This results in approximately 46% of annual support coming from the state and the remaining 54% from earned revenue, gift funds, and endowment. As a comparison, WHS's agency budget request indicates that 28% of the Society's total operating budget is supported by earned revenue, gift funds, and endowment, and in its final year of operation, the Wisconsin Historical Museum received 45% of its support from earned revenue, gift funds, and endowment.

14. Senate Bill 45/Assembly Bill 50 would provide an increase of \$2,000,000 GPR in 2025-26 and \$230,900 GPR in 2026-27 in the Historical Society's general program operations appropriation and 3.0 FTE positions in 2026-27 to support the exhibit installation, training, equipment and marketing of the new Wisconsin History Center. [Alternative 1]

15. In its agency budget request, the Society requested \$2,300,000 GPR in 2025-26 and \$1,700,000 GPR in 2026-27 and 9.0 FTE positions beginning in 2026-27 to support the planning, preparation, and operation of the new History Center. [Alternative 2] The Historical Society indicated that it requested one-time funding in 2025-26 to support costs to prepare for the opening of the new History Center, and ongoing funding beginning in 2026-27 because in future years, the funding will be used for staff to provide essential functions to operate the museum, including security, janitorial, and maintenance services. The Society indicated that it does not anticipate requesting additional funding for the museum operations in future biennia if the request is funded, but that the museum would not be able to open and operate as anticipated without the ongoing state support included in its request.

ALTERNATIVES

1. Provide \$2,000,000 in 2025-26 and \$230,900 in 2026-27 and 3.0 FTE positions beginning in 2026-27 to support the exhibit installation, training, equipment and marketing of the new Wisconsin History Center.

ALT 1	Change to Base	
	Funding	Positions
GPR	\$2,230,900	3.00

2. Provide \$2,300,000 in 2025-26 and \$1,700,000 in 2026-27 and 9.0 FTE positions beginning in 2026-27 to support the planning, preparation, and operation of the new History Center.

ALT 2	Change to Base	
	Funding	Positions
GPR	\$4,000,000	9.00

3. Take no action.

Prepared by: Maria Toniolo



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Joint Committee on Finance

Paper #441

Security and Safety (Historical Society)

[LFB 2025-27 Budget Summary: Page 344, #4]

CURRENT LAW

The Wisconsin Historical Society (WHS) is responsible for collecting and disseminating information about the history of Wisconsin and the surrounding region. Its activities include collecting and preserving the state's archival records, operating the Wisconsin Historical Museum and 11 historic sites around the state, documenting and assisting in the preservation of historic properties, and publishing historical texts, including textbooks and curriculum support materials for school-aged children and teachers.

The Historical Society is appropriated \$18,136,900 GPR in 2024-25 for general program operations.

DISCUSSION POINTS

1. In its agency budget request, the Historical Society requested an increase of \$437,200 GPR in 2025-26 and \$359,200 GPR in 2026-27 in its general program operations appropriation to make security and safety improvements to protect visitors, employees, artifacts, and collections of the Society's historic sites and facilities. Of the \$359,200 requested in 2026-27, \$222,000 would be one-time funding and the remaining \$137,200 would be ongoing. The Society's request was included by the Governor in SB 45/AB 50.

2. The Historical Society indicates that this funding would be used to support one-time costs, including infrastructure upgrades, security systems, cameras, public announcement systems, electronic access controls, and equipment installation and configuration. The funding would also support ongoing costs, including system and equipment maintenance, and contracted security services at Circus World Museum and Old World Wisconsin, the two largest and most attended historic sites, as well as select special events at other locations.

3. The request is based on a recent safety and risk assessment WHS conducted in collaboration with the Capitol Police at several locations. The assessment indicated security vulnerabilities that would be addressed by the requested funding. The Historical Society indicated that the potential costs or losses from theft, vandalism, or another security event or incident exceed the investment needed for comprehensive security improvements.

4. The following table shows a detailed breakdown of the proposed use of funds by location and category in each year of the biennium.

Historical Society Requested Security and Safety Funds, 2025-26 and 2026-27

<u>WHS Site</u>	<u>Municipality</u>	<u>Category</u>	<u>Timeline</u>	<u>Amount</u>	
				<u>2025-26</u>	<u>2026-27</u>
Circus World Museum	Baraboo	Equipment	One-time	\$100,000	\$0
Old World Wisconsin	Eagle	Equipment	One-time	100,000	0
Wade House	Greenbush	Equipment	One-time	70,000	0
Villa Louis	Prairie du Chien	Equipment	One-time	70,000	0
Headquarters	Madison	Equipment	One-time	0	60,000
Stonefield	Cassville	Equipment	One-time	0	50,000
Pendarvis	Mineral Point	Equipment	One-time	0	50,000
Madeline Island	La Pointe	Equipment	One-time	0	50,000
Reed School	Neillsville	Equipment	One-time	0	6,000
First Capitol	Belmont	Equipment	One-time	0	6,000
Circus World Museum	Baraboo	Security*	Ongoing	38,300	38,300
Old World Wisconsin	Eagle	Security*	Ongoing	33,900	33,900
All Sites	Various	Security*	Ongoing	25,000	25,000
All Sites	Various	Maintenance	Ongoing	0	40,000
Total				<u>\$437,200</u>	<u>\$359,200</u>

*Security cost estimates are based on location and statewide security contract rates.

5. The Committee could provide \$437,200 GPR in 2025-26 and \$359,200 GPR in 2026-27 to make security and safety improvements to the Historical Society's facilities, historic sites, and collections, as requested by the Historical Society and included in SB 45/AB 50. [Alternative 1]

6. If the Committee wishes to provide some funding for security and safety at the Historical Society's historic sites and facilities, consideration could be given to providing one-time funding of \$340,000 GPR in 2025-26 and \$222,000 GPR in 2026-27. This would fully fund the one-time costs included in the table above. [Alternative 2]

ALTERNATIVES

1. Provide \$437,200 GPR in 2025-26 and \$359,200 GPR in 2026-27 to make security and safety improvements to the Historical Society's facilities, historic sites, and collections.

ALT 1	Change to Base
GPR	\$796,400

2. Provide one-time funding equal to \$340,000 GPR in 2025-26 and \$222,000 GPR in 2026-27 to make security and safety improvements to the Historical Society's facilities, historic sites, and collections.

ALT 2	Change to Base
GPR	\$562,000

3. Take no action.

Prepared by: Maria Toniolo



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Joint Committee on Finance

Paper #442

State Operations Adjustment (Historical Society)

[LFB 2025-27 Budget Summary: Page 345, #6]

CURRENT LAW

The Wisconsin Historical Society (WHS) is responsible for collecting and disseminating information about the history of Wisconsin and the surrounding region. Its activities include collecting and preserving the state's archival records, operating the Wisconsin Historical Museum and 11 historic sites around the state, documenting and assisting in the preservation of historic properties, and publishing historical texts, including textbooks and curriculum support materials for school-aged children and teachers.

The Historical Society is appropriated \$18,136,900 GPR in 2024-25 for general program operations.

DISCUSSION POINTS

1. In its agency budget request, the Historical Society requested \$318,900 GPR, \$5,900 PR, and \$100 SEG annually beginning in 2025-26 for supplies and services. This represents 5% of the appropriations' supplies and services allotments. The Historical Society also requested an increase of \$393,300 GPR in 2025-26 and \$475,400 GPR in 2026-27 in its general program operations appropriation to fund the increased cost of services provided by the Department of Administration (DOA).

2. DOA provides various services to state agencies, including personnel, human resources, financial, legal, and procurement services, and assesses agencies for the costs of providing these services. The Historical Society indicated that the costs for these services increased by more than 50% between 2018-19 and 2023-24, from \$489,900 to \$739,400. The amount requested would provide funding to offset the increases since 2018-19 as well as the projected increases in the 2025-27

biennium, which the Historical Society estimates will equal approximately 9.3% in each year, based on the average annual increase since 2018-19. The Historical Society indicated that agencies have little control over the services DOA provides and the costs associated with those services, and agencies must absorb the costs within their budgets.

3. The Historical Society indicated that much of its funding is from restricted revenue sources, such as gifts, grants, and endowments, and that the amount of available unrestricted funding for agencywide supplies and services is approximately \$5 million. If the Historical Society's assessments for DOA services continue to increase by 9.3% annually, as anticipated, these costs will total nearly \$1 million in 2026-27, or nearly 20% of the total available funding for agencywide supplies and services.

4. Senate Bill 45/Assembly Bill 50 would provide \$318,900 GPR, \$5,900 PR, and \$100 SEG annually beginning in 2025-26 to support increased supplies and services costs, including service contracts, printing, technology equipment, and maintenance supplies and services. These amounts represent 5% of the supplies and services allotment in the agency's appropriations for general program operations, storage facility, Northern Great Lakes Center, and interpretive programming at the Northern Great Lakes Center. [Alternative 1]

5. If the Committee wishes to provide some additional funding for supplies and services at the Historical Society, the Committee could consider providing an increase of \$150,000 GPR annually, which would cover approximately half of the increase in assessments between 2018-19 and 2026-27. [Alternative 2] An increase of \$75,000 GPR in 2025-26 and \$82,000 GPR in 2026-27 would support the estimated increases in assessments for services provided by DOA over the 2025-27 biennium compared to 2024-25. [Alternative 3]

ALTERNATIVES

1. Provide \$318,900 GPR, \$5,900 PR, and \$100 SEG annually beginning in 2025-26 to support increased supplies and services costs.

ALT 1	Change to Base
GPR	\$637,800
PR	11,800
SEG	200
Total	\$649,800

2. Provide \$150,000 GPR annually to support increased supplies and services costs.

ALT 2	Change to Base
GPR	\$300,000

3. Provide \$75,000 GPR in 2025-26 and \$82,000 GPR in 2026-27 to support the estimated future increases in assessments for services provided by DOA.

ALT 3	Change to Base
GPR	\$157,000

4. Take no action.

Prepared by: Maria Toniolo

HISTORICAL SOCIETY

LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
7	Fuel and Utilities Reestimate
8	Northern Great Lakes Visitor Center
9	Revenue Reestimates for Continuing Appropriations