



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #450

Budget Reductions (Historical Society)

[LFB 2003-05 Budget Summary: Page 274, #2]

CURRENT LAW

Under current law, the Wisconsin Historical Society (WHS) collects and preserves historical and cultural resources related to Wisconsin and makes them available to the public. To do so, WHS: (a) maintains a history research collection in its Madison library; (b) operates a museum, eight historic sites, an office at the Northern Great Lakes Visitor Center, and a statewide school program; (c) provides technical services and advice to more than 300 affiliated local historical societies throughout the state; (d) identifies, registers, protects, and restores historic structures and archaeological sites; and (e) researches and publishes books, periodicals, pamphlets, and other materials relating to Wisconsin and American history.

WHS receives funding from several sources, including: (a) federal grants, including historic preservation grants; (b) program revenue from admissions, sales, gifts, and funds from other state agencies; (c) segregated revenue from endowment income; and (d) GPR funding.

WHS currently has authority for 158.82 positions, of which 125.5 positions are GPR funded.

GOVERNOR

Reduce WHS's GPR state operations appropriation by \$1,500,000 GPR annually and by 30.0 GPR positions beginning in 2003-04.

DISCUSSION POINTS

1. This item reflects the Governor's proposal to reduce spending on state operations due

to fiscal constraint. The 2002-03 adjusted base amount for WHS's GPR state operation appropriation is \$9,463,800. The proposed reduction of \$1,500,000 GPR annually would amount to a decrease of 15.85%. In addition, the reduction of 30.0 GPR positions would amount to a decrease in GPR position authority of 23.9%.

2. Like most state agencies, WHS was subject to a number of across-the-board funding reductions in the 2001-03 biennium. The adjusted base funding level in 2000-01 was \$10,516,900 GPR for state operations, excluding debt service and fuel and utilities funding. In 2001 Act 16, this funding was reduced by \$525,800 (5%) annually. Under 2001 Act 109, further reductions of \$354,200 (3.5%) in 2001-02 and \$657,900 (6.0%) in 2002-03 were made. In 2003 Act 1, funding for 2002-03 was further reduced by \$567,800 (6.0%). Finally, 2001 Act 109 and 2003 Act 1 required the lapse of PR monies to the general fund, which reduced PR funding for WHS by \$270,300 in the 2001-03 biennium. A summary of these reductions is presented below.

GPR Across-the-Board Reductions in the 2001-03 Biennium

	<u>2001-02</u>	<u>2002-03</u>	<u>Fund Source</u>
2001 Act 16			
5% -- 5% Across-the-Board	-\$525,800	-\$525,800	GPR
2001 Act 109			
3.5% -- 6% Across-the-Board	-354,200	-657,900	GPR
PR Transfer	-21,900	-74,200	PR
2003 Act 1			
6% Across-the-Board	0	-567,800	GPR
PR Transfer	0	-174,200	PR

3. After consideration of standard budget adjustments, annual GPR funding for WHS state operations, excluding debt service and fuel and utilities funding, would decline as follows.

WHS GPR State Operation Appropriations Excluding Debt Service and Fuel and Utilities

<u>Fiscal Year</u>	<u>Amount</u>	<u>Description</u>
2000-01	\$10,516,900	Adjusted Base
2001-02	9,767,500	Net of Acts 16 and 109
2002-03	8,896,000	Net of Acts 16, 109 and 1
2003-04	8,434,200	SB 44 Proposal
2004-05	8,436,100	SB 44 Proposal

4. On April 12, 2003, the Board of Curators approved a plan to implement the reductions proposed by the Governor's bill. The attachment shows the positions that would be

affected by the plan, including which vacant positions would not be filled, which positions could be moved to a non-GPR source of funding, and which positions would result in layoffs, as well as the related GPR savings.

5. WHS provides educational programming for 75,000 school children, receives more than 500,000 visitors to the historic sites and museums, receives 200,000 on-site visitors to the library for research, and receives more than 1.5 million online visitors.

6. The Board indicates that the reductions proposed in the bill would significantly affect WHS and its educational mission. The Board indicates that the impact of the funding and position reductions include: (a) curtailment of the collection of contemporary Wisconsin and American history; (b) difficulty for Wisconsin residents to find and interpret their history with fewer staff to assist them; (c) neglect of important historic artifacts, properties, and collections due to inadequate preservation funding and expertise to care for the collections; (d) limit or eliminate public access to certain artifacts and records at sites, the museum, the library, and on the Web; and (e) significant decline in educational programs.

7. In the plan submitted to the Board for approval, WHS indicates that \$1,103,000 GPR annually and 22.0 GPR positions could be reduced from its budget by eliminating 15.25 vacant positions and moving 6.75 positions to non-GPR sources of funding. Given the size of the funding and position reductions for WHS, the Committee could consider restoring \$397,000 GPR annually and 8.0 GPR positions. This would result in a net reduction of \$1,103,000 GPR annually and 22.0 GPR positions beginning in 2003-04. This option could allow WHS to avoid any further layoffs.

8. WHS indicates that the 15.25 vacant positions are due to staff members leaving their positions during the 2001-03 biennium for various reasons, such as retirement and voluntary termination. WHS also indicates that approximately 80% of its GPR funding (excluding debt service, utilities, and earmarked funds) supports salaries and fringe benefits for staff. Therefore, in order to meet its previous budget reductions, the positions could not be filled. The Board approved plan would now eliminate the vacant positions.

9. State agencies would have funding for GPR state operations reduced under the Governor's budget recommendations. Although the percentage reductions proposed by the Governor vary significantly between agencies, several agencies would have an average reduction of approximately 10%. The Committee could restore funding and positions to a level consistent with a net reduction of 10% for WHS to make the reductions more comparable to reductions in other agencies. Under this option, the Committee could restore \$553,600 GPR annually and 11.0 GPR positions.

10. In a letter to the Governor dated April 16, 2003, the President of the Board of Curators cites a motion adopted by the Board to reduce the reduction to WHS to \$750,000 GPR and 15.0 GPR positions annually. To accomplish this, \$750,000 GPR annually and 15.0 GPR positions would need to be provided, which would restore 50% of the funding and positions that would be

deleted under SB 44. If the Committee would adopt this proposal, the net reduction of \$750,000 GPR funding would represent a 7.9% across-the-board reduction for WHS GPR state operations, excluding debt service and fuel and utilities funding.

11. Finally, given the reductions WHS incurred during the 2001-03 biennium, the Committee could restore the proposed reductions funding and positions authorized for WHS. However, the reductions to the WHS budget in the 2001-03 biennium are similar to those imposed on most state agencies.

ALTERNATIVES

1. Adopt the Governor's recommendation to reduce WHS's GPR state operations appropriation by \$1,500,000 GPR annually and by 30.0 GPR positions beginning in 2003-04.

2. Modify the Governor's recommendation to provide \$397,000 GPR annually and 8.0 GPR positions beginning in 2003-04, which would result in a net reduction of 11.7% in GPR funding for WHS state operations.

<u>Alternative 2</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$794,000
2004-05 POSITIONS (Change to Bill)	8.00

3. Modify the Governor's recommendation to provide \$553,600 GPR annually and 11.0 GPR positions beginning in 2003-04, which would result in a net reduction of 10% in GPR funding for WHS state operations.

<u>Alternative 3</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$1,107,200
2004-05 POSITIONS (Change to Bill)	11.00

4. Modify the Governor's recommendation to provide \$750,000 GPR annually and 15.0 GPR positions beginning in 2003-04, which would result in a net reduction of 7.9% in GPR funding for WHS state operations.

<u>Alternative 4</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$1,500,000
2004-05 POSITIONS (Change to Bill)	15.00

5. Delete provision.

<u>Alternative 5</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$3,000,000
2004-05 POSITIONS (Change to Bill)	30.00

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Attachment

ATTACHMENT

Wisconsin Historical Society GPR Position and Funding Reduction Proposal

<u>Division</u>	<u>Position</u>	<u>FTE</u>	<u>Amount</u>	<u>Status</u>
Administrative Services	Payroll and Benefits Specialist	1.00	\$31,600	vacant
Administrative Services	Maintenance Mechanic	1.00	48,300	vacant
Administrative Services	Custodian 2	1.00	25,700	vacant
Administrative Services	Purchasing Agent	0.50	24,500	vacant
Administrative Services	Financial Management Supervisor	1.00	61,000	vacant
Administrative Services	Program Assistant	1.00	36,200	vacant
Historic Preservation	Financial Specialist	1.00	44,200	vacant
Historic Preservation	Program Assistant	1.00	49,800	vacant
Historic Preservation	Archeology Supervisor	1.00	76,400	Move to non-GPR
Historic Preservation	Archeologist-Management	1.00	56,300	Move to non-GPR
Historic Sites	Historical Society Manager	1.00	56,300	vacant
Historic Sites	Curator (Stonefield)	1.00	44,400	vacant
Historic Sites	Curator (Old World Wisconsin)	0.50	25,000	vacant
Historic Sites	Historic Site Coordinators (3)	0.75	58,800	Move to non-GPR
Historic Sites	Historic Site Manager (1)	0.25	28,000	Move to non-GPR
Historic Sites	Facility Repair Worker (2)	0.50	18,200	layoff
Historic Sites	Curator (Wade House)	1.00	64,000	layoff
Library-Archives	Archival Supervisor	1.00	56,300	vacant
Library-Archives	Librarian	1.00	44,400	vacant
Library-Archives	Microfilm Technician	0.50	13,900	vacant
Library-Archives	Microfilm Technician	1.00	41,600	Move to non-GPR
Library-Archives	Administrative Manager	1.00	92,800	layoff
Library-Archives	Archivist	1.00	48,500	layoff
Library-Archives	Archivist	1.00	63,800	layoff
Library-Archives	Librarian	0.50	22,600	layoff
Library-Archives	Microfilm Technician	0.50	22,300	layoff
Museum	Volunteer Coordinator	0.75	27,300	vacant
Museum	Curatorial Supervisor	1.00	56,300	vacant
Museum	Facilities Repair Worker	1.00	40,000	vacant
Museum	Curator	1.00	50,600	Move to non-GPR
Museum	Historical Society Manager	0.50	38,900	Move to non-GPR
Museum	Senior Graphics Designer	0.25	8,700	Move to non-GPR
Museum	Curator	1.00	61,800	layoff
Museum	Curator	1.00	58,500	layoff
Public History	Publications Editor	0.50	27,500	Move to non-GPR
Public History	Publications Editor	0.50	31,000	Move to non-GPR
Public History	Education Specialist	<u>0.50</u>	<u>24,200</u>	layoff
Total		30.00	\$1,579,700	