

Appropriation Request

2021-2022



Pennsylvania
Historical & Museum
Commission

Presented to the House and Senate Appropriations Committees

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE DIRECTOR STATEMENT	1
SUMMARY BY FUND AND APPROPRIATION	5
APPROPRIATION DETAIL	8
COMPLEMENT DETAIL	14
SPECIAL FUNDS INDEX	16

EXECUTIVE DIRECTOR STATEMENT

EXECUTIVE DIRECTOR STATEMENT

Agency Mission Statement: *The mission of the [Historical and Museum Commission](#) is to discover, protect and share Pennsylvania's past, inspiring others to value and use our history in meaningful ways.*

The legal responsibilities of PHMC as defined in the History Code, the Administrative Code and the Constitution of Pennsylvania include:

- The conservation of Pennsylvania's historical and natural heritage.
- The preservation of public records, historic documents, and objects of historic interest.
- The identification, restoration and preservation of architecturally and historically significant sites and structures.
- The publication and reproduction of materials of historical or archaeological interest including anthropology, art, cartography, folklore and other cultural elements of Pennsylvania's heritage.

Programs and Goals:

- **State Historic Preservation:** *To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program focused on preservation, study and interpretation of all areas of Pennsylvania history, providing exhibits and programs to share this history with learners of all ages.*
- **Museum Assistance:** *To assure preservation and accessibility of Pennsylvania's rich heritage through representative artifacts and specimens of history, art and science for all citizens through the support of museums and historical sites within the commonwealth.*

Organizational Structure: PHMC oversees the [State Historic Preservation Office](#), the [State Museum](#), the [State Archives](#), and the [Bureau of Historic Sites and Museums](#), which manages 27 historic sites, museums and placed properties located across the commonwealth. PHMC is governed by a commission consisting of nine residents of the commonwealth appointed by the governor and confirmed by the Senate; four members of the General Assembly, two from the Senate, one appointed by the president pro tempore and one by the minority leader, and two from the House of Representatives, one appointed by the speaker and one by the minority leader; and the secretary of education or his designee. PHMC is led by the executive director who is responsible for the overall operations of the agency with the assistance of the Bureau of Management Services.

Budget Priorities:

For SFY21-22, PHMC is requesting \$20.677 million in GGO funds. This represents an approximate \$500,000 decrease compared to the current SFY and close to a \$900,000, or 4 percent, decrease over last year's budget but still allows PHMC to deliver a tremendous value for our citizens. The proposed GGO funding will support the management of PHMC's 27 historic sites and museums throughout the commonwealth, comprising 369 buildings and 2,028 acres of land. This budget also includes recurring costs associated with the new Pennsylvania State Archives facility that will serve all agencies for generations to come. Although this current request doesn't include funding for a much-needed building manager for the archives building, it does include some utility costs as the building, while slated to be completed in July 2022, will be in operation during SFY21-22.

PHMC supports the Governor's Executive Budget request to eliminate the \$4 million transfer from the Historical Preservation Fund to the General Fund as authorized under Act 114 of 2020 as the transfer would potentially lead to litigation with the Seneca Nation, Shell Corporation, and U.S. Army Corps of Engineers regarding our outstanding obligation to fund the PA SHARE mitigation project with those moneys.

With the pandemic, the temporary closure of many of our sites and museums across the state negatively impacted revenue collections and therefore deposits to the Historical Preservation Fund. Closures also limited our ability to deliver in-person experiences, so we turned to providing content through virtual engagement. In order to advance our digital and virtual work, the agency implemented cost-saving measures, reassigning moneys associated with fieldwork and in-person programs to support its digital work. In addition, PHMC was able to offset significant expenses associated with this work through the award of a \$246,000 competitive CARES Act grant. This grant funding is being used to purchase audio-visual equipment and services to support the development and delivery of additional online programming and digitized content. This programming has ensured that Pennsylvanians continue to have access to our historical treasures throughout the pandemic. PHMC will continue to provide this expanded programming after the pandemic has subsided and our sites have reopened.

Outfitting our sites with protective equipment to mitigate the spread of COVID-19 has placed a financial burden on the agency. To offset pandemic-associated costs, we are working diligently to secure FEMA/PEMA compensation.

[The State Records Center](#), GGO subfund, is requesting \$823,000 in total, which is the same as last year's budget. PHMC charges back each state agency based on the number of boxes in storage. As the business of records management transforms from preserving physical copies to digital files, we have begun an enterprise-wide program to support and maintain the commonwealth's critical historical records. This system will include the active management and preservation of permanent digital records for all state agencies, safeguarding them for future generations.

The commission recognizes the critical role the Keystone Fund plays in supporting PHMC operations. Keystone Fund money is the primary source of funding to support all agency-managed preservation work and infrastructure improvements at the State Archives, the State Museum, and PHMC's 27 historic sites and museums across the state. The Keystone Fund is vital to the agency's ability to meet its mandate to preserve and protect the historical sites and artifacts of the commonwealth. Last year, using Keystone funds, PHMC awarded 29 Historical and Archival Records Care (HARC) grants in the amount of \$184,000. PHMC also awarded 57 Keystone Planning and Construction Grants totaling more than \$2.569 million, making a tremendous impact on many local economies.

Citizens of the commonwealth also recognize the vital role that the funding to support Cultural and Heritage Support Grants (CHSG) plays in communities across Pennsylvania. Last year, PHMC administered \$2 million in grant funding to 152 eligible museums and official county historical societies from 58 Pennsylvania counties, helping these institutions achieve their missions and affording Pennsylvanians across the state greater opportunities to connect with their history.

PHMC appreciates the valuable role communities and local organizations play in preserving and sharing Pennsylvania history. The agency values the work of these local groups, ensuring that communities remain vital with amenities and activities that support residents and tourists alike. We see these organizations as partners and do our best to assist them not only programmatically, but financially, with the agency's funding. Last year, through HARC grants, CHSG funding, Keystone Planning and Construction Grants, and \$127,000 in federal pass-throughs to local governments, PHMC provided \$4.7 million directly to local communities across the commonwealth.

General Government Operations (GGO): The GGO appropriation for SFY 2021-22, as outlined in the Governor's Executive Budget, is \$20.677 million. This reflects a \$473,000 decrease over the current GGO appropriation to support current programs and personnel.

Closing Statement:

PHMC is making every effort to maximize resources and operations to support the mission of the agency in the most cost-effective manner. The 2021-22 spending plan that is set forth in this document demonstrates an aggressive approach for addressing our fiscal responsibility while administering the core programs of the agency. The commission's goal is to preserve the commonwealth's past so that future generations will be strengthened and inspired by the ideals and traditions of Pennsylvania's heritage and to help its citizens plan for the future of their communities and state. PHMC requests funding support at the levels presented and the authority granted by the Executive and Legislative branches.

SUMMARY BY FUND AND APPROPRIATION

Summary by Fund and Appropriation (in thousands)

	<u>2019- 2020</u>	<u>2020- 2021</u>	<u>2021- 2022</u>	<u>2022- 2023</u>	<u>2023- 2024</u>	<u>2024- 2025</u>	<u>2025- 2026</u>
	<u>Actual</u>	<u>Available</u>	<u>Budget</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
<u>General Fund</u>							
General Government Operations	\$ 21,555	\$ 21,150	\$ 20,677	\$ 21,090	\$ 21,090	\$ 21,090	\$ 21,090
<i>Federal Funds</i>							
Historic Preservation	1,300	2,050	2,073	2,073	2,073	2,073	2,073
Surface Mining Review	150	150	155	155	155	155	155
Environmental Review	375	348	358	358	358	358	358
Coastal Zone Management	50	-	-	-	-	-	-
American Battlefield Protection Program	3,000	2,000	7,000	7,000	7,000	7,000	7,000
Hurricane Sandy Disaster Relief (EA)	338	213	-	-	-	-	-
Historic Property Partnerships	30	-	-	-	-	-	-
Maritime Heritage	500	-	525	525	525	525	525
Appalachian Development	70	100	100	100	100	100	100
COVID-PA History To-GO (EA)	-	247 *	-	-	-	-	-
<i>Augmentations</i>							
State Records Center	735	823	823	823	823	823	823
Keystone Recreation, Park and Conservation Fund	636	635	639	622	612	614	619
<i>Subtotal - State Funds</i>	21,555	21,150	20,677	21,090	21,090	21,090	21,090
<i>Subtotal - Federal Funds</i>	5,813	5,108	10,211	10,211	10,211	10,211	10,211
<i>Subtotal - Augmentations</i>	1,371	1,458	1,462	1,445	1,435	1,437	1,442
Total - General Fund	\$ 28,739	\$ 27,716	\$ 32,350	\$ 32,746	\$ 32,736	\$ 32,738	\$ 32,743
<u>Grants and Subsidies</u>							
Cultural and Historical Support	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
<u>Restricted Funds</u>							
Historical Preservation Act of 1966	\$ 81	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
Rent and Other Income	176	200	200	200	200	200	200
Total - Restricted Fund	257	325	325	325	325	325	325

Summary by Fund and Appropriation (in thousands)

	<u>2019- 2020</u> <u>Actual</u>	<u>2020- 2021</u> <u>Available</u>	<u>2021- 2022</u> <u>Budget</u>	<u>2022- 2023</u> <u>Estimated</u>	<u>2023- 2024</u> <u>Estimated</u>	<u>2024- 2025</u> <u>Estimated</u>	<u>2025- 2026</u> <u>Estimated</u>
<u>Other Funds</u>							
<u>Historical Preservation Fund</u>							
General Operations (EA)	1,742	1,742	1,267	1,267	1,267	1,267	1,267
Restricted Mitigations and Special Projects	1,583	2,245	612	612	612	612	612
Total - Historical Preservation Fund	\$ 3,325	\$ 3,987	\$ 1,879	\$ 1,879	\$ 1,879	\$ 1,879	\$ 1,879
<u>Keystone Recreation, Park and Conservation Fund</u>							
Historic Site Development (EA)							
Total - Keystone Recreation, Park and Conservati	\$ 12,717	\$ 12,699 *	\$ 12,773	\$ 12,436	\$ 12,248	\$ 12,274	\$ 12,382
<u>Departmental Total - All Funds</u>							
<i>State Funds</i>	\$ 23,555	\$ 23,150	\$ 22,677	\$ 23,090	\$ 23,090	\$ 23,090	\$ 23,090
<i>Special Funds</i>	-	-	-	-	-	-	-
<i>Federal Funds</i>	5,813	5,108	10,211	10,211	10,211	10,211	10,211
<i>Augmentations</i>	1,371	1,458	1,462	1,445	1,435	1,437	1,442
<i>Restricted Funds</i>	257	325	325	325	325	325	325
<i>Other Funds</i>	16,042	16,686	14,652	14,315	14,127	14,153	14,261
Total All Funds	\$ 47,038	\$ 46,727	\$ 49,327	\$ 49,386	\$ 49,188	\$ 49,216	\$ 49,329

* Reflects estimated executive authorization increase.

APPROPRIATION DETAIL

APPROPRIATION DESCRIPTION SUMMARY

Appropriation 181 - General Government Operations

Authority: 1988-72, The History Code; Act 6A-1998, The General Appropriations Act; Title XXVIIA, Section 2801-A of The Administrative Code.

Methodology of Request: The request was formulated based on the Governor's Recommended Budget.

Methodology of Disbursement: Expenditures for personnel costs are based on authorized salaried and wage personnel who fulfill the agency's program plans within the limits of available funds. Expenditures for operating costs and equipment are a combination of invoices for payment of goods and services procured to support daily operations and contractual agreements for the provision of professional services.

History of Lapses (\$ Amounts in Thousands)	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u> Estimated
State Funds	\$0	\$0	\$0
Amount of waiver funds available			
(\$ Amounts in Thousands)			
State Funds			
FY2017	\$1,221	<i>(Reserved for new State Archives Facility under construction)</i>	
FY2018	\$12		
FY2019	\$2,425		
Amount of expense rolled forward			
(\$ Amounts in Thousands)			
State Funds	\$48		

General Government Operations
Percentage Changes (in thousands)

DETAIL BY MAJOR OBJECT	2019-2020 Actual	2020-21 Available	2021-22 Budgeted	Change Budgeted vs. Available	Percent
Personnel					
State	15,994	16,584	15,826	(758)	-4.6%
Federal	1,468	1,548	1,582	34	2.2%
Other	1,082	1,050	1,210	160	15.2%
Total Personnel	18,544	19,182	18,618	(564)	-2.9%
Operating					
State	3,651	4,541	4,826	285	6.3%
Federal	820	634 *	279	(355)	-56.0%
Other	289	323 *	252	(71)	-22.0%
Total Operating	4,760	5,498	5,357	(141)	-2.6%
Fixed Assets					
State	73	-	-	-	0.0%
Federal	-	5	-	(5)	-100.0%
Other	-	85	-	(85)	-100.0%
Total Fixed Assets	73	90	-	(90)	0.0%
Grant & Subsidies					
State	-	-	-	-	0.0%
Federal	3,498	2,000	7,600	5,600	280.0%
Other	-	-	-	-	0.0%
Total Grants & Subsidies	3,498	2,000	7,600	5,600	280.0%
Non-Expense - Interagency					
State	25	25	25	-	0.0%
Non-Recurring Budgetary Reserve					
State	1,812	-	-	-	0.0%
Federal	27	921	750	(171)	-18.6%
Other	-	-	-	-	0.0%
Total Budgetary Reserve	1,839	921	750	(171)	0.0%
Total Funds					
State	21,555	21,150	20,677	(473)	-2.2%
Federal	5,813	5,108	10,211	5,103	99.9%
Other	1,371	1,458	1,462	4	0.3%
Total Funds	28,739	27,716	32,350	4,634	16.7%

* Reflects estimated executive authorization increase.

EXPLANATION OF CHANGES

(\$ Amount in Thousands)	<u>STATE \$</u>	<u>FEDERAL \$</u>	<u>OTHER \$</u>	<u>TOTAL \$</u>
<u>Personnel</u>				
1. Changes in personnel related to cost to carry	\$ (758)	\$ 34	\$ 160	\$ (564)
<i>Subtotal Personnel</i>	\$ (758)	\$ 34	\$ 160	\$ (564)
<u>Operating</u>				
1. Increase related to cost of carry	\$ 285	\$ -	\$ -	\$ 285
2. Decrease in available Federal Grant funding	\$ -	\$ (355)	\$ -	\$ (355)
3. Decrease in augmentation funding	\$ -	\$ -	\$ (71)	\$ (71)
<i>Subtotal Operating</i>	\$ 285	\$ (355)	\$ (71)	\$ (141)
<u>Fixed Assets</u>				
1. Decrease in fixed assets needed	\$ -	\$ (5)	\$ (85)	\$ (90)
<i>Subtotal Fixed Assets</i>	\$ -	\$ (5)	\$ (85)	\$ (90)
<u>Grant & Subsidies</u>				
1. Increase in Federal award funding	\$ -	\$ 5,600	\$ -	\$ 5,600
<i>Subtotal Grant & Subsidies</i>	\$ -	\$ 5,600	\$ -	\$ 5,600
<u>Non-Recurring Budgetary Reserve</u>				
1. Decrease in Federal Budgetary Reserves needed	\$ -	\$ (171)	\$ -	\$ (171)
<i>Subtotal Non-Recurring Budgetary Reserve</i>	\$ -	\$ (171)	\$ -	\$ (171)
<u>Total</u>	<u>\$ (473)</u>	<u>\$ 5,103</u>	<u>\$ 4</u>	<u>\$ 4,634</u>

APPROPRIATION DESCRIPTION SUMMARY

Appropriation 119 - Cultural and Historical Support

Authority: Act No. 1-A, General Appropriations Act

Methodology of Request: The request was formulated based on the Governor's Recommended Budget.

Methodology of Disbursement: Grants are general operating support grants and are evaluated against pre-determined criteria. Grant awards are disbursed using an invoice process.

HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u> Estimated
State Funds	\$0	\$0	\$0

Amount of waiver funds available
(\$ Amounts in Thousands)

State Funds
FY2019 \$0

Amount of expense rolled forward
(\$ Amounts in Thousands)

State Funds
FY2019 \$0

Cultural and Historical Support
 Percentage Changes (in thousands)

DETAIL BY MAJOR OBJECT	2019-2020 Actual	2020-21 Available	2021-22 Budgeted	Change Budgeted vs. Available	Percent
Personnel					
State	-	-	-	-	0.0%
Federal	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
Total Personnel	-	-	-	-	0.0%
Operating					
State	100	100	100	-	0.0%
Federal	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
Total Operating	100	100	100	-	0.0%
Fixed Assets					
State	-	-	-	-	0.0%
Federal	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
Total Fixed Assets	-	-	-	-	0.0%
Grant & Subsidies					
State	1,900	1,900	1,900	-	0.0%
Federal	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
Total Grants & Subsidies	1,900	1,900	1,900	-	0.0%
Non-Expense - Interagency					
State	-	-	-	-	0.0%
Non-Recurring Budgetary Reserve					
State	-	-	-	-	0.0%
Federal	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
Total Budgetary Reserve	-	-	-	-	0.0%
Total Funds					
State	2,000	2,000	2,000	-	0.0%
Federal	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
Total Funds	2,000	2,000	2,000	-	0.0%

COMPLEMENT DETAIL

COMPLEMENT INFORMATION

(Excludes All Wage Positions)

FUNDING SOURCE	2019-2020	2020-2021	2021-2022
State Funds			
<i>Authorized</i>	200	197	197
<i>Filled</i>	186	182	182
Federal Funds			
<i>Authorized</i>	9	9	9
<i>Filled</i>	9	9	9
Other Funds			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	209	206	206
<i>Filled</i>	195	191	191

Benefit Rate	74.1%	69.5%	70.0%
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SPECIAL FUNDS INDEX

Historical Preservation Fund

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of state historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to support publications and properties. This fund is made up of monies from the sale of publications by the Pennsylvania Historical and Museum by the commission at the state historical properties and/or museums. Act 173 of 2002 enables the commission to sell most commonwealth publication to the public and provides that net proceeds from the publication sales and from the sale of historical properties administered by the commission shall be deposited into the fund. The Historical Preservation Fund is designated for projects of the Historical and Museum Commission for which they have agreements to complete over a period of several fiscal years.

Act 114 of 2020 authorized transfers to the General Fund from various special fund balances. this budget proposed that the transfer of \$4 million from the Historical Preservation Fund be eliminated and replaced with an equal transfer of undistributed accumulated interest earnings from the Unconventional Gas Well Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts In Thousands)

	2018-19 Actual	2019-20 Available	2020-21 Estimated
Cash Balance, Beginning	\$8,556	\$6,583	\$4,687
Receipts:			
Admission Fees	\$850	\$133	\$501
Mitigation and Special Projects	\$24	\$0	\$0
Interest	\$152	\$14	\$14
Other	\$249	\$119	\$119
Total Funds Available	\$9,831	\$6,849	\$5,321
Disbursements:			
Historical and Museum Commission			
General Operations	\$1,665	\$978	\$1,267
Mitigation and Special Projects	\$1,583	\$1,184	\$612
Transfer to General Fund	\$0	\$0 ^b	\$0
Cash Balance, Ending	\$6,583^a	\$4,687^a	\$3,442^a

^a Includes the following amounts restricted for mitigation and special projects: 2019-18 Actual is \$4,448,00, 2020-21 Available is \$3,264,000 and 2021-22 Estimated is \$2652,000.

^b Elimination of Act 114 Transfer

Conrad Weiser Memorial Park Trust Fund

This fund was created to provide for control, management, supervision, restoration and improvement of the Conrad Weiser Memorial Park, Berks County. Source of revenue for the fund is interest from the \$20,000 perpetual endowment created by the estate of Colonel Conrad Weiser.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts In Thousands)

	2019-20 Actual	2020-21 Available	2021-22 Estimated
Cash Balance, Beginning	\$77	\$79	\$79
Receipts:			
Interest	\$2	\$0	\$0
Total Funds Available	\$79	\$79	\$79
Disbursements:			
Historical and Museum Commission	\$0	\$0	\$0
Cash Balance, Ending	\$79	\$79	\$79

Pennsylvania Historical and Museum Commission Trust Fund

This fund, created by Act 113 of 1931, is administered by the Governor, Auditor General, State Treasurer and the Pennsylvania Historical and Museum Commission. The interest received from investment of the \$33,000 perpetual endowment to this fund in bonds of the commonwealth or any of its political subdivisions is credited to the fund. Interest earned on investments is used for the restoration, maintenance and improvement of the Cornwall Charcoal Furnace, Cornwall Borough, Lebanon County.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2019-20 Actual	2020-21 Available	2021-22 Estimated
Cash Balance, Beginning	\$193	\$197	\$198
Receipts:			
Interest	\$4	\$1	\$1
Total Funds Available	\$197	\$198	\$199
Disbursements:			
Historical and Museum Commissio	\$0	\$0	\$0
Cash Balance, Ending	\$197	\$198	\$199