




**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Department of Natural, & Cultural Resources (DNCR)

*March 8, 2017*

Lanier McRee

# Agenda

- 
1. DNCR at-a-Glance
  2. DNCR Divisions
    - Base Budgets
    - Major Functions
    - Recent Budget Actions
  3. Questions

# DNCR At a Glance



## North Carolina Arts

North Carolina's state art museums, symphony and arts council give all North Carolinians access to world-class arts experiences and fuel the state's creative economy.



## North Carolina History

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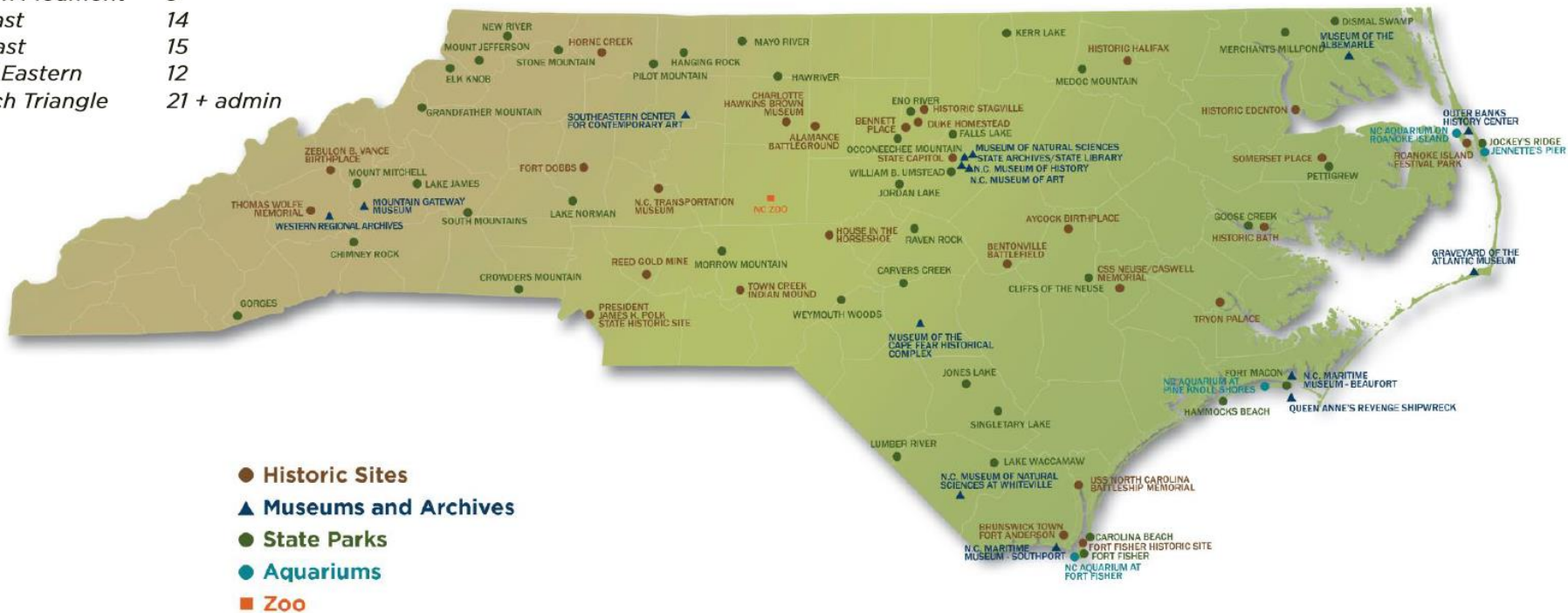
## North Carolina Nature

North Carolina's state parks, aquariums, science museums and zoo preserve our state's natural treasures and give everyone the chance to discover them.



# DNCR Sites

<u>Regions</u>	<u>Institutions</u>
Mountain	12
Northern Piedmont	9
Southern Piedmont	9
Northeast	14
Southeast	15
Central Eastern	12
Research Triangle	21 + admin



Source: Department of Natural and Cultural Resources



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# DNCR Base Budget

General Fund Budget Code: 14800, 14802							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 72,612,554	\$ 197,388,236	\$ 225,460,622	\$ (18,788,711)	\$ 206,671,911	\$ (18,784,709)	\$ 206,675,913
<b>Less Receipts</b>	\$ 8,912,871	\$ 36,454,563	\$ 39,824,288	\$ 18,596	\$ 39,842,884	\$ 18,596	\$ 39,842,884
<b>Net Approp.</b>	\$ 63,699,683	\$ 160,933,673	\$ 185,636,334	\$ (18,807,307)	\$ 166,829,027	\$ (18,803,305)	\$ 166,833,029
<b>Positions</b>	669.92	1,804.83	1,811.78	(5.00)	1,806.78	(5.00)	1,806.78

- Reductions of:
  - ~\$18.8M net appropriations
  - 5 FTE



# DNCR Base Budget Adjustments

## Expenditure Adjustments

- Increases for retirement: \$273 K
- Increase for IT/ Communication: \$914 K
- Increase for Travel: \$115 K
- Increase for Rent: \$3.9 K
- Decreases for NR spending: (\$19.73 M)

## Revenue Adjustments

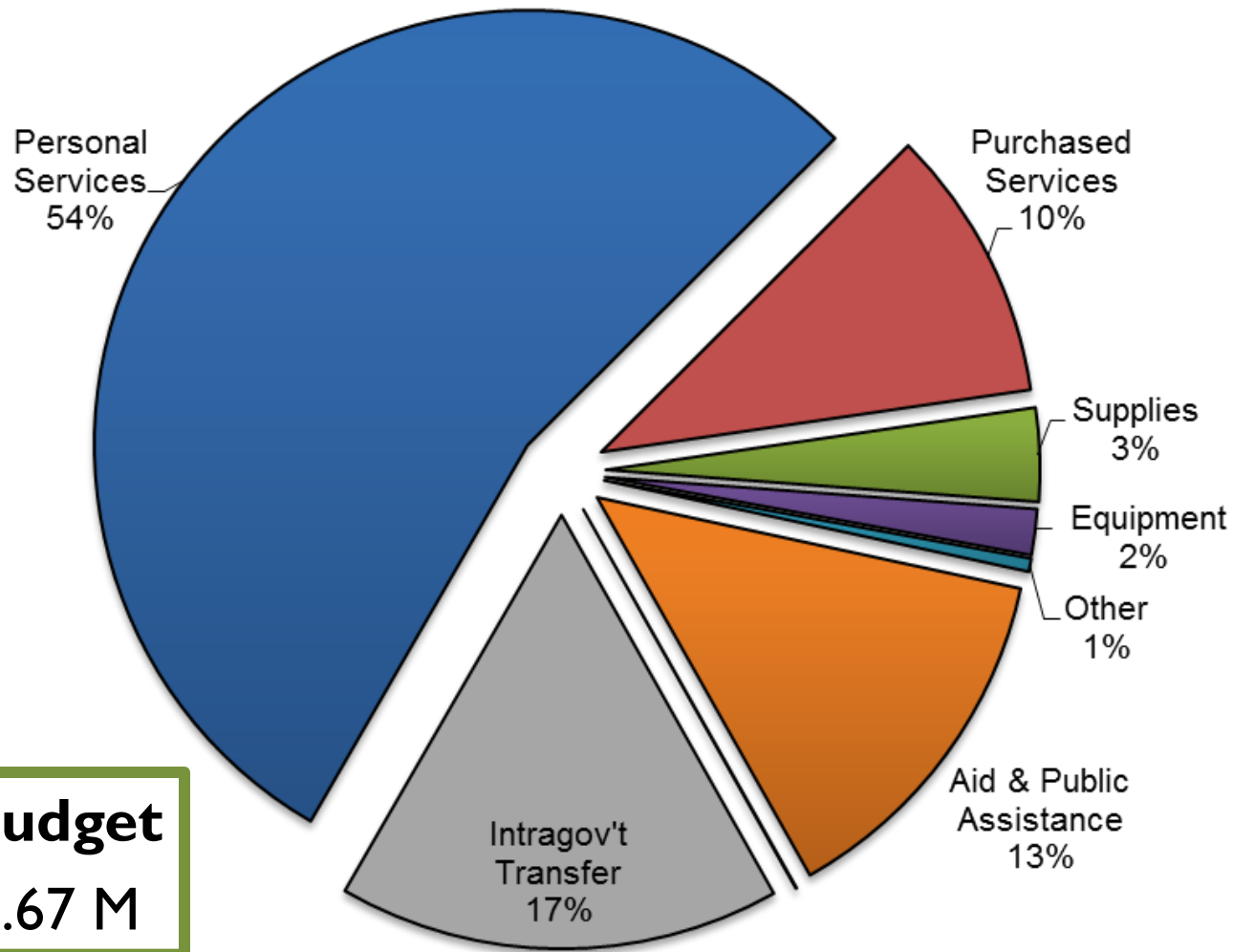
- Increase gate admissions: \$3.6 K
- Increase non-capital gifts: \$1.2 K
- Increase intragov'tal transactions: \$13.5 K

## Eliminated NR Expenditures:

- Clean Water Mgmt Trust Fund: (\$8.60 M)
- Parks & Rec Trust Fund: (\$6.33 M)
- Misc. Grants in Aid: (\$1.55 M)
- Queen Anne's Revenge: (\$870.1 K)
- Grassroots Art Grants: (\$650 K)
- Compensation Reserves: (\$640 K)
- A+ Schools: (\$482.7 K)
- Historic Site Support: (\$350 K)
- Children's Digital Library: (\$200 K)
- Parks Centennial Funding: (\$200 K)
- Tryon Palace: (\$150 K)
- Museum of Art: (\$120 K)
- Science Museum Grants: (\$100 K)
- Maritime Museum in Southport: (\$100 K)



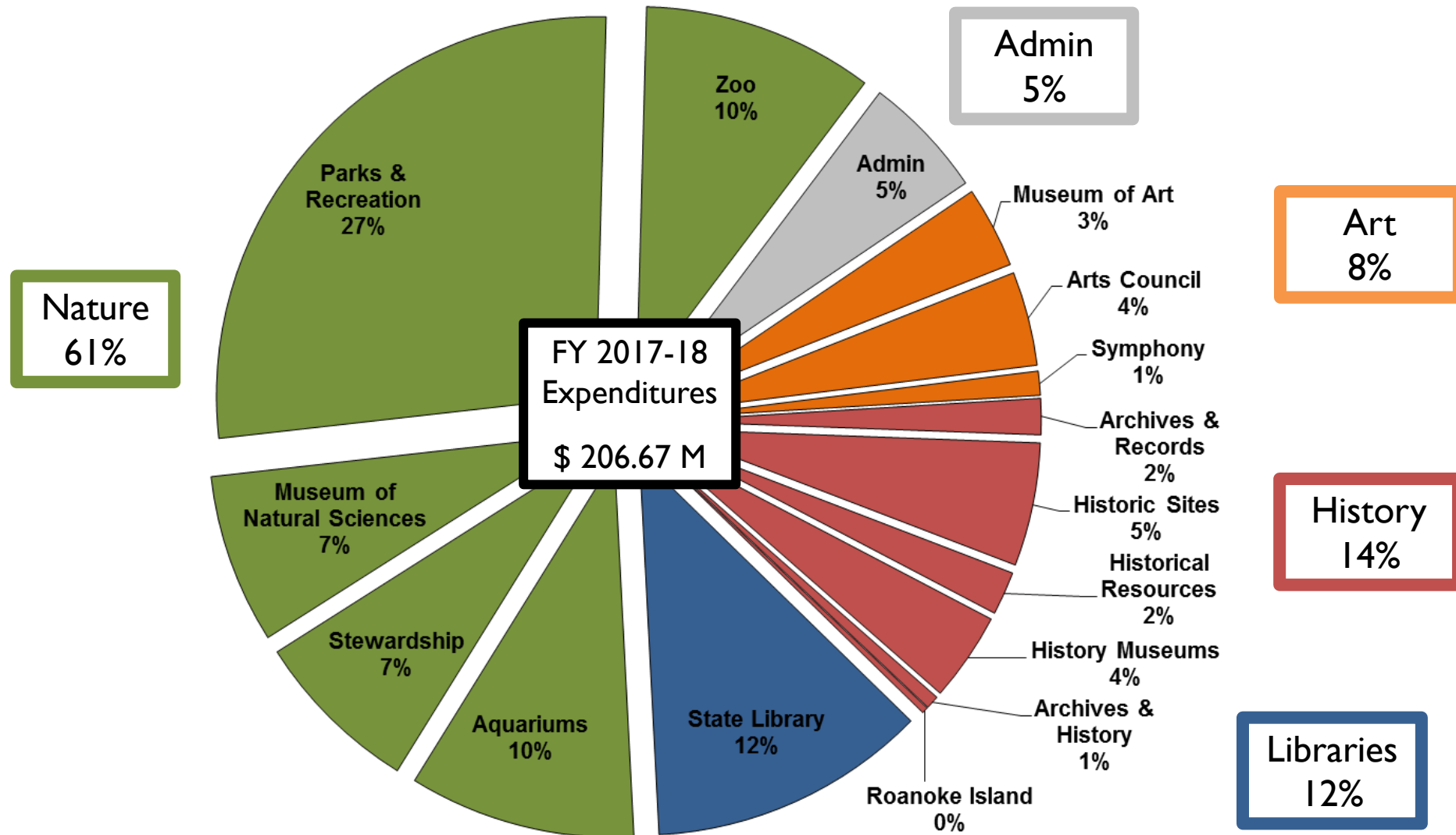
# DNCR Base Budget



**FY 2017-18 Base Budget**  
Expenditures : \$ 206.67 M



# Base Budget: How is the Money Spent?

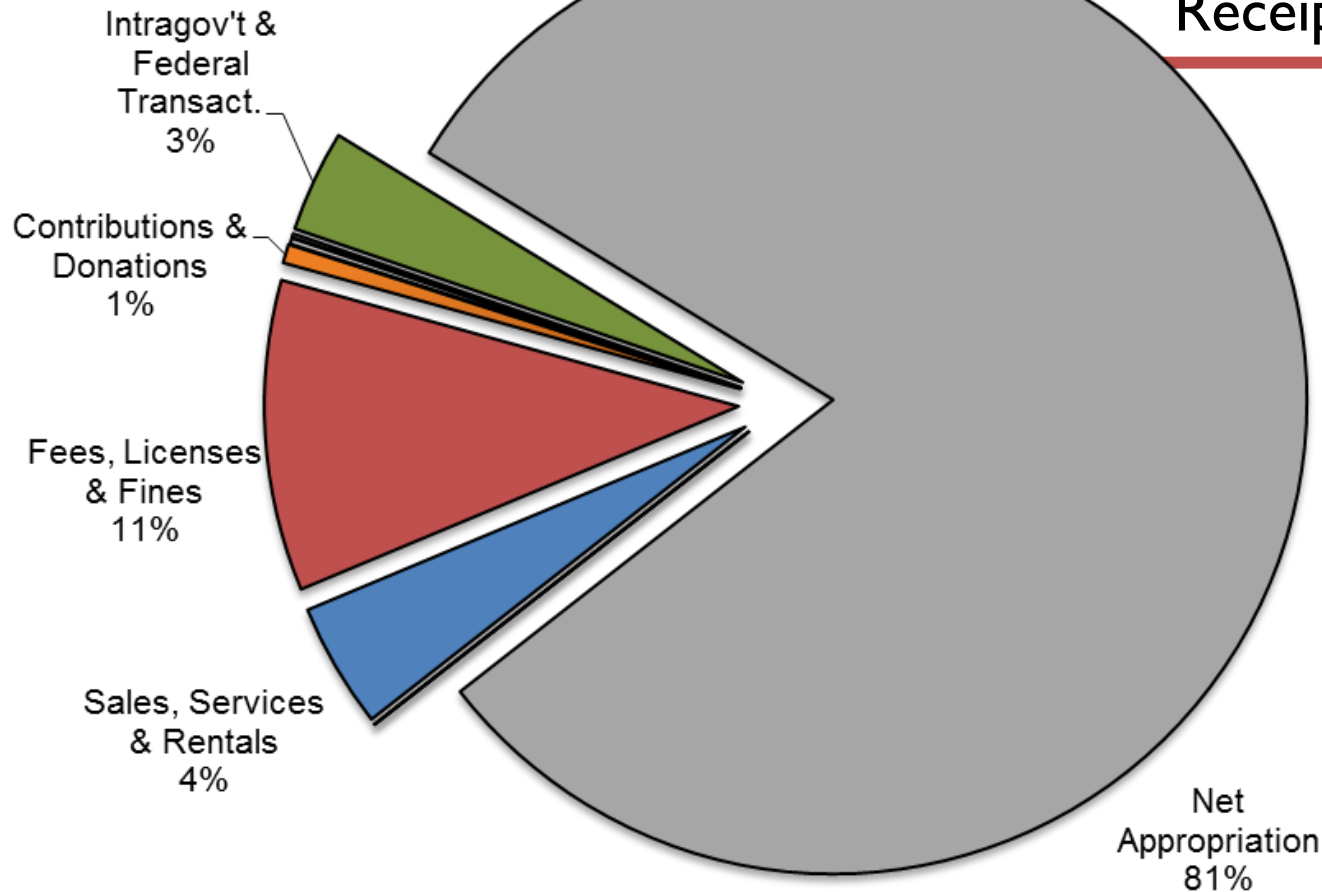




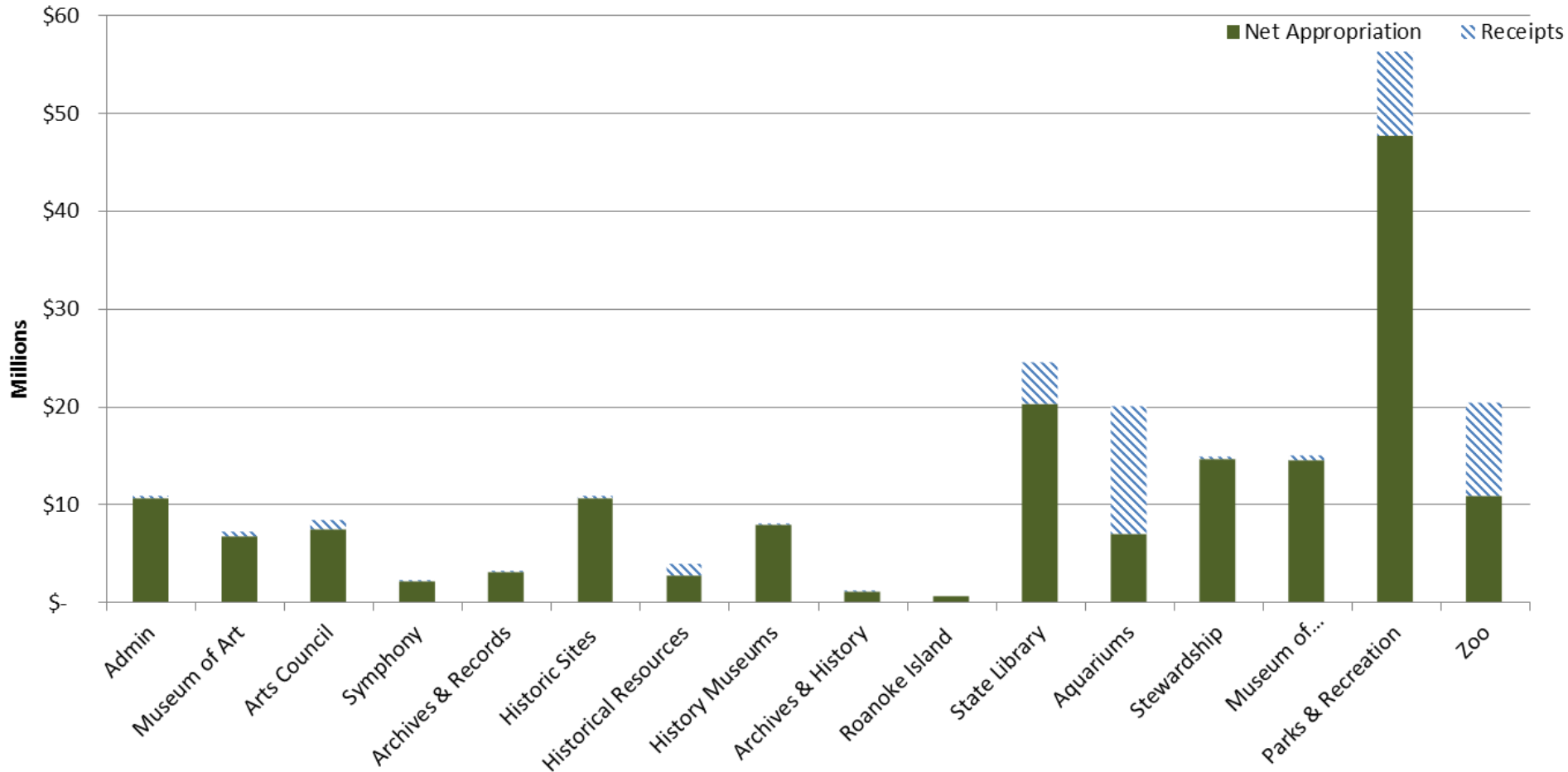
# Base Budget: Sources of Funds

**FY 2017-18 Base Budget**

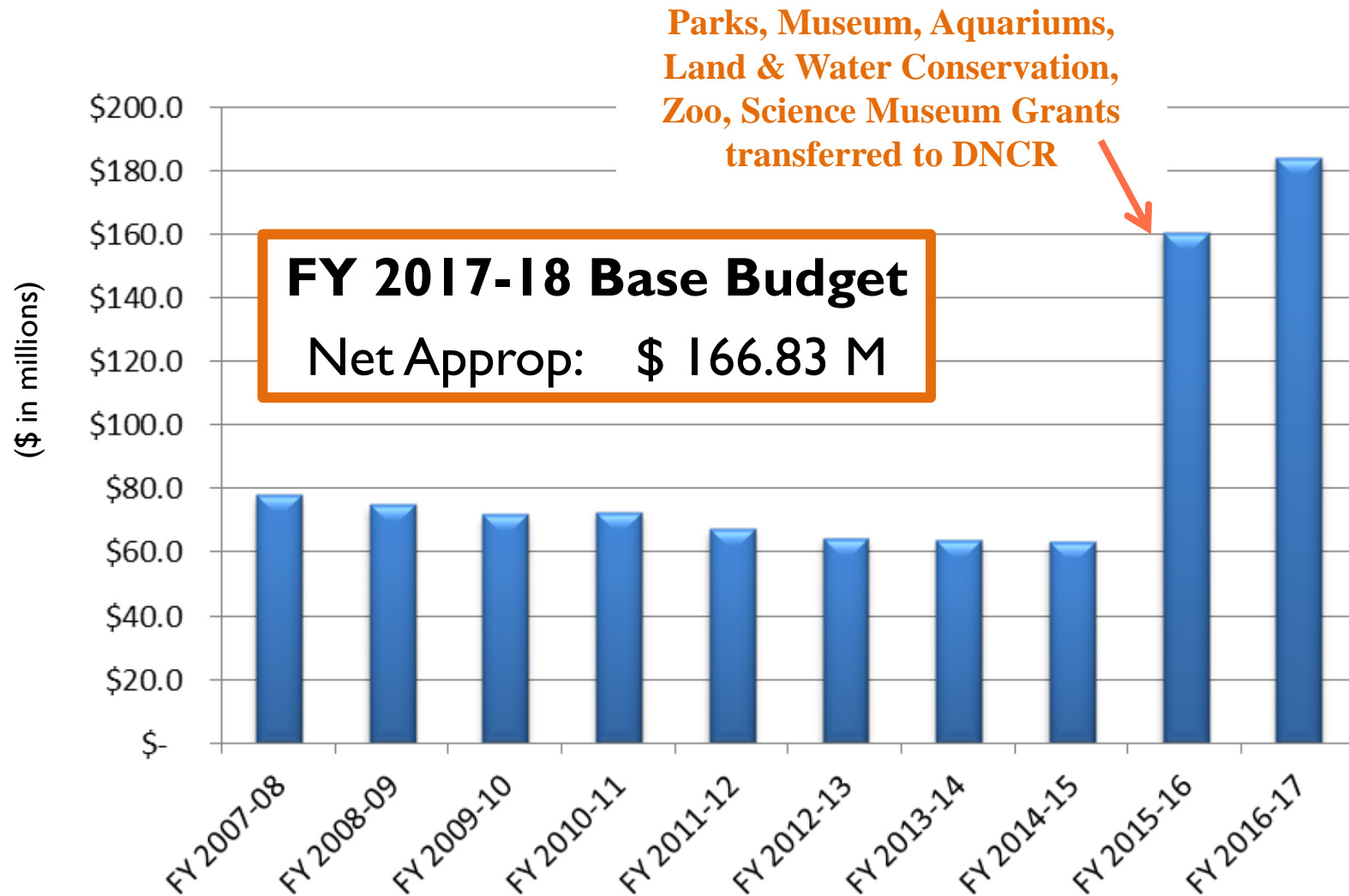
**Receipts: \$39.84 M**



# Base Budget: Funding Source by Division



# DNCR: Net Appropriation History



# Merging Natural & Cultural Resources

## FY 2014-15

## FY 2016-17



815+ FTE

1,640+ FTE



\$ 72.1 M Expenditures  
\$ 8.9 M Receipts

\$ 206.7 M Expenditures  
\$ 39.8 M Receipts



366 Buildings

1,827 Buildings



4,859 Acres of Land

234,261 Acres of Land



500+ Grants

650+ Grants



43 Support Groups  
29 Advisory Boards

76 Support Groups  
31 Advisory Boards

# Facilities Management

- Significant decline in maintenance budget since FY 2007-08:

Historic Sites - 1241	FY 2007-08	FY 2009-10	FY 2015-16
Total Expenditures	\$ 9,167,594	\$ 8,470,492	\$ 7,226,099
Maintenance Expenditures	\$ 675,859	\$ 508,923	\$ 145,428
% of total expenditures	7.37%	6.01%	2.01%

- R&R allocation formula
- Special Funds can be used for Maintenance:
  - PARTF for Parks
  - Zoo, Aquarium Special Funds
  - State Historic Sites and Museum Special Fund



# Grant Programs

~ \$56 Million in grants awarded in FY 2015-16



**North Carolina Arts**

Grassroots Arts Grants  
Artist Fellowships  
Arts in Education Grants  
Arts Grants to Individuals & Organizations

Historic Preservation Grants (federal)

# Advisory Committees

## 34 Advisory Committees 24 “policy-making” | 5 advisory | 2 fundraising

### Office of the Secretary

1. North Carolina Awards Committee
2. *Executive Mansion Fine Arts Committee*
3. Executive Mansion Fine Arts Fund Board of Directors

### Arts and Libraries

4. NC Arts Council Board of Directors
5. *African American Heritage Commission*
6. State Library Commission
7. Public Librarian Certification Commission
8. North Carolina Symphony Society Board of Trustees
9. North Carolina Museum of Art Board of Trustees
10. Vagabond School of Drama Board
11. Roanoke Island Historical Association (Lost Colony)

### Parks, Zoo, Aquariums

12. Parks and Recreation Authority
13. North Carolina Trails Committee
14. North Carolina Zoological Park Council
15. - 18. *NC Aquariums Advisory Committees*

### Archives, History

19. *State Capitol Foundation (\$)*
20. North Carolina Historical Commission
21. *Museum of History Associates Board of Directors (\$)*
22. National Register Advisory Committee
23. *Highway Historical Marker Committee*
24. State Historical Records Advisory Board
25. Tryon Palace Commission
26. USS North Carolina Battleship Commission
27. *Roanoke Island Commission*
28. Edenton Historical Commissions
29. Historic Bath Commission
30. Historic Hillsborough Commission
31. Historic Mufreesboro Commission

### Nature and Science

32. Clean Water Management Trust Fund Board
33. Natural Heritage Program Advisory Committee
34. Governor’s Museum Advisory Committee (NCMNS)



# Friend Groups

- 77 “Friend” Groups support DNCR-based programs
  - Historical Sites
  - Museums (Art, History, & Natural Sciences)
  - State Parks
  - Aquariums
  - State Archives
  - NC Symphony,
  - NC Arts Council (new!)
- 70 MOAs to address strategy, governance, finances, transparency, accountability, etc.
  - Site Manager/ Executive Director required to serve as an ex-officio board member of the support group





# DNCR Takeaways

- More than doubled in size in FY 2015-16 with transfer of “Nature”
- ~ 19% receipt / 81% net appropriation-supported
- ~ 27% of expenditures are grants
- Large decrease, \$18.8 M, between FY 2016-17 and base budget primarily due to NR appropriations
- Maintains over 1,800 sites, many of which are historic
- Support over 100 advisory committees, friends groups



# DNCR Divisions



## North Carolina Arts

North Carolina's state art museums, symphony and arts council give all North Carolinians access to world-class arts experiences and fuel the state's creative economy.



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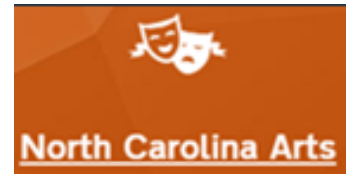


# Office of the Secretary/Administration

## 2017-18 Base Budget

Expenditures	\$ 10,878,892
Receipts	\$ 302,101
Net Approp.	\$ 10,576,791
FTE	79.00

- Budgeting and Finance
- Information Technology
- Capital Projects Planning
- Human Resources
- Reserves



# Budget Actions FY 2015-17

Program	FY 2015-16	FY 2016-17
Vacant Position	-	(\$68,186) (1 FTE)
Grants-in-Aid	-	\$1.2 M NR
<i>Downtown Winston-Salem Museum</i>	-	<i>\$1 m NR</i>
<i>Ingram Planetarium</i>	-	<i>\$50k NR</i>
<i>Fair Bluff Community Library</i>	-	<i>\$50k NR</i>
<i>Fuquay-Varina Arts Center &amp; Dreams of Wilmington</i>	-	<i>\$100k NR</i>
Salary Reserve (dept-wide)	-	(\$62,203)



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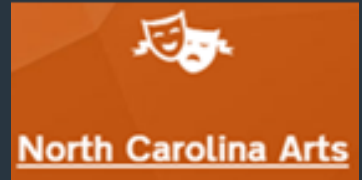


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# NC Symphony



- 175 performances annually - 45 free to school children
  - ~100,000 audience members in 2016
- \$13M total operating budget, \$2M from State funds
  - \$1.6M expended as grant to NC Symphony

## 2017-18 Base Budget

Expenditures	\$ 2,116,589
Receipts	\$ 39,191
Net Approp.	\$ 2,077,398
FTE	8.01

NORTH CAROLINA  
**SYMPHONY**





# Museums of Art



North Carolina Arts

- NC Museum of Art in Raleigh
  - 521,000 visitors in 2016
- Southeastern Center for Contemporary Art in Winston-Salem
  - 23,200 visitors in 2016



Hans Hofmann, Landscape, circa 1942, oil on board, 30 x 35 in., Gift of Mary and Jim Patton

## 2017-18 Base Budget

Expenditures	\$ 7,183,024
Receipts	\$ 544,455
Net Approp.	\$ 6,638,569
FTE	119.30



# NC Arts Council



- Variety of programs to provide access to the arts, aid economic development and education
  - A+ Schools
  - SmART Initiative
  - Arts Trails
  - Poet Laureate Program
- ~ \$6.5M in base budget for grants

## 2017-18 Base Budget

Expenditures	\$ 8,301,841
<u>Receipts</u>	<u>\$ 947,824</u>
Net Approp.	\$ 7,354,017
FTE	22.11





# Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
A+ Schools	\$232,711 NR	\$482,711 NR
Grassroots Art Grants	\$150,000 NR	\$650,000 NR
Museum of Art	\$130,000 NR	\$214,877 R \$120,000 NR 4 FTE



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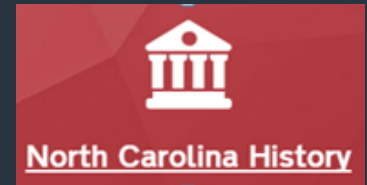


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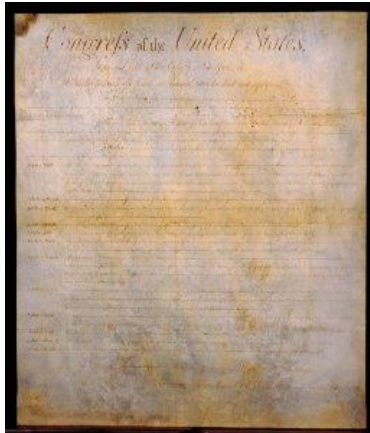
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# Office of Archives & History



*“...collect, preserve, and utilize the state's historic resources so that present and future residents may better understand their history.”*



## 2017-18 Base Budget

Expenditures	\$ 1,170,988
Receipts	\$ 139,831
Net Approp.	\$ 1,031,157
FTE	13.00

## 4 Divisions

Archives & Records

Historical Resources

State Historic Sites

State History Museums



# Archives & Records



## “State Archives of North Carolina”

- Provide guidance on preservation, management of government records
- Collect, preserve and manage historical materials
  - Photographs, videos, audio recordings
  - Maps, military papers, and private collections

### **2017-18 Base Budget**

Expenditures	\$ 3,178,425
Receipts	\$ 146,780
Net Approp.	\$ 3,031,645
FTE	50.76



# Historical Resources



1. Historical Publications
2. Historic Preservation
3. Highway Markers Program
4. Archaeology

## 2017-18 Base Budget

Expenditures	\$ 3,824,295
Receipts	\$ 1,179,057
Net Approp.	\$ 2,645,238
FTE	47.51





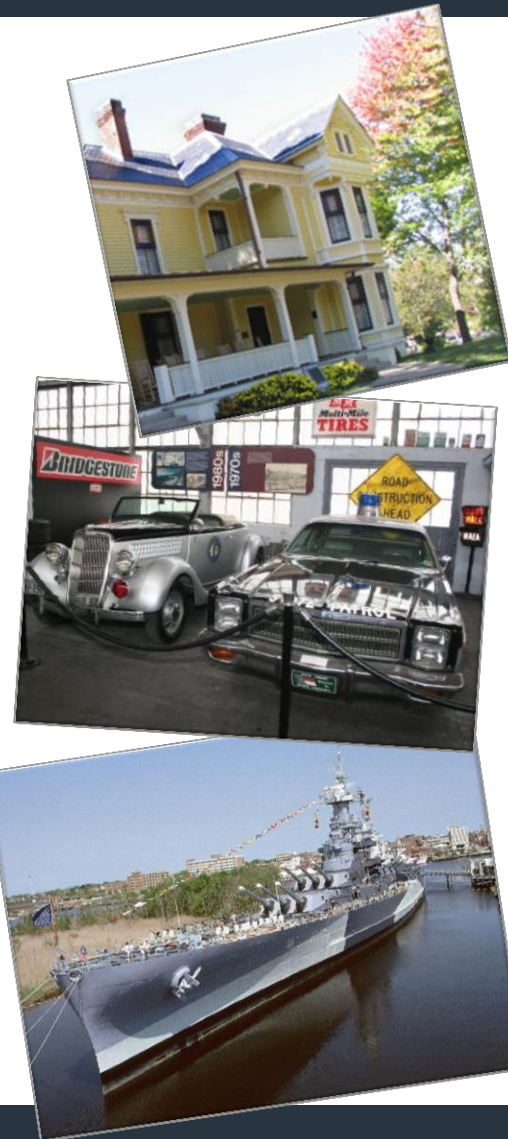
# Historic Sites

- 27 Historical Sites
  - 24 managed exclusively by DNCR
  - 3 managed by Commission
- ~2 million visitors in 2016 (all 27 sites)

## 2017-18 Base Budget\*

Expenditures	\$ 10,649,252
Receipts	\$ 354,407
Net Approp.	\$ 10,294,845
FTE	175.80

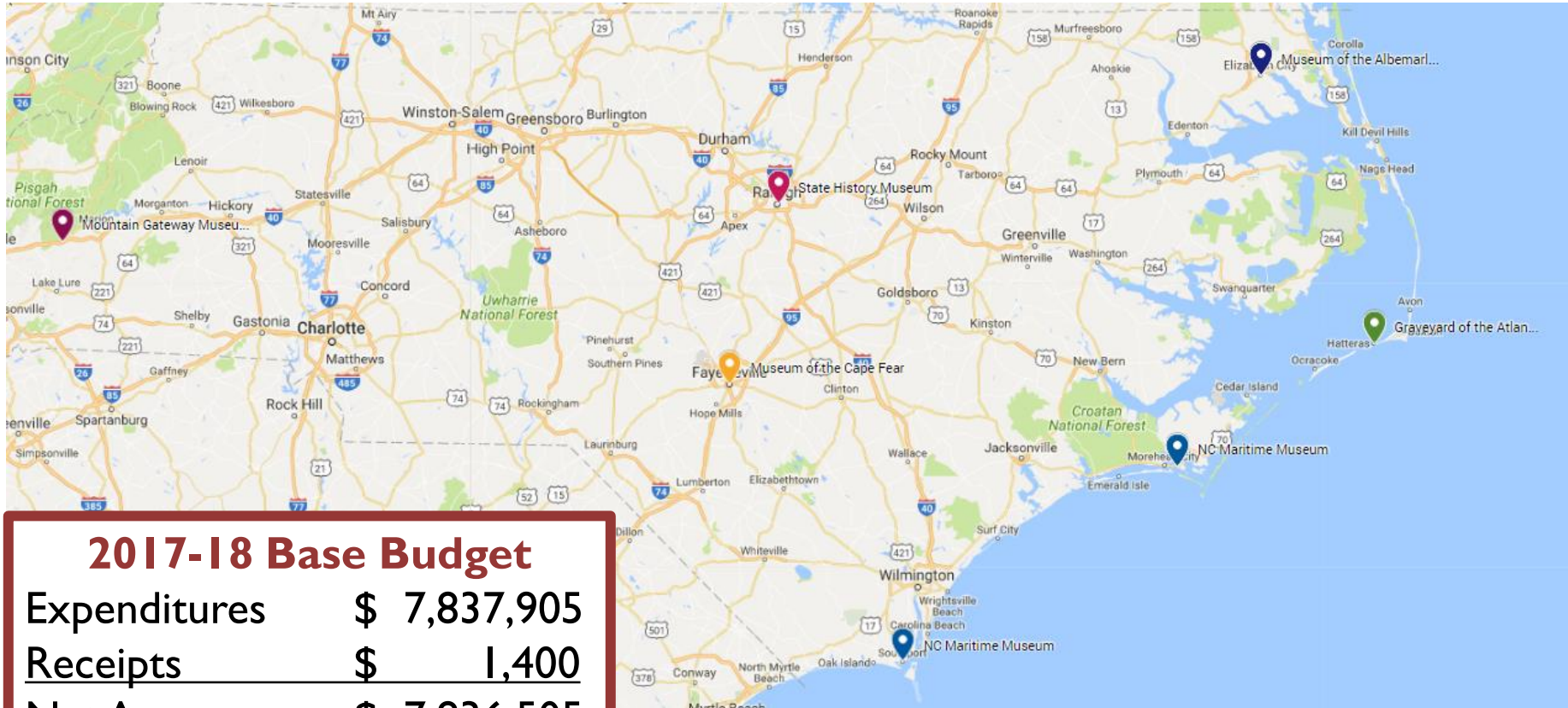
\* Excludes Roanoke Island Festival Park, budgeted separately



# State History Museums



North Carolina History



## 2017-18 Base Budget

Expenditures	\$ 7,837,905
Receipts	\$ 1,400
Net Approp.	\$ 7,836,505
FTE	120.00

FY 2015-16 Visitation: 865,000 visitors  
across all 7 museum locations



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# Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
Federal Historic Tax Credit	\$190,730 R 4 FTE	\$190,730 R 4 FTE
Historic Site Support	-	\$750,000 NR
Tryon Palace	\$100,000 NR	\$150,000 NR
Queen Anne's Revenge	\$929,161 NR	\$870,839 NR
Chief Curator	\$102,000 R 1 FTE	\$102,000 R 1 FTE
Archaeology Research Center	-	\$169,269 R 3 FTE
History Museum	-	\$56,412 R
Maritime Museum – Southport	-	\$100,000 NR





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1. NC Government & Heritage Library
2. Library for the Blind and Physically Handicapped
3. Library Development Section

- State Aid to Libraries (G.S. 125-7)

- Allocated on formula
  - ~ \$14.2 M in State Aid

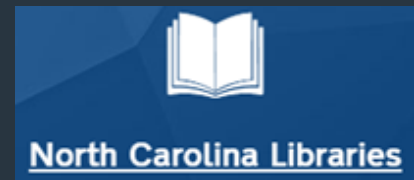
- Federal Library Services & Technology Act Grants

- ~\$4.3 M in federal grant funds
  - Require matching funds

## 2017-18 Base Budget

Expenditures	\$ 24,559,310
Receipts	\$ 4,342,299
Net Approp.	\$ 20,217,011
FTE	76.00

# Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
State-aid Library Grants	\$1,000,000 R	\$1,000,000 R
Digital Children's Library	-	\$200,000 NR



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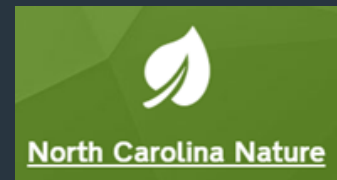


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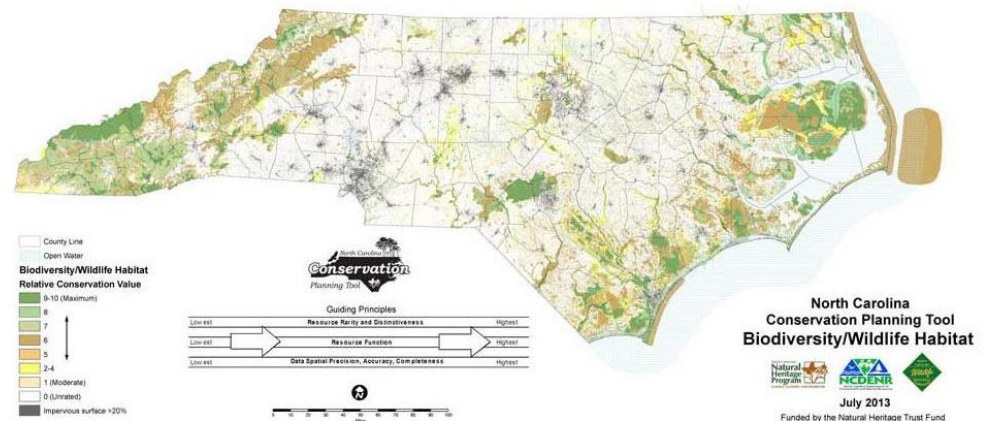
# Land & Water Stewardship



## North Carolina Conservation Planning Tool

### 2017-18 Base Budget

Expenditures	\$ 14,802,746
Receipts	\$ 210,796
Net Approp.	\$ 14,594,950
FTE	22.00



## Natural Heritage Program (NHP)

- Online natural resources information clearinghouse
- Provides geographic data layers and detailed reports
- Conservation planning tools and resources



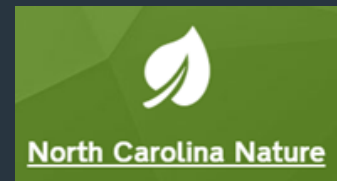
# Land & Water Stewardship

- Clean Water Management Trust Fund
  - Works with local governments, state agencies, nonprofits
  - Provides grant for 6 primary purposes
    - Grant awards decided by the CWMTF Trustees
  - Primarily funded by net appropriation, small amount of funding from license plates
    - FY 2016-17: \$22.4 M for grants
      - \$1 M R for military buffers
    - 2017 Grant Cycle: over \$67 M in requests





# Museum of Natural Sciences



- Founded in 1879 – NC's 1<sup>st</sup> public museum
- 2 Satellite locations
  - Museum of Forestry in Whiteville,
  - Prairie Ridge Eco-station in Raleigh
- Free admission except for special exhibits
- FY 2015-16 Visitation: 939,000

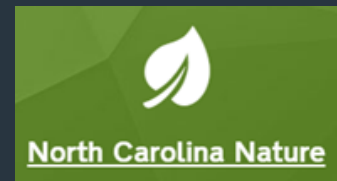


## 2017-18 Base Budget

Expenditures	\$ 14,948,200
Receipts	\$ 489,045
Net Approp.	\$ 14,459,155
FTE	152.00



# Parks & Recreation



- Created in **1916** - Mt. Mitchell State Park
- Extensive system of recreation areas:
  - 35 State parks
  - 7 State lakes
  - 4 State recreation areas
  - 5 State trails
  - 20 State natural areas
- FY 2015-16 Visitation: 18.1 M

## 2017-18 Base Budget

Expenditures	\$ 56,316,095
Receipts	\$ 8,526,750
Net Approp.	\$ 47,789,345
FTE	480.5





# Parks & Recreation



In addition to recreation, administer grant programs:

- Federal Programs:
  - Recreational Trails Program (RTP): base budget: ~\$1.2M
  - Land and Water conservation Fund (LWCF): base budget: ~\$2.5M
- Parks and Recreation Trust Fund (PARTF):
  - Base Budget: ~\$17.8M
  - 65% for the State Parks System
  - 30% for local government grants
  - 5% Beach and Waterfront Access grants



# Aquariums



Roanoke Island

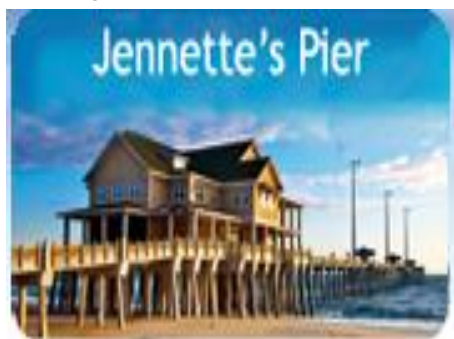


Fort Fisher



- \$ 12.3M in admissions
- FY 2015-16 Visitation:  
1.23 M

Jennette's Pier



Pine Knoll Shores



## 2017-18 Base Budget

Expenditures	\$ 19,970,623
Receipts	\$ 13,021,152
Net Approp.	\$ 6,949,471
FTE	177.75

- World's largest “natural-habitat” zoo
  - Two continents – Africa and North America – One Aviary
  - Permanent exhibits first opened in 1979
- \$ 7.6 M in gate admissions
- FY 2015-16 Visitation: 755,567

## 2017-18 Base Budget

Expenditures	\$ 20,378,155
Receipts	\$ 9,597,796
Net Approp.	\$ 10,780,359
FTE	263.25



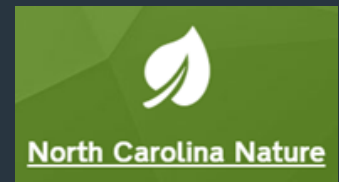
# Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
CWMTF Military Buffers	\$ 1,000,000 R	\$ 1,000,000 R
CWMTF Program Expansion	\$ 5,000,000 NR	\$ 8,600,000 NR
NHP Operating Reduction (when transferred)	(\$ 314,726) (4.1 FTE)	(\$ 314,726) (4.1 FTE)
NHP Operating “Restoration”	-	\$314,726 4.1 FTE
PARTF Funding	\$ 190,924	\$ 4,427,007 R \$ 6,330,000 NR
Parks Centennial Funding	\$ 250,000 NR	\$ 200,000 NR
Brock’s Mill House Funding	\$ 100,000 NR	-



# Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
MNS Vacant Position	-	(\$ 54,630) (1 FTE)
Science Museum Grants	-	\$ 100,000 NR
Zoo Vacant Position	-	(\$ 58,772) (1 FTE)



# Questions?



Fiscal Research Division  
919-733-4910

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*Natural & Cultural Resources*

