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Rough Draft

Appropriations Committee  
March 08, 2017

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[AGENCY 54]

SENATOR STINNER: Any additional proponents? Are there any opponents? Seeing none, is there anybody in the neutral capacity? Seeing none, that closes Agency 91, Nebraska Tourism Commission hearing. We will now open with Agency 54, Nebraska State Historical Society. Good afternoon and welcome. [AGENCY 91 AGENCY 54]

TREVOR JONES: (Exhibit 1) Good afternoon. I'm Trevor Jones, T-r-e-v-o-r J-o-n-e-s. I'm the director and CEO of the Nebraska State Historical Society. I've only been in Nebraska for seven months, but in that time I have learned that Nebraskans are fiercely proud about their history and they care deeply about it. And as we celebrate the 150 anniversary of the state this year--hope you got to go to our party last week--the past here matters more than ever. And I think that history is a little bit deceptive in that it looks backward, in the past, but, in reality, the point of history is to look to the future so that we can plan better. So history provides us with the means to make decisions, to remember our accomplishments, and to learn from our mistakes. And I think that if you do not know your past, it's nearly impossible to imagine what the future will look like. So learning about Grace Abbott or Bess Streeter Aldrich or Louise Pound helps create a shared identity in the state of who we are as Nebraskans and, thus, I think it helps us imagine who we can be in the future. So teaching that history and sharing that knowledge and establishing an understanding of what it means to be a Nebraskan are key parts of what the Nebraska State Historical Society does. We are an educational organization. We preserve the memory of the state and we share it in dozens of ways every single day in every single county of the state. In this sesquicentennial year, it's more important than ever to discuss what happened over the last 150 years and to use that knowledge to think about what we'd like the next 150 years to look like. So I would love to be able to tell you today that we're in a great position to do this important work but recent budget decisions threaten our ability to meet our statutory obligations to preserve the state's past. Since I started as CEO in July 2016, LB22 removed a total of 20.7 percent of this year's General Fund support for my agency. Now proposed budget cuts would reduce our funding by an additional 7.4 percent, which is over 2 percent more than the Governor's original budget proposal. Although small in terms of the total size of the state budget, these reductions are massive for my agency. The current budget proposal calls for baseline general support of \$4,310,000 which is actually \$15,000 less than this agency received

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ten years ago in 2007. If we were just keeping up with inflation, our base General Fund support would be over \$6 million. If we were growing at a very modest 1.6 percent rate, the base would still be over \$5 million instead of \$4.3 million. Appropriations have not kept pace with the cost of inflation or cost of living, and although our expenses for things like health insurance and utilities have continued to climb, support from the state has not. So the result over the last ten years has been a shrinking organization, struggling to do more with less, while our statutory obligations have only increased over the last ten years. We have historic buildings to maintain, mandated programs to manage, and an ever-growing collection of state records to preserve and make accessible to Nebraskans. We are struggling with increased expenses to preserve digital data without additional funding. We are trying to address rising expenses in all of these areas but right now it will result in deeper cuts to all of our services with this current budget. As a result of the proposed budget, we'll see reduced hours for access to public records, reduced access to historic sites and tourism, reduced staffing and services that teach the state's youth about Nebraska's history. And I firmly believe that the Nebraska State Historical Society has the potential to become the most innovative, relevant, and engaging State Historical Society in the nation, but we cannot get there without resources. There's overwhelming evidence showing that history and history education helps communities prosper, supports economic growth, and encourages civic engagement, and these are the programs that weave the fabric of the state. People want to live where there's a sense of place and our work helps create that. And at this very moment the Nebraska State Historical Society has a new director. We have a dynamic and engaged board. And we have a clear vision for using the lessons of the past to make a better future. And I am confident that in the next two years we can increase both earned income and private donations and help grow these nonstate sources of funding, but this work takes time. I believe that we can use Nebraska's 150th anniversary as a springboard to engage the entire state with its history but not if we're cutting even deeper into an organization that has been struggling for years. The proposed 7.1 percent cut in the first year of the biennium is particularly damaging as it follows on the heels of the 20.7 percent cut from LB22. If this cut begins July 1, we will have no time to increase earned revenue or secure private donations to lessen the impact. The cuts we received already this fiscal year, combined with the additional cuts proposed in this budget, will hamstring our efforts just as we're getting ready to race. So I'm here to ask you that you think about reducing these cuts and I'll also ask that you spread them out more equitably over the two years of the biennium to give us the chance to make adjustments over a longer term

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in order to minimize the loss of services to the people of Nebraska as much as possible. Thank you. [AGENCY 54]

SENATOR STINNER: Thank you. Any questions? Senator Bolz. [AGENCY 54]

SENATOR BOLZ: Good afternoon. Just two things: one quick question. That statistic that you gave us about being under the appropriation from ten years ago... [AGENCY 54]

TREVOR JONES: Uh-huh. [AGENCY 54]

SENATOR BOLZ: ...does that include capital investments? [AGENCY 54]

TREVOR JONES: No, just baseline stuff that pays the salaries of my folks and heat and light and infrastructure. [AGENCY 54]

SENATOR BOLZ: Okay. So that's an operations number,... [AGENCY 54]

TREVOR JONES: That's operations, yeah. [AGENCY 54]

SENATOR BOLZ: ...versus the capital construction investment that we (inaudible). [AGENCY 54]

TREVOR JONES: Uh-huh, correct. [AGENCY 54]

SENATOR BOLZ: And then the other question is, can you just help me understand your statutory responsibilities regarding the data management? I know that that was a concern... [AGENCY 54]

TREVOR JONES: Uh-huh. [AGENCY 54]

SENATOR BOLZ: ...and an issue in the deficit budget conversation. Help me understand what the pressures are, what the urgency is. [AGENCY 54]

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TREVOR JONES: Sure. [AGENCY 54]

SENATOR BOLZ: Just help me understand why that expenditure is necessary. [AGENCY 54]

TREVOR JONES: Okay. Statutorily we're obligated to preserve the state's permanent records, so records that have been deemed that they need to be preserved in perpetuity, and that's our statutory obligation. What we're straddling now, and I don't think this is a surprise to anybody, is a world where we have both paper records that are coming in that we have to maintain, which is our traditional sort of cost line. So those costs just, you know, continue. We still have paper records coming in. But increasingly we're being asked to preserve the digital side of the house as well. So we have two sort of expense lines there that are both growing and no more revenue to do that. So we've got a lot of digital data that we're sort of holding together with duct tape and string right now and we're really trying, and those pressures are only going to increase on us as we go forward, as more and more agencies generate records that need to be preserved in perpetuity in digital format rather than paper format. And so we're feeling the pressure for sort of both of the sides. We can't let go of the paper because that's still happening, but the digital is getting bigger and more expensive for us to maintain on that side too. [AGENCY 54]

SENATOR BOLZ: Forgive my lack of understanding about it, but the records that we're keeping in perpetuity, what records are those and what is their purpose? What kinds of records are we keeping? And I'm just trying to understand the goal of the investment here. [AGENCY 54]

TREVOR JONES: Sure. I mean I think, Senator, I could have you talk to my archivist more to tell you what the records sets but basically all of the, for example, all the work that you guys do, that goes into the final parts of that, we keep all of that in perpetuity. So we can go back 150 years and look at what the Legislature has done and what those deliberations are. So all of that official state government correspondence, all of that work that needs to be kept forever, that's one of the things that we preserve as well. So that's the statutory obligation part of what we do. We have a lot of records as well in terms of like private papers, manuscripts, and all the rest of that stuff that's in the collection as well, but that's separate from the state government side.  
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SENATOR BOLZ: Thank you. [AGENCY 54]

SENATOR STINNER: Any additional questions? Seeing none, thank you. [AGENCY 54]

TREVOR JONES: Thank you. [AGENCY 54]

SENATOR STINNER: Any additional proponents? Seeing none, any opponents? [AGENCY 54]

SENATOR BOLZ: Good afternoon. [AGENCY 54]

KATHERINE ENDACOTT: Good afternoon. Senators, my name is Catherine Endacott, K-a-t-h-e-r-i-n-e E-n-d-a-c-o-t-t. I'm from Pleasant Dale and I happen to be the president of the board of trustees of the Historical Society. I want to talk, give you a little bit of background about our mission and echo Trevor's testimony about the grave state we are in right now with cuts to our budget at this time. I came on to this board, which is made up of 15 people. We're a noncode agency, meaning that we are either elected or we are appointed by the Governor. I'm in my second term here as appointed by Governor Ricketts. And with me this afternoon are several board members, and if you would, board members, raise your hand so the senators know you're here. You may know Senator John Nelson, recently your colleague. What we work to do as a board is to infuse history into the cultural life of Nebraska. And as I heard the entrepreneurs talk in the first testimony, and as I heard the Tourism Department talk about their goals, we fit in that vein. History is part of the cultural life of the state, and if you want to have people come to the state we need to talk about what's the richness here. And it's our environment, it's our history, and it's the fact that we're a pathway through America. We are an attractive place. But what we hired Trevor to do when he joined us, to bring his track record from Kentucky to Nebraska in developing programs that enrich the state. We're more than the museum. We're more than our archives. What we want to be is a resource for communities to develop their tourism, to develop their historical programs, and to be a lively, engaging, entrepreneurial society. So your cuts, we'll struggle, you know, make us struggle with that, and we would like you to rethink that because we're a relatively small agency. We're not large in the budget. And the amount cut is significant for us in trying to accomplish our mission. But in the scheme of things of the state, it's a very

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small amount and I'd like you to reconsider if you can. Thank you. Any questions? [AGENCY 54]

SENATOR BOLZ: Thank you. Seeing none, thank you. [AGENCY 54]

KATHERINE ENDACOTT: Thank you. [AGENCY 54]

SENATOR BOLZ: Any other testifiers in support of Agency 54, the Nebraska Historical Society? Any opponents? Anyone in a neutral capacity? Okay. Thank you. That closes our hearing on Agency 54, the Nebraska Historical Society. [AGENCY 54]