



UU NATURAL HISTORY MUSEUM OF UTAH

ACCOUNTABLE BUDGET REVIEW

HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE

ISSUE BRIEF

SUMMARY

Joint Rule [3-2-501](#) requires each appropriations subcommittee to “create an accountable process budget for approximately 20% of the budgets that fall within the subcommittee’s responsibilities” ensuring “that each of the budgets for which the appropriations subcommittee has responsibility is the subject of an accountable budget process at least once every five years.” Subcommittees first implemented this rule during the 2019 Interim. During the 2020 Interim, the Legislature suspended the rule due to the heightened scrutiny budgets were already receiving in the pandemic.

The Higher Education Appropriations Subcommittee (HED) hears and considers the budgets of the Utah Board of Higher Education (UBHE) and Commissioner’s Office; degree-granting institutions -- Salt Lake Community College (SLCC), Snow College, Southern Utah University (SUU), University of Utah (UU), Utah State University (USU), Utah Tech University (UTU), Utah Valley University (UVU), and Weber State University (WSU); and technical colleges -- Bridgerland, Davis, Dixie, Mountainland, Ogden-Weber, Southwest, Tooele, and Uintah Basin. The committee has selected non-core education line items and programs for accountable budget reviews during the 2022 Interim.

This brief is intended to assist HED members review UU’s Natural History Museum of Utah program in its Public Service line item by starting from zero and answering questions about policies and funding items that drive the budget. In HED’s August meeting we will provide recommendations on the extent to which funding should be included in a base budget bill for FY 2024.

OVERVIEW

The [Natural History Museum of Utah](#) provides classes, lectures, field trips, workshops, and curriculum materials for all educational systems. It is responsible for the curation of archaeological and vertebrate paleontological specimens recovered on state lands. The museum is responsible for Range Creek Canyon, a site in eastern Utah, which is home to nearly 400 sites associated with ancient Fremont civilizations including granaries, rock art panels, ruins and artifact scatters.

Please see the appendix for a budget deep dive checklist for this line item.

FY 2024 BASE BUDGET

Per Joint Rule [3-2-402](#), if FY 2024 ongoing revenue estimates are equal to or greater than the FY 2023 ongoing appropriations, the museum’s FY 2024 base budget will be \$1,419,400 from the Education Fund. As of the 2022 General Session (GS) the university estimated it would end FY 2022 with approximately \$160,600 in nonlapsing balance or about 11.3 percent of its ongoing appropriation.

- As of the 2022 General Session the university budgeted \$921,000 of FY 2023 appropriations for salary and benefits for 26 budgeted full-time equivalent (FTE) employees, \$8,000 for in-state travel, and \$490,400 for current expense (an expenditure category which includes general operational expenses such as consultants, contracts, building maintenance, and small office supplies).

FIVE-YEAR BUDGET AND EXPENDITURE HISTORY

The following tables provide a five-year history of the museum’s budgets and expenditures.

	19 Actual	20 Actual	21 Actual	22 Rev App	23 Approp
Financing					
General Fund	150,000	150,000			
General Fund, One-time		1,100,300			
Education Fund	1,198,300	1,220,100	1,373,600	1,364,100	1,419,400
Education Fund, One-time		(1,220,100)	85,200	200,000	
Beginning Nonlapsing	119,800	276,300	268,600	160,600	160,600
Closing Nonlapsing	(276,300)	(269,000)	(160,600)	(160,600)	(160,600)
Total	1,191,800	1,257,600	1,566,800	1,564,100	1,419,400
Expenditures					
Personnel Services	1,039,000	1,478,800	1,566,400	945,800	921,000
In-state Travel	4,100	90	400	9,300	8,000
Current Expense	148,700	(222,100)		609,000	490,400
Total	1,191,800	1,257,600	1,566,800	1,564,100	1,419,400

Over the past five years the Legislature increased ongoing appropriations for compensation and benefits. It also appropriated \$200,000 one-time in FY 2022 for to launch a science education initiative to celebrate natural and cultural history in each of Utah’s 29 counties with a permanent commemorative marker and it reduced appropriations by \$34,600 in FY 2022 in conjunction with the onset of the COVID-19 pandemic. The table below shows appropriations by funding item for this period (appropriations are ongoing unless highlighted).

	FY 19	FY 20	FY 21	FY 22	FY 23
Funding Item					
Ongoing Appropriation	1,327,100	1,348,300	1,370,100	1,373,600	1,364,100
Compensation & Benefits	21,200	21,800	3,500	25,100	55,300
Natural History Markers				200,000	
2.5% General Reduction				(34,600)	
Total	1,348,300	1,370,100	1,373,600	1,564,100	1,419,400

PERFORMANCE MEASURES

Performance measures are “meant to tell the story of investments of taxpayer dollars, help stakeholders navigate and understand state government, and facilitate data-driven decision making within agencies” ([State of Utah Performance Measure Playbook](#), p. 3). Questions that may be helpful when assessing the quality of a performance measure include:

- Is it meaningful? Does it tie to the mission of the division/agency?
- Is it focused on customer needs and demands?
- Is it simple enough to understand? Does it avoid ambiguous concepts?
- Are the data available, accurate, and reliable?
- Is it cost effective to collect and report the data?
- If the measure captures an output, does it influence an outcome?
- Do you have a meaningful target (reasonable, not stretch or too conservative)?

- For new funding item performance measures, can the data be collected and reported within a year?

Beginning in the 2017 General Session through the 2020 General Session the Legislature approved intent language in appropriations bills requiring UU to report performance measures to HED as follows:

- Total on-site attendance (target = meet or exceed 282,000);
- Total off-site attendance (target = meet or exceed 200,000); and
- Number of school interactions (target = meet or exceed 1,250).

The Legislature has not included performance measures intent language for the museum in the past two general sessions.

Recommendation: consider the previous measures or new measures to include in appropriations bills in the 2023 General Session.

APPENDIX: BUDGET DEEP DIVE CHECKLIST (SUBMITTED BY INSTITUTION)

Purpose: Budget deep dives are intended to allow legislators a more thorough review of program outcomes, spending, and finance in the legislative interim session. But deep dives answer four broad questions: What are we in government attempting to accomplish? How are we organized to accomplish it? What are we buying? How are we paying for it?

NAME OF FUNCTION: University of Utah – Public Service – Natural History Museum of Utah

What We Are Attempting to Accomplish

1. What authorizes delivery/provision of the function (statute, intent, rule)?

Utah state legislation 53B-17-601, enacted in 1963, established a state museum of natural history at the University of Utah. Legislation specified two functions for NHMU: collections care and traveling exhibits. In 1973, the museum was designated as the repository for archaeological specimens from state lands, and then legislation in 1990 formally designated the museum as the State of Utah’s natural history museum, while also expanding the museum’s repository role to include paleontological specimens from state lands. With HB4001 in 2004, the state legislature assigned NHMU the responsibility to maintain the Range Creek Field Station.

2. What other activities are undertaken without explicit authority?

The 1963 statute establishing the museum came with no funding; therefore, a citizens committee (which became the museum’s advisory committee) raised funds to build exhibits. Over the more than 50 years since that time, and now in a building on the University of Utah’s Research Park campus opened in 2011, NHMU continues the authorized activities described above (including accumulating and maintaining essential natural and cultural history collections, and developing permanent exhibits and hosting temporary special exhibitions); in addition, we have developed an extensive scientific research program, and we provide onsite, offsite, and online educational resources and in-person opportunities for the whole state of Utah.

3. What alternative government and non-government resources exist to achieve these outcomes? Why is the state involved?

Funding NHMU was an iterative process and included significant funding and resource contributions from the Utah State Legislature, the University of Utah, Salt Lake County, and many other public and private donors. The Museum’s current annual operating budget of \$12-13M is derived from annual state legislative allocations (passed through and supplemented by the University of Utah), public and private donations, gifts, and sponsorships (including grants and endowments), and earned income (including admission ticket sales, the museum store and café, and private event rentals). NHMU received a one-time 2022 allocation of \$200,000 from the Utah state legislature to support the museum’s statewide natural history marker program (now called NHMU Explorer Corps). As Utah’s designated museum of natural history serving the entire state with extensive informal science education programs and opportunities, support for NHMU from the state is essential.

How We Are Organized

4. What organizations are associated with this function?

NHMU is a unit within the University of Utah’s Academic Affairs office; NHMU’s Executive Director is a direct report of the U’s Senior Vice President for Academic Affairs (Provost) and serves on the U’s Council of Academic Deans. Internally, NHMU is currently organized into six Departments (Administration, Operations, Philanthropy & Communications, Collections & Research, Exhibits, and Educations & Community Engagement), each of which is responsible for critical museum functions.

5. What are the missions of the organizations associated with that function?

The University of Utah’s mission is *to foster student success by preparing students from diverse backgrounds for lives of impact as leaders and citizens. We generate and share new knowledge, discoveries, and innovations, and we engage local and global communities to promote education, health, and quality of life.*

The institutional mission of NHMU is to *illuminate the natural world and the place of humans within it*. Each Department within NHMU is charged with a mission to advance the critical functions reflective of its name (i.e., the Administration Department carries out administrative functions of the Museum, including budget and finances, human resources, and information technology; the Collections & Research Department carries out functions related to the preservation and growth of the museum’s natural and cultural history collections, and conducts original research in several scientific subdisciplines). All of the activities NHMU undertakes are designed to advance its mission, bringing critical, informal science education opportunities to the people of Utah and beyond.

6. What outcomes are achieved by the organization associated with this function?

NHMU houses, preserves, and maintains a collections of more than 1.6 million specimens and objects in a variety of scientific disciplines; develops permanent and temporary exhibitions (the museum displays and interprets objects and specimens from our collections onsite and in travelling exhibits shown across the state of Utah) and hosts special, traveling exhibitions; hosts 300,000-400,000 visitors onsite annually; delivers educational programs across the state (including presenting in-classroom educational curricula to every 4th grade classroom in Utah on a rotating schedule); develops virtual educational resources available online for free; seeks and obtains external grant funding for its research endeavors; communicates the results of its research through scientific publications; contributes to the academic experience of the University of Utah; and serves as an engine to promote tourism to Salt Lake City and to the state of Utah.

7. What data are collected/reported to document/demonstrate progress toward the outcome?

NHMU collects and reports many kinds of data to document its activities including in:

Collections Activities: NHMU maintains accreditation through the American Alliance of Museums (AAM), requiring NHMU to report on several topics, including Public Trust & Accountability, Mission & Planning, Leadership & Organizational Structure, Collections Stewardship, Education & interpretation, Financial Stability, and Facilities & Risk Management. NHMU’s collections are databased, therefore the numbers of specimens and objects accessioned, and the data associated with each specimen/object, are tracked; additionally, the museum is in the process of digitizing its collections holdings, and so the resulting digital images and associated resources are tracked and databased; together, these digitization efforts are intended to greatly expand accessibility to NHMU’s collections to not only the global scientific community, but also to the public. The museum follows best practices with regard to the preservation and maintenance of its collections, including collecting and tracking data on pest management and climate control in collections storage spaces. Because NHMU serves as the repository for specimens originating on state lands in Utah, the museum is required to maintain relationships with, and report data to government land management agencies.

Exhibition Activities: NHMU collects data on general onsite attendance (including numbers of paid tickets and numbers of discounted and free tickets; zip code of visitors) and visitor feedback for its permanent and temporary exhibitions onsite at the museum’s building; these data are reported to the Collaboration for Ongoing Visitor Experience Studies (COVES). Additionally, NHMU collects data for its free travelling exhibition, “Traveling Treasures”, including exhibit dates, locations, attendance, and participant feedback).

Engagement Activities: NHMU tracks its statewide educational programming, including data on the number of programs delivered, the duration and attendance of each program, the number of schools visited, and the number of Utah districts served. These data are reported in an annual Informal Science Education Enhancement (iSEE) report submitted to the Utah State Board of Education. NHMU also collects data on online resource engagement, including the number of online views/visitors and numbers of users of specific online resources.

Range Creek Canyon & Field Station: NHMU separately collects data to track the number of permitted visitors entering the canyon, security concerns, the number and status of the canyon’s archaeological features, number of students attending the annual field courses held at the Range Creek Field Station, and data associated with individual research projects conducted in Range Creek Canyon.

8. How are appropriations structured to accomplish this function?

Legislative appropriations are not structured for specific expenses, rather, annual appropriations are given in a single line item and are used by NHMU to support general operating expenses onsite and at Range Creek Canyon/Field Station. However, internal budgeting at NHMU reflects the purposes for which legislative funding was, and is, appropriated.

9. In what units of measure are outputs reported, how and why have those outputs changed over time?

Outputs are reported in a variety of ways, as described in Question 7, above, and include metrics such as numbers of onsite visitors, numbers of objects in collections, numbers of educational programs, etc. In general, the outputs have either remained static over time or, more commonly, grown year by year. However, the 2020 COVID-19 pandemic resulted in anomalous and notable decreases in most metrics; these outputs are steadily increasing as the recovery from the pandemic-related closures continues.

10. Are there standards (industry, national, etc.) for output or output per unit of input? How do they compare to this?

The American Alliance of Museums maintains “Core Standards for Museums”, which are broad, outcome-oriented statements that are adaptable and expected of museums of all types and sizes, with each museum fulfilling them in different ways based on its discipline, type, budget, governance structure, and other unique circumstances. NHMU follows these Core Standards in all possible ways, as NHMU maintains accreditation through AAM.

11. To whom is performance data reported?

NHMU reports visitor data to COVES. Performance data related to the museum’s educational endeavors are reported in annual iSEE reports submitted to the Utah State Board of Education. A broad range of data are reported to Salt Lake County to qualify for Zoos, Arts, and Parks (ZAP) funding. Financial data are reported to the University of Utah. General data are reported to the NHMU Board of Advisors. Research project-specific performance metrics are reported to funding agencies (including federal agencies).

12. What decisions are based on reporting data?

NHMU’s annual operating budget is formulated, in part, using performance data from the previous fiscal year. Long-term, strategic decisions are informed by reporting data. Decisions on what special exhibitions to host and what the schedule of exhibitions will be are also informed by performance data from previous years. Decisions about educational programming plans are based on portions of the reporting data and are set on a rotational basis for equity.

13. How might you recommend the authorization, mission, or performance measurement change?

We believe that NHMU functions are effective in their missions and in serving the state of Utah, and therefore no change is recommended.

What We Are Buying I: Staffing Expenditures

14. What is the largest category of expenditure for the organization and how big is it?

Staff wages and benefits constitute NHMU’s largest expenditure category, of approximately \$7-8M, or approximately 60% of the museum’s annual expense budget.

15. How does this expenditure support the above justification/authorization?

Staff, at all levels and with a wide variety of expertise, are necessary to accomplish NHMU’s activities in collections care, exhibitions, research, and education.

16. What is that category of expenditure buying (how many/costs per unit)?

Staff are paid a wide range of annual salaries and hourly rates; no single unit measure describes this expenditure.

17. How does the above relate to units of output?

Staff are essential to all NHMU’s units of output: members of the public are permitted to enter NHMU’s building only in the presence of staff; staff conduct education and outreach visits to schools and other venues across Utah; staff are critical to care for collections and conduct research; administrative staff facilitate and coordinate all of those functions.

18. How has the expenditure changed over five years relative to the units of output?

Expense relative to audience engagement varies from year to year based on a number of key factors, and especially in the most recent few years with the significant impacts from COVID-19. Over the most recent three fiscal years (and the budget for the coming fiscal year), the average cost per audience engagement has been about \$16.50. Regarding collections care, expenses (staffing and materials) increase 5-10% each year, but the number of objects included in the museum's collections increase at a lower rate. We have long known that the cost of caring for collections will always outpace growth of those collections.

19. Are there any outliers/anomalies in current or budgeted spending in this category?

No, there are no anomalies in current or budgeted spending with regard to staffing.

20. Does the amount of expenditure for a category change significantly in accounting period 12 or 13? Why?

Period 12 is generally consistent with periods 1-11, period 13 (Thermidor) does not typically have payroll expenses associated with it.

21. How might you recommend this expenditure category change based on the above?

This is a challenging question to answer. Our current staff includes 81 full time and 146 part time individuals, working roughly the equivalent of 100 FTE. In some instances, we might consider adding a full-time employee to replace the work of one or more part time employees, but we value our part time work force as a way of providing jobs for individuals who are college students preparing for careers in STEM fields. Broadly speaking, we will always be able to do more if we have more staff pursuing those endeavors, but we believe the current staff size is generally appropriate to accomplish the intended outputs.

REPEAT 14-21 FOR OTHER SIGNIFICANT EXPENDITURE CATEGORIES FROM LARGEST TO SMALLEST

What We Are Buying II: Exhibition Expenditures

14. What is the [next] largest category of expenditure for the organization and how big is it?

The second largest expense category for NHMU is the cost associated with bringing special traveling exhibitions to the people of Utah. These exhibitions are typically rented from other organizations for a period of time, and require investment in marketing and other associated activities. While the cost of different exhibitions is different, expenses per special exhibition may be up to approximately \$1M, or approximately 10% of NHMU's expense budget.

15. How does this expenditure support the above justification/authorization?

Traveling exhibitions are a proven way to attract audiences and generate revenue, thus enabling NHMU to advance its core activities (including education, collections care, and scientific research).

16. What is that category of expenditure buying (how many/costs per unit)?

Primarily, this category of expenditure funds special exhibition run time at NHMU in Salt Lake City, however other associated activities are also included (i.e., marketing, development and delivery of educational materials and programs, etc.). Cost per day varies across exhibitions based on content and complexity, but expenses are generally between \$1950-\$3350/day for recent exhibitions.

17. How does the above relate to units of output?

Traveling exhibitions are a proven way to attract audiences, so hosting a special exhibition equates to increased visitation and increased statewide engagement. NHMU is one of only two organizations in Utah that regularly brings these international opportunities to Utah and the region.

18. How has the expenditure changed over five years relative to the units of output?

Per person expenditure has fluctuated between \$2.46 and \$3.62 per visitor over the past several years. That fluctuation is a function of the complexity of the exhibitions selected, along with other factors such as the time of year an exhibition is featured (attendance changes seasonally, but the cost of securing the exhibition is the same).

19. Are there any outliers/anomalies in current or budgeted spending in this category?

Budgeted spending in this category for FY23 is slightly higher because of the complex content of both of the planned exhibitions.

20. Does the amount of expenditure for a category change significantly in accounting period 12 or 13? Why?

This depends on the exhibition schedule: exhibition rent is amortized on a daily basis for the days the exhibition is open, so an exhibition open during accounting period 12 or 13 would see expenses consistent with an exhibition open in any other period.

21. How might you recommend this expenditure category change based on the above?

We have analyzed different models for special exhibitions, including various content types, adding additional charges, or discontinuing this program, and have determined that our current operating model is optimal, therefore we don't recommend a change.

How We Are Paying For It

22. What is the largest fund or account from which resources are drawn to support the above expenditures and how big is it?

The largest single account from which resources are drawn (for staff expenditures) is Legislative funding; the annual draw from this source is approximately \$1.6M/year.

23. What are the revenue sources for that fund or account and what are their relative shares?

Legislative funding represents approximately 13% of NHMU's overall operating income.

24. Is the source one-time or ongoing and do ongoing sources match or exceed ongoing expenditures?

This source is ongoing funding. Because this ongoing funding source does not match NHMU's overall expenditures (staffing plus other categories), the difference is made up through earned income and philanthropic support.

25. How has the source changed over time relative to expenditures and units of output?

Growth of this specific source of funding has not been as fast as overall growth of expenditures, but it has exactly matched the growth of expenditures specifically drawn from this account. Compared to units of output, this expense may be decreasing on a per-visitor basis, with the exception of fiscal year 21 and the impact of COVID-19 on visitation. Longer term, our units of output are growing faster than our legislative funding.

26. Are there any outliers/anomalies in current or budgeted periods for this source?

There are no anomalies for this source in current or budgeted periods.

27. Are there unencumbered balances in a source that relate directly to his function/organization? If so, how have those balances changed over time?

There are no unencumbered balances.

28. What is a reasonable balance and why?

We anticipate fully spending this source annually, because this source represents only 13% of the funding needed for NHMU's operation.

29. Is the availability of sources (grants or previous "building blocks"), rather than mission or objective, driving expenditures?

Although that may be the case or rare occasion, the ethic of our organization is that goals related to mission should be driving spending.

30. Are other sources available to support the same expenditure?

We are not aware of any other source that could immediately be used to replace 13% of our operating income.

31. How might you recommend this revenue category change based on the above?

NHMU is deeply grateful for the annual legislative appropriations it receives; we acknowledge that this funding enables the museum to serve Utahns from across the state in critically important ways.

REPEAT 22-31 FOR OTHER SIGNIFICANT SOURCES OF APPROPRIATION FROM LARGEST TO SMALLEST

(This section is not being repeated because NHMU receives a single line-item appropriation annually)

Do We Balance?

32. What are total expenditures and total sources? Do they equal one another?

Total expenditures and total appropriated sources of state funding (approximately \$1.6M) are equal to each other.

33. Have all appropriated or authorized sources been expended at year-end?

Yes, all appropriated funding has been expended by year-end.

34. How have nonlapsing appropriation balances (if any) changed over time?

All nonlapsing appropriation balances are at or near zero each year.

35. Are fees or taxes supporting a function, and are those fees or taxes reasonable?

Fees are partially supporting all functions of NHMU, representing approximately 30% of NHMU's overall income. Fees for each service/opportunity (general admission, certain educational programs, building rentals, retail purchases, etc.) are set by examining the local market for similar experiences/goods/services and setting fees at rates supported by the market, and therefore are reasonable.