



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
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DATE: August 24, 2020

TO: Legislative Finance Committee Education Subcommittee

FROM: Kris Wilkinson, Lead Fiscal Analyst

RE: Fixed Costs for Montana State Library

HB 633, enacted by the 2019 Legislature, requires the Legislative Finance Committee to conduct a study of a funding formula to adequately and fairly distribute the cost of administering and operating the natural resource information system and other digital library services among state agencies and private or commercial entities. The Legislative Finance Committee Education Subcommittee requested that the Montana State Library (MSL) work with the Legislative Fiscal Division to devise a methodology to allocated MSL costs to state agencies using fixed costs established in the state's General Appropriations Act. The purpose of this report is to outline:

- A proposal for allocation of natural resource information system costs to state agencies
- A methodology for allocating digital library services such as state agency website archives to state agencies

The issue for legislative consideration of the current funding level for state agencies is twofold:

- Which state agencies should be assessed for digital library services,
- To what extent should state agencies be assessed

NATURAL RESOURCE INFORMATION SYSTEM (NRIS)

The natural resource information system is a program of the library for the acquisition, storage, and retrieval of existing data relating to the natural resource of Montana. Since 1997, the clearinghouse that is NRIS has been interrelated with the geographic information system (GIS), which could be considered a software, as well as the provision of applications and services to the public such as the Montana cadastral application. Nineteen state agencies are licensed to utilize GIS services under NRIS. These are identified, in part, through the usage of the GIS mapping function.

In order to utilize the GIS mapping function, the state agencies must be licensed. The Environmental System Research Institute (ESRI) provides GIS software, web GIS, and geodatabase management applications. The following figure shows the percentage of licenses allocated to each state agency for ESRI under the enterprise-wide license agreement.

Montana State Library ESRI Enterprise License	
State Agency	% of ESRI
Department of Administration	0.69%
Department of Agriculture	1.02%
Department of Commerce	0.76%
Department of Environmental Quality	22.44%
Department of Fish, Wildlife, and Parks	12.25%
Governor's Office	0.05%
Montana Historical Society	0.51%
Department of Justice	5.17%
Department of Labor and Industry	2.64%
Legislative Branch	1.49%
Montana State Library	12.68%
Department of Livestock	0.08%
Department of Military Affairs	0.56%
Department of Natural Resources and Conservation	26.58%
Department of Public Health and Human Services	2.64%
Office of Public Instruction	0.13%
Public Service Commission	0.05%
Department of Revenue	2.42%
Department of Transportation	7.84%
	100.00%

The MSL proposes to allocate NRIS costs based on the percentage of ESRI enterprise licenses granted to each agency.

The LFC Education Subcommittee has examined the costs associated with NRIS. Costs for FY 2020 NRIS budgeted expenditures are \$659,000 a year, which could be assessed as part of the fixed costs included in the 2023 budget, with each state agencies portion determined by the percentage in the table above.

An alternative would be to allocate additional resources to MSL using the ERSI percentages as the basis for the distribution. MSL has identified additional services such as LiDar imagery that could be included as part of the allocation of funding to MSL. Utilizing the proposed budget that was presented by MSL to the LFC Education Subcommittee, MSL proposes to allocate \$3,750,000 to state agencies. The costs include \$250,000 for information management coordination, \$1.0 million for services for the Natural Heritage Program, \$1.0 million for imagery services, \$1.0 million for LiDar for water information, and \$500,000 for information products.

OTHER DIGITAL LIBRARY SERVICES

Other state agencies utilize digital library services including the cadastral mapping feature. In addition, the Montana State Library archives state agency websites. The methodology proposed to allocate these costs would be to utilize the number of active directories in each agency as a percentage of total active directories. Active directories are associated with the number of individuals in an agency utilizing information technology services.

The Legislative Finance Division determined the costs associated with the archival of state agency website were \$107,000. In addition, state agencies utilize other MSL services. The State Information Technology Division has not been able to determine the level of usage for these services that is specific to each state agency.

The Montana State Library has identified an additional \$1,950,000 in potential costs including \$250,000 for information management coordination, \$200,000 for cadastral and government boundaries, \$500,000 for government open data, \$500,000 for information products, and \$500,000 for patron services that could be included as part of the fixed costs.