

Agency Budget Comparison

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	28.25	28.25	31.75	31.75	28.25	31.75	3.50	12.39%
Estimated Impact of HB 2*			(1.18)	(1.18)		(1.18)	(1.18)	
Net Estimated FTE*			30.57	30.57		30.57	2.32	
Personal Services	2,002,399	1,721,659	1,985,662	1,983,411	3,724,058	3,969,073	245,015	6.58%
Operating Expenses	2,122,110	1,997,276	2,258,097	2,208,024	4,119,386	4,466,121	346,735	8.42%
Equipment & Intangible Assets	28,235	7,935	28,718	29,103	36,170	57,821	21,651	59.86%
Grants	295,837	719,123	2,400,281	1,299,888	1,014,960	3,700,169	2,685,209	264.56%
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$4,448,581	\$4,445,993	\$6,672,758	\$5,520,426	\$8,894,574	\$12,193,184	\$3,298,610	37.09%
General Fund	2,544,909	2,643,606	3,207,502	3,155,870	5,188,515	6,363,372	1,174,857	22.64%
State Special	763,324	763,323	1,800,386	1,799,683	1,526,647	3,600,069	2,073,422	135.82%
Federal Special	1,140,348	1,021,878	1,664,870	564,873	2,162,226	2,229,743	67,517	3.12%
Other	0	17,186	0	0	17,186	0	(17,186)	(100.00%)
Total Funds	\$4,448,581	\$4,445,993	\$6,672,758	\$5,520,426	\$8,894,574	\$12,193,184	\$3,298,610	37.09%

*Estimated impact of HB 2 boilerplate language showing net FTE with reductions. See boilerplate language on the following pages.

Agency Description

Mission Statement: Montana Library Commission (MLC) meets the information needs of Montana government agency management and staff, ensures all Montana citizens have access to information created by their government, supports the role of all Montana libraries in delivering quality library content and services to their patrons, works to strengthen local community public libraries, ensures that Montanans who are visually or physically handicapped are provided access to library resources, and measures its successes by its patrons' and partners' successes.

MLC, authorized in Section 22-1-101, MCA, administers state and federal library funding to operate and maintain the state library, oversees the six library federations located throughout Montana, and develops library oriented statewide long-range planning, policy, and service coordination.

MLC is further authorized in section 90-15-101, MCA to establish a planning framework for the development of the natural resources information system (NRIS), to implement the system, and to establish an ongoing Montana Natural Heritage Program.

Additional responsibilities of the commission include: assisting all tax-supported libraries and local governments wishing to establish or improve libraries; maintaining an audio book library for use by Montanans unable to utilize printed materials; providing access to state publications; and maintaining and providing information related to Montana's plant and animal species and habitat and comprehensive natural resources (land) information.

Agency Highlights

Montana Library Commission Major Budget Highlights
<ul style="list-style-type: none"> ◆ The major factors contributing to the biennial budget increase are: <ul style="list-style-type: none"> • Transferring the Base Map Service Center to the State Library from the Department of Administration, adding 2.50 FTE and \$1.9 million state special revenue and reducing the Department of Administration budget by a similar amount • Approving the water information system manager position requested by the executive, 1.00 FTE and \$0.15 million one-time-only general fund • Increasing the amount of state funds distributed to local libraries • Fixed cost increases

Summary of Legislative Action

The legislature provided a significant budget increase for the Montana State Library in the 2015 biennium due primarily to transferring the Base Map Service Center formerly housed in the Department of Administration to the State Library. This move had been recommended by the executive. Other factors driving the budget increase include increasing state funds for distribution to public libraries and adding a water information systems manager as a one-time-only expense that will not be included in the base budget for the 2017 biennium.

General fund increases \$1.2 million in the 2015 biennium due primarily to:

- Fixed cost increases \$411,000
- 1.0 FTE (new) water information systems manager -- \$145,000 OTO
- Increased state funds for distribution to local libraries -- \$586,000

The legislature applied 4% vacancy savings to the Library as recommended by the executive, but exempted the agency from the additional 2% vacancy savings applied by the legislature to most agencies.

Boilerplate

The boilerplate section in HB 2 includes the following language:

“It is the intent of the legislature that the appropriations for personal services contained in this bill for fiscal year 2014 and fiscal year 2015, except for the reductions contained in decision packages that remove an additional vacancy savings amount, are supported by only the number of FTE that are funded. It is the intent of the legislature that this net level of FTE is the level that will be used to calculate personal services funding in the next biennium.”

The LFD has calculated that this intent language would reduce the current biennium base FTE by 440 statewide and by 1.18 FTE for this agency. The lower level of FTE will be the starting point or base the legislature will use for personal services budget deliberations in the 2017 biennium.

Executive Budget Comparison

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg - Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg - Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	28.25	31.75	31.75	0.00	31.75	31.75	0.00	
Estimated Impact of HB 2*			(1.18)	(1.18)		(1.18)	(1.18)	
Net Estimated FTE*			30.57	(1.18)		30.57	(1.18)	
Personal Services	2,002,399	1,985,662	1,985,662	0	1,983,411	1,983,411	0	0
Operating Expenses	2,122,110	2,256,956	2,258,097	1,141	2,206,851	2,208,024	1,173	2,314
Equipment & Intangible Assets	28,235	28,718	28,718	0	29,103	29,103	0	0
Grants	295,837	2,107,345	2,400,281	292,936	1,006,952	1,299,888	292,936	585,872
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$4,448,581	\$6,378,681	\$6,672,758	\$294,077	\$5,226,317	\$5,520,426	\$294,109	\$588,186
General Fund	2,544,909	2,943,455	3,207,502	264,047	2,891,794	3,155,870	264,076	528,123
State/Other Special	763,324	1,800,386	1,800,386	0	1,799,683	1,799,683	0	0
Federal Special	1,140,348	1,634,840	1,664,870	30,030	534,840	564,873	30,033	60,063
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$4,448,581	\$6,378,681	\$6,672,758	\$294,077	\$5,226,317	\$5,520,426	\$294,109	\$588,186

*Estimated impact of HB 2 boilerplate language showing net FTE with reductions. See boilerplate language on the previous pages.

The legislative budget exceeds the executive budget by \$0.6 million for the biennium because additional state funding for distribution to local libraries was included in the legislative budget compared to the executive budget request. This increase, a one-time-only appropriation, is in addition to the \$0.2 million included in the 2015 biennium base budget. See DP 300 in the New Proposal section for more information on this program expansion.

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Montana State Library Funding by Source of Authority 2015 Biennium Budget - Statewide Library Resources								
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category	
General Fund	\$6,363,372	\$0	\$0	\$6,363,372	50.1%			
State Special Total	\$3,600,069	\$0	\$0	\$3,600,069	28.4%			
02026 Nris State Special	\$567,046	\$0	\$0	\$567,046	4.5%			
02340 Coal Sev. Tax Shared Ssr	\$1,125,602	\$0	\$0	\$1,125,602	8.9%			
02779 Montana Land Information	\$1,907,421	\$0	\$0	\$1,907,421	15.0%			
Federal Special Total	\$2,229,743	\$0	\$0	\$2,229,743	17.6%			
03018 Library Commission	\$2,229,743	\$0	\$0	\$2,229,743	17.6%			
Proprietary Total	\$0	\$497,678	\$0	\$497,678	3.9%			
06021 Mt Shared Catalog	\$0	\$497,678	\$0	\$497,678	3.9%			
Total All Funds	\$12,193,184	\$497,678	\$0	\$12,690,862	100.0%			
Percent - Total All Sources	96.1%	3.9%	0.0%					

The Montana State Library is funded through a combination of general fund, state special revenue, and federal special revenue.

General fund supports:

- o The statewide interlibrary resource-sharing program
- o State aid to libraries throughout Montana
- o Natural Resource Information System (NRIS)
- o General agency operations

State special revenue includes:

- o A portion of the coal tax shared account
- o Assessments from certain state agencies that use the NRIS
- o Revenue from the Montana Land Information account that receives a portion of document recording fees assessed at the local level (see New Proposal DP 201)

Federal funds come primarily from Library Services and Technology Act (LSTA) grants administered through the federal Institute of Museum and Library Services. These federal funds:

- o Will be impacted by federal sequestration
- o Are formula grants from the federal agency rather than competitive grants
- o Require a 2:1 federal: state match and a 5 year plan
- o Are used for collection content and access, training and outreach to local libraries, and services to patrons with disabilities
- o Were approved by the legislature as a biennial appropriation

This agency includes proprietary funding that does not require an appropriation in HB 2. This funding is discussed in more detail in the Proprietary Rates section later in this narrative.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	2,544,909	2,544,909	5,089,818	79.99%	4,448,581	4,448,581	8,897,162	72.97%
Statewide PL Adjustments	297,408	270,857	568,265	8.93%	(79,425)	(105,952)	(185,377)	(1.52%)
Other PL Adjustments	(25,223)	(25,194)	(50,417)	(0.79%)	919,132	(180,860)	738,272	6.05%
New Proposals	390,408	365,298	755,706	11.88%	1,384,470	1,358,657	2,743,127	22.50%
Total Budget	\$3,207,502	\$3,155,870	\$6,363,372		\$6,672,758	\$5,520,426	\$12,193,184	

Other Legislation

HB 13 – The legislature approved funding for a pay plan for state employees. The bill includes a lump sum appropriation for pay raises that will be determined for their respective employees by the executive, legislative, and judicial branches and the Montana University System. The bill also includes funding for a 10% insurance increase for all employees each year. The legislature did not specify a particular percentage salary increase a state employee should receive, but stipulated that the appropriated funds must be used to increase the base pay of each employee, with particular attention to the lower pay bands and employees who did not receive an increase in the 2013 biennium.

HB 38 – Transfers the administrative functions and funding of the Montana Land Information Act (MLIA) and the infrastructure of the Base Map Service Center from the Department of Administration to the Montana State Library. This transfer includes 2.50 FTE (see NP 201 below).

HB 203 - Establishes a statutory general fund appropriation to the state library commission to distribute state funds to local libraries and library districts in the amount of \$0.40 on a per capita basis. Coordination language was included in the bill that makes the effective date of the statutory appropriation July 1, 2015 in the event HB 2 was passed with an appropriation for the same purpose and amount (see NP 300 below). The statutory appropriation sunsets July 1, 2017.

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(226,835)					(228,744)
Vacancy Savings					(70,941)					(70,863)
Inflation/Deflation					(297)					557
Fixed Costs					218,648					193,098
Total Statewide Present Law Adjustments		\$297,408	\$0	(\$376,833)	(\$79,425)		\$270,857	\$0	(\$376,809)	(\$105,952)
DP 50 - Initial Motion to FY 2012 Base	0.00	(297,408)	0	376,833	79,425	0.00	(270,857)	0	376,809	105,952
DP 51 - Adjustment for Statewide Personal Services	0.00	96,688	0	(394,464)	(297,776)	0.00	93,065	0	(392,672)	(299,607)
DP 52 - Adjustment for Statewide Operations	0.00	201,065	0	17,661	218,726	0.00	178,166	0	15,896	194,062
DP 101 - LSTA Grants (Bien)	0.00	0	0	901,325	901,325	0.00	0	0	(198,699)	(198,699)
DP 102 - Inflationary Increase for Statewide Database	0.00	0	13,000	0	13,000	0.00	0	13,000	0	13,000
DP 103 - Standard Cost Adjustments	0.00	4,432	0	0	4,432	0.00	4,432	0	0	4,432
DP 104 - NRIS Core Funding Switch	0.00	0	30,000	(30,000)	0	0.00	0	30,000	(30,000)	0
DP 105 - Correct Adjusted Base Funding	0.00	(30,000)	0	30,000	0	0.00	(30,000)	0	30,000	0
Total Other Present Law Adjustments	0.00	(\$25,223)	\$43,000	\$901,355	\$919,132	0.00	(\$25,194)	\$43,000	(\$198,666)	(\$180,860)
Grand Total All Present Law Adjustments	0.00	\$272,185	\$43,000	\$524,522	\$839,707	0.00	\$245,663	\$43,000	(\$575,475)	(\$286,812)

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 101 - LSTA Grants (Bien) - The legislature increased federal authority to spend estimated Library Services and Technology Act (LSTA) grant awards and realign the biennial appropriation of the awards into the first year of the biennium, resulting in a smaller adjustment in FY 2015.

DP 102 - Inflationary Increase for Statewide Database - The legislature increased funding from the coal tax shared account to the Montana State Library for increased inflationary costs associated with providing statewide access to periodical databases via contracted services.

DP 103 - Standard Cost Adjustments - This decision package reestablishes zero-based insurance costs for talking book library volunteers insurance at \$500 each year of the 2015 biennium. In addition, the legislative budget includes a per diem budget totaling \$3,550 annually for the five commission members and a legal services budget totaling \$8,022 annually for the State Library.

DP 104 - NRIS Core Funding Switch - The legislature approved the executive proposal to reclassify funding from another state agency for the NRIS program from federal funds to state special revenue funds.

DP 105 - Correct Adjusted Base Funding - This adjustment corrects the funding of the adjusted base budget each year of the 2015 biennium. There is no overall impact to the total spending authority for the Montana State Library.

New Proposals

Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 201 - Base Map Service Center transfer to MSL (Requires Legislation)										
01	2.50	0	954,062	0	954,062	2.50	0	953,359	0	953,359
DP 202 - Water Information System Manager (RST/OTO)										
01	1.00	72,472	0	0	72,472	1.00	72,362	0	0	72,362
DP 203 - Talking Book Library Digital Transition (RST/OTO)										
01	0.00	25,000	0	0	25,000	0.00	0	0	0	0
DP 204 - Online Information Resources										
01	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 300 - Distribution to Local Libraries (RST/OTO)										
01	0.00	292,936	0	0	292,936	0.00	292,936	0	0	292,936
Total	3.50	\$390,408	\$994,062	\$0	\$1,384,470	3.50	\$365,298	\$993,359	\$0	\$1,358,657

DP 201 - Base Map Service Center transfer to MSL - The legislature approved the transfer the Base Map Service Center from the Department of Administration to the State Library. The transfer had been contingent upon HB 38, which was passed and approved. This transfer includes 2.50 FTE and funding authority for Montana Land Information Act coordination, Montana Spatial Data Infrastructure support as approved by the MLIA Council, and MLIA grant funds to local and tribal governments.

DP 202 - Water Information System Manager (RST/OTO) - The legislature approved additional general fund for the state library to add a new position to the NRIS program to operate the Montana Water Information System provided for in 90-15-305, MCA. The legislature conditioned this appropriation as a restricted, one-time-only addition to the budget.

DP 203 - Talking Book Library Digital Transition (RST/OTO) - The legislature added one-time-only funding to support the Montana Talking Book Library’s transition from analog cassettes to digital files. This is a restricted appropriation.

DP 204 - Online Information Resources - The legislature increased the coal tax shared account funding allocation to the State Library for increased funding for online databases.

DP 300 - Distribution to Local Libraries (RST/OTO) - The legislature added general fund to the State Library to increase the budget for the distribution of state funds to local libraries from \$102,830 annually to \$395,766 annually. The new appropriation is a restricted, one-time-only addition to the budget. The base amount of \$102,830 is an ongoing annual expenditure. The table below summarizes the funding available for distribution to local libraries for FY 2012 through FY 2015. Funding is distributed to 84 local libraries and districts in Montana. As discussed in the “Other Legislation” section above, the library will receive a statutory appropriation in the 2017 biennium.

State Funds Distributed to Local Libraries and Library Districts FY 2012 through FY 2015				
Fiscal Year	Per Capita Distribution Amount	State Funds Distributed to Local Libraries		
		One-Time	On-Going	Total
FY 2012 Actual	\$0.10	\$0	\$102,830	\$102,830
FY 2013 Projected	\$0.10	\$0	\$102,830	\$102,830
FY 2014 HB 2 Appropriation	\$0.40	\$292,936	\$102,830	\$395,766
FY 2015 HB 2 Appropriation	\$0.40	\$292,936	\$102,830	\$395,766
*FY 2013-2015 Estimated				

Proprietary Rates

Proprietary Program Description

The Montana Shared Catalog (MSC) is a cooperative project involving 160+ libraries. Public libraries, school libraries, academic libraries, medical libraries, and other special libraries have pooled resources to purchase a robust library automation system. Members enjoy the benefits of shared expertise and the ability to provide great service to library customers.

Proprietary Rate Explanation

In accord with the written agreement each participating MSC library signs upon joining this library consortium, annual fees assessed each library are established on the basis of a membership-approved cost formula. The goal of the cost formula is to distribute MSC annual operational costs as fairly and evenly as possible based on the following: the individual library’s titles count (formula weighting=30%), patron count (formula weighting=30%), circulation count (formula weighting=10%), and an equal share contribution (formula weighting=30%). Libraries that fall below a set threshold in their title counts and patron counts receive a fixed discount in accord with criteria set forth in the cost formula.