

**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	59.83	59.83	60.83	60.83	59.83	60.83	1.00	1.67%
Estimated Impact of HB 2*			(2.49)	(2.49)		(2.49)	(2.49)	
<b>Net Estimated FTE*</b>			<b>58.34</b>	<b>58.34</b>		<b>58.34</b>	<b>(1.49)</b>	
Personal Services	3,027,304	3,133,626	3,147,870	3,148,657	6,160,930	6,296,527	135,597	2.20%
Operating Expenses	1,509,535	1,843,501	1,849,174	1,742,822	3,353,036	3,591,996	238,960	7.13%
Equipment & Intangible Assets	55,361	7,159	361,054	163,605	62,520	524,659	462,139	739.19%
Grants	87,120	88,389	87,120	87,120	175,509	174,240	(1,269)	(0.72%)
Transfers	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$4,679,320</b>	<b>\$5,072,675</b>	<b>\$5,445,218</b>	<b>\$5,142,204</b>	<b>\$9,751,995</b>	<b>\$10,587,422</b>	<b>\$835,427</b>	<b>8.57%</b>
General Fund	2,824,649	2,934,256	3,418,356	3,118,310	5,758,905	6,536,666	777,761	13.51%
State Special	552,247	581,831	710,814	710,577	1,134,078	1,421,391	287,313	25.33%
Federal Special	752,392	765,318	720,187	719,719	1,517,710	1,439,906	(77,804)	(5.13%)
Other	550,032	791,270	595,861	593,598	1,341,302	1,189,459	(151,843)	(11.32%)
<b>Total Funds</b>	<b>\$4,679,320</b>	<b>\$5,072,675</b>	<b>\$5,445,218</b>	<b>\$5,142,204</b>	<b>\$9,751,995</b>	<b>\$10,587,422</b>	<b>\$835,427</b>	<b>8.57%</b>

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

**Agency Description**

The Montana Historical Society (MHS), authorized by Title 22-3-101, MCA, exists for the use, learning, culture, and enjoyment of the citizens of, and visitors to, the State of Montana. MHS acquires, preserves, and protects historical records, art, documents, photographs, museum objects, historical places, sites, and monuments. MHS maintains a historical museum and a library and archives; provides educational programs and services for teachers and the general public; and, publishes the state historical magazine, press books, and newsletter. MHS also administers the preservation and antiquities acts; supports commissions with state historical orientation; and, provides technical assistance to all Montana museums, historical societies, preservation programs, and owners of historic resources.

**Agency Highlights**

<b>Montana Historical Society Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ The biennial budget increases 8.6% largely due to:                             <ul style="list-style-type: none"> <li>• Three new budget proposals, one that adds a permanent 1.00 FTE and two proposals that are one-time-only</li> <li>• Increased historical interpretation expenses funded from the lodging facility use tax</li> <li>• Vacancy savings in the base year of 7% compared to the budgeted 6%</li> </ul> </li> <li>◆ The legislative budget establishes authority for proprietary funds at a level about 10% above the FY 2012 base level</li> <li>◆ The budget increase is funded from the general fund and the accommodations tax</li> </ul>	

**Summary of Legislative Action**

The legislature approved an 8.6% budget increase for the Montana Historical Society in the 2015 biennium. HB 2 funds for the Historical Society come mostly from general fund (62%), but the agency also receives a 2.6% share of the

Lodging Facilities Use Tax (bed tax), self-generated revenue from donations, publications, merchandise, and museum entrance fees, and federal historic preservation grants.

General fund increases \$778,000 in the 2015 biennium due primarily to:

- o Approval of a 1.0 FTE security guard supervisor -- \$116,000
- o OTO funding for archival shelving -- \$402,000
- o OTO funding for Original Governor’s Mansion interior maintenance -- \$102,000

State special revenue from the bed tax is projected to increase \$150,000 each year. This revenue is restricted by statute to be spent on historical interpretation and the Robert Scriver collection.

*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 2.49 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.

**Funding**

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Montana Historical Society Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$6,536,666	\$0	\$0	\$6,536,666	59.7%
State Special Total	1,421,391	-	369,054	1,790,445	16.3%
Federal Special Total	1,439,906	-	-	1,439,906	13.1%
Proprietary Total	1,189,459	-	-	1,189,459	10.9%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
<b>Total All Funds</b>	<b>\$10,587,422</b>	<b>\$0</b>	<b>\$369,054</b>	<b>\$10,956,476</b>	
Percent - Total All Sources	96.6%	0.0%	3.4%		

General fund is the primary funding source for this agency.

State special revenue includes:

- o Donations to the Society and the Original Governor's Mansion
- o An allocation of the lodging facility use tax (2.6%)

Federal funds are from the National Park Service for historic preservation. Proprietary funds for the agency are derived from the sale of documents and merchandise, charges for services, rental of lobby and galleries for receptions, and magazine advertising. Proprietary funds are budgeted to decline when compared on a biennial basis.

**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	2,824,649	2,824,649	5,649,298	86.42%	4,679,320	4,679,320	9,358,640	88.39%
Statewide PL Adjustments	206,902	149,774	356,676	5.46%	247,556	190,654	438,210	4.14%
Other PL Adjustments	598	623	1,221	0.02%	150,719	150,709	301,428	2.85%
New Proposals	386,207	143,264	529,471	8.10%	367,623	121,521	489,144	4.62%
<b>Total Budget</b>	<b>\$3,418,356</b>	<b>\$3,118,310</b>	<b>\$6,536,666</b>		<b>\$5,445,218</b>	<b>\$5,142,204</b>	<b>\$10,587,422</b>	

**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.

**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.

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	59.83	60.83	60.83	0.00	60.83	60.83	0.00	
Estimated Impact of HB 2*			(2.49)	(2.49)		(2.49)	(2.49)	
<b>Net Estimated FTE*</b>			<b>58.34</b>	<b>(2.49)</b>		<b>58.34</b>	<b>(2.49)</b>	
Personal Services	3,027,304	3,213,606	3,147,870	(65,736)	3,214,410	3,148,657	(65,753)	(131,489)
Operating Expenses	1,509,535	1,850,435	1,849,174	(1,261)	1,744,093	1,742,822	(1,271)	(2,532)
Equipment & Intangible Assets	55,361	361,054	361,054	0	163,605	163,605	0	0
Grants	87,120	87,120	87,120	0	87,120	87,120	0	0
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$4,679,320</b>	<b>\$5,512,215</b>	<b>\$5,445,218</b>	<b>(\$66,997)</b>	<b>\$5,209,228</b>	<b>\$5,142,204</b>	<b>(\$67,024)</b>	<b>(\$134,021)</b>
General Fund	2,824,649	3,466,155	3,418,356	(47,799)	3,162,942	3,118,310	(44,632)	(92,431)
State/Other Special	552,247	713,159	710,814	(2,345)	713,056	710,577	(2,479)	(4,824)
Federal Special	752,392	730,154	720,187	(9,967)	729,677	719,719	(9,958)	(19,925)
Proprietary	550,032	602,747	595,861	(6,886)	603,553	593,598	(9,955)	(16,841)
<b>Total Funds</b>	<b>\$4,679,320</b>	<b>\$5,512,215</b>	<b>\$5,445,218</b>	<b>(\$66,997)</b>	<b>\$5,209,228</b>	<b>\$5,142,204</b>	<b>(\$67,024)</b>	<b>(\$134,021)</b>

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

The legislative budget is \$134,000 less than the executive budget request, about 1.3%. The primary difference is that the legislature applied an additional 2% vacancy savings to the agency, in addition to the 4% vacancy savings included in the executive budget.

**Language and Statutory Authority**

The legislature included the following language in HB 2 for the Montana Historical Society:

"Administration Program includes a reduction in general fund of \$47,152 in fiscal year 2014 and \$44,010 in fiscal year 2015, state special revenue of \$2,089 in fiscal year 2014 and \$2,253 in fiscal year 2015, federal special revenue of \$9,950 in fiscal year 2014 and \$9,938 in fiscal year 2015, and proprietary funds of \$6,545 in fiscal year 2014 and \$9,552 in fiscal year 2015. The reduction is equivalent of an additional 2% vacancy savings. The agency may reallocate this reduction in funding among programs when developing 2015 biennium operating plans."