

The Legislative Fiscal Division Presents an Agency Profile of: The Montana Historical Society

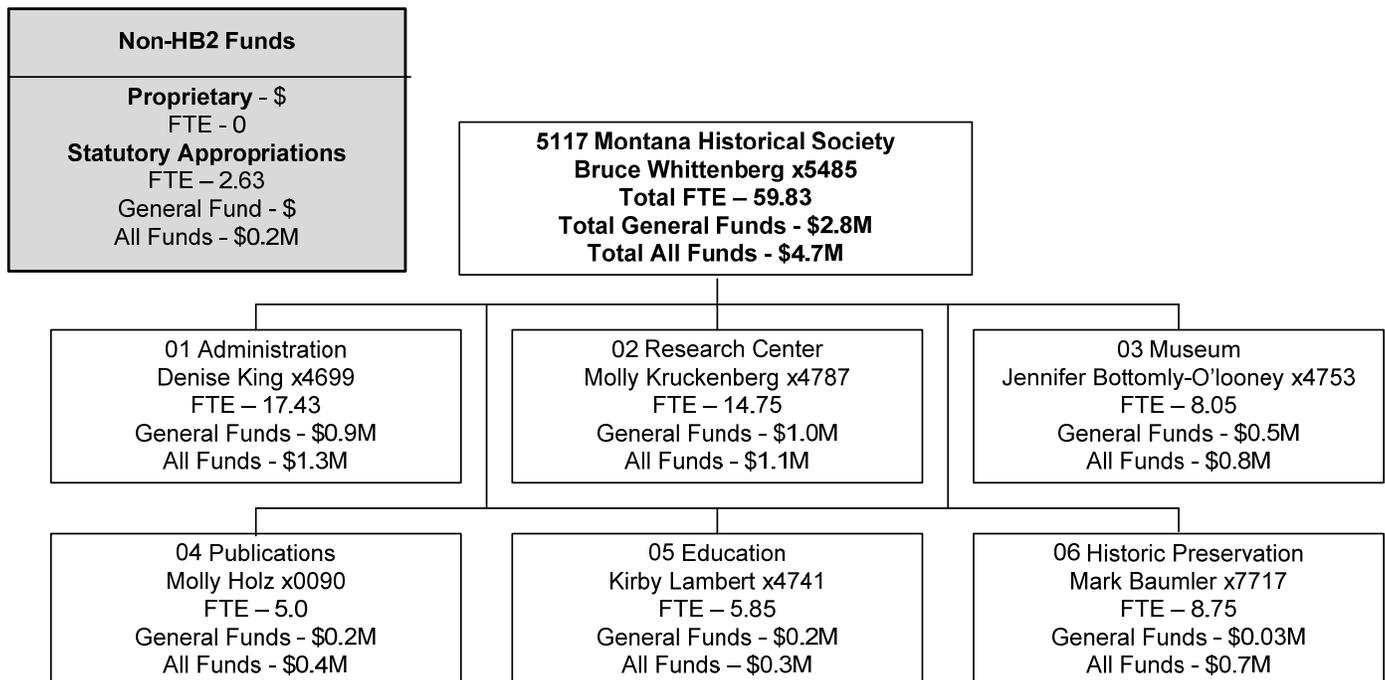
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Agency Description

Definition of Terms

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.

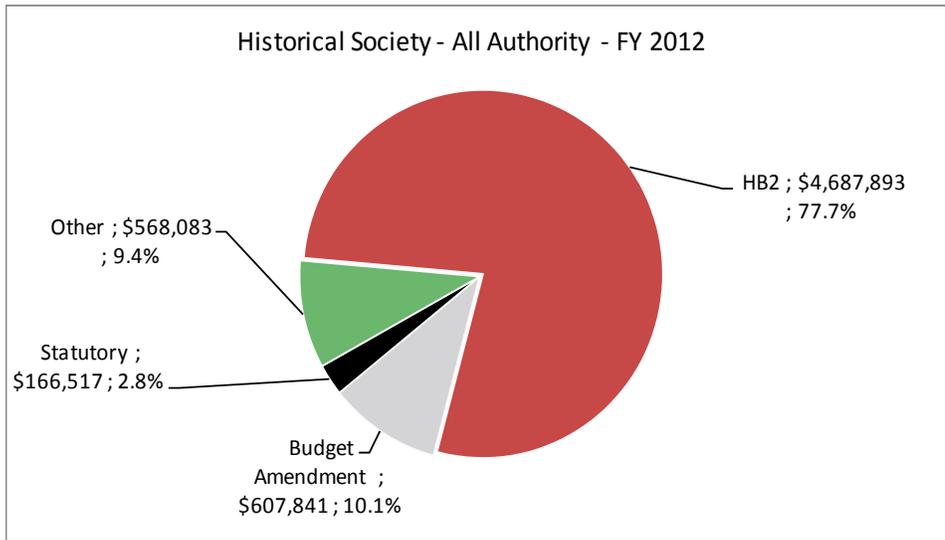


How Services are Provided

The Montana Historical Society provides the following services through a structure consisting of six programs with a total of 59.83 FTE:

- Administration provides supervision and coordination for all programs of the society including: accounting, business management, financial reporting, museum store management, fundraising, marketing, membership, public information, and information technology. The administration program is also responsible for security, visitor services and building management.
- Research Center Program staff collects, preserves, and provides access to historic collections, historical photos, historical records, state records, and books and other printed materials. The Research Center operates the society's reference room, where staff assists the public in finding and using materials from the collections. The program has three sections: library, archives, and photograph archives.
- Museum Program staff collects, organizes, and preserves fine art and historical, archeological and ethnological artifacts. They conduct research, produce exhibits, answer reference requests, and provide technical assistance to other museums in the state. The Museum Program operates the original Governor's Mansion as an historic house museum.
- Publications Program staff plans, produces, publishes and promotes the quarterly production of Montana, The Magazine of Western History, the state's journal of record and includes new research in Montana and western history. The program also publishes books under the Montana Historical Society Press, the state's only active academic press, which produces titles on the history of Montana and the northern plains.
- Education Program staff design and conducts tours of the Museum, State Capitol, and Original Governor's Mansion; develop and implement a variety of public programs- including the annual Montana History Conference – for diverse audiences; manage the Society-wide volunteer program, and administer the statewide National Register of Historic Places signs program. Additionally, the program produces curriculum resources for teachers including “hand-on history” footlockers, and the Montana: Stories of the Land history textbook.
- State Historic Preservation Program staff provides assistance to agencies, organizations and individuals trying to preserve prehistoric sites and historic buildings and sites. They manage the National Register of Historic Places Program, archeology services, cultural resource database, and provide regulatory oversight to projects that impact cultural resources in the state. Staff also distributes federal historic preservation grants to communities throughout the state.

Sources of Spending Authority

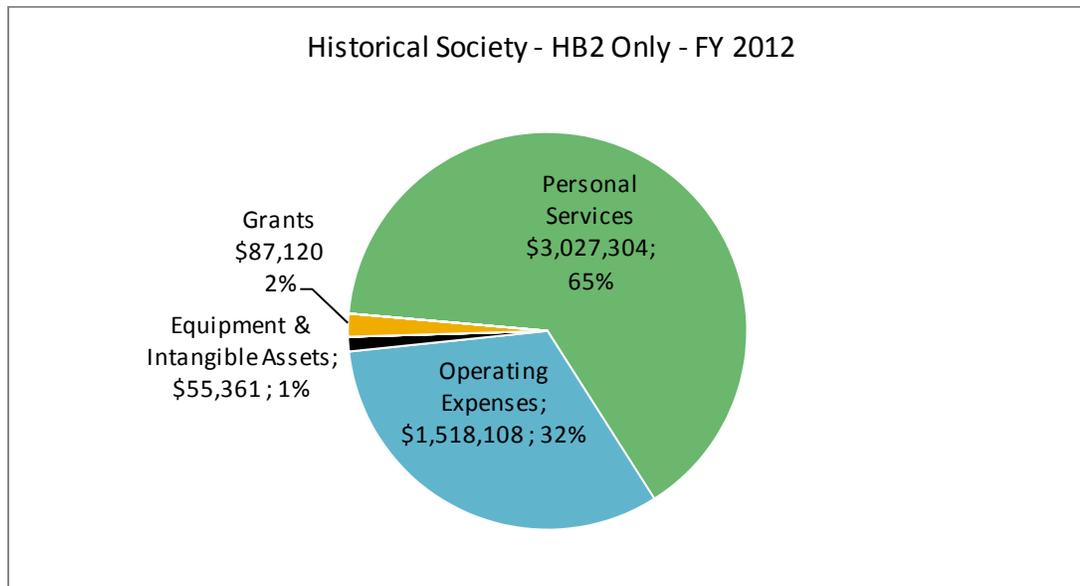


The chart at left shows the sources of authority for the Montana Historical Society. The agency received the majority of its spending authority from HB 2. Secondary authority comes from budget amendments and private funds (non-budgeted, classified as “other” in the pie chart), with the remaining authority coming from statutory appropriations.

For a more detailed description of accounting terminology, please refer to the definition of terms.

Expenditures

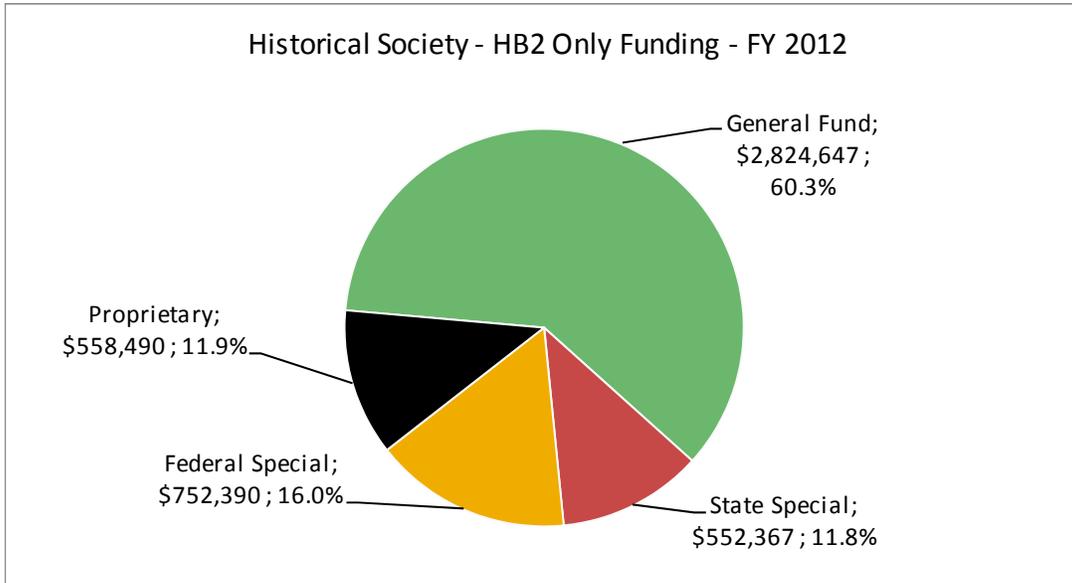
The next chart explains how the HB 2 authority was spent in FY 2012. HB 2 expenditures in FY 2012 totaled \$4,687,893. Ninety seven percent of HB 2 expenditures were spent on personal services and operating expenses.



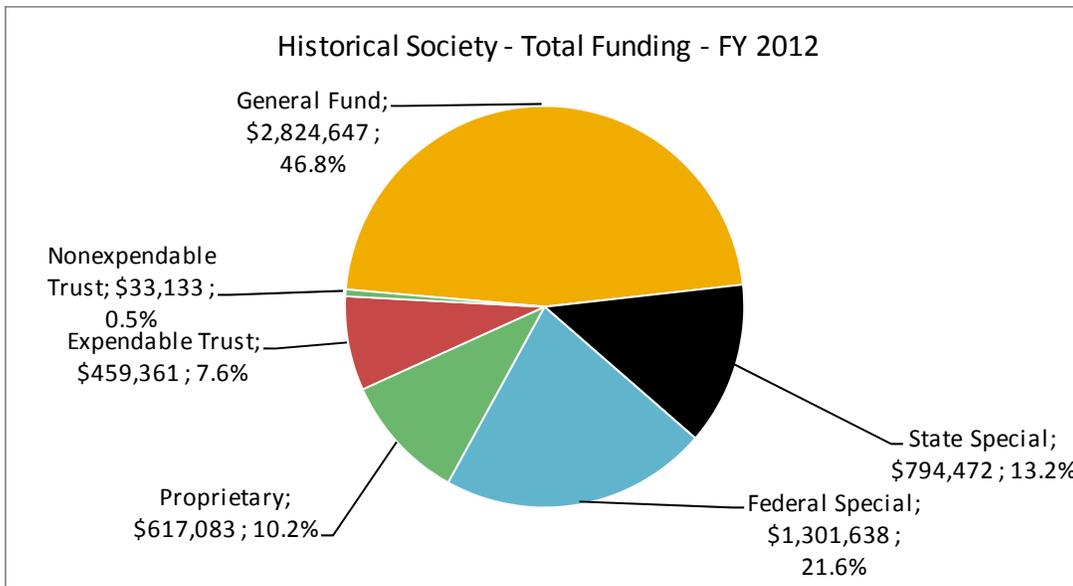
This chart does not match the agency chart found in the Budget Analysis due to a technical error by the agency during the base definition process.

Funding

The following charts show the agency's HB 2 funding authority by fund type and all sources of its total funding authority.



General fund comprises the largest fund source of the agency's HB 2 appropriation, followed by federal special revenue. Budgeted proprietary funds and state special revenue contribute approximately equal amounts.



Looking at total funding by fund type, state general fund still supports the largest portion of the total agency budget. The second largest contributor comes from federal special revenue, followed by state special revenue, proprietary funds, and private funds (classified as expendable trust and nonexpendable trust on the pie chart).

How the 2013 Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basis elements that drive costs:

- Governing the authority of the Montana Historical Society and its fee structure
- Governing the publication program and its costs versus service
- Impacting the staff, such as consultation with and support of local sites; applying for, accepting, and expending grant funds; and providing services for the public
- Governing the existence, definition, and location of the society, its collections and services, and equal access to information

The legislature might also clarify and/or prioritize the activities, collection, and acquisitions of the society.

The legislature is less likely to control:

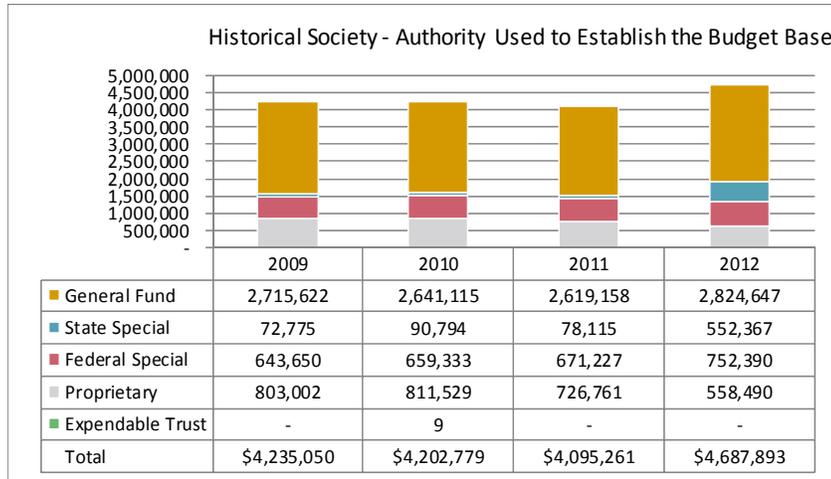
- Citizen expectations of web-access museum services
- The amount of information generated, discovered, or donated, print or media, on a state, regional, or federal

Major Cost Drivers

This table reflects the service levels provided to the public and other entities in various programs of the Montana Historical Society.

Element	2008	2012	Significance of Data
Museum visitors	48,220	28,278	Reduced entrance fees
Patrons of archives, library, and photograph archives	13,315	11,261	Increased accessibility leads to more and easier use of collections by patrons
Participants in public programs/outreach	22,272	32,627	Reflects increased public interest in services and increased workload
Digital images on line	0	120,874	Impacts walk-in services
*Requests for archive, library, photo reproduction, and historical preservation	4,301	9,592	Increased workload
Electronic Requests	4,243	3,643	Reflects use of Internet
Historic preservation data base	47,118	54,556	Increased workload
**Current Collections			
Art & Artifacts	55,000	56,956	Collections are added annually through donations and acquisitions
Books, maps, historic oral interviews	58,298	87,500	Collections are added annually through donations and acquisitions
Linear feet of archival materials	26,465	32,000	Collections are added annually through donations and acquisitions. Includes records of state government.
Historic Photographs	417,535	500,000	Collections are added annually through donations and acquisitions
*Museums and libraries are facing rapid change/growth in demand for digital data and use of electronic media. Reference services and electronic requests demonstrate a shift in how patrons locate and obtain data. National expectations are that this upward trend will continue with additional information available via web-based services.			
**These categories are the core of the Montana Historical Society. Growth occurs annually with the donation and acquisition of new materials documenting the history and heritage of Montana.			

Funding/Expenditure History



The table shows the 4-year funding history for the agency. Funding on this table reflects funding included in the HB 2 budget base.

Over the last four years, total expenditures included in the HB 2 budget base have increased at an average rate of 3.4%. However, the funding sources for the agency over this time period have changed at varying rates.

General fund, the largest funding source for the Montana Historical Society, has increased at an average rate of 1.3% from FY 2009 to FY 2012.

State special funds include:

- A 2.6% allocation from the lodging facility use tax that funds historical interpretation and costs associated with the Scriver collection
- Donations, membership fees for the Historical Society, and entrance fees charged at the Original Governor’s Mansion

State special revenue has increased significantly since FY 2009 because the 2011 Legislature passed legislation permanently allocating 2.6% of the lodging facility use tax to the Montana Historical Society. In the 2013 biennium, approximately \$967,000 was appropriated in HB 2 for historical interpretation and Scriver collection costs. (Note: This revenue had been made available to the agency for a period of years prior to FY 2012, but the appropriation authority was officially added to HB 2 in the 2011 session.)

Federal funds include National Park Service funds for the preservation of sites with historical value. Federal funds are distributed to communities throughout the state, to professional organizations working on historic preservation projects, and through education grants. Federal funds have increased at an annual rate of 5.3%. The amount received is dependent upon availability of funds at the federal level.

Proprietary funds include fees for goods and services to external customers and are used to support the costs of providing the goods and services. Examples of proprietary fund revenue include magazine subscriptions, the sale of books published by the Historical Society, merchandise sales, and photography sales. Between FY 2009 and FY 2012 proprietary funds included in the HB 2 budget base have decreased 11.4% annually.

Major Legislative Changes in the Last Ten Years

The 2011 Legislature:

- Added \$95,000 for the 2013 biennium as an ongoing, biennial, restricted appropriation for the care and conservation of artifacts
- Passed HB 477 that permanently allocated 2.6% of the lodging facility use tax to the agency for historical interpretation and Scriver collection costs, adding \$967,000 in the 2013 biennium
- Implemented a 5% reduction plan in the 2013 biennium

The 2009 Legislature passed HB 5 that established appropriation authority for \$30 million in donations and grants to the Department of Administration (D of A) for the construction of a new historical society building. It was the intent of the legislature that the D of A plan and construct the building at the 6th Avenue and Roberts Street site with the remaining balance of the \$7.5 million of bonds authorized by the 2005 Legislature and the \$30 million in donations and grants appropriated in HB 5.

The 2007 Legislature added funding for:

- 1.30 FTE for the museum program to catalog its collection and to assist implementation of compliance with policies governing the management of its collections
- Increased state support for the editor and business manager for the Montana The Magazine of Western History

The 2005 Legislature:

- Approved the addition of 2.0 FTE archivist positions to allow the society to perform assessment, preservation, cataloging, and archiving of state records, and better meet its mandate to receive, store, and provide permanent public access to non-current state records

For further information, you may wish to contact the agency at:

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