

Agency Budget Comparison

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

Agency Budget Comparison		Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
Budget Item									
FTE		30.50	30.50	30.75	30.75	30.50	30.75	0.25	0.82%
Personal Services	1,980,114	1,799,680	1,781,840	1,785,789	3,779,794	3,567,629	(212,165)	(5.61%)	
Operating Expenses	1,838,352	1,855,106	1,962,095	1,920,962	3,693,458	3,883,057	189,599	5.13%	
Equipment & Intangible Assets	17,896	56,684	18,724	19,216	74,580	37,940	(36,640)	(49.13%)	
Grants	522,135	1,426,372	1,526,723	926,723	1,948,507	2,453,446	504,939	25.91%	
Total Costs	\$4,358,497	\$5,137,842	\$5,289,382	\$4,652,690	\$9,496,339	\$9,942,072	\$445,733	4.69%	
General Fund	2,348,128	2,513,420	2,866,301	2,829,607	4,861,548	5,695,908	834,360	17.16%	
State Special	1,054,978	1,055,012	1,003,577	1,003,577	2,109,990	2,007,154	(102,836)	(4.87%)	
Federal Special	955,391	1,417,366	1,419,504	819,506	2,372,757	2,239,010	(133,747)	(5.64%)	
Other	0	152,044	0	0	152,044	0	(152,044)	(100.00%)	
Total Funds	\$4,358,497	\$5,137,842	\$5,289,382	\$4,652,690	\$9,496,339	\$9,942,072	\$445,733	4.69%	

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.

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
Funding increases of \$0.4 million from the 2009 biennium to the 2011 biennium are due to:
◆ Statewide present law adjustments
◆ Standard base adjustments that include biennial appropriation of grant awards
Major LFD Issues
◆ General fund savings of \$192,000 over the biennium could be achieved
◆ MSL does not have measurable time-bound objectives for its goals in the 2011 biennium

Agency Discussion

The executive proposes increasing the 2011 biennial budget for MLC by 4.7 percent when compared to the 2009 biennium. The executive also proposes increasing the percentage of the budget supported by general fund by 6.17 percent, from 51.12 percent of the budget in the 2009 biennium to 57.29 percent in the 2011 biennium. A significant portion of the change is due to a proposed funding switch. The executive proposes to eliminate Natural Resource Operations state special revenues and replace the funding with \$251,401 in general fund. State special revenues are proposed to decrease by 2.03 percent between the biennia. Federal special revenue support decreases slightly.

**LFD
ISSUE****General Fund Savings**

Federal Library Services and Technology Act (LSTA) grant funds are used to support various grant activities and provide support for personal services and operating expenses. MLC has received these funds for several biennia and is budgeted to receive them in the next biennium. The legislature budgets these funds by including a set amount, which has not changed in several biennia, for personal services and the remainder in grants. During the interim and as projects require, the agency transfers a portion of the grant funds into personal services and operating expenses. Because the amount of LSTA funding used to support MSL personal services, operating expenses, and grants varies from year to year, the executive moves the grant expenditures over the set amount of personal services and the operating expenses into the grants category for the base year of each biennium. The adjusted base expenditures are then used to establish the budget for the next biennium.

Statewide present law adjustments fund changes in personal services, legislatively required vacancy savings percentages, inflation or deflation, and fixed costs. One of the effects of moving MLC grant expenditures from the operating expenses into the grants category is additional general fund is needed to support the present law adjustments for the MLC. Figure 1 shows the budgeted statewide present law adjustments funding between FY 2006 and FY 2011.

As shown in Figure 1, general fund provided all support for the adjustments. Funding statewide present law adjustments in this manner increases the amount of general fund supporting the personal services and operating expenses compared to the support provided by state special revenues or LSTA grant funds. This is considered a funding switch. Figure 2 shows the funding used by MLC to support the actual costs of personal services and operating expenses in the base years of FY 2006 and FY 2008.

SWPLA for Personal Services	Figure 1 Montana Library Commission Statewide Present Law Adjustments					
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Budgeted						
General Fund	\$117,228	\$106,356	\$302,841	\$336,741	\$212,233	\$200,086
State Special Revenue Funds	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Total	<u>\$117,228</u>	<u>\$106,356</u>	<u>\$302,841</u>	<u>\$336,741</u>	<u>\$212,233</u>	<u>\$200,086</u>

LFD ISSUE (CONT.)	As shown in Figure 2, state special revenue funds and federal special revenue funds provided significant support for both personal services and operating expenses during both base years. If the percentages of funding provided by state special revenue and federal special revenue in the 2008 base year were used to fund present law adjustments in FY 2010 and FY 2011, general fund would be reduced by \$99,209 in FY 2010 and \$93,103 in FY 2011.
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A portion of the federal revenues are used to provide grants for library services throughout Montana. Requiring state and federal special revenues to support statewide present law adjustments may decrease the amount of funds available for allocation to the various non-profits and local governments receiving grants through the program.

Options include:

- Reduce general fund appropriations for statewide present law adjustments by \$192,312 over the biennium and appropriate a corresponding amount from state and federal special revenues
- Fund the statewide present law adjustments with general fund as requested by the executive.

Figure 2
Montana Library Commission
Personal Services and Operating Expenses
Base Years 2006 and 2008

	FY 2006	Percentage of Total	FY 2008	Percentage of Total
Actual Expenditures				
Personal Services				
General Fund	\$755,130	46.99%	\$1,127,893	55.78%
State Special Revenue	291,892	18.16%	242,528	11.99%
Federal Special Revenue	<u>560,149</u>	<u>34.85%</u>	<u>651,713</u>	<u>32.23%</u>
Total Personal Services	<u>\$1,607,172</u>	<u>100.00%</u>	<u>\$2,022,133</u>	<u>100.00%</u>
Operating Expenses				
General Fund	\$589,943	40.63%	\$904,162	51.12%
State Special Revenue	607,290	41.82%	676,280	38.24%
Federal Special Revenue	<u>254,752</u>	<u>17.55%</u>	<u>188,244</u>	<u>10.64%</u>
Total Operating Expenses	<u>\$1,451,985</u>	<u>100.00%</u>	<u>\$1,768,687</u>	<u>100.00%</u>

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- Goals, objectives and year-to-date outcomes from the 2009 biennium
- Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals

The following provides an update of the major goals monitored by the Legislative Finance Committee (LFC) during the 2009 interim.

The LFC monitored MLC's goal to provide libraries, agencies, partners, and patrons with convenient, high quality, and cost-effective access to library content and services. Measurable objectives for this goal included:

- By fiscal year end 2008, implement Geographic Information System (GIS) technology combining and enhancing the best attributes of the Natural Resource Information System (NRIS) clearinghouse to catalog and provide access to geospatial datasets held at MSL. To provide an interface that allows users to publish metadata records, organize groups and provide access to geospatial data held at their organizations. This is referred to as the GIS portal.
- By fiscal year end 2009, the value of E-content services will be measured by an annual increase in E-content user statistics of at least 5 percent, documentation of user demand for additional e-content services, and anecdotal reports from librarians and patrons indicating access to E-content made a difference in their lives like helping them to accomplish an educational or personal growth goal.

Successes

As measured at October 2008, the GIS portal was made available for public access in September 2008. The portal included records of the data collections of NRIS; the Montana Base Map Service Center; Montana Fish, Wildlife, and

Parks; and the Flathead County GIS department. While the date the public gained access to the portal was slightly beyond the original target (approximately 2 months), the agency was able to test a prototype by March 2008 and complete the initial metadata catalog by June 2008. Members of the Legislative Finance Committee Education Subcommittee determined the project was on-track.

The first phase of E-content services was launched July 2008. The content includes 13,000 audio book titles, 5,000 music titles, and 4,000 movie titles. 15 Montana libraries are participating in E-content services.

2011 Biennium Major Goals

MLC is required by law to submit goals and measurable objectives as part of the budgeting process. The LFD recommends that the legislature adopt specific program goals and corresponding objectives for monitoring during the interim. Identified significant goals are:

- MSL acquires and manages relevant quality content that meets the needs of Montana library partners and patrons
- Montana State Library (MSL) provides libraries, agencies, and its partners and patrons with convenient, high quality, and cost-effective access to library content and services

LFD ISSUE

MSL does not have measurable time-bound objectives for its goals in the 2011 biennium

The objectives included in the executive's budget request are not measurable or time-bound. For example, the objectives for the goal of acquiring and managing relevant quality content that meets the need of Montana library partners and patrons includes the following:

- Focus MSL collection in three areas: Montana state publications, professional development materials for librarians, and information about the natural resources of Montana.
- Discontinue the acquisition of "trade" books, magazines, and databases
- Create a profusion of Montana-related digital collections by giving libraries the tools to create collections, and library patrons with access to digital snapshots of their cultural heritage
- Increasingly migrate the State Depository Library Program toward digital formats for discovery, request, and delivery

The above objectives do not include measurements or a period of time in which they will be accomplished. Will the MSL collection increase the percentage of the collection in the areas outlined in the objective in the 2011 biennium? If so, by what amounts and in which areas? When will the MLC discontinue purchasing trade books, and how does this affect the budget?

The executive is proposing \$9.6 million over the 2011 biennium to support the operations of the MLC. The Legislative Finance Committee Education Subcommittee recommends that as part of its budget deliberations during the 2009 Legislative Session, the Joint Appropriations Subcommittee on Education discuss the MSL goal of providing libraries, agencies, and its partners and patrons with convenient, high quality, and cost-effective access to library content and services.

Option:

As the agency is required by statute to provide objectives sufficiently specific that the legislature can base appropriation decisions on them, the legislature may wish to discuss with MLC how it can provide appropriately written objectives in relation to its goals so that success can be measured.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding Table Statewide Library Resources						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 2,348,128	53.9%	\$ 2,866,301	54.2%	\$ 2,829,607	60.8%
01100 General Fund	2,348,128	53.9%	2,866,301	54.2%	2,829,607	60.8%
02000 Total State Special Funds	1,054,978	24.2%	1,003,577	19.0%	1,003,577	21.6%
02026 Nrirs State Special	253,570	5.8%	253,570	4.8%	253,570	5.4%
02340 Coal Sev. Tax Shared Ssr	550,007	12.6%	750,007	14.2%	750,007	16.1%
02576 Natural Resources Operations Ssr Fu	251,401	5.8%	-	-	-	-
03000 Total Federal Special Funds	955,391	21.9%	1,419,504	26.8%	819,506	17.6%
03018 Library Commission	925,391	21.2%	1,389,504	26.3%	789,506	17.0%
03930 Nrirs Federal Funds	30,000	0.7%	30,000	0.6%	30,000	0.6%
06000 Total Proprietary Funds	-	-	-	-	-	-
06021 Mt Shared Catalog	-	-	-	-	-	-
Grand Total	\$ 4,358,497	100.0%	\$ 5,289,382	100.0%	\$ 4,652,690	100.0%

The MLC is funded through a combination of general fund, state special revenue, and federal special revenue. General fund supports the interlibrary loan reimbursement program, state aid to libraries throughout Montana, NRIS, and general operations.

State special revenue includes funding for the following:

- Coal severance tax shared account partially funds general operations, the periodic database, and library federation grants to assist local libraries in providing basic services
- Resource Indemnity Trust (RIT) revenues from natural resource operations account partially funds the Natural Heritage Program, NRIS, and the water information system
- Assessments from the departments of Fish, Wildlife, and Parks, Transportation, Natural Resources and Conservation, Environmental Quality, and the Montana University System partially fund NRIS core services

LFD COMMENT The coal tax shared revenue fund is statutorily designated for libraries, conservation districts, and the Growth Through Agriculture program. The Growth Through Agriculture program funds grants and operations of the Agriculture Development Council which is administratively attached to the Department of Agriculture. Figure 3 below summarizes the condition of the fund.

The executive has included \$1.4 million of one-time only requests from this fund. These requests are for grants to local libraries, conservation districts and programs within the university system as well as a software purchase. These one-time-only requests will significantly reduce the fund balance in the account. The fund remains structurally balanced as the ongoing expenditures do not exceed the projected revenues.

Figure 3 Montana Library Commission Coal Tax Shared State Special Revenue				
	FY 2008	FY 2009	FY 2010	FY 2012
Beginning Balance	\$251,805	\$942,933	\$1,708,969	\$1,001,284
<u>Expenditures</u>				
Montana State Library	550,007	550,007	750,007	750,007
Natural Resouces & Conservation	866,781	866,779	1,760,936	1,810,409
Agriculture	371,742	614,368	838,476	809,494
Total Expenditures	1,788,530	2,031,154	3,349,419	3,369,910
<u>Revenues</u>				
2,479,658	2,797,190	2,641,734	2,660,793	
Ending Fund Balance	\$942,933	\$1,708,969	\$1,001,284	\$292,167

LFD COMMENT	Federal funds support library services through LSTA grant funds. Grants are received each year, but can be spent over two federal years. Federal years begin in October rather than July. As a result, a LSTA grant received in FY 2009 can be spent in FY 2009, FY 2010, and the first three months of FY 2011. Previous legislatures have appropriated LSTA as a biennial appropriation to align the funding with the expenditures in the first year. Figure 4 illustrates these changes for the current biennium.
Figure 4 Montana Library Commission Library Services and Technology Act Funding	

2008 Grant Appropriation	Adjustment for 2010 LSTA Grant	Adjustment for 2011 LSTA Grant
Total Costs	\$535,887	\$464,113

(\$135,887)

Budget Summary by Category

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

Budget Summary by Category	General Fund				Total Funds			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	2,348,128	2,348,128	4,696,256	82.45%	4,358,497	4,358,497	8,716,994	87.68%
Statewide PL Adjustments	220,826	208,679	429,505	7.54%	(105,691)	(117,735)	(223,426)	(2.25%)
Other PL Adjustments	19,779	20,387	40,166	0.71%	1,010,409	410,916	1,421,325	14.30%
New Proposals	277,568	252,413	529,981	9.30%	26,167	1,012	27,179	0.27%
Total Budget	\$2,866,301	\$2,829,607	\$5,695,908		\$5,289,382	\$4,652,690	\$9,942,072	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
FTE	Fiscal 2010				Fiscal 2011				Total Funds
	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	
Personal Services				(141,155)					(137,047)
Vacancy Savings				(73,558)					(73,722)
Inflation/Deflation				828					1,320
Inflation/Deflation				4,832					5,354
Fixed Costs				103,362					86,360
Total Statewide Present Law Adjustments				(\$105,691)					(\$117,735)
DP 1 - Communications & Marketing Coordinator	0.25	15,425	0	15,425	0.25	16,033	0	0	16,033
DP 2 - LSTA Grants	0.00	0	0	790,630	790,630	0.00	0	190,529	190,529
DP 3 - Standard Cost Adjustment	0.00	4,354	0	4,354	0.00	4,354	0	0	4,354
DP 4 - Library Courier/Delivery Service Pilot - OTO	0.00	0	200,000	0	200,000	0.00	0	200,000	200,000
Total Other Present Law Adjustments	0.25	\$19,779	\$200,000	\$790,630	\$1,010,409	0.25	\$20,387	\$200,000	\$190,529
Grand Total All Present Law Adjustments					\$904,718				\$410,916
									\$293,181

Agency Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited for brevity by the LFD.

- o **Market Rate** – As of October 2008, MLC estimates employees will be at 92 percent of the 2008 market survey, which was below the agency-wide 95 percent goal. MLC makes an exception to the agency policy of hiring positions at the entry market ratio for librarians and computer programmers and web developers due to recruitment issues.
- o **Vacancy** – MLC has difficulty recruiting computer programmers due to outside market competition and librarians because of low market rates in Montana. MLC used pay plan adjustments, pay exceptions, alternative shift options, and application of the 0.6 percent discretionary pay included in HB 13 to address recruitment and retention issues with positions within the agency.
- o **Legislatively applied vacancy savings** – During the 2009 biennium, MLC had positions open which required multiple recruitments to fill. This generated excess personal services appropriation authority above the legislatively applied vacancy savings rate.
- o **Pay Changes** – Market adjustments to align staff pay to the agency market policy resulted in pay increases outside of the increases in HB 13 for about 20 percent of the staff. MLC used vacancy savings and the 0.6 percent included in HB 13 to fund these increases.
- o **Retirements** – MLC anticipates 20 percent of its employees will be eligible for full retirement in the 2011 biennium. As of October 2008, the estimated compensated absence liability for these positions would be \$88,000.

DP 1 - Communications & Marketing Coordinator - The executive proposes expanding the FTE for the communications and marketing coordinator from 0.25 FTE to 0.75 FTE in FY 2010 and 1.00 FTE in FY 2011. The Communications and Marketing Coordinator provides guidance and direction to MLC staff in presenting the Montana State Library and its products and services to the media and Montanans.

DP 2 - LSTA Grants - The executive recommends increasing the federal authority to spend estimated Library Service 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 2011.

DP 3 - Standard Cost Adjustment - The decision package reestablishes zero-based per diem for library commissioners and volunteer insurance. It also includes additional funds for legal fees in the Department of Justice, which increase \$504 in each year of the biennium.

DP 4 - Library Courier/Delivery Service Pilot - OTO - The executive proposes include \$200,000 state special revenue each year to fund a Library Courier/Delivery Service Pilot Project. The movement of interlibrary loan items between libraries has increased due to increased electronic library catalog searches. This proposal would provide one-time-only funding of \$200,000 state special revenue for each year of the 2011 biennium to research and pilot cost effective alternatives such as utilizing other existing statewide courier networks or purchasing multiple copies of material to minimize reliance on escalating postal fees. The funding can also be used to increase resources for libraries that incur shipping costs when sharing materials.

New Proposals

New Proposals											
Fiscal 2010						Fiscal 2011					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 5 - Natural Resources Operations Acct - Funding Switch											
01	0.00	251,401	(251,401)		0	0	0.00	251,401	(251,401)	0	0
DP 7 - Training Lab Replacement - Bien/OTO											
01	0.00	25,000	0	0	25,000	0.00	0	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Mgmt Pgm											
01	0.00	1,167	0	0	1,167	0.00	1,012	0	0	1,012	
Total	0.00	\$277,568	(\$251,401)		\$26,167	0.00	\$252,413	(\$251,401)		\$0	\$1,012

DP 5 - Natural Resources Operations Acct - Funding Switch - The executive proposes eliminating \$251,401 of support provided through the natural resources operations account. To offset the operational costs previously supported by the state special revenues the executive proposes providing \$251,401 general fund each year of the biennium. Funding supports staff and operating expenses of the Natural Resource Information System (NRIS).

**LFD
COMMENT**

The 2006 Legislative Finance Committee studied the uses of the resource indemnity trust. The study reviewed the use of the funds to support NRIS and concluded the use meet with requirements for statutory uses of the fund. The Resource Indemnity Trust related natural resources operations fund was created by HB 116 of the 2007 Legislature to provide a specific fund for general operations of state natural resource agencies. This fund provides operational support to the Department of Natural Resources, the Department of Environmental Quality, the Montana Bureau of Mines and Geology, the State Library Commission, and the Water Court. Funding in the natural resource operations account has historically supported NRIS costs. Eliminating this funding increases general fund support to MSL by almost 10 percent. However, LFD has determined that the revenues to the fund are unable to continue to support all activities. For a complete discussion on RIT and related accounts see the agency narrative section of the Department of Environmental Quality.

DP 7 - Training Lab Replacement - Bien/OTO - The executive proposes a biennial general fund appropriation of \$25,000 one-time-only funding to replace approximately 12 existing training lab computers. The computers are used in-house and around the state by the state library and other state agencies for library related training.

DP 6101 - Fixed Cost Workers Comp Mgmt Pgm - The Workers' Compensation Management Program at the Department of Administration was funded by the 2007 Legislature with a one-time-only (OTO) general fund appropriation. For the 2011 biennium and beyond, the executive proposes the program be funded via a fixed cost allocation. The allocation is based upon the average number of payroll warrants issued per pay period. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. Therefore, the allocation cannot be included as part of the standard present law fixed cost process.

Language and Statutory Authority

The executive recommends the following language for inclusion in HB 2.

"Biennial appropriations of \$205,660 in general fund and \$700,000 in federal funds for grants to local libraries."

**LFD
COMMENT**

The executive may mean to propose the following language:

Of the \$9,942,072 in total funds appropriated to MSL, the amount of \$205,660 general fund money and \$700,000 in federal funds money are biennial appropriations for grants to local libraries.

Proprietary Program Description

The following table summarizes the total executive budget proposal for the program by year.

Montana Shared Catalogue - Proposed Budget					
	FY 2008 Actual Base	FY 2010 Adjustments	FY 2010 Total	FY 2011 Adjustments	FY 2011 Total
FTE	0.00	0.50	0.00	0.50	0.00
61000 Personal Services	\$0	\$23,052	\$23,052	\$23,058	\$23,058
62000 Operating Expenses	47,956	148,753	196,709	213,747	261,703
63000 Equipment	0	100,000	100,000	0	0
Total Costs	<u>\$47,956</u>	<u>\$271,805</u>	<u>\$319,761</u>	<u>\$236,805</u>	<u>\$284,761</u>

Proprietary Program Description

The Montana Shared Catalog is a cooperative project involving over 90 libraries. Public, school, academic, medical, and other special libraries have pooled resources to purchase a library automation system. Member's benefits include shared expertise and the ability to provide additional services to library customers. The Montana State Library became the fiscal agent for the Shared Catalog in FY 2008.

Funding

The Montana Shared Catalog is funded entirely with enterprise type proprietary funds. Because the proprietary funds do not require an appropriation, they are not typically included in appropriation tables. The source of the funding is the member fees paid by the libraries to belong to the Montana Share Catalog. State support is not appropriated to the proprietary fund.

Program Narrative

Proprietary Revenues and Expenses

The Shared Catalog members pay membership dues that are used to pay operating expenses. There are approximately 90 member libraries that pay membership fees totaling about \$219,000 per year. Expenditures include payment of required fees for software licensing, user interface, and indexing to make the system run; payment for required yearly catalog and director station maintenance; a travel budget that includes meetings twice a year to make decisions on direction of the shared catalog and conference attendance; training to new library members as well as ongoing training to current members; and equipment replacement. A request for a new 0.50 FTE for a technical assistant and a request for one-time-only funding for server replacement are included in the 2011 biennium.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative.

Montana Shared Catalog - Present Law Adjustments					
	FY 2010		FY 2011		
	FTE	Costs	FTE	Costs	
PL 0000 Statewide Adjustments	0.00	\$1	0.00	\$1	
Total Present Law	<u>0.00</u>	<u>\$1</u>	<u>0.00</u>	<u>\$1</u>	

New Proposals

Montana Shared Catalog - New Proposals					
		FY 2010		FY 2011	
		FTE	Costs	FTE	Costs
DP 5115	Montana Shared Catalog	0.50	\$271,804	0.50	\$236,804
Total Costs		0.50	\$271,804	0.50	\$236,804

DP 5115 – Montana Shared Catalog The executive requests \$508,608 over the biennium to provide for personal services costs for 0.50 FTE and related operating costs to support the Montana Shared Catalog operations. The proposal includes \$100,000 to replace the server that runs the shared catalog automation system.

Proprietary Rate Explanation

In accord with the written agreement each participating Montana Shared Catalog (MSC) library signs, annual fees are assessed of each library 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:

- o the individual library's titles count,
- o patron count,
- o circulation count,
- o equal share contribution

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.