



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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Director  
AMY CARLSON

DATE: March 16, 2022  
TO: Section E Interim Budget Committee  
FROM: Katy Callon, Fiscal Analyst  
RE: Montana State Library (MSL) Program Discussion

*In the September 2021 Section E Interim Budget Committee (IBC) meeting, the IBC requested research into options for increasing legislative and public visibility of the multiple functions the MSL provides. This memo will detail options for increasing visibility and understanding of the MSL's different services and how those services are funded in the agency's budget.*

Currently, the MSL has one program funded within its HB 2 budget, Statewide Library Resources (01). This program is where the majority of the agency's budget is authorized.

A conventional understanding of a library's role is that of maintaining and providing access to a physical book or resource collection. Merriam-Webster's dictionary defines a library as "a place in which literary, musical, artistic, or reference materials (such as books, manuscripts, recordings, or films) are kept for use but not for sale". The word "library" originates from the Latin root "liber" or "libr", meaning "book".

With only one program and without additional funding details, new legislators may not realize the breadth and value of services provided by MSL, which in times of budget shortfalls could impact legislative funding decisions. MSL currently fulfills much broader roles than the traditional library definition suggests, including providing geographic information system (GIS) and data services, natural resource information, as well as support and tools for local libraries. In addition to the difficulty in discerning the non-traditional library services provided by the MSL with only one program, it is challenging to know how the budget is allocated within the agency according to its different functions.

This report provides two options for consideration by the IBC, with varying levels of increased visibility but both with the aim of providing more detail of the major functions and associated funding allocations within the MSL. The first option evaluates the use of a supplemental report process to essentially emulate a multi-program structure by major function, and the second option evaluates the MSL budget separated into multiple programs within HB 2.

## Reporting Option

One option to increase visibility of how the MSL's funding is allocated is using an agency accounting tool, called the standard budget, to create a supplemental report with more detail that can be provided to the Interim Budget Committee.

The standard budget is an agency management tool that allows users to maintain non-controlled budgets at a more detailed level. The MSL uses the standard budget tool to create budgets for their workgroups or "orgs", as they are known in the accounting system, which is a level of detail that the official, controlled budget does not allow. A report can be generated using the workgroup budgets and the expenditures from the standard budget to provide supplemental information; a sample report is available in Appendix A.

In the sample report, there are eight main workgroups in light gray; to streamline these and make the report easier to read, three higher-level categories (in green) were added to create a reporting structure. These higher-level categories are not found in the accounting system; they've simply been added to the report to organize the information more clearly. The report is presented similarly to how the Legislative Fiscal Division's financial reports are presented, by HB 2 expenditure category and fund type, followed by other sources of authority. Appendix B provides more details about each of the workgroups found in the report.

### Benefits

Potential benefits of a reporting option include:

- This option can provide additional detailed information about the funding budgeted for each workgroup. The MSL has several workgroups and functions, and this option shows greater visibility of the budgets for each
- The MSL currently has flexibility to allocate funding and to revise budgets for each workgroup as needed without having to do budget modification documentation. With this standard budget reporting option, they can retain that flexibility, and the report can show changes to their workgroup budgets as the fiscal year progresses

### Challenges

Potential challenges of this option include:

- As stated previously, the standard budget is a tool for agencies that is not controlled, meaning that it is not the official budget. LFD uses the official controlled budget to provide data to the legislature; it is tied to what the legislature appropriates during session. The agency cannot change the official budget without submitting a budget modification request to the Governor's Office of Budget and Program Planning (OBPP).

Because of the non-controlled nature of the standard budget, there is not a requirement for that tool to match the official budget. In comparing the total HB 2 authority in the standard budget to the official budget, the standard budget total exceeds the official budget by \$380,000. The MSL has submitted a fiscal transfer budget modification request to the OBPP, which if approved, will raise the official budget total to more closely align with the standard budget. In order to accurately portray the workgroup budgets in the proposed supplemental report option, the official budget and the standard budget will

need to match moving forward, which may require budget change documents to be processed

## **Program Option**

Another option for consideration is to utilize the higher-level categories added to the supplemental report and use those to create a program structure for the MSL's budget; the specific categories to create a three-program structure could include:

- Central Services
- Patron and Local Library Development Services
- GIS, Data, & Information Programs

## **Benefits**

Potential benefits of this option include:

- If programs are added to the budget, they will be budgeted in HB 2, which may increase visibility of these functions for future legislators
- With programs, there is not a need to use the non-controlled standard budgets for legislative reporting purposes. The standard budgets are meant to be more of an agency tool; using them to develop supplemental reports for a legislative committee is not a traditional use

## **Challenges**

Potential challenges of this option include:

- The MSL and OBPP have expressed concerns about the additional workload that could result from adding programs to the budget. The MSL's funding, particularly the federal funding, has flexibility to be used for various purposes, and the agency can move the funding among workgroups as needed within its one program. If additional programs are added, the MSL will have to submit budget modification documentation when funding is moved among those programs. The MSL and OBPP are concerned that this will limit flexibility and about the additional administrative costs that could result

## **Conclusion**

In summary, this memo presents two options for consideration to increase visibility and understanding of the MSL's functions, including the non-traditional roles it fills. A supplemental reporting option, using the MSL's standard budget, would provide additional information about budget and expenditure at a more detailed level than is currently available in the official budget. Another option is to use the higher-level structure as a program structure, creating programs within the MSL's official budget. This option would create more visibility of the MSL's functions within the official budget; however, it may result in additional administrative costs and workload for the agency.

## Appendix A

### Montana State Library (MSL) Workgroup Budget Report HB 2 & 13 Budget & Expenditure by Account Level 1 July - December 2021

	Budget	Expenditure	Percent Expended
<b>Central Services</b>			
<b>10 Central Services</b>	<b>2,011,164.71</b>	<b>898,848.18</b>	<b>44.7%</b>
Personal Services	924,798.17	385,323.09	41.7%
Operating Expenses	1,061,436.13	512,003.37	48.2%
Grants	21,827.41	0.00	0.0%
Debt Service	3,103.00	1,521.72	49.0%
<b>Patron &amp; Local Library Development Services</b>			
<b>11 Patron Services</b>	<b>527,604.66</b>	<b>195,075.77</b>	<b>37.0%</b>
Personal Services	448,104.66	188,479.60	42.1%
Operating Expenses	79,500.00	6,596.17	8.3%
<b>13 Consulting and Learning</b>	<b>749,240.88</b>	<b>440,072.34</b>	<b>58.7%</b>
Personal Services	430,091.01	186,410.67	43.3%
Operating Expenses	94,149.87	28,661.67	30.4%
Grants	225,000.00	225,000.00	100.0%
<b>14 Statewide Projects</b>	<b>811,084.99</b>	<b>434,513.37</b>	<b>53.6%</b>
Personal Services	459,193.99	144,043.04	31.4%
Operating Expenses	351,891.00	290,470.33	82.5%
<b>GIS, Data, &amp; Information Programs</b>			
<b>12 Montana Land Information Act</b>	<b>677,282.45</b>	<b>107,053.54</b>	<b>15.8%</b>
Personal Services	291,254.45	95,036.90	32.6%
Operating Expenses	136,028.00	12,016.64	8.8%
Grants	250,000.00	0.00	0.0%
<b>15 Information Products</b>	<b>1,029,263.28</b>	<b>211,531.37</b>	<b>20.6%</b>
Personal Services	478,763.28	207,896.37	43.4%
Operating Expenses	88,000.00	3,635.00	4.1%
<b>RTN Real Time Network</b>	<b>462,500.00</b>	<b>0.00</b>	<b>0.0%</b>
Personal Services	83,532.68	0.00	0.0%
Operating Expenses	378,967.32	0.00	0.0%
<b>16 Information Management</b>	<b>875,270.86</b>	<b>392,539.29</b>	<b>44.8%</b>
Personal Services	845,270.86	358,775.87	42.4%
Operating Expenses	30,000.00	33,763.42	112.5%
<b>17 MT Natural Heritage Program</b>	<b>570,144.31</b>	<b>235,002.75</b>	<b>41.2%</b>
Personal Services	530,144.31	233,128.88	44.0%
Operating Expenses	40,000.00	1,873.87	4.7%
<b>60 COVID-19 LSTA<sup>1</sup></b>	<b>0.00</b>	<b>2,810.24</b>	
Personal Services	0.00	2,810.24	
<b>Grand Total</b>	<b>7,251,056.14</b>	<b>2,917,446.85</b>	<b>40.2%</b>

<sup>1</sup> For MSL's total COVID budget and expenditures, see page 3 - Other Sources of Authority

## HB 2 & 13 Budget & Expenditure by Fund Type

July - December 2021

	Budget	Expenditure	Percent Expended
<b>Central Services</b>			
<b>10 Central Services</b>	<b>2,011,164.71</b>	<b>898,848.18</b>	<b>44.7%</b>
01 General	1,671,839.91	795,499.43	47.6%
02 State/Other Spec Rev	289,622.80	102,412.05	35.4%
03 Fed/Other Spec Rev	49,702.00	936.70	1.9%
<b>Patron &amp; Local Library Development Services</b>			
<b>11 Patron Services</b>	<b>527,604.66</b>	<b>195,075.77</b>	<b>37.0%</b>
01 General	331,236.96	119,200.26	36.0%
02 State/Other Spec Rev	40,000.00	0.00	0.0%
03 Fed/Other Spec Rev	156,367.70	75,875.51	48.5%
<b>13 Consulting and Learning</b>	<b>749,240.88</b>	<b>440,072.34</b>	<b>58.7%</b>
01 General	14,105.53	12,833.60	91.0%
02 State/Other Spec Rev	231,000.00	230,100.00	99.6%
03 Fed/Other Spec Rev	504,135.35	197,138.74	39.1%
<b>14 Statewide Projects</b>	<b>811,084.99</b>	<b>434,513.37</b>	<b>53.6%</b>
01 General	88,744.03	34,422.90	38.8%
02 State/Other Spec Rev	200,000.00	199,084.39	99.5%
03 Fed/Other Spec Rev	522,340.96	201,006.08	38.5%
<b>GIS, Data, &amp; Information Programs</b>			
<b>12 MLIA</b>	<b>677,282.45</b>	<b>107,053.54</b>	<b>15.8%</b>
01 General	42,635.83	18,570.91	43.6%
02 State/Other Spec Rev	634,646.62	88,482.63	13.9%
<b>15 Information Products</b>	<b>1,029,263.28</b>	<b>211,531.37</b>	<b>0.21</b>
01 General	345,246.53	151,722.84	43.9%
02 State/Other Spec Rev	211,516.75	59,808.53	28.3%
03 Fed/Other Spec Rev	10,000.00	0.00	0.0%
<b>RTN Real Time Network</b>	<b>462,500.00</b>	<b>0.00</b>	<b>0.0%</b>
02 State/Other Spec Rev	462,500.00	0.00	0.0%
<b>16 Information Management</b>	<b>875,270.86</b>	<b>392,539.29</b>	<b>44.8%</b>
01 General	141,830.88	208,927.86	147.3%
02 State/Other Spec Rev	733,439.98	183,611.43	25.0%
<b>17 MT Natural Heritage Program</b>	<b>570,144.31</b>	<b>235,002.75</b>	<b>41.2%</b>
01 General	193,965.33	18,238.06	9.4%
02 State/Other Spec Rev	376,178.98	216,764.69	57.6%
<b>60 COVID-19 LSTA<sup>1</sup></b>	<b>0.00</b>	<b>2,810.24</b>	
01 General	0.00	2,810.24	
<b>Grand Total</b>	<b>7,251,056.14</b>	<b>2,917,446.85</b>	<b>40.2%</b>

<sup>1</sup> For MSL's total COVID budget and expenditures, see page 3 - Other Sources of Authority

## Other Sources of Authority

July - December 2021

### COVID-Related Budget & Expenditures

	Budget	Expenditure	Percent Expended
CARES Act	94,866.64	94,866.64	100.0%
ARPA Newslite	120,000.00	60,000.00	50.0%
ARPA E-Content	960,000.00	10.00	0.0%
ARPA Hot Spot Funding	1,184,667.90	84,985.18	7.2%
ARPA Indirect Rate	89,361.16	0.00	0.0%
<b>Total</b>	<b>2,448,895.70</b>	<b>239,861.82</b>	<b>9.8%</b>

### Statutory Authority Budget & Expenditures

	Budget	Expenditure	Percent Expended
State Aid	433,690.00	432,371.28	99.7%
Next Gen 911	450,000.00	36,752.58	8.2%
<b>Total</b>	<b>883,690.00</b>	<b>469,123.86</b>	<b>53.1%</b>

### Budget Amendment Budget & Expenditures

	Budget	Expenditure	Percent Expended
<b>Central Services</b>			
10 Central Services	1,615.64	0.00	0.0%
<b>Patron &amp; Local Library Development Services</b>			
13 Consulting and Learning	111,663.00	26,549.16	23.8%
<b>GIS, Data, &amp; Information Programs</b>			
16 Information Management	324,482.70	82,197.32	25.3%
17 MT Natural Heritage Program	144,884.36	9,575.00	6.6%
<b>Total</b>	<b>582,645.70</b>	<b>118,321.48</b>	<b>20.3%</b>

### MT Shared Catalog Budget & Expenditures

	Budget	Expenditure	Percent Expended
MT Shared Catalog	481,920.42	402,536.76	83.5%
<b>Total</b>	<b>481,920.42</b>	<b>402,536.76</b>	<b>83.5%</b>

## **Appendix B – MSL Workgroup Descriptions**

### **Central Services**

#### **Central Services**

Central Services staff administer services needed to operate the agency including administrative oversight, human resources, finance and accounting, procurement, and information technology.

### **Patron & Local Library Development Services**

#### **Patron Services**

Patron services staff provides information services to the general public through outreach programs, reference support, and Talking book library services.

#### **Consulting and Learning**

Consulting staff provide direct support to local libraries in order for them to meet Public library standards, which are set by MSL. Support includes training for library staff and library boards, development of programming content and materials to support learning objectives for Montana citizens, and administration of a librarian certification program.

#### **Statewide Projects**

Statewide projects staff coordinate, procure and provide collaborative technology platforms and services used by Montana libraries to increase usage and availability of library services to meet Montanans information needs. Services includes Montana shared catalog, courier services for local libraries, e-content platforms, and piloted services to help local libraries explore emerging technologies.

### **GIS, Data, & Information Programs**

#### **Montana Land Information Act**

Through outreach, consulting and training, MLIA staff coordinate and support GIS work throughout the state of Montana. Staff work with local, state and federal government, and the private sector in order to prioritize the collection and dissemination of GIS data to meet stakeholder policy goals and priorities.

#### **Information Products**

Info products staff support public facing technology platforms that ensure discovery of MSL's information resources including MSL's websites, and web applications like the Cadastral application, the Natural Heritage programs 'Field Guide' and the ASPeN library directory.

#### **Information Management**

Information management staff collect, maintain, and archive statewide data and publications statutorily required. MSL's information collections includes land information, water information, plant and animal information, and statewide publications.

## **MT Natural Heritage Program**

A program of information acquisition, storage, and retrieval for data relating to the flora, fauna, and biological community types of Montana.