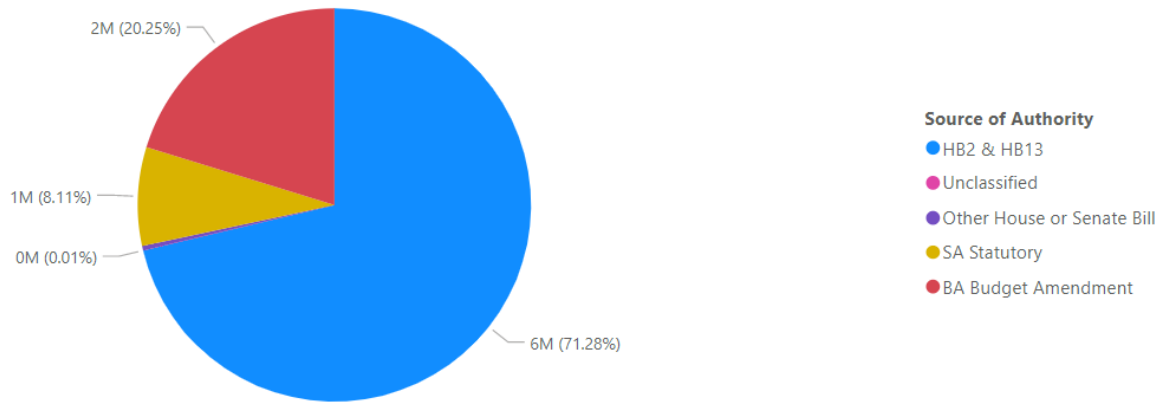


MONTANA HISTORICAL SOCIETY

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 71.3% of the total authority for this agency and is 88.1% expended through the end of May. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



| Source of Authority | Modified Budget | Expended Budget | Percent Expended |
|----------------------------|------------------|------------------|------------------|
| HB2 & HB13 | 5,863,225 | 5,163,171 | 88.1% |
| BA Budget Amendment | 1,665,331 | 329,063 | 19.8% |
| Other House or Senate Bill | 30,000 | | |
| SA Statutory | 666,761 | 322,007 | 48.3% |
| Unclassified | 546 | | |
| Total | 8,225,863 | 5,814,242 | 70.7% |

Report Period

- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May

Budget Amendments

The Montana Historical Society (MHS) has budget amendment authority totaling \$1.7 million through May. The majority of this authority, \$1.4 million, is from federal funds. Significant budget amendments that increase federal authority include:

- A grant from the National Endowment for the Humanities of approximately \$350,000 for upgrades to the heating, ventilation, and air conditioning (HVAC) system in order to improve the overall efficiency for preserving collections in the current MHS and to offset the cost of the HVAC system for the Heritage Center project. This grant is 0.0% expended through May. COVID-19 and construction have extended the timeline, and the MHS will be requesting an extension of the grant

- A grant from the National Endowment for the Humanities of approximately \$289,000 for the digitization of Montana newspapers. This is the fifth round of funding for the National Digital Newspaper Program. This grant is 5.2% expended through May; however, the grant period ends August 31, 2023
- A grant from the National Park Service Historic Revitalization Program of approximately \$240,000. Expenditures total \$90,284 through May. This grant provides funds to the grantee to complete conservation work on brick-and-mortar projects. There have been construction delays related to COVID-19. This grant period ends September 2022, but there may be an opportunity to extend this grant period, if needed.

In addition to the budget amendment authority for federal funds, state statute allows the Montana Historical Society to amend enterprise fund authority due to enterprise revenue resulting from sales to the public (17-7-402, MCA). Budget amendment authority for enterprise funds totals \$310,500 through May and includes:

- An increase in authority of \$70,000 and 1.25 FTE in FY 2022 to support the recording of cultural resource sites and survey information into the geo-database format
- An increase in authority of \$20,000 and 0.25 FTE in FY 2022 to allow the Montana Historical Society to digitize, develop metadata, and host their data on Montana newspapers
- Increases in authority totaling \$90,000 from museum store proceeds
- An increase of \$65,000 in operating authority for the publication program

Statutory Appropriations

The Montana Historical Society has several state special revenue funds that are statutorily appropriated, which include:

- Montana Historical Society membership fund
- Original Governor's mansion account
- Sites and signs account
- Lewis and Clark license plates account

Statutory appropriations total \$666,761 and were 48.3% expended through May 2022. The slightly lower percentage expended was primarily due to lower expenditures in the sites and signs account. The MHS believes expenditures from this account have been impacted by the COVID-19 pandemic as well as the change in ownership at the sign manufacturing company.

Other Bills

HB 9 includes a \$30,000 appropriation for the Montana Historical Society for the care and conservation of the capitol complex artwork. This appropriation is 0.0% expended through May 31, 2022, but it may be used throughout the 2023 biennium.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through May 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

| Agency Name | March Modified Budget | June Modified Budget | Net Modifications |
|--|-----------------------|----------------------|-------------------|
| <input type="checkbox"/> Historical Society | 5,863,725 | 5,863,225 | -500 |
| ADMINISTRATION PROGRAM | 1,469,235 | 1,468,735 | -500 |
| EDUCATION | 425,982 | 425,982 | 0 |
| HISTORIC PRESERVATION PROGRAM | 904,773 | 904,773 | 0 |
| MUSEUM PROGRAM | 1,122,653 | 1,122,653 | 0 |
| PUBLICATIONS PROGRAM | 497,852 | 497,852 | 0 |
| RESEARCH CENTER | 1,443,230 | 1,443,230 | 0 |
| Total | 5,863,725 | 5,863,225 | -500 |

| Acct & Lvl 1 DESC | March Modified Budget | June Modified Budget | Net Modifications |
|--|-----------------------|----------------------|-------------------|
| <input type="checkbox"/> 61000 Personal Services | 3,631,066 | 3,630,566 | -500 |
| <input type="checkbox"/> 62000 Operating Expenses | 2,039,608 | 1,880,769 | -158,839 |
| <input type="checkbox"/> 63000 Equipment & Intangible Assets | 96,010 | 96,010 | 0 |
| <input type="checkbox"/> 66000 Grants | 87,120 | 87,120 | 0 |
| <input type="checkbox"/> 69000 Debt Service | 9,921 | 168,760 | 158,839 |

| Fund Type | March Modified Budget | June Modified Budget | Net Modifications |
|--|-----------------------|----------------------|-------------------|
| <input type="checkbox"/> 01 General | 3,417,918 | 3,417,538 | -380 |
| <input type="checkbox"/> 02 State/Other Spec Rev | 951,897 | 951,897 | 0 |
| <input type="checkbox"/> 03 Fed/Other Spec Rev | 903,834 | 903,737 | -97 |
| <input type="checkbox"/> 06 Enterprise | 590,076 | 590,053 | -23 |

The Montana Historical Society had net budget modifications of negative \$500 due to a reduction in workers' compensation premiums.

Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the

changes in appropriation authority, total appropriations are not reduced, instead the Governor’s Office of Budget and Program Planning (OBPP) requires state agencies to:

- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers’ compensation entries

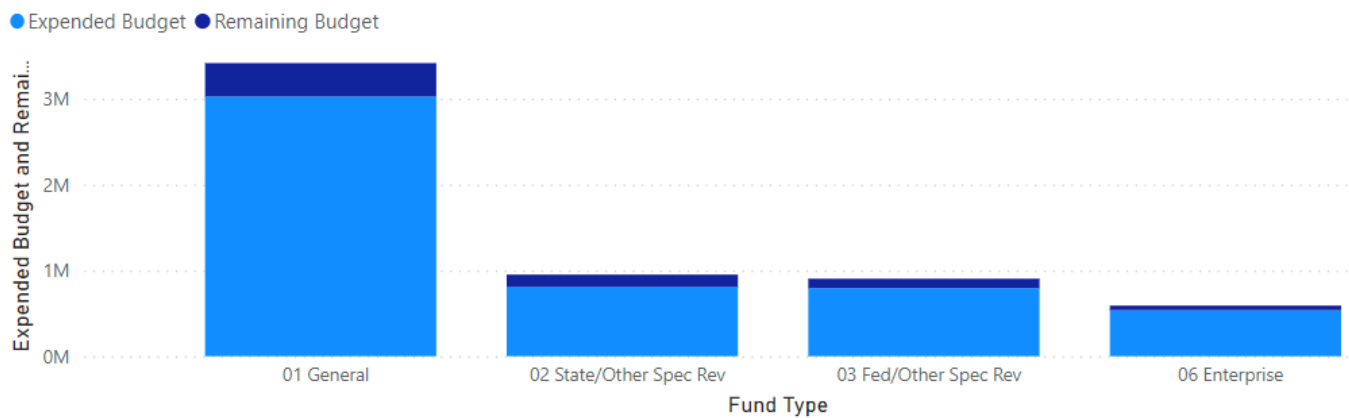
The offsetting entries are identified as “frozen” appropriations, which means the appropriations will not be spent unless authorized by OBPP.

Other budget modifications that net to zero are primarily due to a change to the criteria for recording capital leases. This required \$158,839 to be transferred from operating expenses to debt service.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2022.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



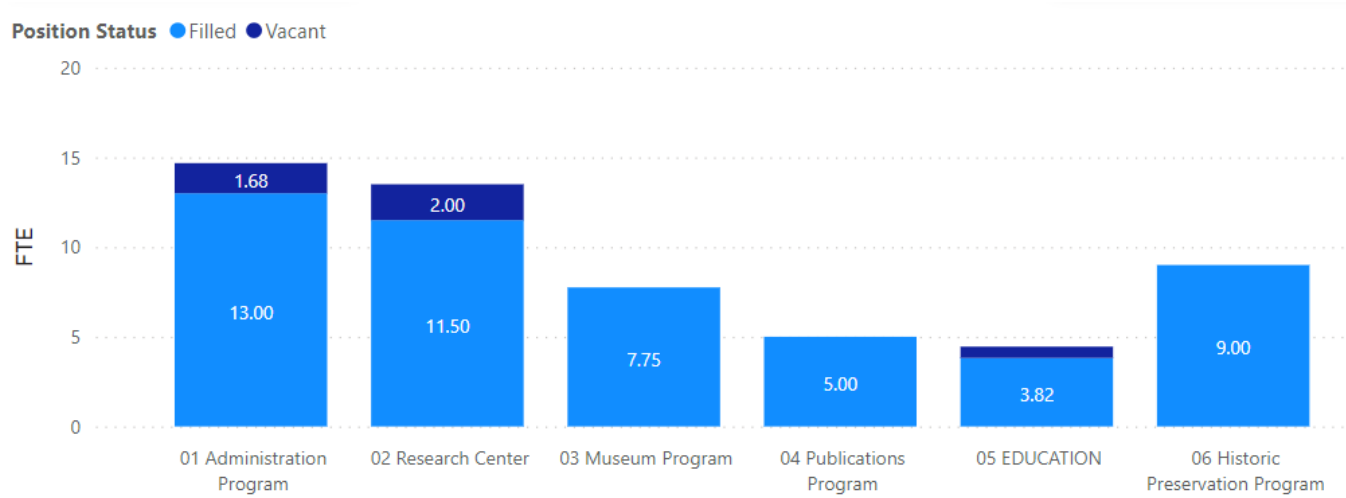
| acclv1_descr | Modified Budget | Expended Budget | Percent Expended |
|-------------------------------|-----------------|-----------------|------------------|
| Personal Services | 3,630,566 | 3,289,913 | 90.6% |
| Operating Expenses | 1,880,769 | 1,556,672 | 82.8% |
| Equipment & Intangible Assets | 96,010 | 91,556 | 95.4% |
| Grants | 87,120 | 70,721 | 81.2% |
| Debt Service | 168,760 | 154,309 | 91.4% |

| Program Name | Modified Budget | Expended Budget | Percent Expended |
|-------------------------------|------------------|------------------|------------------|
| ADMINISTRATION PROGRAM | 1,468,735 | 1,327,999 | 90.4% |
| EDUCATION | 425,982 | 360,687 | 84.7% |
| HISTORIC PRESERVATION PROGRAM | 904,773 | 782,344 | 86.5% |
| MUSEUM PROGRAM | 1,122,653 | 1,053,344 | 93.8% |
| PUBLICATIONS PROGRAM | 497,852 | 430,441 | 86.5% |
| Total | 5,863,225 | 5,163,171 | 88.1% |

The Montana Historical Society expended 88.1% of its HB 2 modified budget through May 2022. Overall, this is lower than the 5-year Olympic average of 88.2%; the Olympic average is the average of the percent expended for the most recently completed seven years with the exclusion of the highest and lowest numbers during this time period.

Personal Services

Personal services appropriations for the Montana Historical Society total \$3.6 million and were 86.6% expended through May 2022. The MHS has 54.38 HB 2 FTE and approximately 92.0% of these positions are filled. The following chart shows the filled and vacant FTE within the agency as of May 1, 2022.



The agency’s HB 2 personal services budget for FY 2022 totals \$3.6 million, of which the agency has expended \$3.3 million or 90.6%. The agency has 54.38 FTE, of which 4.31 were vacant on May 1, 2022. The vacancies were in the Administration Program, Research Center, and the Education Program.

Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive’s decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this short brochure from 2019. This story map was created with the Story Map Cascade application in ArcGIS Online.