

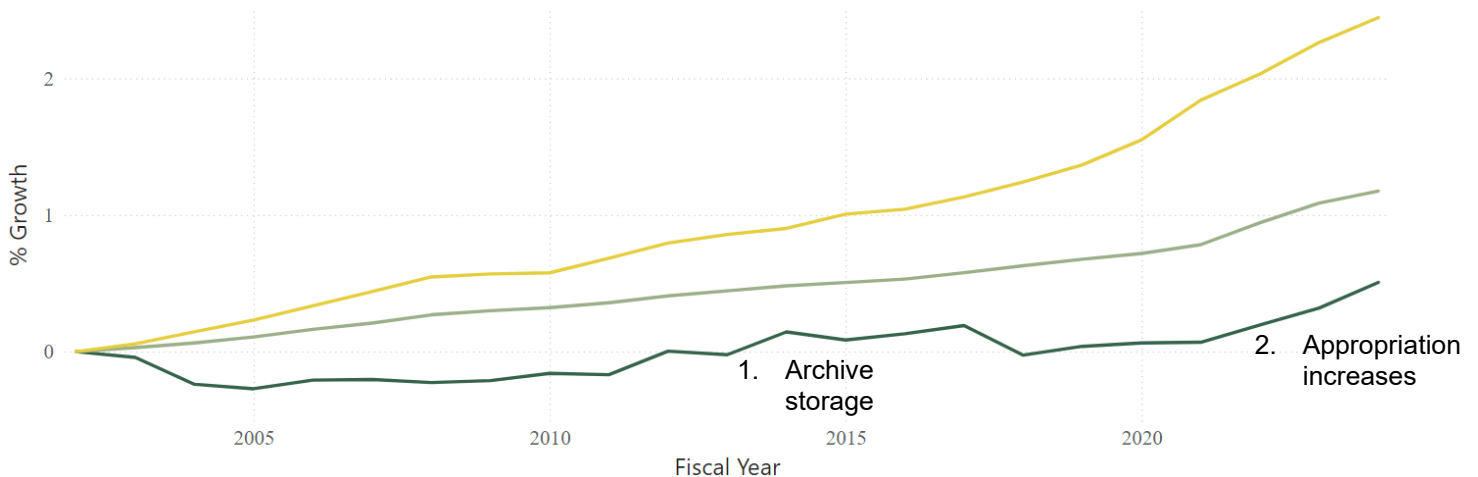
# Montana Historical Society

This report includes a series of charts that compare state resource expenditure growth to the growth in personal income and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

## All Governmental Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

● State Resources Growth ● CPI Adjusted for Population ● MT Personal Income Growth



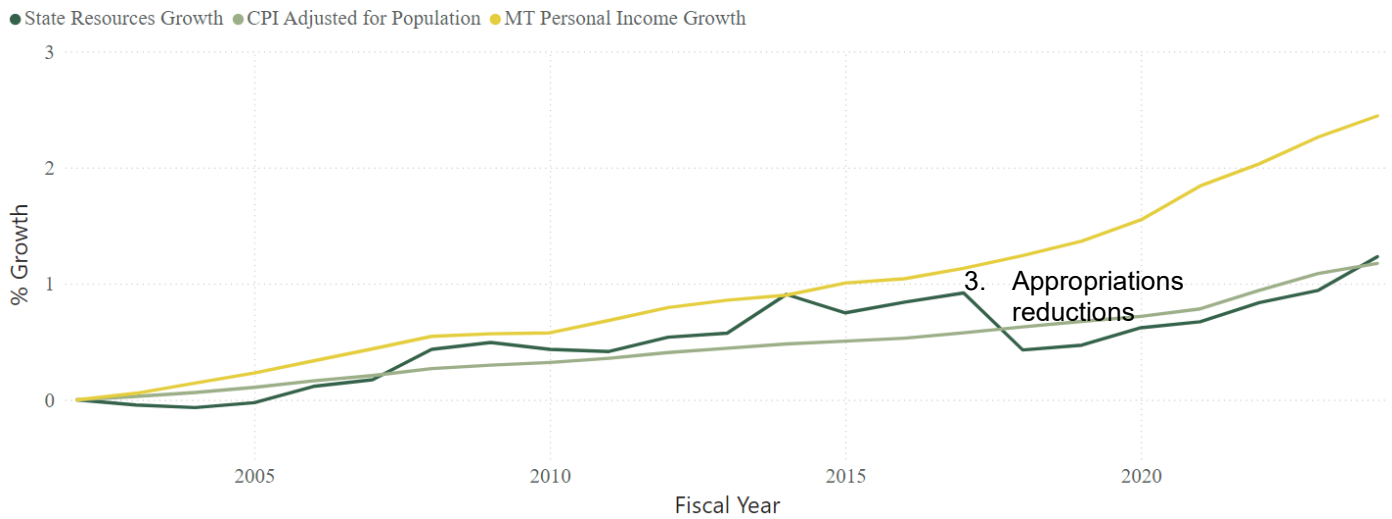
Following a decline in spending from FY 2002 to FY 2005 in all funds, expenditure growth between FY 2005 and FY 2024 has generally grown below the rate of inflation. The following list discusses in more detail the inflection points on the charts:

1. The Montana Historical Society received a one-time-only general fund appropriation in FY 2014 for shelving in the archives storage area. Expenditures on equipment totaled \$402,000
2. The 2023 Legislature passed a budget that was 42.4% or \$5.0 million greater than the previous biennium. This increase is due in large part to the operation and staffing of the new Heritage Center. Most of the increase is funded by state special revenues from accommodations taxes, and many of the expenses are budgeted in personal services and operating expenses



## State General Fund

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



In general, since 2007 state resources have grown at slightly higher than the rate of inflation. There was a dip in FY 2017, but resources have increased since then. The section below describes this inflection in more detail:

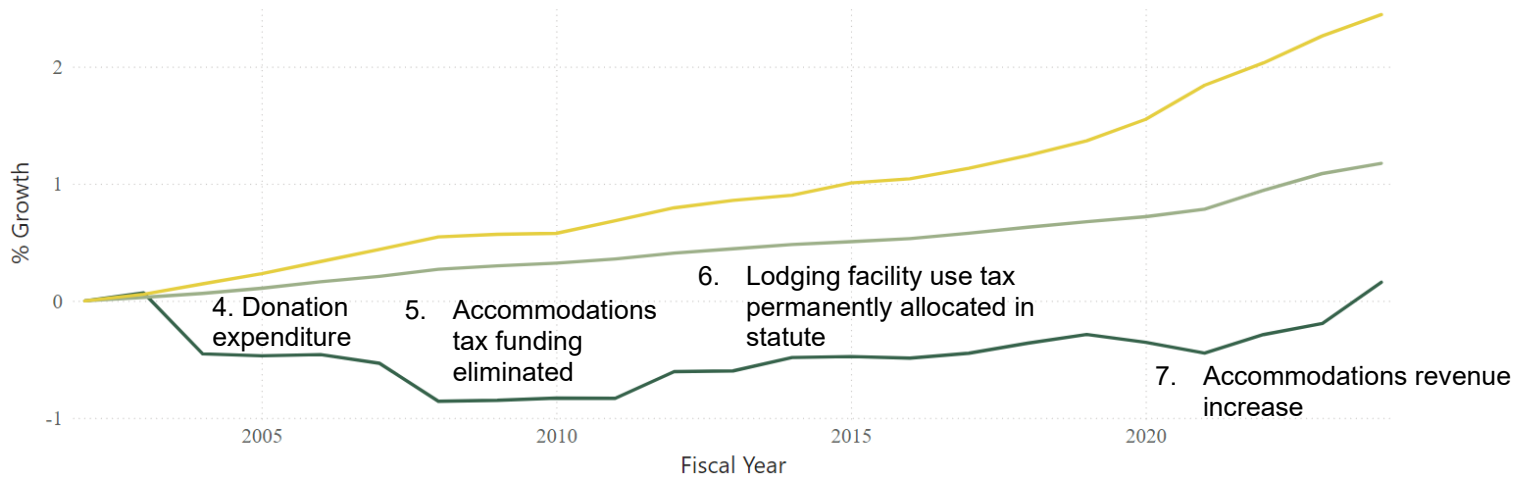
3. Legislators anticipated revenue shortfalls for FY 2017 through FY 2018 and reduced general fund appropriations during the 2017 Regular Session and during a special session in November 2017. The legislature approved decreases in general fund related to the 5.0% reduction plan and vacancy savings and removed 1.00 FTE and associated funding. Additionally, SB 261 (2017 Regular Session) reduced general fund appropriations by approximately \$609,000 in the Research Center in FY 2018. The 2019 legislature adopted a reduction of 4.01 FTE and associated funding to make SB 261 reductions permanent



## State Special Revenue Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

● State Resources Growth ● CPI Adjusted for Population ● MT Personal Income Growth



4. In FY 2004, the Montana Historical Society expended \$469,000 related to the library from its donations state special revenue fund. These expenditures did not continue in FY 2005
5. In FY 2008, appropriations from the accommodations tax state special revenue account ceased
6. The 2011 Legislature passed HB 477, which permanently allocated 2.6% of the lodging facility use tax to the Montana Historical Society for historical interpretation and Scriver collection costs
7. Increases to accommodation tax and the sites and signs account revenue due to inflation, increases in room rates, and the passage of SB 338 (2019 Legislature), which allocated an additional portion of the accommodations tax revenue into accounts for the construction of the Montana Heritage Center, and for historic preservation grants

