

Updated Summary to the Montana State Library Budget Analysis for the 2027 Biennium

These updates portray the State Library's budget by potential functional areas, or programs. The two tables below include all three potential programs. There will be a more detailed discussion of each individual program's budget directly following these updates.

Comparison of FY 2025 Legislative Budget to FY 2025 Base

The figure below illustrates the beginning FY 2025 budget as adopted by the 2023 Legislature compared to the FY 2025 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2025 base budget was agreed upon by the Office of Budget and Program Planning and the Fiscal Division to be the point from which any changes would be recorded for the 2027 biennium budgeting process.

Montana State Library				
Comparison of the FY 2025 Legislative Budget to the FY 2025 Base Budget				
<u>Division</u>	<u>Legislative Budget</u>	<u>Executive Modifications</u>	<u>Base Budget</u>	<u>Percent Change</u>
Central Services				
Personal Services	\$978,998	\$0	\$978,998	0.0%
Operating Expenses	2,607,081	(165,240)	2,441,841	-6.3%
Debt Service	0	165,240	165,240	100.0%
Total	\$3,586,079	\$0	\$3,586,079	0.0%
Patron and Local Library Development Services				
Personal Services	\$578,642	\$0	\$578,642	0.0%
Operating Expenses	1,042,703	0	1,042,703	0.0%
Grants	225,000	0	225,000	0.0%
Total	\$1,846,345	\$0	\$1,846,345	0.0%
GIS, Data, and Information Programs				
Personal Services	\$1,554,764	\$0	\$1,554,764	0.0%
Operating Expenses	670,617	0	670,617	0.0%
Grants	250,000	0	250,000	0.0%
Total	\$2,475,381	\$0	\$2,475,381	0.0%
Agency Total	\$7,907,805	\$0	\$7,907,805	0.0%

Within the Central Services Program, the Montana State Library made one executive modification to the legislative budget, which transferred approximately \$165,000 from operating expenses to debt service in order to correctly record expenditures for a new building lease agreement. There were no other executive modifications to the legislative budget for the other two programs.

Present Law Adjustments*Statewide Present Law Adjustment for Personal Services*

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into three categories, as follows:

- Legislative changes – This category includes adjustments explicitly approved by the legislature, such as, changes to benefit rates, longevity adjustments required by statute, and changes in rates for workers' compensation and unemployment insurance

- Management changes – This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring positions budgeted (PB) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications – This category includes other modifications to the FY 2025 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or movement of personal services funding to or from another expenditure category (e.g. moving funding from operating expenses to personal services)

The figure below shows the analysis of the executive budget for personal services for each program:

Montana State Library				
FY 2026 Statewide Present Law Adjustment for Personal Services - DP 1				
Program	Legislative Changes	Management Decisions	Budget Modifications	Total DP 1
01 Central Services	\$18,608	(\$16,569)	\$0	\$2,039
02 Patron & Local Library Development Services	37,326	292,933	0	330,259
03 GIS, Data, & Information Programs	22,782	(158,433)	0	(135,651)
Total	\$78,716	\$117,931	\$0	\$196,647

The proposed statewide personal services present law adjustment (DP 1) is the result of a few different factors. Management decisions, including increases in the pay plan, reclassifications, as well as hiring at different rates than previously budgeted contributed to increases in the adjustment. The increases in management changes were partially offset by greater budgeted vacancy savings. Legislative changes increased primarily due to greater longevity and benefits costs.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison: CENTRAL SERVICES					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	8.80	8.80	8.80	0.00	0.0%
General Fund	2,195,567	2,379,062	2,383,219	371,147	8.5%
State/Other Special Rev. Funds	788,523	788,523	788,523	0	0.0%
Federal Spec. Rev. Funds	601,989	601,989	601,989	0	0.0%
Total Funds	3,586,079	3,769,574	3,773,731	371,147	5.2%
Personal Services	978,998	981,037	984,366	7,407	0.4%
Operating Expenses	2,441,841	2,623,297	2,624,125	363,740	7.4%
Debt Service	165,240	165,240	165,240	0	0.0%
Total Expenditures	3,586,079	3,769,574	3,773,731	371,147	5.2%
Total Ongoing	3,586,079	3,769,574	3,773,731	371,147	5.2%
Total One-Time-Only	0	0	0	0	0.0%

Program Highlights

Central Services Program
Major Budget Highlights
<p>The Central Services Program's 2027 biennium HB 2 budget request is approximately \$371,000 or 5.2% higher than the FY 2025 base budget. The executive is requesting:</p> <ul style="list-style-type: none"> Increases in authority, which are primarily for the statewide present law adjustment for fixed costs, all of which are in general fund

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Central Services Program										
2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	2,195,567	788,523	601,989	3,586,079	95.1%	2,195,567	788,523	601,989	3,586,079	95.0%
Statewide PL										
Personal Services	2,039	0	0	2,039	0.1%	5,368	0	0	5,368	0.1%
Fixed Costs	182,204	0	0	182,204	4.8%	182,790	0	0	182,790	4.8%
Inflation Deflation	(748)	0	0	(748)	0.0%	(506)	0	0	(506)	0.0%
Total Statewide PL	183,495	0	0	183,495	4.9%	187,652	0	0	187,652	5.0%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	183,495	0	0	183,495	4.9%	187,652	0	0	187,652	5.0%
Total Requested Budget	2,379,062	788,523	601,989	3,769,574		2,383,219	788,523	601,989	3,773,731	

Funding

The following table shows proposed agency funding for all sources of authority.

Central Services Funding by Source of Authority						
2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,762,281	-	-	-	4,762,281	63.1%
02779 Montana Land Information	1,577,046				1,577,046	20.9%
State Special Revenue Total	1,577,046	-	-	-	1,577,046	20.9%
03018 IMLS	1,203,978				1,203,978	16.0%
Federal Special Revenue Total	1,203,978	-	-	-	1,203,978	16.0%
Total All Funds	7,543,305	-	-	-	7,543,305	
Percent of All Sources of Authority	100.0%	0.0%	0.0%	0.0%		

The Central Services Program is funded through a combination of general fund, state special revenue, and federal special revenue.

HB 2 Authority

General Fund

The Montana State Library's general fund authority in the 2027 biennium request totals approximately \$4.8 million or 63.1% of the total authority requested in HB 2 for the Central Services Program's operations. This funds general agency functions such as accounting, human resources, and administrative services.

State Special Revenue

Montana Land Information Account

State special revenue for the Central Services Program comes from the Montana land information account, which is established through the Montana Land Information Act (90-1-401, MCA). MCA 90-1-409 authorizes a state special revenue fund for the Montana geospatial information account. The Montana land information account receives a portion of the document recording fees assessed at the local level, and funds geographic information system (GIS) and land information services and grants. The fee structure for the Montana land information account is established by 7-4-2637, MCA. State special revenue requested in the 2027 biennium totals approximately \$1.6 million or 20.9% of the total authority requested in HB 2 for Central Services Program.

**LFD
ISSUE**

The table below provides information on the actual revenues, expenditures, and fund balances of the Montana land information state special revenue fund from FY 2020 through FY 2024, estimated revenues and expenditures for FY 2025, and proposed revenue and expenditures for FY 2026 and FY 2027. The 2021 Legislature approved a fee increase from \$0.75 to \$1.50 starting in FY 2022, which resulted in increased revenue to the fund. However, revenues for the account have declined since their peak in FY 2022, and revenues were unable to support the full appropriation from the fund for FY 2024. The Montana State Library provided a report with additional detail on the recordation fee collections to the legislature in June 2024: <https://archive.legmt.gov/content/Publications/fiscal/2025-Biennium/Section-E/Interim/MT-Geospatial-Info-Act-Recordation-Fee-Collections-June2024.pdf>

Montana State Library Montana Land Information Account Fund Balance								
	FY 2020	FY 2021	FY 2022*	FY 2023	FY 2024	FY 2025	Proposed FY 2026	Proposed FY 2027
Beginning Fund Balance	\$1,001,261	\$1,058,165	\$1,463,415	\$1,544,459	\$534,720	\$671,252	\$697,888	(\$357,469)
Revenues	\$945,342	\$1,343,197	\$2,040,765	\$1,330,761	\$1,224,335	1,076,636	\$1,076,636	\$1,076,636
Investment Earnings	17,973	2,049	1,700	43,214	35,972	11,143	11,143	11,143
Charges for Services	927,370	1,341,148	2,039,065	1,287,547	1,188,363	1,065,493	1,065,493	1,065,493
Disbursements	(\$888,439)	(\$937,946)	(\$1,959,722)	(\$2,340,500)	(\$1,087,803)	(1,050,000)	(\$2,131,993)	(\$2,131,993)
Personal Services	(533,185)	(553,284)	(1,095,141)	(1,208,100)	(891,525)	(907,301)	(1,842,246)	(1,842,246)
Operating Expenses	(172,306)	(233,113)	(628,730)	(681,448)	(38,608)	(142,700)	(289,747)	(289,747)
Equipment	-	-	-	(11,372)	-	-	-	-
Grants	(182,948)	(151,549)	(235,851)	(228,062)	(157,670)	-	-	-
Transfers Out	-	-	-	(211,517)	-	-	-	-
Ending Fund Balance	\$1,058,165	\$1,463,415	\$1,544,459	\$534,720	\$671,252	\$697,888	(\$357,469)	(\$1,412,827)

*Fee change from \$0.75 to \$1.50

The legislature may wish to adjust appropriations to account for declining revenues in the Montana land information state special revenue fund. Legislative options include:

- Adjust the appropriation from the Montana land information account to bring it in line with anticipated revenues for the fund and increase funding for MSL from another revenue source
- Adjust the appropriation to bring it in line with anticipated revenues for the fund without appropriating additional funding
- Adopt the executive budget without changing the appropriation from the Montana land information account

Federal Special Revenue

Federal special revenue is comprised of Library Services and Technology Act (LSTA) grants administered by the Institute of Museum and Library Services (IMLS). These funds are a formula grant rather than a competitive grant, require a two to one federal/state match, as well as a five-year plan. These grants are used for training and outreach to local libraries and services to patrons with disabilities. Federal special revenue funds requested in HB 2 total approximately \$1.2 million or 16.0% of the total HB 2 authority for the Central Services Program. These funds provide support services to all three potential programs or functional areas of the Montana State Library’s operations.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison: CENTRAL SERVICES					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	8.80	8.80	8.80	8.80
Personal Services	967,445	1,126,895	978,998	981,037	984,366
Operating Expenses	875,138	1,130,093	2,441,841	2,623,297	2,624,125
Equipment & Intangible Assets	0	7,155	0	0	0
Grants	947	947	0	0	0
Debt Service	165,240	165,240	165,240	165,240	165,240
Total Expenditures	\$2,008,770	\$2,430,330	\$3,586,079	\$3,769,574	\$3,773,731
General Fund	1,815,812	1,941,793	2,195,567	2,379,062	2,383,219
State/Other Special Rev. Funds	135,805	312,751	788,523	788,523	788,523
Federal Spec. Rev. Funds	57,153	175,786	601,989	601,989	601,989
Total Funds	\$2,008,770	\$2,430,330	\$3,586,079	\$3,769,574	\$3,773,731
Total Ongoing	\$2,008,770	\$2,430,330	\$3,586,079	\$3,769,574	\$3,773,731
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Description

The Central Services Program’s staff provide accounting, human resources, and information technology assistance across the agency, as well as general administrative support.

FY 2024 Appropriation Compared to FY 2024 Actual Expenditures

The Central Service Program’s FY 2024 HB 2 budget of approximately \$2.4 million was 82.7% expended at fiscal year end. Personal services were 85.9% expended, while operating expenses were 77.4% expended. The unexpended amount for the program totaled approximately \$422,000 and can be attributed to lower than expected revenues in the Montana land information account as well as the timing of federal grant expiration dates, which often do not align with the state fiscal year end.

FY 2024 Appropriations Compared to FY 2025 Appropriations

FY 2025 total appropriations for the Central Services Program are approximately \$1.2 million or 47.6% higher than the FY 2024 total appropriations. This increase can be explained by a myriad of factors, some of which are outlined below:

- An increase of approximately \$35,000 for the pay plan
- An increase of approximately \$25,000 for the statewide present law adjustment for inflation/deflation and adjustments to inflationary costs
- An increase between FY 2024 and FY 2025 of approximately \$15,000 due to how the one-time-only reduction for risk management and tort defense in the 2025 biennium was added back to the budget for the 2027 biennium
- An increase between FY 2024 and FY 2025 of approximately \$3,800 for the statewide present law adjustment for personal services

There were also some net-zero budget changes to the program that moved funding between expenditure accounts:

- A transfer of \$7,155 from operating expenses to equipment and intangible assets for FY 2024 only in order to correctly record expenditures for a new doorbell. This funding reverted back to operating expenses for FY 2025
- A transfer of \$947 from operating expenses to grants in FY 2024 only, which reverted back to operating expenses for FY 2025

Additionally, the various functions of the Montana State Library have not been separated into programs in the past, thus, there is some budgetary movement between functions that has not been captured in budget change documents. These changes moved a net total of approximately \$1.1 million out of the Central Services Program into other MSL programs for FY 2024 only, so the changes reverted to the original budget for FY 2025.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments Central Services	Fiscal 2026					Fiscal 2027				
		General	State	Federal	Total		General	State	Federal	Total
	PB	Fund	Special	Special	Funds	PB	Fund	Special	Special	Funds
DP 1 - Personal Services	0.00	2,039	0	0	2,039	0.00	5,368	0	0	5,368
DP 2 - Fixed Costs	0.00	182,204	0	0	182,204	0.00	182,790	0	0	182,790
DP 3 - Inflation Deflation	0.00	(748)	0	0	(748)	0.00	(506)	0	0	(506)
Grand Total All Present Law Adjustments	0.00	\$ 183,495	\$0	\$0	\$ 183,495	0.00	\$ 187,652	\$0	\$0	\$ 187,652

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

The proposed statewide personal services present law adjustment (DP 1) is the result of a few different factors.

Management decisions, including increases in the pay plan and reclassifications contributed to increases in the adjustment. The increases in management changes were partially offset by greater budgeted vacancy savings. Legislative changes increased primarily due to greater longevity and benefits costs.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison PATRON & LOCAL LIBRARY DEVELOPMENT SERVICES						
Budget Item	Base Budget		Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	9.75	9.75	9.75	0.00	0.0%	
General Fund	425,644	497,903	504,569	151,184	17.8%	
State/Other Special Rev. Funds	510,303	695,303	695,303	370,000	36.3%	
Federal Spec. Rev. Funds	910,398	983,398	983,398	146,000	8.0%	
Total Funds	1,846,345	2,176,604	2,183,270	667,184	18.1%	
Personal Services	578,642	908,901	915,567	667,184	57.7%	
Operating Expenses	1,042,703	1,042,703	1,042,703	0	0.0%	
Grants	225,000	225,000	225,000	0	0.0%	
Total Expenditures	1,846,345	2,176,604	2,183,270	667,184	18.1%	
Total Ongoing	1,846,345	2,176,604	2,183,270	667,184	18.1%	
Total One-Time-Only	400,000	0	0	(800,000)	(100.0%)	

Program Highlights

Patron & Local Library Development Services Program Major Budget Highlights
<p>The Patron and Local Library Development Services Program’s 2027 biennium HB 2 budget request is approximately \$667,000 or 18.1% higher than the FY 2025 base budget. The executive is requesting:</p> <ul style="list-style-type: none"> Increases in authority for statewide present law adjustment for personal services, which are in general fund, state special revenue, and federal special revenue funds

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Patron and Local Library Development Services 2027 Biennium HB 2 Base Budget and Requested Adjustments											
	FY 2026					FY 2027					
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	
Base Budget	425,644	510,303	910,398	1,846,345	84.8%	425,644	510,303	910,398	1,846,345	84.6%	
Statewide PL											
Personal Services	72,259	185,000	73,000	330,259	15.2%	78,925	185,000	73,000	336,925	15.4%	
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%	
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%	
Total Statewide PL	72,259	185,000	73,000	330,259	15.2%	78,925	185,000	73,000	336,925	15.4%	
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%	
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%	
Total HB 2 Adjustments	72,259	185,000	73,000	330,259	15.2%	78,925	185,000	73,000	336,925	15.4%	
Total Requested Budget	497,903	695,303	983,398	2,176,604		504,569	695,303	983,398	2,183,270		

Funding

The following table shows proposed agency funding for all sources of authority.

Patron and Local Library Development Services Funding by Source of Authority 2027 Biennium Budget Request							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,002,472	-	-	1,084,226	2,086,698	32.6%	
02779 Montana Land Information	370,000				370,000	5.8%	
02046 Coal Sev. Tax Library	1,020,606				1,020,606	15.9%	
State Special Revenue Total	1,390,606	-	-	-	1,390,606	21.7%	
03018 IMLS	1,966,796				1,966,796	30.7%	
Federal Special Revenue Total	1,966,796	-	-	-	1,966,796	30.7%	
06021 MT Shared Catalog			955,342		955,342	14.9%	
Proprietary Fund Total	-	-	955,342	-	955,342	14.9%	
Total All Funds	4,359,874		955,342	1,084,226	6,399,442		
Percent of All Sources of Authority	68.1%	0.0%	14.9%	16.9%			

The Patron and Local Library Development Services Program is funded through a combination of general fund, state special revenue, federal special revenue and nonbudgeted proprietary funding.

HB 2 Authority

General Fund

The Montana State Library’s general fund authority in the 2027 biennium request totals approximately \$1.0 million or 23.0% of the total authority requested in HB 2 for the Patron and Local Library Development Services Program’s operations. This funds consulting, research, and learning services to citizens.

State Special Revenue

State special revenue for the Patron and Local Library Development Services Program comes from the Montana land information account and the coal severance tax library account. State special revenue requests in the 2027 biennium total approximately \$1.4 million or 31.9% of the total authority requested in HB 2 for this program. The coal severance tax library account provides approximately \$1.0 million or 73.4% of the total state special revenue for this program.

Coal Severance Tax Library Account

The coal severance tax library account is used for general operations, statewide technology contracts, and the library federation grants to assist local libraries in providing basic services.

LFD Comment	The coal severance tax library account is established in 22-1-202, MCA and is administered by the state library for providing basic library services. The account receives 0.93% of coal severance tax collections (per 15-35-108 (3), MCA), which statute states must be allocated for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking.
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The table below provides information on the actual revenues, expenditures, and fund balances for the coal severance state special revenue fund from FY 2020 through FY 2024, estimated revenues and expenditures for FY 2025 and proposed revenues and expenditures for FY 2026 and FY 2027. The non-budgeted transfer in FY 2022 was intended to offset declining revenues in the account, per the HB 374 (2021 Session) fiscal note. As seen below, disbursements, particularly for operating expenses increased significantly between FY 2023 and FY 2024. This is because of the mobile Wi-Fi hotspot program which lends hotspots to Montana’s library patrons located in areas where broadband internet is too expensive or not available. For FY 2024 and FY 2025, \$400,000 of one-time-only funding was provided each year to fund this program from the coal severance tax library account.

Montana State Library Coal Severance Library Account Fund Balance								
	FY 2020	FY 2021	FY 2022*	FY 2023	FY 2024	FY 2025	Proposed FY 2026	Proposed FY 2027
Beginning Fund Balance	\$227,061	\$119,766	\$86,999	\$372,042	\$727,317	\$481,316	\$170,880	\$214,313
Revenues	\$406,344	\$369,854	\$795,343	\$856,592	\$664,303	\$599,867	\$553,736	\$515,608
Coal Tax	406,344	369,854	619,043	856,592	664,303	599,867	\$553,736	\$515,608
Non-budgeted Transfers	-	-	176,300	-	-	-	-	-
Disbursements	(\$513,638)	(\$402,621)	(\$510,300)	(\$501,317)	(\$910,303)	(\$910,303)	(\$510,303)	(\$510,303)
Personal Services			(40,122)	(50,801)	(81,235)	(\$56,086)	(51,712)	(51,712)
Operating Expenses	(288,638)	(177,621)	(245,178)	(125,516)	(484,448)	(505,217)	(127,766)	(127,766)
Grants	(225,000)	(225,000)	(225,000)	(225,000)	(244,620)	(249,000)	(229,033)	(229,033)
Debt Service				(100,000)	(100,000)	(100,000)	(101,792)	(101,792)
Ending Fund Balance	\$119,766	\$86,999	\$372,042	\$727,317	\$481,316	\$170,880	\$214,313	\$219,618

*HB 374 (2021 Session) authorized non-budgeted transfer in FY 2022

Federal Special Revenue

Federal special revenue is comprised of Library Services and Technology Act (LSTA) grants administered by the Institute of Museum and Library Services (IMLS). Federal special revenue funds requested in HB 2 total approximately \$2.0 million or 45.1% of the total HB 2 authority for the Patron and Local Library Development Services Program. These funds support services such as the talking book services for the blind and disabled, research and reference services, as well as consulting services for continuing education opportunities.

*Non-Budgeted Proprietary Funds***Montana Shared Catalog**

The Montana Shared Catalog (MSC) is a cooperative project involving approximately 180 libraries across Montana. Public libraries, school libraries, academic libraries, medical libraries, and other special libraries have pooled resources to purchase a robust library automation system. The source of the funding is from member fees paid by the libraries to belong to the MSC. The MSC provides approximately \$955,000 or 14.9% of the total funds over the biennium for the Patron and Local Library Development Services Program.

*Statutory Appropriations*General Fund

Statutory authority for the agency includes general fund for state aid to public libraries, as authorized under 22-1-327, MCA. This appropriation sunsets July 1, 2029. This statutory appropriation provides approximately \$1.1 million or 16.9% of the total funds for this program for the 2027 biennium.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison: PATRON & LOCAL LIBRARY DEVELOPMENT SERVICES					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	9.75	9.75	9.75	9.75
Personal Services	1,122,019	1,253,763	578,642	908,901	915,567
Operating Expenses	1,108,484	1,198,818	1,442,703	1,042,703	1,042,703
Equipment & Intangible Assets	0	0	0	0	0
Grants	244,620	244,795	225,000	225,000	225,000
Debt Service	100,000	100,000	0	0	0
Total Expenditures	\$2,575,123	\$2,797,376	\$2,246,345	\$2,176,604	\$2,183,270
General Fund	389,309	534,763	425,644	497,903	504,569
State/Other Special Rev. Funds	851,245	982,187	910,303	695,303	695,303
Federal Spec. Rev. Funds	1,334,569	1,280,426	910,398	983,398	983,398
Total Funds	\$2,575,123	\$2,797,376	\$2,246,345	\$2,176,604	\$2,183,270
Total Ongoing	\$2,175,123	\$2,397,376	\$1,846,345	\$2,176,604	\$2,183,270
Total OTO	\$400,000	\$400,000	\$400,000	\$0	\$0

Program Description

The Patron and Local Library Development Services include the talking book library, consulting and learning services provided to local libraries, and statewide projects such as courier services and subscriptions managed by the Montana State Library for public libraries. This program also provides support to state employees, citizens with research questions, and the blind and low vision community.

FY 2024 Appropriation Compared to FY 2024 Actual Expenditures

The Patron and Local Library Development Services Program's FY 2024 HB 2 budget of approximately \$2.8 million was 92.1% expended at fiscal year end. Personal services were 89.5% expended, while operating expenses were 92.5% expended. As previously mentioned, lower revenues in the Montana land information account explain most of the unexpended amount.

FY 2024 Appropriations Compared to FY 2025 Appropriations

FY 2025 total appropriations for the Patron and Local Library Development Services Program are approximately \$551,000 or 24.5% lower than the FY 2024 total appropriations. This decrease can be partially explained by budgetary transfers, some of which are offset by increases. This budgetary movement can be broken down as following:

- An increase of approximately \$39,000 for the pay plan
- An increase of approximately \$7,000 for the statewide present law adjustment for inflation/deflation

- An increase between FY 2024 and FY 2025 of approximately \$3,400 for the statewide present law adjustment for personal services

There were also some net-zero budget changes to the program that moved funding between expenditure accounts:

- A transfer of approximately \$170,000 from operating expenses to personal services in FY 2024 only for modified positions supporting the operations of the Library Services and Technology Act (LSTA). This funding reverted back to operating expenses for FY 2025
- A transfer of \$80,000 from operating expenses to personal services for a modified LSTA position in FY 2024 only, which reverted back to operating expenses for FY 2025
- A transfer of approximately \$154,000 from operating expenses to other expenditure accounts in FY 2024 only, of which \$100,000 was moved to debt service to pay for a subscription-based IT contract. The other approximately \$54,000 was transferred to personal services for a modified position. These funds reverted back to operating expenses for FY 2025
- A transfer of approximately \$130,000 from operating expenses to personal services to support modified positions in the Montana Natural Heritage Program (MTNHP) in FY 2024 only, which reverted back to operating expenses for FY 2025
- A transfer of \$24,000 from operating expenses to grants for local libraries in FY 2024 only. This funding reverted back to operating expenses for FY 2025

As discussed earlier, the various functions of the Montana State Library have not been separated into programs in the past, thus, there is some budgetary movement between functions that has not been captured in budget change documents. These changes moved a net total of approximately \$500,000 into the Patron and Local Library Development Services Program from other MSL programs for FY 2024 only, so the changes reverted to the original budget for FY 2025.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments Patron and Local Library Development Services	Fiscal 2026					Fiscal 2027				
		General	State	Federal	Total		General	State	Federal	Total
	PB	Fund	Special	Special	Funds	PB	Fund	Special	Special	Funds
DP 1 - Personal Services	0.00	72,259	185,000	73,000	330,259	0.00	78,925	185,000	73,000	336,925
Grand Total All Present Law Adjustments	0.00	\$72,259	\$185,000	\$73,000	\$330,259	0.00	\$78,925	\$185,000	\$73,000	336,925

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

The proposed statewide personal services present law adjustment (DP 1) is the result of a few different factors. Management decisions, including increases to the pay plan and hiring at different rates than previously budgeted contributed to increases in the adjustment. The increases in management decisions were partially offset by greater

vacancy savings. Legislative changes increased primarily due to greater longevity and benefits costs.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison GIS						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	11.91	11.91	11.91	0.00	0.0%	
General Fund	726,248	726,248	726,248	0	0.0%	
State/Other Special Rev. Funds	1,749,133	1,643,891	1,654,393	(199,982)	-5.7%	
Federal Spec. Rev. Funds	0	(30,409)	(30,409)	(60,818)		
Total Funds	2,475,381	2,339,730	2,350,232	(260,800)	-5.3%	
Personal Services	1,554,764	1,419,113	1,429,615	(260,800)	-8.4%	
Operating Expenses	670,617	670,617	670,617	0	0.0%	
Grants	250,000	250,000	250,000	0	0.0%	
Total Expenditures	2,475,381	2,339,730	2,350,232	(260,800)	-5.3%	
Total Ongoing	2,475,381	2,339,730	2,350,232	(260,800)	-5.3%	
Total One-Time-Only	500,000	0	0	(1,000,000)	(100.0%)	

Program Highlights

GIS, Data, and Information Program Major Budget Highlights
<p>The GIS, Data and Information Program’s 2027 biennium HB 2 budget request is approximately \$261,000 or 5.3% lower than the FY 2025 base budget. The executive is requesting:</p> <ul style="list-style-type: none"> • Decreases in authority for statewide present law adjustment for personal services, which are in state special and federal special funds

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

GIS, Data, and Information											
2027 Biennium HB 2 Base Budget and Requested Adjustments											
	FY 2026					FY 2027					
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	State Special	Total Funds	% of Budget Request
Base Budget	726,248	1,749,133	0	2,475,381	105.8%	726,248	1,749,133	0	2,475,381	105.3%	
Statewide PL											
Personal Services	0	(105,242)	(30,409)	(135,651)	-5.8%	0	(94,740)	(30,409)	(125,149)	-5.3%	
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%	
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%	
Total Statewide PL	0	(105,242)	(30,409)	(135,651)	-5.8%	0	(94,740)	(30,409)	(125,149)	-5.3%	
Present Law (PL)	0	0	0	0		0	0	0	0		
New Proposals	0	0	0	0		0	0	0	0		
Total HB 2 Adjustments	0	(105,242)	(30,409)	(135,651)	-5.8%	0	(94,740)	(30,409)	(125,149)	-5.3%	
Total Requested Budget	726,248	1,643,891	(30,409)	2,339,730		726,248	1,654,393	(30,409)	2,350,232		

Funding

The following table shows proposed agency funding for all sources of authority.

GIS, Data, and Information Funding by Source of Authority						
2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,452,496	-	-	-	1,452,496	23.7%
02021 911 Funding				1,023,937	1,023,937	16.7%
02779 Montana Land Information	2,486,958				2,486,958	40.6%
02094 Digital Library Services	811,326				811,326	13.3%
State Special Revenue Total	3,298,284	-	-	1,023,937	4,322,221	70.6%
03018 IMLS	-60,818				-60,818	-1.0%
Federal Special Revenue Total	-60,818	-	-	-	-60,818	-1.0%
06025 MT State Reference Network -RTN			407,546		407,546	6.7%
Proprietary Fund Total	-	-	407,546	-	407,546	6.7%
Total All Funds	4,689,962		407,546	1,023,937	6,121,445	
Percent of All Sources of Authority	76.6%	0.0%	6.7%	16.7%		

The GIS, Data and Information Program is funded through a combination of general fund, state special revenue, federal special revenue, and nonbudgeted proprietary funding.

HB 2 Authority

General Fund

The general fund authority in the 2027 biennium request totals approximately \$1.5 million or 31.0% of the total authority requested in HB 2 for the GIS, Data, and Information Program’s operations. The general fund supports the natural resource information system (NRIS), as well as the Montana natural heritage program (MTNHP).

State Special Revenue

In HB 2, state special revenue for the GIS, Data, and Information Program comes from the Montana land information account and the digital library services account. State special revenue requested in the 2027 biennium totals approximately \$3.3 million or 70.3% of the total authority requested in HB 2 for this program. The digital library services account provides approximately \$811,000 or 24.6% of the total HB 2 state special revenue provided for this program.

Digital Library Services Account

The digital library services account receives assessments paid by certain state agencies that use the Montana State Library’s natural resource information system (NRIS) and geographic information system (GIS). The fund has a fixed cost component that is charged to 17 agencies, the Governor’s Office, and the Legislative Branch. Funding from this fixed cost for the 2025 biennium totaled approximately \$399,000 each year, and proposed fixed cost assessments are \$446,000 per year for the 2027 biennium. The digital library services special revenue account is established through 22-1-203, MCA, whereby quarterly payments from state agencies for use of the natural resource information system established in MCA 90-15-301 are deposited into the account, as well as legislative transfers and any funds allocated to the account.

The table below provides information on the actual revenues, expenditures, and fund balances for the digital library services account from FY 2020 through FY 2024, estimated revenues and expenditures for FY 2025, and proposed revenues and expenditures for FY 2026 and FY 2027.

Montana State Library Digital Library Services Account Fund Balance								
	FY 2020	FY 2021	FY 2022*	FY 2023	FY 2024	FY 2025	Proposed FY 2026	Proposed FY 2027
Beginning Fund Balance	\$0	\$411	\$722	\$722	(\$478)	(\$3,348)	(\$10,313)	\$30,045
Revenues	\$281,952	\$281,852	\$398,698	\$398,698	\$398,698	\$398,698	\$446,021	\$446,021
Charges for Services	124,770	142,692	398,698	398,698	398,698	398,698	446,021	446,021
Transfers & Grants	157,182	139,160	-	-	-	-	-	-
Disbursements	(\$281,541)	(\$281,541)	(\$398,698)	(\$399,898)	(\$401,568)	(\$405,663)	(\$405,663)	(\$405,663)
Ending Fund Balance	\$411	\$722	\$722	(\$478)	(\$3,348)	(\$10,313)	\$30,045	\$70,403

Federal Special Revenue

Federal special revenue is comprised of Library Services and Technology Act (LSTA) grants administered by the Institute of Museum and Library Services (IMLS). Federal special revenue funds requested in HB 2 are currently showing a reduction of approximately \$61,000 or 1.3% of the total HB 2 state special revenue provided for this program. If the Education Joint Appropriations Subcommittee chooses to establish programs for the Montana State Library, there will need to be a decision package to correct this negative appropriation.

Non-Budgeted Proprietary Funds

Montana State Reference Network

The Montana state reference network (MTSRN) is the state-owned real time positioning network, operated with the cooperation of partners that include tribal nations, the Montana Department of Transportation, Montana State Library, counties, educational institutions, and private entities who maintain, operate, or otherwise contribute to the operation of this statewide array global navigation satellite systems (GNSS) reference stations. This growing statewide GNSS network consists of permanently located global positioning system (GPS) receivers that generate real-time, high-accuracy GPS positioning. The Montana State Library analyzes rates charged to subscribers on a biannual basis. Rates are reflective of projected program costs and number of program subscribers.

In the 2025 biennium, the legislature also appropriated \$500,000 per fiscal year of state special revenue authority for additional start-up and ongoing costs related to the Montana real-time network in HB 2.

Statutory Appropriations

State Special Revenue

9-1-1 GIS Mapping Account

Statutory appropriations for the Montana State Library are made up of state special revenue from fees imposed for 9-1-1 mapping services. The 9-1-1 GIS Mapping Account is established through 10-4-310, MCA and is a temporary account that expires at the end of fiscal year 2031. In accordance with 10-4-304(5), MCA, the Montana State Library’s 9-1-1 GIS mapping account receives a transfer of \$450,000 of state special revenue each fiscal year through FY 2030. Next generation 9-1-1 will migrate from analog technology intended for traditional wireline phones to an all IP-based architecture capable of communicating with any network connected device. This modernized 9-1-1 system will rely on GIS data to route emergency calls to the correct 9-1-1 call center. The table below provides information on the actual revenues, expenditures, and fund balances for the digital library services account from FY 2022 through FY 2024, estimated revenues and expenditures for FY 2025, and proposed revenues and expenditures for FY 2026 and FY 2027.

Montana State Library 911 Funding Fund Balance						
	FY 2022	FY 2023	FY 2024	FY 2025*	Proposed FY 2026	Proposed FY 2027
Beginning Fund Balance	\$0	\$116,904	\$130,253	\$83,659	\$30,459	-\$22,741
Revenues	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
Non-Budgeted Transfers	450,000	450,000	450,000	450,000	450,000	450,000
Disbursements	(\$333,096)	(\$436,650)	(\$496,594)	(\$503,200)	(\$503,200)	(\$503,200)
Personal Services	(132,725)	(228,254)	(231,112)	(234,187)	(234,187)	(234,187)
Operating Expenses	(200,371)	(4,143)	(16,629)	(16,850)	(16,850)	(16,850)
Debt Service		(204,254)	(248,853)	(252,163)	(252,163)	(252,163)
Ending Fund Balance	\$116,904	\$130,253	\$83,659	\$30,459	(\$22,741)	(\$75,941)

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison: GIS					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	11.91	11.91	11.91	11.91
Personal Services	2,092,695	2,272,505	1,554,764	1,419,113	1,429,615
Operating Expenses	158,369	866,715	1,170,617	670,617	670,617
Equipment & Intangible Assets	0	0	0	0	0
Grants	198,708	250,000	250,000	250,000	250,000
Total Expenditures	\$2,449,772	\$3,389,220	\$2,975,381	\$2,339,730	\$2,350,232
General Fund	958,070	729,328	726,248	726,248	726,248
State/Other Special Rev. Funds	1,454,603	2,612,392	2,249,133	1,643,891	1,654,393
Federal Spec. Rev. Funds	37,099	47,500	0	(30,409)	(30,409)
Total Funds	\$2,449,772	\$3,389,220	\$2,975,381	\$2,339,730	\$2,350,232
Total Ongoing	\$2,272,101	\$2,889,220	\$2,475,381	\$2,339,730	\$2,350,232
Total OTO	\$177,671	\$500,000	\$500,000	\$0	\$0

Program Description

The GIS, Data, and Information Program manages statewide GIS datasets, geospatial services and technology, and geospatial data collection throughout Montana.

FY 2024 Appropriation Compared to FY 2024 Actual Expenditures

The GIS, Data, and Information Program’s FY 2024 HB 2 budget of approximately \$3.4 million was 72.3% expended at fiscal year end. Personal services were 92.1% expended, while operating expenses were 18.3% expended. As previously mentioned, lower revenues in the Montana land information account can explain the unexpended amount.

FY 2024 Appropriations Compared to FY 2025 Appropriations

FY 2025 total appropriations for the GIS, Data, and Information Program are approximately \$414,000 or 14.3% lower than the FY 2024 total appropriations. FY 2025 total appropriations for the GIS, Data, and Information Program are approximately \$414,000 or 14.3% lower than the FY 2024 total appropriations. This decrease can be explained by budgetary transfers, some of which are offset by increases. This budgetary movement can be broken down as following:

- An increase of approximately \$47,000 for the pay plan
- An increase of approximately \$8,500 for the statewide present law adjustment for inflation/deflation and adjustments to inflationary costs
- An increase between FY 2024 and FY 2025 of approximately \$7,000 for the statewide present law

adjustment for personal services

There were also some net-zero budget changes to the program that moved funding between expenditure accounts:

- A transfer of approximately \$501,000 from operating expenses to personal services for modified positions in FY 2024 only. This funding reverted back to operating expenses for FY 2025
- A transfer of approximately \$216,000 from operating expenses to personal services to support a modified position to work on the Real Time Network in FY 2024 only. This funding reverted back to operating expenses for FY 2025
- A transfer of approximately \$243,000 from operating expense to personal services to support the modified positions working on the Natural Resource Information System (NRIS) for FY 2024 only. These modified positions are partially funded with general fund and passthrough dollars, the latter of which is the source of funding in this transfer. This funding reverted back to operating expenses for FY 2025

The changes that have not been captured by budget change documents moved a net total of approximately \$477,000 into the GIS, Data, and Information program from other MSL programs for FY 2024 only, so the changes reverted to the original budget for FY 2025.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments GIS, Data, and Information	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	(105,242)	(30,409)	(135,651)	0.00	0	(94,740)	(30,409)	(125,149)
Grand Total All Present Law Adjustments	0.00	\$0	(105,242)	(30,409)	(\$135,651)	0.00	\$0	(\$94,740)	(\$30,409)	(\$125,149)

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

The proposed statewide personal services present law adjustment (DP 1) is the result of a few different factors. Management decisions, including increases in the pay plan, reclassifications, as well as hiring at different rates than previously budgeted contributed to increases in the adjustment. The increases in management changes were partially offset by greater budgeted vacancy savings. Legislative changes increased primarily due to greater longevity and benefits costs.