

# MONTANA STATE LIBRARY

## Section E

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### JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

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-----Agencies-----

Office of Public Instruction	Montana Arts Council
Board of Public Education	Montana State Library
Office of Commissioner of Higher Education	Montana Historical Society
Montana School for Deaf & Blind	

-----Committee Members-----

<u>House</u>	<u>Senate</u>
Representative David Bedey (Chair)	Senator John Fuller (Vice Chair)
Representative Brad Barker	Senator Matt Regier
Representative Llew Jones	Senator Jonathan Windy Boy
Representative Connie Keogh	
Representative Eric Matthews	

-----Fiscal Division Staff-----

Julia Pattin  
Katie Guenther  
Kurt Swimley  
Alexandra Ghosh

**Agency 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.

Agency Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	4.62	4.62	4.62	0.00	0.0%	
Proprietary Funds	628,844	680,811	682,077	105,200	8.4%	
<b>Total Funds</b>	<b>628,844</b>	<b>680,811</b>	<b>682,077</b>	<b>105,200</b>	<b>8.4%</b>	
Personal Services	349,278	401,245	402,511	105,200	15.1%	
Operating Expenses	99,815	99,815	99,815		0.0%	
Debt Service	179,751	179,751	179,751		0.0%	
<b>Total Expenditures</b>	<b>628,844</b>	<b>680,811</b>	<b>682,077</b>	<b>105,200</b>	<b>8.4%</b>	
<b>Total Ongoing</b>	<b>628,844</b>	<b>680,811</b>	<b>682,077</b>	<b>105,200</b>	<b>8.4%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Agency Highlights**

<b>Montana State Library Major Budget Highlights</b>
<p>The Montana State Library's 2027 biennium non-budgeted proprietary request is approximately \$105,000 or 8.4% above the FY 2025 base budget. Major highlights include:</p> <ul style="list-style-type: none"> <li>• An increase for the statewide present law adjustment for personal services</li> </ul>

**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.

Montana State Library 2027 Biennium 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
<b>Base Budget</b>	0	0	0	<b>628,844</b>	<b>92.4%</b>	0	0	0	<b>628,844</b>	<b>92.2%</b>
Statewide PL										
Personal Services	0	0	0	51,967	7.6%	0	0	0	53,233	7.8%
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%
<b>Total Statewide PL</b>	0	0	0	<b>51,967</b>	<b>7.6%</b>	0	0	0	<b>53,233</b>	<b>7.8%</b>
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%
<b>Total Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51,967</b>	<b>7.6%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,233</b>	<b>7.8%</b>
<b>Total Requested Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>680,811</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>682,077</b>	

Funding

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

Total Montana State Library 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
<b>01100 General Fund</b>	<b>7,217,249</b>			<b>1,084,226</b>	<b>8,301,475</b>	<b>41.4%</b>
02779 Montana Land Information	4,434,004				4,434,004	22.1%
02021 911 Funding				1,023,937	1,023,937	5.1%
02046 Coal Sev. Tax Library	1,020,606				1,020,606	5.1%
02094 Digital Library Services	811,326				811,326	4.0%
<b>State Special Revenue Total</b>	<b>6,265,936</b>		-	<b>1,023,937</b>	<b>7,289,873</b>	<b>36.3%</b>
03018 IMLS	3,109,956				3,109,956	15.5%
<b>Federal Special Revenue Total</b>	<b>3,109,956</b>		-	-	<b>3,109,956</b>	<b>15.5%</b>
06021 MT Shared Catalog			955,342		955,342	4.8%
06025 MT State Reference Network-RTN			407,546		407,546	2.0%
<b>Proprietary Fund Total</b>	-		<b>1,362,888</b>	-	<b>1,362,888</b>	<b>6.8%</b>
<b>Total of All Funds</b>	<b>16,593,141</b>		-	<b>2,108,163</b>	<b>20,064,192</b>	
<b>Percent of All Sources of Authority</b>	<b>82.7%</b>	<b>0.0%</b>	<b>6.8%</b>	<b>10.5%</b>		

*Non-Budgeted Proprietary Funds*

Proprietary funds are used for the Montana state reference network and the shared catalog. For additional detail, please see the proprietary program descriptions.

**Agency 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.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	4.62	4.62	4.62	4.62
Personal Services	257,761	257,764	349,278	401,245	402,511
Operating Expenses	28,136	95,102	99,815	99,815	99,815
Debt Service	171,447	171,447	179,751	179,751	179,751
<b>Total Expenditures</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$682,077</b>
Proprietary Funds	457,344	524,313	628,844	680,811	682,077
<b>Total Funds</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$682,077</b>
<b>Total Ongoing</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$682,077</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*Agency Description*

The Montana State Library (MSL) is composed of programs that provide information services to all branches of state government, its agencies, local counterparts, and individuals seeking information and materials that are not found in their local libraries.

The Montana Library Commission (MLC), authorized in 22-1-101, MCA, administers state and federal library funding to operate and maintain the Montana State Library, oversees the six library federations located throughout Montana, and develops statewide library long-range planning, policy, and service coordination.

MLC is authorized in section 90-1-401, MCA, to develop a standardized, sustainable method to collect, maintain, and disseminate information in digital formats about the natural and artificial land characteristics of Montana. MLC is further authorized in section 90-15-101, MCA, to establish a planning framework for the development of the natural resources information system (NRIS), to implement the system, and to establish an ongoing Montana Natural Heritage Program.

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; developing a land information plan and administering a granting process for the purposes of implementing the plan; and maintaining and providing information related to Montana’s plant and animal species and habitat and comprehensive natural resources (land) information.

Please refer to the agency profile for additional information about the agency’s organization structure, historical expenditures, goals and objectives, and recent studies and audits: <https://www.legmt.gov/lfd/committees/section-e/montana-state-library/>

*FY 2024 Appropriation Compared to FY 2024 Actual Expenditures*

In FY 2024, the Montana State Library expended 87.2% of its approximately \$524,000 non-budgeted proprietary budget. The majority of these expenditures are in the Montana shared catalog account. These expenditures will be discussed in more detail at the program level.

*FY 2024 Appropriations Compared to FY 2025 Appropriations*

The Montana State Library's non-budgeted appropriation authority for FY 2025 is approximately \$105,000 or 19.9% greater than in FY 2024. This difference is primarily due to the newly created Montana State Reference Network account, which first recorded expenditures in FY 2025.

**Montana Shared Catalog - 06021***Proprietary Program Description*

The Montana Shared Catalog (MSC) is a cooperative project involving 180 libraries. Public libraries, school libraries, academic libraries, medical libraries, and other special libraries have pooled resources to purchase a robust library automation system. Members enjoy the benefits of shared expertise and the ability to provide improved service to library customers. The Montana State Library became the fiscal agent for the MSC in FY 2008.

Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds						
Fund	Fund Name	Agency #	Agency Name	Program Name		
06021	Montana Shared Catalog	51150	Montana State Library	Statewide Library Resources		
			Actual FY 2024	Budgeted FY 2025	Proposed FY 2026	Proposed FY 2027
<b>Operating Revenues:</b>						
<b>Fees and Charges</b>						
	Member Fees		495,380	500,000	500,000	500,000
	<b>Total Operating Revenues</b>		495,380	500,000	500,000	500,000
<b>Expenses:</b>						
	Personal Services		255,116	227,778	225,972	227,238
	Other Operating Expense		106,774	71,315	71,315	71,315
			110,979	179,751	179,751	179,751
	<b>Total Operating Expense</b>		472,869	478,844	477,038	478,304
	<b>Operating Income (Loss)</b>		22,511	21,156	22,962	21,696
	<b>Income (Loss) Before Contributions and Transfers</b>		22,511	21,156	22,962	21,696
	<b>Change in Net Position</b>		22,511	21,156	22,962	21,696
	<b>Beginning Net Position - July 1</b>		(25,452)	(2,941)	18,215	41,177
	Prior Period Adjustments		-	-	-	-
	Change in Net Position		22,511	21,156	22,962	21,696
	<b>Ending Net Position - June 30</b>		(2,941)	18,215	41,177	62,873
<b>Net Position (Fund Balance) Analysis</b>						
Unrestricted Net Position						

*Expenditures*

Expenditures include:

- Personal services for 2.62 FTE
- The payment of required fees for software licensing
- User interface
- Indexing to make the system run
- Payment for required yearly catalog director station maintenance
- Travel budget for meeting with stakeholders and conference attendance
- Member training
- Equipment replacement

*Revenues*

The MSC members pay membership dues that are used to pay operating expenses. There are approximately 180 member libraries that pay membership fees each year.

*Proprietary Rates*

In accordance with the written agreement each participating library signs upon joining this consortium, the annual fee assessed to each library is established on the basis of a membership-approved cost formula. The goal of the cost formula is to distribute MSC operational costs as fairly and evenly as possible based on the following:

- Individual library's title count
- Patron count
- Circulation count
- Equal share contribution

This program is funded with an enterprise fund, which is a type of proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

**Montana State Reference Network - 06025***Proprietary Program Description*

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.

Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds						
Fund	Fund Name	Agency #	Agency Name	Program Name		
06025	Montana State Reference Network	51150	Montana State Library	Statewide Library Resources		
			Actual FY 2024	Budgeted FY 2025	Proposed FY 2026	Proposed FY 2027
<b>Operating Revenues:</b>						
<b>Fees and Charges</b>						
	Subscriber Fees		62,087	150,000	225,000	375,000
	<b>Total Operating Revenues</b>		62,087	150,000	225,000	375,000
<b>Expenses:</b>						
	Personal Services		-	121,500	175,273	175,273
	Other Operating Expense		-	28,500	28,500	28,500
	<b>Total Operating Expense</b>		-	150,000	203,773	203,773
	<b>Operating Income (Loss)</b>		62,087	-	21,227	171,227
	<b>Income (Loss) Before Contributions and Transfers</b>		62,087	-	21,227	171,227
	<b>Change in Net Position</b>		62,087	-	21,227	171,227
	<b>Beginning Net Position - July 1</b>		-	62,087	62,087	83,314
	Prior Period Adjustments		-	-	-	-
	Change in Net Position		62,087	-	21,227	171,227
	<b>Ending Net Position - June 30</b>		62,087	62,087	83,314	254,541
<b>Net Position (Fund Balance) Analysis</b>						
	Unrestricted Net Position					

*Expenditures*

Expenditures include:

- Payment of required fees for software licensing
- User interface
- Agency support staff and overhead
- Equipment replacement

*Revenues*

The Montana State Reference Network subscribers pay subscription fees that are used to pay for the operations of the program.

*Proprietary Rates*

Montana State Library analyzes rates charged to subscribers on a biannual basis. Rates are reflective of projected program costs and number of program subscribers.

This program is funded with an enterprise fund, which is a type of proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

**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	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	0	0	51,967	0.00	0	0	0	53,233
DP 2 - Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 3 - Inflation Deflation	0.00	0	0	0	0	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,967</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,233</b>

\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive proposes adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The executive proposes 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 proposes 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.