

**Program Budget Comparison**

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	8.75	8.75	8.75	8.75	8.75	8.75	0.00	0.00 %
Personal Services	503,091	514,960	543,591	543,459	1,018,051	1,087,050	68,999	6.78 %
Operating Expenses	111,643	123,399	158,585	158,657	235,042	317,242	82,200	34.97 %
Grants	82,098	87,120	82,098	82,098	169,218	164,196	(5,022)	(2.97)%
<b>Total Costs</b>	<b>\$696,832</b>	<b>\$725,479</b>	<b>\$784,274</b>	<b>\$784,214</b>	<b>\$1,422,311</b>	<b>\$1,568,488</b>	<b>\$146,177</b>	<b>10.28 %</b>
General Fund	38,871	38,352	41,198	41,106	77,223	82,304	5,081	6.58 %
Federal Spec. Rev. Funds	647,883	676,997	697,998	698,030	1,324,880	1,396,028	71,148	5.37 %
Proprietary Funds	10,078	10,130	45,078	45,078	20,208	90,156	69,948	346.14 %
<b>Total Funds</b>	<b>\$696,832</b>	<b>\$725,479</b>	<b>\$784,274</b>	<b>\$784,214</b>	<b>\$1,422,311</b>	<b>\$1,568,488</b>	<b>\$146,177</b>	<b>10.28 %</b>

**Program Description**

The Historic Sites Preservation Program (State Historic Preservation Office) administers the Montana Antiquities Act (MCA 22-3-421; ARM 10.121.901) and Montana's participation in the National Historic Preservation Act of 1966, as amended, with its federal programs, guidelines, and grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public. Staff maintains a statewide inventory of recorded historic and archaeological sites. Staff: 1) reviews state agencies compliance with state antiquities act; 2) reviews and comments on all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing in the National Register of Historic Places; and 3) administers the National Register of Historic Places program in Montana through the state preservation review board. The program: 1) recommends certification of historic structures and rehabilitation projects for federal tax credits to citizens and businesses, as authorized by the Tax Reform Act of 1976; 2) awards and administers pass-through federal grants to local governments participating in the federal Certified Local Government Program; and 3) may award funds for historic survey and planning for historic areas and for bricks and mortar rehabilitation when funds are available.

**Program Highlights**

<b>Historic Preservation Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The increase in the proposed budget is due entirely to increases in fixed costs and annualization of personal services costs</li> <li>• The executive proposes an increase in proprietary authority for the 2017 biennium for operating costs</li> </ul>

**Program Discussion -**

The following highlights the differences between the FY 2015 appropriations as shown in the main table and the FY 2015 legislative appropriations used for purposes of the budget base.

There are no differences between FY 2015 Legislative Appropriation and FY 2015 as implemented by the executive.

Comparison of FY 2014 Actual Expenditures to FY 2015 Legislative Appropriation

Actual FY 2014 expenditures are \$28,647 less than the FY 2015 Legislative Appropriation. This difference is made primarily up of unspent budget authority, program transfers, and vacancy savings.

Funding

The following table shows proposed program funding by source from all sources of authority.

Montana Historical Society, 06-Historic Preservation Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	82,304	0	0	82,304	5.25 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
03021 Historic Sites Preservation	1,396,028	0	0	1,396,028	100.00 %	
<b>Federal Special Total</b>	<b>\$1,396,028</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,396,028</b>	<b>89.00 %</b>	
06013 SHPO ENTERPRISE FUND	90,156	0	0	90,156	100.00 %	
<b>Proprietary Total</b>	<b>\$90,156</b>	<b>\$0</b>	<b>\$0</b>	<b>\$90,156</b>	<b>5.75 %</b>	
<b>Total All Funds</b>	<b>\$1,568,488</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,568,488</b>		

The program is funded through a combination of general fund, federal special revenue from the National Park Service (NPS), and proprietary funds. Proprietary funds are generated from fees for historical preservation assistance and services and are used to enhance and maintain the agency’s antiquities data base. The federal grants from the NPS have a 60:40 federal/state matching requirement. MHS uses funding at the local level to match the federal grant.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	38,352	38,352	76,704	93.20 %	725,479	725,479	1,450,958	92.51 %
PL Adjustments	2,846	2,754	5,600	6.80 %	23,795	23,735	47,530	3.03 %
New Proposals	0	0	0	0.00 %	35,000	35,000	70,000	4.46 %
<b>Total Budget</b>	<b>\$41,198</b>	<b>\$41,106</b>	<b>\$82,304</b>		<b>\$784,274</b>	<b>\$784,214</b>	<b>\$1,568,488</b>	

Present Law Adjustments -

The “Present Law Adjustments” table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

	Fiscal 2016					Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	3,424	0	25,270	28,694	0.00	3,307	0	25,254	28,561
DP 99 - LEG. Present Law	0.00	(578)	0	(4,269)	(4,847)	0.00	(553)	0	(4,221)	(4,774)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,846</b>	<b>\$0</b>	<b>\$21,001</b>	<b>\$23,847</b>	<b>0.00</b>	<b>\$2,754</b>	<b>\$0</b>	<b>\$21,033</b>	<b>\$23,787</b>

DP 98 - LEG. Personal Services Present Law -

Personal Services Present Law Adjustments						
FY 2016						
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Proprietary Fund	Total Funds
State Share Health Insurance	8.75	-	-	\$4,253	-	\$4,253
Executive Implementation of 2015 Pay Increase		-	-	8,956	-	8,956
Other		3,424	-	12,062	(63)	15,423
<b>Personal Services Present Law Adjustments</b>	<b>8.75</b>	<b>\$3,424</b>	<b>\$0</b>	<b>\$25,270</b>	<b>(\$63)</b>	<b>\$28,631</b>
FY 2017						
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Proprietary Fund	Total Funds
State Share Health Insurance	8.75	-	-	\$4,253	-	\$4,253
Executive Implementation of 2015 Pay Increase		-	-	8,956	-	8,956
Other		3,307	-	12,046	(62)	15,291
<b>Personal Services Present Law Adjustments</b>	<b>8.75</b>	<b>\$3,307</b>	<b>\$0</b>	<b>\$25,254</b>	<b>(\$62)</b>	<b>\$28,499</b>

The executive proposes to increase support for personal services by 5.6% in FY 2016 and 5.5% in FY 2017 when compared to the FY 2015 legislative budget. As shown in the table, about 46% of the changes are due to costs associated with HB 13 of the 2013 Legislature. Other adjustments include:

- Competency increase for one position
- Longevity
- Supervisory pay for one position

DP 99 - LEG. Present Law -

These adjustments consist of:

- Fixed costs
- Inflation and deflation

**New Proposals -**

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 600006 - Operating Expenditures in SHPO Proprietary Fund	0.00	0	0	0	0	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

DP 600006 - Operating Expenditures in SHPO Proprietary Fund -

The executive requests proprietary authority for increasing costs of maintaining the state antiquities database system and to facilitate the development of a statewide Geographic Information System (GIS) and offset costs related to administration, planning, survey, inventory, review, and compliance of duties of the National Register Program. Amounts are not shown on the new proposal table due to the HB 2 proprietary fund request.