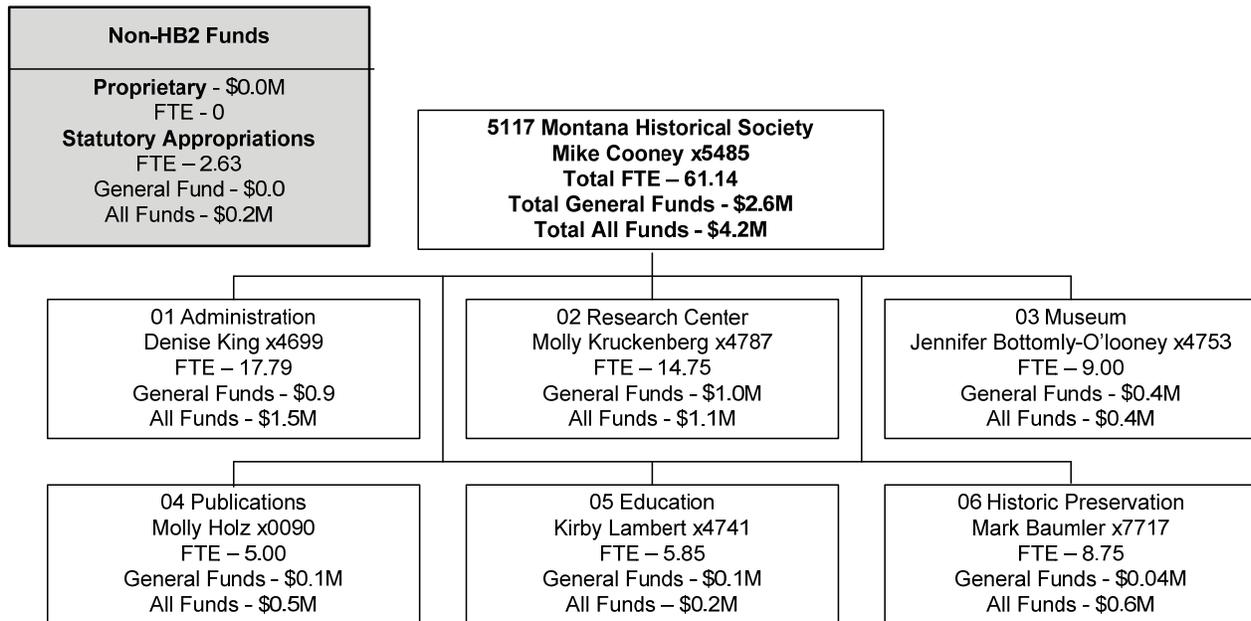


**Agency Budget Comparison**

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	61.14	61.14	59.83	59.83	61.14	59.83	(1.31)	(2.14%)
Personal Services	2,814,802	3,109,826	3,136,677	3,138,552	5,924,628	6,275,229	350,601	5.92%
Operating Expenses	1,242,132	1,277,968	1,277,387	1,251,843	2,520,100	2,529,230	9,130	0.36%
Equipment & Intangible Assets	6,954	29,711	3,954	3,954	36,665	7,908	(28,757)	(78.43%)
Grants	88,389	77,000	88,389	88,389	165,389	176,778	11,389	6.89%
Transfers	50,503	50,503	50,503	50,503	101,006	101,006	0	0.00%
<b>Total Costs</b>	<b>\$4,202,780</b>	<b>\$4,545,008</b>	<b>\$4,556,910</b>	<b>\$4,533,241</b>	<b>\$8,747,788</b>	<b>\$9,090,151</b>	<b>\$342,363</b>	<b>3.91%</b>
General Fund	2,641,116	2,761,337	2,862,024	2,835,068	5,402,453	5,697,092	294,639	5.45%
State Special	90,795	139,710	91,082	91,082	230,505	182,164	(48,341)	(20.97%)
Federal Special	659,333	671,859	760,618	765,318	1,331,192	1,525,936	194,744	14.63%
Other	811,536	972,102	843,186	841,773	1,783,638	1,684,959	(98,679)	(5.53%)
<b>Total Funds</b>	<b>\$4,202,780</b>	<b>\$4,545,008</b>	<b>\$4,556,910</b>	<b>\$4,533,241</b>	<b>\$8,747,788</b>	<b>\$9,090,151</b>	<b>\$342,363</b>	<b>3.91%</b>

The following is the agency organizational chart, with contact information. The chart has been modified by the LFD to include the FY 2010 base budget FTE, general fund, and total funds for each program. As applicable, total agency proprietary funds and statutory appropriations, along with associated FTE, are also shown.



**Agency Description**

The Montana Historical Society (MHS), authorized by Title 22-3-101, MCA, exists for the use, learning, culture, and enjoyment of the citizens of, and visitors to, the State of Montana. MHS acquires, preserves, and protects historical records, art, documents, photographs, museum objects, historical places, sites, and monuments. MHS maintains a historical museum and a library and archives; provides educational programs and services for teachers and the general public; and, publishes the state historical magazine, press books, and newsletter. MHS also administers the preservation and antiquities acts; supports commissions with state historical orientation; and, provides technical assistance to all Montana museums, historical societies, preservation programs, and owners of historic resources.

## Agency Highlights

<b>Montana Historical Society Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive budget proposes to increase the budget 3.9%, primarily due to statewide present law adjustments</li> <li>◆ The executive budget reduces general funded personal services costs 4% each year of the 2013 biennium, including the elimination of 1.31 FTE positions</li> <li>◆ The executive budget proposes to reduce general fund budgets \$126,000 in the 2013 biennium as part of the 5% reduction plan, but offsets \$21,400 of the general fund reduction with increased proprietary fund authority</li> <li>◆ The executive budget includes a one-time-only request for \$16,000 general fund for a physical and structural evaluation of the Original Governor's Mansion</li> </ul>
<b>Legislative Action Issues</b>
<ul style="list-style-type: none"> <li>◆ Lodging facility use tax funding for MHS relies upon goodwill between executive and legislative branches</li> </ul>

## Agency Discussion

### *Goals and Objectives:*

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the legislature may wish to review the following:

- Goals, objectives and year-to-date outcomes from the 2011 biennium.
- Critical agency goals, objectives, and anticipated outcomes and their correlation to the executive's budget request for the 2013 biennium.

### 2013 Biennium Goals

During the interim the LFC met with the agency to select critical goals and performance measurements for the legislature to consider during the appropriation process. The identified critical goals are:

- Increased delivery of services and products to rural Montana towns, museums, and libraries
- Planning and executing a capital and endowment campaign for the Montana Heritage Center

### **Agency Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- **Labor Market Experience** – Of recent positions that have been filled, there were many minimally qualified applicants, approximately 50%. Employment offers are being rejected because of low wages. This occurred in approximately 25% of the hiring offers. Professional positions within the agency experience very little turnover. MHS employees who have received training at MHS have left for better paying positions out of state.
- **Pay Philosophy** – The agency pay philosophy for the 2013 biennium is dependent on the agency budget and the pay plan approved by the legislature and the collective bargaining agreement. During the 2011 biennium, new hires to state government at MHS were generally started at entry level pay bands to maintain internal equity.

- o **Obstacles** – Insufficient time for cross training of employees due to increased workload of current employees caused by fewer staff, several programs in the agency have specialized positions that require advanced degrees and the applicant pool for these positions is limited (see program narratives).

#### *Agency Overview*

The 2013 biennium HB 2 budget proposal for the Montana Historical Society increases 3.9% from the 2011 biennium. The executive proposal increases the budget \$342,363 in the 2013 biennium with most of this increase in personal services. The executive budget funds the biennial increase 61% from general fund, 30% from federal special revenue, and 9% from proprietary funds, which is approximately the percentage of overall funding for the agency.

In addition to HB 2 appropriations, the Montana Historical Society has two statutory appropriations 1) 1% of the lodging facility use tax for the installation or maintenance of roadside historical signs and historical sites; and 2) Lewis and Clark bicentennial license plate revenue for projects related to Lewis and Clark. Since 2003 the society has received an annual appropriation transfer from the Department of Commerce of lodging use facility taxes from its statutory appropriation, and also receives private donations. In FY 2010, the statutory appropriations and the lodging facility tax transfer funds totaled \$638,000, or 15% of the FY 2010 operating budget. The statutory appropriations and the appropriation transfer are not included in the HB 2 budget base or the agency budget comparison table at the beginning of this narrative.

In FY 2010, the MHS used \$128,324 of the lodging facility use taxes to fund personal services costs for positions budgeted in HB 2 from general fund. Rather than revert the full amount of offset general fund, the agency used approximately \$80,000 to backfill proprietary fund authority. The executive budget re-funds the HB 2 positions with general fund in the 2013 biennium. See the LFD Issue later in this agency narrative for more discussion and legislative options on the lodging use facility tax funding.

#### *Common Purpose Decision Packages*

The following groups of decision packages address common purposes that cross program lines within the agency. The legislature may wish to examine and/or act on the decision packages as a group.

DP55140-5% Mandated General Fund Reduction – The Governor proposes to reduce general fund budgets in three of the MHS programs for a biennial general fund reduction totaling \$126,110. The Administration, Research Center, and Historical Preservation Programs are impacted by this reduction. See the individual program narrative for more discussion of the programmatic impact of this proposed reduction. The executive budget offset the \$21,400 general fund reduction in the historic preservation program by increasing the proprietary fund appropriation a like amount.

DP55004-4% Personal Services Reduction- The Governor proposes to reduce personal services costs in the Administration and Museum Programs and eliminate 1.31 FTE. The biennial general fund reduction totals \$184,525. See the individual program narrative for more discussion of the programmatic impact of this proposed reduction.

#### *Legislative Committee Bills and Recommendations*

The Legislative Finance Committee recommends the global adoption of the Governor's 5% reduction plans as a base-less-five-percent motion for the starting point of budget deliberations. See the 5% Reduction Plan section below for more detail.

#### *New Building Project – Montana Heritage Center*

The 2005 Legislature authorized \$7.5 million bonding authority for a new building for the Montana Historical Society. In the 2009 session, the legislature passed HB 5, which included \$30.0 million donation and grant authority to the Department of Administration for the construction of a new historical society building at the 6<sup>th</sup> Avenue and Roberts Street site. At the time the budget analysis was written, approximately \$2.5 million in donations and pledges had been received.

**5% Reduction Plan**

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following table lists the components of the 5% reduction plan for this agency. If the component is included in the executive budget the specific decision package is listed.

Total 5% Reduction Plan Identified by Agencies, By Division Included and Not Included in Executive Budget 2013 Biennium					
Program/DP Number/Description	FTE	General Fund	% Of Total	State Special Revenue	% Of Total
<b>Administration Program (01)</b>					
<i>Included in Executive Budget</i>					
55004 4% Personal Services Reduction	0.36	\$29,871	9.2%	\$0	0.0%
55410 5% General Fund Reduction		<u>44,290</u>	13.7%	<u>0</u>	0.0%
Subtotal Included in Executive Budget		\$74,161	22.9%	\$0	0.0%
Total Administration Program		\$74,161	22.9%	\$0	0.0%
<b>Research Center (02)</b>					
<i>Included in Executive Budget</i>					
55140 5% General Fund Reduction		\$60,420	18.7%	\$0	0.0%
Total Research Center		\$60,420	18.7%	\$0	0.0%
<b>Museum Program (03)</b>					
<i>Included in Executive Budget</i>					
55004 4% Personal Services Reduction	0.95	\$154,654	47.8%	\$0	0.0%
<i>Not Included in Executive Budget</i>					
Reduce unspecified operating expenses		<u>\$0</u>	0.0%	<u>\$2,800</u>	30.8%
Total Museum Program		\$154,654	47.8%	\$2,800	30.8%
<b>Education Program (05)</b>					
<i>Not Included in Executive Budget</i>					
Reduce unspecified operating expenses		\$12,844	4.0%	\$6,280	69.2%
Total Education Program		\$12,844	4.0%	\$6,280	69.2%
<b>Historic Preservation Program (06)</b>					
<i>Included in Executive Budget</i>					
55140 5% General Fund Reduction		\$21,400	6.6%	\$0	0.0%
Total Historic Preservation Program		\$21,400	6.6%	\$0	0.0%
<b>Total Reduction Plan</b>					
Included in Executive Budget		\$310,635	96.0%	\$0	0.0%
Not Included in Executive Budget		<u>12,844</u>	4.0%	<u>9,080</u>	100.0%
Total Agency Reduction Plan	1.31	<u>\$323,479</u>		<u>\$9,080</u>	
Agency 5% Reduction Target		\$262,704		\$9,080	
Reduction Plan Exceeds (Less Than) Target		<u>\$60,775</u>		<u>\$0</u>	

*Narrative Discussion*

The 5% reduction plan as submitted by the Montana Historical Society reduces general fund by \$262,704 and state special revenue by \$9,080 in the 2013 biennium. This amount equals 5% of the MHS general fund budget base. The executive budget reduces the budget an additional \$47,931. With the additional reduction included in the executive budget, the total reduction for MHS equals 6.1%.

The state special revenue 5% reduction included in the agency's 5% reduction plan is not included in the executive budget. The agency would reduce operating expenses in the Museum and Education Programs a total of \$9,080 for the biennium in the 5% plan. Additionally, the agency included a \$12,844 general fund reduction in operating expenses in the education program that was not included in the executive budget.

If the legislature adopts the 5% base reduction as a global motion, it may wish to adjust the budget proposal to conform to the 5% reduction amount.

### Funding

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2013 Biennium Budget						
Agency Program	General Fund	State Spec.	Fed Spec.	Proprietary	Grand Total	Total %
01 Administration Program	\$ 1,870,394	\$ 180,816	\$ 201,636	\$ 719,104	\$ 2,971,950	32.69%
02 Research Center	2,010,162	-	-	139,308	2,149,470	23.65%
03 Museum Program	888,886	1,348	-	25,262	915,496	10.07%
04 Publications Program	281,873	-	-	699,757	981,630	10.80%
05 Education Program	584,479	-	-	68,154	652,633	7.18%
06 Historic Preservation Program	61,298	-	1,324,300	33,374	1,418,972	15.61%
Grand Total	<u>\$ 5,697,092.00</u>	<u>\$ 182,164.00</u>	<u>\$ 1,525,936.00</u>	<u>\$ 1,684,959.00</u>	<u>\$ 9,090,151.00</u>	<u>100.00%</u>

As shown in the table, the proposed MHS HB 2 budget is supported through a combination of general fund, state and federal special revenues, and proprietary funds. MHS proprietary funds are generated through sales of *Montana*, *The Magazine of Western History*, books, and merchandise in the museum store and Research Center. Unlike other proprietary funds that have a rate approved by the legislature, MHS proprietary funds are appropriated by the legislature.

#### LFD COMMENT

The Montana Historical Society is also funded from non-HB2 sources, including statutory appropriations and lodging facility use tax revenue transferred from the Department of Commerce. Statutory appropriations are discussed later in the next section and the lodging facility use tax funding is discussed in the Agency Issues section of this agency narrative.

### Statutory Appropriations

The following table shows the total statutory appropriations associated with this agency. Because statutory appropriations do not require reauthorization each biennium, they do not appear in HB 2 and are not routinely examined by the legislature. The table is provided so that the legislature can get a more complete picture of agency operations and associated policy.

As appropriate, LFD staff has segregated the statutory appropriations into two general categories: 1) those where the agency primarily acts in an administrative capacity and the appropriations consequently do not relate directly to agency operations; and 2) those that have a more direct bearing on the mission and operations of the agency.

Statutory Appropriations Montana Historical Society					
Purpose	MCA #	Fund Source	Fiscal 2010	Fiscal 2012	Fiscal 2013
<i>Direct Bearing on Agency Operations</i>					
Lewis and Clark license plates	90-1-115	SSR	\$1,440	\$1,440	\$1,440
Lodging facility use tax (1%/Sites & Signs)	15-65-121	SSR	<u>208,412</u>	<u>191,510</u>	<u>191,844</u>
Total Statutory Appropriations			<u>\$209,852</u>	<u>\$192,950</u>	<u>\$193,284</u>

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	2,641,116	2,641,116	5,282,232	92.72%	4,202,780	4,202,780	8,405,560	92.47%
Statewide PL Adjustments	376,199	349,296	725,495	12.73%	498,721	475,105	973,826	10.71%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(155,291)	(155,344)	(310,635)	(5.45%)	(144,591)	(144,644)	(289,235)	(3.18%)
<b>Total Budget</b>	<b>\$2,862,024</b>	<b>\$2,835,068</b>	<b>\$5,697,092</b>		<b>\$4,556,910</b>	<b>\$4,533,241</b>	<b>\$9,090,151</b>	

**Agency Issues**

LFD  
ISSUE

Lodging Facility Use Taxes Funding

The Department of Commerce (Commerce) by statute receives 67.5% of lodging facility use taxes to support tourism in the state. In the 2011 biennium this allocation is estimated to total \$22.8 million. Over the past several biennia the legislature has requested that Commerce use a portion of its statutorily appropriated lodging facility use taxes to fund historical interpretation and the Scriver collection costs at the Montana Historical Society. For the 2011 biennium, the Montana Historical Society and Commerce signed a memorandum of understanding (MOU) outlining the amount of lodging facility use tax Commerce would transfer. The amount for FY 2010 was \$468,611 and in FY 2011 the transfer amount was \$482,669. In FY 2010, Commerce transferred MHS \$468,611 from the lodging facility use tax (or about 1.6% of the total lodging facility use taxes) and supported a portion of personal services and operating expenditures in the Administration, Research Center, Museum, and Education Programs at the Montana Historical Society. Although Commerce has transferred these funds in previous years, compliance with legislative intent is voluntary on the part of Commerce as there is no statute or appropriation requiring the transfer. The legislature may wish to determine if it wants to make the lodging facility use taxes for historical interpretation and the Scriver collections costs permanent or continue to rely upon the executive branch to comply with historical legislative intent.

**LFD  
ISSUE CONT.**

The following table shows the amount of lodging facility use taxes expended by MHS each year since FY 2003. Please note that the table does not include the direct statutory appropriation received by MHS for the Sites and Signs Program, which totals 1% of the lodging facility tax.

Lodging Facility Use Tax Expenditures Montana Historical Society FY 2003 - FY 2013					
FY	Research				Total
	Administration	Center	Museum	Education	
2003	\$110,799	\$0	\$201,476	\$0	\$312,275
2004	67,718	22,757	352,297	0	\$442,772
2005	28,207	22,874	372,327	0	\$423,408
2006	22,694	24,971	381,555	0	\$429,220
2007	60,755	26,589	323,296	0	\$410,640
2008	188,283	0	190,931	74,953	\$454,167
2009	25,544	4,822	291,972	82,172	\$404,510
2010	<u>22,691</u>	<u>38,959</u>	<u>293,810</u>	<u>72,778</u>	<u>\$428,238</u>
Total	<u>\$526,691</u>	<u>\$140,972</u>	<u>\$2,407,664</u>	<u>\$229,903</u>	<u>\$3,305,230</u>

Source: Data compiled by Legislative Fiscal Division from SABHRS records

In previous years the legislature has used a variety of techniques to express its intent for the transfer of the lodging facility use tax to the MHS, including a HB 2 appropriation, a HB 2 language appropriation, and legislative intent included in the LFD narrative that accompanies HB 2. All of these techniques were ultimately deemed inappropriate by the legislative legal staff. In the 2009 session, the Joint Appropriations Subcommittee on Education recommended a statutory change to the allocation of the lodging facility use tax that would decrease the percentage for Commerce and increase the percentage for MHS. This statutory change was originally included in the HB 2 companion bill (HB 676), but

the proposed statutory change was eventually deleted. For the 2011 biennium, there is a memorandum of understanding (MOU) between Commerce and MHS that outlines the amount of funding Commerce will transfer to MHS to support the historical interpretation and Scriver collection costs. The MOU also states that the MOU would be reviewed and renegotiated on a biennial basis prior to submission of budget requests by the agencies to the Governor’s Office of Budget and Program Planning. At the time this narrative was written, there is a new MOU in place for the 2013 biennium, with transfer amounts estimated at \$476,536 for FY 2012 and \$490,075 for FY 2013.

The legislature expects the agency to provide these services, but has not implemented an enforceable funding source for the services. Both the Montana Historical Society and the legislature face a budgetary risk by continuing to rely upon temporary and/or informal agreements to provide the lodging facility use tax funding to the MHS. As stated, the agency uses these funds for historical interpretation and maintaining the Scriver collection. These are ongoing functions at the MHS. If, in the future, the lodging facility use taxes are not made available for this purpose, the agency would be unable to provide the services without an appropriation from another source.

**Options**

- Request a committee bill to change the 67.5% of lodging facility use tax statutorily appropriated to Commerce to 64.5% and reallocate the funds to support MHS historical interpretation and Scriver collection costs. The committee bill would increase the funding percentage to MHS to 2.6%.
- Continue to rely upon the executive branch to transfer lodging facility use taxes from Commerce to MHS.

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	17.79	17.79	17.43	17.43	17.79	17.43	(0.36)	(2.02%)
Personal Services	938,392	968,556	946,143	948,238	1,906,948	1,894,381	(12,567)	(0.66%)
Operating Expenses	542,692	678,623	556,264	521,305	1,221,315	1,077,569	(143,746)	(11.77%)
Equipment & Intangible Assets	0	12,750	0	0	12,750	0	(12,750)	(100.00%)
Transfers	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$1,481,084</b>	<b>\$1,659,929</b>	<b>\$1,502,407</b>	<b>\$1,469,543</b>	<b>\$3,141,013</b>	<b>\$2,971,950</b>	<b>(\$169,063)</b>	<b>(5.38%)</b>
General Fund	930,593	1,010,813	951,629	918,765	1,941,406	1,870,394	(71,012)	(3.66%)
State Special	90,121	114,710	90,408	90,408	204,831	180,816	(24,015)	(11.72%)
Federal Special	100,818	107,865	100,818	100,818	208,683	201,636	(7,047)	(3.38%)
Other	359,552	426,541	359,552	359,552	786,093	719,104	(66,989)	(8.52%)
<b>Total Funds</b>	<b>\$1,481,084</b>	<b>\$1,659,929</b>	<b>\$1,502,407</b>	<b>\$1,469,543</b>	<b>\$3,141,013</b>	<b>\$2,971,950</b>	<b>(\$169,063)</b>	<b>(5.38%)</b>

### Program Description

The Administration Program provides supervision, administration, and coordination of the six programs in the Montana Historical Society. Program staff is responsible for the management, planning, direction, and leadership of the society. Activities include public information, payroll/personnel, fund raising, financial reporting, business management, security, building management, community outreach, and the society store.

### Program Highlights

<b>Administration Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive budget decreases this program's budget 5.4% in the 2013 biennium</li> <li>◆ The executive budget reduces general funded personal services costs 4% each year of the 2013 biennium, including the elimination of 0.36 FTE positions</li> <li>◆ The executive budget reduces general fund \$44,290 as part of the 5% general fund reduction. Staff travel and equipment expenditures would be reduced in the executive budget</li> </ul>

### 5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

- The Governor's budget reduces general fund in this program \$74,161 in the 2013 biennium
- The reduction includes the 4% personal services reduction and the 5% general fund reduction
- For discussion of how the reduction will be implemented in the program, see the decision package descriptions for DPs 55004 and 55410 in the New Proposal section of this narrative

## Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table							
Administration Program							
Program Funding		Base	% of Base	Budget	% of Budget	Budget	% of Budget
		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 930,593	62.8%	\$ 951,629	63.3%	\$ 918,765	62.5%
	01100 General Fund	930,593	62.8%	951,629	63.3%	918,765	62.5%
02000	Total State Special Funds	90,121	6.1%	90,408	6.0%	90,408	6.2%
	02041 Mt Hist. Society Donations	90,121	6.1%	90,408	6.0%	90,408	6.2%
03000	Total Federal Special Funds	100,818	6.8%	100,818	6.7%	100,818	6.9%
	03021 Historic Sites Preservation	100,818	6.8%	100,818	6.7%	100,818	6.9%
06000	Total Proprietary Funds	359,552	24.3%	359,552	23.9%	359,552	24.5%
	06071 Merchandise - Historical Soc	310,170	20.9%	310,170	20.6%	310,170	21.1%
	06073 Historical Society Management	49,382	3.3%	49,382	3.3%	49,382	3.4%
Grand	Total	\$ 1,481,084	100.0%	\$ 1,502,407	100.0%	\$ 1,469,543	100.0%

The program is funded with a combination of general fund, state special revenue funds from membership fees and donations, federal funds generated through indirect cost recoveries, and proprietary funds from museum entrance fees and merchandise sales. The various funding sources for the administration program are proportionate to overall agency funding.

## Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	930,593	930,593	1,861,186	99.51%	1,481,084	1,481,084	2,962,168	99.67%
Statewide PL Adjustments	58,511	24,858	83,369	4.46%	58,798	25,145	83,943	2.82%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(37,475)	(36,686)	(74,161)	(3.96%)	(37,475)	(36,686)	(74,161)	(2.50%)
<b>Total Budget</b>	<b>\$951,629</b>	<b>\$918,765</b>	<b>\$1,870,394</b>		<b>\$1,502,407</b>	<b>\$1,469,543</b>	<b>\$2,971,950</b>	

## Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					63,142					64,502
Vacancy Savings					(40,061)					(40,115)
Inflation/Deflation					795					802
Fixed Costs					34,922					(44)
<b>Total Statewide Present Law Adjustments</b>		<b>\$58,511</b>	<b>\$287</b>	<b>\$0</b>	<b>\$58,798</b>		<b>\$24,858</b>	<b>\$287</b>	<b>\$0</b>	<b>\$25,145</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$58,511</b>	<b>\$287</b>	<b>\$0</b>	<b>\$58,798</b>	<b>0.00</b>	<b>\$24,858</b>	<b>\$287</b>	<b>\$0</b>	<b>\$25,145</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- **Pay Plan Exceptions** – The program does not have any employee groups with exceptions to the agency’s pay plan rules.
- **Program Specific Obstacles** – The program does not face program specific obstacles in following the agency’s pay plan rules.
- **Vacancy** – The program does not have occupations with high turnover or high vacancies.
- **Legislatively Applied Vacancy Savings** – The program held open an electronic repair technician position to address the 7% vacancy savings applied by the 2009 Legislature.
- **Pay/Position Changes** – There were no unusual pay adjustments for this program in FY 2010.
- **Retirements** – The program has five employees eligible for full retirement in the 2013 biennium, approximately 28% of the FTE, with an estimated compensated absence liability of \$13,343 as of mid-August 2010.

**New Proposals**

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55004 - 4% Personal Services Reduction	01	(0.36)	(15,330)	0	0	(15,330)	(0.36)	(14,541)	0	0	(14,541)
DP 55140 - 5% General Fund Reduction	01	0.00	(22,145)	0	0	(22,145)	0.00	(22,145)	0	0	(22,145)
<b>Total</b>		<b>(0.36)</b>	<b>(\$37,475)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$37,475)</b>	<b>(0.36)</b>	<b>(\$36,686)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$36,686)</b>

DP 55004 - 4% Personal Services Reduction - The Governor has included a 4% reduction in general fund personal services budgets as part of his budget recommendations. This decision package reduces the Administrative Program by \$15,330 in FY 2012 and \$14,541 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.36 FTE.

<b>LFD COMMENT</b>	The agency did not specify in the 5% reduction plan the position or the function that would be reduced or eliminated. Without specific information, the impact of the reduction cannot be determined.
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DP 55140 - 5% General Fund Reduction - The executive budget reduces the Administrative Program by \$22,145 in each year of the 2013 biennium as part of the compliance for 17-7-140, MCA, reductions. The reductions include staff travel to board meetings of \$2,945 and \$19,200 for computer replacement.

**LFD  
COMMENT**

The agency indicated that the impact of this reduction is that computer equipment at the MHS would move from a 4 year replacement cycle to a 5 year replacement cycle, which is the new standard for state agencies promulgated by the Governor. In addition, eliminating staff travel to non-Helena board of trustee meetings will result in only written reports to the board and program staff not being present to answer questions from board members or the public.

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	14.75	14.75	14.75	14.75	14.75	14.75	0.00	0.00%
Personal Services	772,924	765,215	792,443	792,509	1,538,139	1,584,952	46,813	3.04%
Operating Expenses	293,602	286,603	277,732	278,878	580,205	556,610	(23,595)	(4.07%)
Equipment & Intangible Assets	6,954	16,961	3,954	3,954	23,915	7,908	(16,007)	(66.93%)
Transfers	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$1,073,480</b>	<b>\$1,068,779</b>	<b>\$1,074,129</b>	<b>\$1,075,341</b>	<b>\$2,142,259</b>	<b>\$2,149,470</b>	<b>\$7,211</b>	<b>0.34%</b>
General Fund	1,003,826	974,705	1,004,475	1,005,687	1,978,531	2,010,162	31,631	1.60%
State Special	0	0	0	0	0	0	0	n/a
Federal Special	0	0	0	0	0	0	0	n/a
Other	69,654	94,074	69,654	69,654	163,728	139,308	(24,420)	(14.91%)
<b>Total Funds</b>	<b>\$1,073,480</b>	<b>\$1,068,779</b>	<b>\$1,074,129</b>	<b>\$1,075,341</b>	<b>\$2,142,259</b>	<b>\$2,149,470</b>	<b>\$7,211</b>	<b>0.34%</b>

### Program Description

The Research Center Program consists of the library, archives, and photograph archives functions. This program acquires, organizes, preserves, makes accessible to the public, and assists researchers with published materials, historic records and manuscripts, photographs and related media, and oral histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official archives of state government.

### Program Highlights

<b>Research Center Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive budget provides level funding for this program in the 2013 biennium, despite the downward adjustment to reduce general fund 5%</li> <li>◆ The executive budget reduces general fund \$60,420 as part of the 5% general fund reduction. Microfilming copies of the state's newspapers and subscriptions to journals, books, maps, and other reference materials would be reduced in the executive budget</li> </ul>

### 5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

- The Governor's budget reduces general fund in this program \$60,420 in the 2013 biennium
- The reduction includes the 5% general fund reduction
- For discussion of how the reduction will be implemented in the program, see the decision package description for DP 55410 in the New Proposal section of this narrative

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Research Center							
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget	
	FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013	
01000 Total General Fund	\$ 1,003,826	93.5%	\$ 1,004,475	93.5%	\$ 1,005,687	93.5%	
01100 General Fund	1,003,826	93.5%	1,004,475	93.5%	1,005,687	93.5%	
06000 Total Proprietary Funds	69,654	6.5%	69,654	6.5%	69,654	6.5%	
06072 Misc Enterprise-Historical Soc	41,672	3.9%	41,672	3.9%	41,672	3.9%	
06076 Mhs Library Enterprise Funds	27,982	2.6%	27,982	2.6%	27,982	2.6%	
Grand Total	\$ 1,073,480	100.0%	\$ 1,074,129	100.0%	\$ 1,075,341	100.0%	

This program is funded through a combination of general fund and proprietary funds. Proprietary funds are generated through the sale of photographs, photocopies, and fees charged for research time spent by staff on public requests. Funding provided by the library enterprise funds proposed in the executive budget is equal to the FY 2010 base funding of \$69,654 per year in the 2013 biennium.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Base Budget	1,003,826	1,003,826	2,007,652	99.88%	1,073,480	1,073,480	2,146,960	99.88%
Statewide PL Adjustments	30,859	32,071	62,930	3.13%	30,859	32,071	62,930	2.93%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(30,210)	(30,210)	(60,420)	(3.01%)	(30,210)	(30,210)	(60,420)	(2.81%)
<b>Budget Summary by Category</b>								
	-----General Fund-----				-----Total Funds-----			
Budget Item	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
<b>Total Budget</b>	<b>\$1,004,475</b>	<b>\$1,005,687</b>	<b>\$2,010,162</b>		<b>\$1,074,129</b>	<b>\$1,075,341</b>	<b>\$2,149,470</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					52,537					52,606
Vacancy Savings					(33,018)					(33,021)
Inflation/Deflation					192					192
Fixed Costs					11,148					12,294
<b>Total Statewide Present Law Adjustments</b>		<b>\$30,859</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,859</b>		<b>\$32,071</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,071</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$30,859</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,859</b>	<b>0.00</b>	<b>\$32,071</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,071</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The program does not have any employee groups with exceptions to the agency’s pay plan rules.
- o **Program Specific Obstacles** - The program has specialized positions - 75% require master’s degrees. Due to

the unique services provided in a sparsely populated state there is not a large pool of applicants to draw from as there would be in an urban area.

- o **Vacancy** – The Archivist position in this program is difficult to keep filled due to out of state market competition for this specialized position.
- o **Legislatively Applied Vacancy Savings** - The program held open a library technician position to address the 7% vacancy savings applied by the 2009 Legislature.
- o **Pay/Position Changes** - There were no unusual pay adjustments for this program in FY 2010.
- o **Retirements** - The program has five employees eligible for full retirement in the 2013 biennium with an estimated compensated absence liability of \$56,627 as of mid-August 2010.

**New Proposals**

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

Program	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55140 - 5% General Fund Reduction										
02	0.00	(30,210)	0	0	(30,210)	0.00	(30,210)	0	0	(30,210)
<b>Total</b>	<b>0.00</b>	<b>(\$30,210)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$30,210)</b>	<b>0.00</b>	<b>(\$30,210)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$30,210)</b>

DP 55140 - 5% General Fund Reduction - The executive budget reduces the Research Program \$30,210 in each year of the 2013 biennium to continue the 17-7-140, MCA, reductions implemented in the 2011 biennium. The reductions include \$21,500 per year for subscriptions to microfilm copies of daily newspapers; \$4,000 per year to reduce microfilming of non-daily Montana newspapers; and, \$4,710 per year for subscriptions to journals, books, maps, and reference materials.

<b>LFD COMMENT</b>	This reduction was not included in the agency’s 5% reduction plan, but was included in the executive budget. If the legislature adopts the 5% base reduction as a global motion, it may wish to exclude this decision package or exclude a decision package in another program.
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**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	9.00	9.00	8.05	8.05	9.00	8.05	(0.95)	(10.56%)
Personal Services	319,492	399,519	369,069	368,727	719,011	737,796	18,785	2.61%
Operating Expenses	85,985	51,200	88,760	88,940	137,185	177,700	40,515	29.53%
<b>Total Costs</b>	<b>\$405,477</b>	<b>\$450,719</b>	<b>\$457,829</b>	<b>\$457,667</b>	<b>\$856,196</b>	<b>\$915,496</b>	<b>\$59,300</b>	<b>6.93%</b>
General Fund	392,172	360,469	444,524	444,362	752,641	888,886	136,245	18.10%
State Special	674	25,000	674	674	25,674	1,348	(24,326)	(94.75%)
Federal Special	0	0	0	0	0	0	0	n/a
Other	12,631	65,250	12,631	12,631	77,881	25,262	(52,619)	(67.56%)
<b>Total Funds</b>	<b>\$405,477</b>	<b>\$450,719</b>	<b>\$457,829</b>	<b>\$457,667</b>	<b>\$856,196</b>	<b>\$915,496</b>	<b>\$59,300</b>	<b>6.93%</b>

**Program Description**

The Museum Program collects, preserves, and interprets the history of Montana through its material culture, collecting fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours, and traveling exhibits. The program also coordinates with the society's Education Program to orchestrate events, programs, and materials on Montana history for learners of all ages.

**Program Highlights**

<b>Museum Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive budget increases this program’s budget 8.8% in the 2013 biennium due primarily to statewide present law adjustments offset by general fund reductions                             <ul style="list-style-type: none"> <li>• Positions that were funded from non-HB 2 funds in FY 2010 are fully funded in the HB 2 budget</li> </ul> </li> <li>◆ The executive budget reduces general funded personal services costs 4% each year of the 2013 biennium, including the elimination of 0.95 FTE positions</li> <li>◆ The executive budget reduces general fund \$44,290 as part of the 5% general fund reduction. Staff travel and equipment expenditures would be reduced in the executive budget</li> <li>◆ The executive budget includes a one-time-only request for \$16,000 general fund for a physical and structural evaluation of the Original Governor’s Mansion</li> </ul>

**Program Narrative**

The Museum Program is funded from numerous sources. Nearly half of the program’s FY 2010 budgeted expenditures were from sources authorized outside of HB 2. The funding contained in the Program Budget Comparison table at the beginning of this program narrative contains funding that is authorized from HB 2.

Other funding that supported this program in FY 2010 is listed below, along with the authorization for the funds and the amount expended in FY 2010:

- Lodging Facility Use Tax transfer from Commerce (See LFD Issue in Agency Summary), administrative appropriation, \$293,828

- General fund, personal services contingency appropriation transfer from OBPP, \$4,497
- Cultural and Aesthetic Project grant, HB 9, \$9,719
- Lodging Facility Use Tax/1% Sites and Signs, statutory appropriation, \$40,772
- Lewis & Clark License Plates, statutory appropriation, \$1,440

The agency used approximately \$95,000 of the lodging facility use tax transferred from Commerce to fund HB 2 positions (primarily general fund) in FY 2010, yet only \$9,000 of the program general fund appropriation remained unspent at the end of FY 2010. The executive budget funded the positions in this program with general fund in the 2013 biennium.

**5% Plan**

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

- The Governor’s budget reduces general fund in this program \$154,654 in the 2013 biennium
- The reduction includes the 4% personal services reduction. A 0.95 FTE would be eliminated in this program
- For discussion of how the reduction will be implemented in the program, see the decision package descriptions for DPs 55004 in the New Proposal section of this narrative
- The agency 5% reduction plan also reduces state special revenue in this program’s budget by \$2,800 in the 2013 biennium. This reduction reduces funding used to purchase material that allows the agency to process items it has acquired for the collection.

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table						
Museum Program						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 392,172	96.7%	\$ 444,524	97.1%	\$ 444,362	97.1%
01100 General Fund	392,172	96.7%	444,524	97.1%	444,362	97.1%
02000 Total State Special Funds	674	0.2%	674	0.1%	674	0.1%
02045 Orig Gov'S Mansion Restoration	674	0.2%	674	0.1%	674	0.1%
06000 Total Proprietary Funds	12,631	3.1%	12,631	2.8%	12,631	2.8%
06077 Mhs Museum Enterprise Funds	12,631	3.1%	12,631	2.8%	12,631	2.8%
Grand Total	<u>\$ 405,477</u>	<u>100.0%</u>	<u>\$ 457,829</u>	<u>100.0%</u>	<u>\$ 457,667</u>	<u>100.0%</u>

The Museum Program is funded through a combination of general fund, state special revenue from undesignated donations at the Original Governor’s Mansion, and proprietary funds generated through the sales of books, copies, photographs, and the rental of traveling exhibits. Funding provided by the museum enterprise funds proposed in the executive budget is equal to the FY 2010 base funding of \$12,361 per year in the 2013 biennium.

<b>LFD COMMENT</b>	Museum enterprise fund revenue in FY 2010 was significantly less than the budgeted amount. In FY 2008, the base budget year for FY 2010 and FY 2011, the agency expended the fund balance in this fund that had been accruing for several years. Consequently, the appropriation was set higher than normal. Historically revenue and expenditures in this fund have remained under \$25,000 per year since FY 2003.
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**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	392,172	392,172	784,344	88.24%	405,477	405,477	810,954	88.58%
Statewide PL Adjustments	129,258	129,938	259,196	29.16%	129,258	129,938	259,196	28.31%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(76,906)	(77,748)	(154,654)	(17.40%)	(76,906)	(77,748)	(154,654)	(16.89%)
<b>Total Budget</b>	<b>\$444,524</b>	<b>\$444,362</b>	<b>\$888,886</b>		<b>\$457,829</b>	<b>\$457,667</b>	<b>\$915,496</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					145,067					145,585
Vacancy Savings					(18,584)					(18,602)
Inflation/Deflation					20					20
Fixed Costs					2,755					2,935
<b>Total Statewide Present Law Adjustments</b>		<b>\$129,258</b>	<b>\$0</b>	<b>\$0</b>	<b>\$129,258</b>		<b>\$129,938</b>	<b>\$0</b>	<b>\$0</b>	<b>\$129,938</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$129,258</b>	<b>\$0</b>	<b>\$0</b>	<b>\$129,258</b>	<b>0.00</b>	<b>\$129,938</b>	<b>\$0</b>	<b>\$0</b>	<b>\$129,938</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The program does not have any employee groups with exceptions to the agency's pay plan rules.
- o **Program Specific Obstacles** - The program has specialized positions - 70% prefer or require master's degrees. Due to the unique services provided in a sparsely populated state there is not a large pool of applicants to draw from as there would be in an urban area.
- o **Vacancy** - The program does not have occupations with high turnover or high vacancies.
- o **Legislatively Applied Vacancy Savings** - The program held open a program manager position to address the 7% vacancy savings applied by the 2009 Legislature. The museum curator was assigned additional duties, with a compensating pay adjustment funded within program budget.
- o **Pay/Position Changes** - There were no unusual pay adjustments for this program in FY 2010.
- o **Retirements** - The program has no employees eligible for full retirement in the 2013 biennium.

**New Proposals**

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55004 - 4% Personal Services Reduction										
03	(0.95)	(76,906)	0	0	(76,906)	(0.95)	(77,748)	0	0	(77,748)
<b>Total</b>	<b>(0.95)</b>	<b>(\$76,906)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$76,906)</b>	<b>(0.95)</b>	<b>(\$77,748)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$77,748)</b>

DP 55004 - 4% Personal Services Reduction - The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Museum Program by \$76,906 in FY 2012 and \$77,748 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.95 FTE.

<b>LFD COMMENT</b>	<p>The agency stated in its 5% reduction plan that the consequence of this 0.95 FTE reduction is that the realignment of responsibilities would be necessary, and that issues with backlog and the resulting audit recommendations will be perpetuated. The legislative audits from 2008 and 2010 both contain audit recommendations addressing timely inventorying of the state’s historic artifacts. Adjusting the hours the program is available to respond to public inquiries and producing fewer exhibits are two ways to mitigate the impact to constituents and staff suggested by the agency.</p>
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### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	249,932	265,450	259,667	259,259	515,382	518,926	3,544	0.69%
Operating Expenses	172,896	175,722	180,462	181,236	348,618	361,698	13,080	3.75%
Transfers	50,503	50,503	50,503	50,503	101,006	101,006	0	0.00%
<b>Total Costs</b>	<b>\$473,331</b>	<b>\$491,675</b>	<b>\$490,632</b>	<b>\$490,998</b>	<b>\$965,006</b>	<b>\$981,630</b>	<b>\$16,624</b>	<b>1.72%</b>
General Fund	141,653	142,464	140,047	141,826	284,117	281,873	(2,244)	(0.79%)
State Special	0	0	0	0	0	0	0	n/a
Federal Special	0	0	0	0	0	0	0	n/a
Other	331,678	349,211	350,585	349,172	680,889	699,757	18,868	2.77%
<b>Total Funds</b>	<b>\$473,331</b>	<b>\$491,675</b>	<b>\$490,632</b>	<b>\$490,998</b>	<b>\$965,006</b>	<b>\$981,630</b>	<b>\$16,624</b>	<b>1.72%</b>

### Program Description

The Publications Program promotes the study of Montana history and education through lectures, publications, and curriculum materials. The program publishes quarterly editions of the award-winning magazine, *Montana The Magazine of Western History*. It also publishes books under the Montana Historical Society Press imprint.

### Program Highlights

<b>Publications Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive budget increases 1.7% due entirely to statewide present law adjustments</li> <li>◆ The executive budget excludes this program from both the 5% general fund reduction and the 4% personal services reduction</li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ Program expenditures and proprietary fund revenues are overstated</li> </ul>

### Program Narrative

#### *Goals and Objectives*

#### 2013 Biennium Goal

The Legislative Finance Committee recommends goals and objectives for the Montana Historical Society be reviewed and monitored at the agency level. Please refer to the agency narrative for a discussion of the identified significant goals for the 2013 biennium.

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Publications Program							
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000	Total General Fund	\$ 141,653	29.9%	\$ 140,047	28.5%	\$ 141,826	28.9%
	01100 General Fund	141,653	29.9%	140,047	28.5%	141,826	28.9%
06000	Total Proprietary Funds	331,678	70.1%	350,585	71.5%	349,172	71.1%
	06002 Mhs Publications Enterprise	331,678	70.1%	350,585	71.5%	349,172	71.1%
Grand	Total	\$ 473,331	100.0%	\$ 490,632	100.0%	\$ 490,998	100.0%

The program is funded with a combination of general fund and proprietary funds. Proprietary funds are derived from subscription sales for the magazine and sales of books published by the program. General fund pays a portion of 2.00 FTE, the program manager and an editor, involved in publishing *Montana the Magazine of Western History*.

LFD  
ISSUE

### Program Expenditures and Proprietary Revenue are Overstated

For several years, the agency has transferred \$50,503 of its general fund appropriation to the program’s proprietary fund, which then expends the proprietary fund on program expenditures. Because both the general fund and proprietary funds are appropriated, this results in overstating the actual cost of the program by \$50,503 each year, as well as overstating the true revenue to the proprietary fund. The executive budget continues this practice in the 2013 budget proposal. The legislature may wish to direct the agency to properly record its revenues and expenditures and accurately report the financial status of the program.

When the program transfers the \$50,503 of general fund to its proprietary fund, this transfer is recorded as a program expense. When it is expended as proprietary funds, it records as a further expense. The transfer process makes the funding of this program more complicated than necessary, is less transparent, and is inappropriate. These expenses could be made directly from the general fund. Enterprise proprietary funds are intended to recover the costs of providing a service external to the organization and funded from user charges. In addition, transferring general fund to a proprietary fund would enable an agency to “save” general fund, because proprietary funds can carry fund balances of a reasonable amount, while general fund appropriations typically expire after one or two years.

Options

- Eliminate the transfer expense and reduce proprietary fund expenditures by \$50,503 each year of the biennium
- Fund the executive budget proposal as submitted

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	141,653	141,653	283,306	100.51%	473,331	473,331	946,662	96.44%
Statewide PL Adjustments	(1,606)	173	(1,433)	(0.51%)	17,301	17,667	34,968	3.56%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$140,047</b>	<b>\$141,826</b>	<b>\$281,873</b>		<b>\$490,632</b>	<b>\$490,998</b>	<b>\$981,630</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					20,554					20,130
Vacancy Savings					(10,819)					(10,803)
Inflation/Deflation					235					235
Fixed Costs					7,331					8,105
<b>Total Statewide Present Law Adjustments</b>		<b>(\$1,606)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,301</b>		<b>\$173</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,667</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$1,606)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,301</b>	<b>0.00</b>	<b>\$173</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,667</b>

### Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The program does not have any employee groups with exceptions to the agency's pay plan rules.
- o **Program Specific Obstacles** - The program has specialized positions - 60% require master's degrees. Due to the unique services provided in a sparsely populated state there is not a large pool of applicants to draw from as there would be in an urban area.
- o **Vacancy** - The program does not have occupations with high turnover or high vacancies.
- o **Legislatively Applied Vacancy Savings** - The program was fully staffed throughout FY 2010 and did not accrue vacancy savings.
- o **Pay/Position Changes** - There were no unusual pay adjustments for this program in FY 2010.
- o **Retirements** - The program has one employee eligible for full retirement in the 2013 biennium with an estimated compensated absence liability of \$3,764 as of mid-August 2010.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	5.85	5.85	5.85	5.85	5.85	5.85	0.00	0.00%
Personal Services	126,631	238,765	287,909	287,741	365,396	575,650	210,254	57.54%
Operating Expenses	37,615	12,786	38,471	38,512	50,401	76,983	26,582	52.74%
Transfers	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$164,246</b>	<b>\$251,551</b>	<b>\$326,380</b>	<b>\$326,253</b>	<b>\$415,797</b>	<b>\$652,633</b>	<b>\$236,836</b>	<b>56.96%</b>
General Fund	130,169	218,483	292,303	292,176	348,652	584,479	235,827	67.64%
State Special	0	0	0	0	0	0	0	n/a
Federal Special	0	0	0	0	0	0	0	n/a
Other	34,077	33,068	34,077	34,077	67,145	68,154	1,009	1.50%
<b>Total Funds</b>	<b>\$164,246</b>	<b>\$251,551</b>	<b>\$326,380</b>	<b>\$326,253</b>	<b>\$415,797</b>	<b>\$652,633</b>	<b>\$236,836</b>	<b>56.96%</b>

**Program Description**

The Education Program is comprised of three primary activities: Outreach and Interpretation, Historic Signs, and the Volunteer Program. The Outreach and Interpretation Program provides educational public programming of all types, both at the society’s headquarters and throughout the state, for a wide range of audiences; plans and produces educational publications, curriculum materials, and instructional literature for broad distribution; plans and produces interpretive, place-based publications, articles, brochures, and tours for statewide distribution/implementation; oversees the National Register Sign Program for the State of Montana, producing interpretive signage for eligible structures and sites in all parts of the state; assists in the planning, production, and placement of non-Register signage in all parts of the state; assists in the planning, production, and distribution of interpretive permanent, temporary, and travelling exhibitions; provides reference services to the general public, teachers, students, technical users, and other like-minded institutions and organizations; and, oversees the society's volunteer program, coordinating volunteers and volunteer activities society-wide.

**Program Highlights**

<b>Education Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive budget increases this budget 57% in the 2013 biennium primarily due to increased personal services costs                             <ul style="list-style-type: none"> <li>• Positions that were funded from non-HB 2 funds in FY 2010 are fully funded in the HB 2 budget</li> <li>• General fund that was transferred from this program to other agency programs is restored in the 2013 biennium</li> <li>• The program experienced about 30% vacancy savings in terms of hours budgeted versus hours used</li> </ul> </li> <li>◆ The executive budget excludes this program from both the 5% general fund reduction and the 4% personal services reduction</li> </ul>

**Program Narrative**

*Goals and Objectives*

2013 Biennium Goal

The Legislative Finance Committee recommends goals and objectives for the Montana Historical Society be reviewed and monitored at the agency level. Please refer to the agency narrative for a discussion of the identified significant goals for the 2013 biennium.

**5% Reduction Plan**

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

- The agency plan reduced operating expenses in this program a total of \$9,562 in the 2013 biennium, of which \$6,422 is general fund and the remaining \$3,140 is state special revenue
- This reduction was not included in the executive budget
- To meet this reduction, the agency would reduce the number of printed interpretive materials that the program produces. These materials are distributed statewide to inform citizens of services offered, to interpret Montana history, and to provide resources for students, teachers, and the general public

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table							
Education Program							
Program Funding		Base	% of Base	Budget	% of Budget	Budget	% of Budget
		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 130,169	79.3%	\$ 292,303	89.6%	\$ 292,176	89.6%
	01100 General Fund	130,169	79.3%	292,303	89.6%	292,176	89.6%
06000	Total Proprietary Funds	34,077	20.7%	34,077	10.4%	34,077	10.4%
	06022 Mhs Education Enterprise Funds	34,077	20.7%	34,077	10.4%	34,077	10.4%
Grand	Total	\$ 164,246	100.0%	\$ 326,380	100.0%	\$ 326,253	100.0%

The executive budget funds this program through a combination of general fund and proprietary funds generated from education enterprises.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	130,169	130,169	260,338	44.54%	164,246	164,246	328,492	50.33%
Statewide PL Adjustments	162,134	162,007	324,141	55.46%	162,134	162,007	324,141	49.67%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$292,303</b>	<b>\$292,176</b>	<b>\$584,479</b>		<b>\$326,380</b>	<b>\$326,253</b>	<b>\$652,633</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					173,274					173,098
Vacancy Savings					(11,996)					(11,988)
Inflation/Deflation					(104)					(102)
Fixed Costs					960					999
<b>Total Statewide Present Law Adjustments</b>		<b>\$162,134</b>	<b>\$0</b>	<b>\$0</b>	<b>\$162,134</b>		<b>\$162,007</b>	<b>\$0</b>	<b>\$0</b>	<b>\$162,007</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$162,134</b>	<b>\$0</b>	<b>\$0</b>	<b>\$162,134</b>	<b>0.00</b>	<b>\$162,007</b>	<b>\$0</b>	<b>\$0</b>	<b>\$162,007</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The program does not have any employee groups with exceptions to the agency’s pay plan rules.
- o **Program Specific Obstacles** - The program has specialized positions - 67% require master’s degrees. Due to the unique services provided in a sparsely populated state there is not a large pool of applicants to draw from as there would be in an urban area.
- o **Vacancy** - The program does not have occupations with high turnover or high vacancies.
- o **Legislatively Applied Vacancy Savings** - The program held open an instructional coordinator position to address the 7% vacancy savings applied by the 2009 Legislature.
- o **Pay/Position Changes** - There were no unusual pay adjustments for this program in FY 2010.
- o **Retirements** - The program has two employees eligible for full retirement in the 2013 biennium with an estimated compensated absence liability of \$10,735 as of mid-August 2010.

<b>LFD COMMENT</b>	Personal services increase significantly in the statewide present law adjustments because the program utilized about \$34,000 of lodging facility use tax from the Department of Commerce to offset general funded personal services in FY 2010. In addition, the agency transferred \$82,000 general fund from this program to other programs within the agency in FY 2010 and the executive budget restores the general fund in this program in the 2013 biennium. The program also experienced significant vacancy savings in FY 2010.
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**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	8.75	8.75	8.75	8.75	8.75	8.75	0.00	0.00%
Personal Services	407,431	472,321	481,446	482,078	879,752	963,524	83,772	9.52%
Operating Expenses	109,342	73,034	135,698	142,972	182,376	278,670	96,294	52.80%
Grants	88,389	77,000	88,389	88,389	165,389	176,778	11,389	6.89%
<b>Total Costs</b>	<b>\$605,162</b>	<b>\$622,355</b>	<b>\$705,533</b>	<b>\$713,439</b>	<b>\$1,227,517</b>	<b>\$1,418,972</b>	<b>\$191,455</b>	<b>15.60%</b>
General Fund	42,703	54,403	29,046	32,252	97,106	61,298	(35,808)	(36.88%)
Federal Special	558,515	563,994	659,800	664,500	1,122,509	1,324,300	201,791	17.98%
Other	3,944	3,958	16,687	16,687	7,902	33,374	25,472	322.35%
<b>Total Funds</b>	<b>\$605,162</b>	<b>\$622,355</b>	<b>\$705,533</b>	<b>\$713,439</b>	<b>\$1,227,517</b>	<b>\$1,418,972</b>	<b>\$191,455</b>	<b>15.60%</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 reviews state agencies compliance with the state antiquities act. Staff review and comment 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. Staff administers the National Register of Historic Places program in Montana through the state preservation review board. The office 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. The program awards and administers pass-through federal grants to local governments participating in the federal Certified Local Government Program. The program may also 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 executive budget increases this budget 15.6% in the 2013 biennium                             <ul style="list-style-type: none"> <li>● Federal funds increase to the anticipated federal grant level</li> <li>● Proprietary funds for fees relating to historic preservation assistance and services increase as a result of general fund reductions</li> <li>● FY 2010 operating expenses were \$25,000 higher than originally budgeted, this higher operating expense level continues into the 2013 biennium. The appropriated amount in FY 2011 reflects the original budget established by the 2009 Legislature</li> </ul> </li> <li>◆ The executive budget decreases general fund 37% in the 2013 biennium                             <ul style="list-style-type: none"> <li>● The executive budget reduces general fund \$21,400 as part of the 5% general fund reduction. These reductions are offset by increased proprietary funds</li> </ul> </li> </ul>

### Program Narrative

FY 2010 operating expenses for this program were \$25,000 higher than originally budgeted. This higher operating expense level continues into the 2013 biennium in the executive budget. The appropriated amount in FY 2011 reflects the original budget established by the 2009 Legislature.

### Goals and Objectives

#### 2013 Biennium Goal

The Legislative Finance Committee recommends goals and objectives for the Montana Historical Society be reviewed and monitored at the agency level. Please refer to the agency narrative for a discussion of the identified significant goals for the 2013 biennium.

### 5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

- The Governor's budget reduces general fund in this program by \$21,400 in the 2013 biennium
- The reduction includes the 5% general fund reduction
- For discussion of how the reduction will be implemented in the program, see the decision package description for DP 55410 in the New Proposal section of this narrative

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Historic Preservation Program							
Program Funding	Base		Budget		Budget		
	FY 2010	% of Base FY 2010	FY 2012	% of Budget FY 2012	FY 2013	% of Budget FY 2013	
01000 Total General Fund	\$ 42,703	7.1%	\$ 29,046	4.1%	\$ 32,252	4.5%	
01100 General Fund	42,703	7.1%	29,046	4.1%	32,252	4.5%	
03000 Total Federal Special Funds	558,515	92.3%	659,800	93.5%	664,500	93.1%	
03021 Historic Sites Preservation	558,515	92.3%	659,800	93.5%	664,500	93.1%	
06000 Total Proprietary Funds	3,944	0.7%	16,687	2.4%	16,687	2.3%	
06013 Shpo Enterprise Fund	-	-	10,700	1.5%	10,700	1.5%	
06073 Historical Society Management	3,944	0.7%	5,987	0.8%	5,987	0.8%	
Grand Total	\$ 605,162	100.0%	\$ 705,533	100.0%	\$ 713,439	100.0%	

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. These funds increase primarily because the executive uses them to replace general fund reduced in DP 55140 (see below). The executive budget increases federal special revenue 18% in anticipation of the federal grant it expects for the upcoming biennium. The 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 by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	42,703	42,703	85,406	139.33%	605,162	605,162	1,210,324	85.30%
Statewide PL Adjustments	(2,957)	249	(2,708)	(4.42%)	100,371	108,277	208,648	14.70%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(10,700)	(10,700)	(21,400)	(34.91%)	0	0	0	0.00%
<b>Total Budget</b>	<b>\$29,046</b>	<b>\$32,252</b>	<b>\$61,298</b>		<b>\$705,533</b>	<b>\$713,439</b>	<b>\$1,418,972</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					94,076					94,734
Vacancy Savings					(20,061)					(20,087)
Inflation/Deflation					(255)					(250)
Fixed Costs					26,611					33,880
<b>Total Statewide Present Law Adjustments</b>		<b>(\$2,957)</b>	<b>\$0</b>	<b>\$101,285</b>	<b>\$100,371</b>		<b>\$249</b>	<b>\$0</b>	<b>\$105,985</b>	<b>\$108,277</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$2,957)</b>	<b>\$0</b>	<b>\$101,285</b>	<b>\$100,371</b>	<b>0.00</b>	<b>\$249</b>	<b>\$0</b>	<b>\$105,985</b>	<b>\$108,277</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The program does not have any employee groups with exceptions to the agency’s pay plan rules.
- o **Program Specific Obstacles** – Some employees in the program must meet Secretary of Interior standards for professional qualification in historic preservation.
- o **Vacancy** - The program does not have occupations with high turnover or high vacancies.
- o **Legislatively Applied Vacancy Savings** - The program held open a grants and contracts coordinator position to address the 7% vacancy savings applied by the 2009 Legislature.
- o **Pay/Position Changes** - There were no unusual pay adjustments for this program in FY 2010.
- o **Retirements** - The program has three employees eligible for full retirement in the 2013 biennium with an estimated compensated absence liability of \$30,179 as of mid-August 2010.

**New Proposals**

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	FTE	Fiscal 2012				Fiscal 2013				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55140 - 5% General Fund Reduction										
06	0.00	(10,700)	0	0	0*	0.00	(10,700)	0	0	0*
<b>Total</b>	<b>0.00</b>	<b>(\$10,700)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0*</b>	<b>0.00</b>	<b>(\$10,700)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0*</b>

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

DP 55140 - 5% General Fund Reduction - The historic preservation program general fund is reduced by \$10,700 in each year of the 2013 biennium as part of the compliance for 17-7-140, MCA, reductions. The agency will pay these expenditures with proprietary funds.