

Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	61.14	61.14	61.14	61.14	61.14	61.14	0.00	0.00%
Personal Services	2,766,436	3,162,114	3,097,133	3,109,826	5,928,550	6,206,959	278,409	4.70%
Operating Expenses	1,224,784	1,295,675	1,285,535	1,253,672	2,520,459	2,539,207	18,748	0.74%
Equipment & Intangible Assets	49,442	8,904	28,916	29,711	58,346	58,627	281	0.48%
Grants	77,000	78,861	77,000	77,000	155,861	154,000	(1,861)	(1.19%)
Benefits & Claims	0	0	0	0	0	0	0	n/a
Transfers	50,503	50,503	50,503	50,503	101,006	101,006	0	0.00%
Total Costs	\$4,168,165	\$4,596,057	\$4,539,087	\$4,520,712	\$8,764,222	\$9,059,799	\$295,577	3.37%
General Fund	2,668,353	2,721,748	2,743,601	2,737,041	5,390,101	5,480,642	90,541	1.68%
State Special	78,768	274,138	139,112	139,710	352,906	278,822	(74,084)	(20.99%)
Federal Special	620,578	643,738	669,738	671,859	1,264,316	1,341,597	77,281	6.11%
Other	800,466	956,433	986,636	972,102	1,756,899	1,958,738	201,839	11.49%
Total Funds	\$4,168,165	\$4,596,057	\$4,539,087	\$4,520,712	\$8,764,222	\$9,059,799	\$295,577	3.37%

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 an historical museum, a library and archives, provides educational programs and services for teachers and the general public, and publishes the state historical magazine and newsletter. MHS also administers 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

Montana Historical Society HB 2 Budget Highlights	
<ul style="list-style-type: none"> ◆ MHS's budget increases 3.4 percent when compared to the 2009 biennium, primarily due to statewide present law adjustments ◆ The agency reorganized and created the Education Program ◆ Vacancy savings for the agency are increased from 4 percent to 7 percent ◆ Program funding shifts reduced general fund by \$137,000 over the biennium ◆ The legislature included an additional general fund reduction of \$23,434 for MHS 	
HB 645 Budget Highlights	
<ul style="list-style-type: none"> ◆ MHS did not receive appropriations in HB 645 	

Summary of Legislative Action

The legislature approved a budget for the 2011 biennium that is 3.4 percent higher when compared to the 2009 biennium. Increases include \$1.2 million in statewide present law costs mainly associated with increased personal service costs. Increases of almost \$110,000 for higher group insurance costs and one-time payments for employees earning less than \$45,000 were approved in HB 13 and are included in personal services appropriations in the budget tables.

The increases are partially offset by increased vacancy savings from 4 percent to 7 percent totaling about \$88,000 and general fund reduction of \$23,434. HB 2 contains language allowing the MHS to allocate the reduction among its programs.

The legislature also approved various program funding shifts that reduced general fund appropriations by almost \$137,000 over the biennium. The reductions were offset by increases in state special revenues, federal special revenues and proprietary funds.

Agency Discussion

The Montana Historical Society executes its mandated duties with 61.14 FTE. In FY 2008 the agency reorganized its functions to add the Education Program. Funding for the program was created through appropriation and FTE transfers from the Administration, Museum, Publications, and Historic Preservation Programs. In addition, MHS shifted other FTE among programs. The figure illustrates the FTE program shifts.

Over the course of FY 2008, the agency modified or transferred among programs almost 30 percent of the positions within the agency. The transfers and modifications increased personal services costs to the general fund above what the legislature budgeted in the 2009 biennium. This is because the general fund supporting each program varies and the agency did not transfer the funding support for some of the FTE when the FTE were transferred. A portion of the general fund increases were offset by the program funding shifts, mainly using federal and proprietary funding.

Figure 1
Montana Historical Society
FTE Shifts Between Programs

	2008 Budgeted FTE	2010 Budgeted FTE	Difference
Program			
Administration Program	19.74	17.79	-1.95
Research Center	14.75	15.75	1.00
Museum Program	11.15	9.00	-2.15
Publications Program	5.75	4.00	-1.75
Education Program	0.00	5.85	5.85
Historic Preservation Program	9.75	8.75	-1.00
Total	<u>61.14</u>	<u>61.14</u>	<u>0.00</u>

Previous legislatures have recommended the Department of Commerce (Commerce) use a portion of its statutorily appropriated lodging use taxes to fund historical interpretation and the Scriver collection costs. Commerce has provided this funding from the 67.5 percent of lodging use facility taxes statutorily appropriated to it. The Department of Commerce and the MHS have signed a memorandum of understanding that outlines the amount of funding Commerce will transfer to MHS to support both historical interpretation and the Scriver collection costs in the 2011 biennium. In FY 2010 Commerce will transfer \$468,611 to MHS, in FY 2011 the transfer is \$482,669. The funding supports costs in the Administration Program, the Museum Program, and the Education Program.

Funding

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

Total Agency Funding 2011 Biennium Budget						
Agency Program	General Fund	State Spec.	Fed Spec.	Proprietary	Grand Total	Total %
01 Administration Program	\$ 2,339,165	\$ 228,822	\$ 215,730	\$ 862,161	\$ 3,645,878	40.24%
02 Research Center	1,749,935	-	-	198,969	1,948,904	21.51%
03 Museum Program	632,580	50,000	-	137,201	819,781	9.05%
04 Publications Program	197,937	-	-	686,364	884,301	9.76%
05 Education Program	430,430	-	-	66,136	496,566	5.48%
06 Historic Preservation Program	130,595	-	1,125,867	7,907	1,264,369	13.96%
Grand Total	<u>\$ 5,480,642</u>	<u>\$ 278,822</u>	<u>\$ 1,341,597</u>	<u>\$ 1,958,738</u>	<u>\$ 9,059,799</u>	<u>100.00%</u>

As shown in the agency budget comparison table, MHS 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 Program. Unlike other proprietary funds which have a rate approved by the legislature, MHS proprietary funds are appropriated by the legislature.

General fund support increases 1.7 percent or \$90,541 in the 2011 biennium but the percentage of the budget it supports decreases, going from supporting 61.5 percent of the budget in the 2009 biennium to 60.5 percent in the 2011 biennium. Decreases in the percentage of support are offset by increased state special, federal and proprietary fund support.

The percentage of the budget supported by state special revenue funds support decreases from 4.0 percent of the 2009 biennium budget to supporting 3.0 percent of the budget in the 2011 biennium. Federal fund support is increased by 6.11 percent between the 2009 and 2011 biennia due to increased federal funds for historic preservation. The largest increase in budget support occurs in the proprietary funds increasing 11.5 percent when comparing the 2011 biennium to the 2009 biennium. The funding supports present law increases in the Administration Program, Research Center, and the Education Program.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	2,668,353	2,668,353	5,336,706	97.37%	4,168,165	4,168,165	8,336,330	92.01%
Statewide PL Adjustments	262,945	250,107	513,052	9.36%	590,233	569,570	1,159,803	12.80%
Other PL Adjustments	(73,564)	(73,568)	(147,132)	(2.68%)	(76,559)	(76,564)	(153,123)	(1.69%)
New Proposals	(114,133)	(107,851)	(221,984)	(4.05%)	(142,752)	(140,459)	(283,211)	(3.13%)
Total Budget	\$2,743,601	\$2,737,041	\$5,480,642		\$4,539,087	\$4,520,712	\$9,059,799	

Other Legislation

HB 645 – Implements the American Recovery and Reinvestment Act of 2009 (ARRA). Additional federal funding for historic preservation or acquisition of historical artifacts was not included in the ARRA. The legislature provided \$2.0 million in general fund to the Department of Commerce for historic preservation competitive grants. The competitive grants may include:

- the degree of economic stimulus or economic activity, including job creation
- the timing of the project, including access to matching funds and permit approval
- the historic or heritage value related to the state of Montana
- the successful track record or experience of the organization directing the project
- the expected ongoing economic benefit to the state as a result of the project completion

The legislature also directed the department to allocate \$50,000 of the appropriation to the restoration and preservation of the Daly Mansion, \$40,000 to the St. Mary's Mission for maintenance and restoration, and \$180,000 for the restoration and preservation of the Traveler's Rest Historic Site.

HB 4 – Provides that certain appropriations continue into state and federal fiscal years 2010 and 2011. The bill provides that all remaining fiscal year 2009 federal budget amendment authority for the museum and library services grant, the teaching with primary sources enhancement grant, the preserve America III grant for heritage and preservation networking for increased tourism across Montana, and the natural resources conservation service grant for continued access of cultural databases be authorized to continue into FY 2010.

HB 5 – Appropriates \$30 million in donations and grants to the Department of Administration (D of A) for the construction of a new historical society building. It is the intent of the legislature that D of A plan and construct the

historical society building at the 6th Avenue and Roberts Street site with the remaining balance of the \$7.5 million of bonds authorized by the 2005 Legislature, and the \$30 million in donations and grants appropriated in HB 5.

HB 9 – Provided MHS with \$30,000 of cultural and aesthetic grant funds for the care and conservation of the capitol complex artwork. In addition, HB 9 appropriated \$10,400 to MHS for publication of a book on historic barns in Montana.

Executive Budget Comparison

The following table compares the legislative budget in the 2011 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2008	Executive Budget Fiscal 2010	Legislative Budget Fiscal 2010	Leg – Exec. Difference Fiscal 2010	Executive Budget Fiscal 2011	Legislative Budget Fiscal 2011	Leg – Exec. Difference Fiscal 2011	Biennium Difference Fiscal 10-11
FTE	61.14	61.14	61.14	0.00	61.14	61.14	0.00	
Personal Services	2,766,436	3,049,534	3,097,133	47,599	3,047,486	3,109,826	62,340	109,939
Operating Expenses	1,224,784	1,297,252	1,285,535	(11,717)	1,265,389	1,253,672	(11,717)	(23,434)
Equipment & Intangible Assets	49,442	28,916	28,916	0	29,711	29,711	0	0
Grants	77,000	77,000	77,000	0	77,000	77,000	0	0
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	50,503	50,503	50,503	0	50,503	50,503	0	0
Total Costs	\$4,168,165	\$4,503,205	\$4,539,087	\$35,882	\$4,470,089	\$4,520,712	\$50,623	\$86,505
General Fund	2,668,353	2,749,085	2,743,601	(5,484)	2,744,958	2,737,041	(7,917)	(13,401)
State/Other Special	78,768	138,171	139,112	941	138,396	139,710	1,314	2,255
Federal Special	620,578	634,412	669,738	35,326	620,576	671,859	51,283	86,609
Proprietary	800,466	981,537	986,636	5,099	966,159	972,102	5,943	11,042
Total Funds	\$4,168,165	\$4,503,205	\$4,539,087	\$35,882	\$4,470,089	\$4,520,712	\$50,623	\$86,505

The legislature approved a reduction in general fund associated with increased federal revenues for the Historic Preservation Program and a corresponding increase in federal indirect cost recoveries in the Administration Program of \$23,353. HB 13 contained \$109,939 of increased personal services costs for higher group health insurance and one-time payments that are included in the legislative budget for the 2011 biennium. The legislature also approved a general fund support reduction of \$23,424 that was not included in the Governor's budget.

Language and Statutory Authority

The legislature added the following language to HB 2:

"Administration Program includes a reduction in general fund money of \$11,717 each year of the biennium. The agency may allocate these reductions in funding among programs when developing 2011 operating plans."

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	17.79	17.79	17.79	17.79	17.79	17.79	0.00	0.00%
Personal Services	905,975	994,700	962,493	968,556	1,900,675	1,931,049	30,374	1.60%
Operating Expenses	768,273	860,323	861,269	828,060	1,628,596	1,689,329	60,733	3.73%
Equipment & Intangible Assets	20,544	0	12,750	12,750	20,544	25,500	4,956	24.12%
Grants	0	0	0	0	0	0	0	n/a
Benefits & Claims	0	0	0	0	0	0	0	n/a
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$1,694,792	\$1,855,023	\$1,836,512	\$1,809,366	\$3,549,815	\$3,645,878	\$96,063	2.71%
General Fund	1,134,351	1,220,788	1,178,915	1,160,250	2,355,139	2,339,165	(15,974)	(0.68%)
State Special	76,292	97,110	114,112	114,710	173,402	228,822	55,420	31.96%
Federal Special	156,879	132,880	107,865	107,865	289,759	215,730	(74,029)	(25.55%)
Other	327,270	404,245	435,620	426,541	731,515	862,161	130,646	17.86%
Total Funds	\$1,694,792	\$1,855,023	\$1,836,512	\$1,809,366	\$3,549,815	\$3,645,878	\$96,063	2.71%

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, historic research, historic interpretation, and the society store.

Program Highlights

Administrative Program HB 2 Budget Highlights	
♦	The Administration Program budget increases 2.7 percent when compared to the 2009 biennium due primarily to statewide present law adjustments
♦	Increases in personal services are 1.6 percent due to a combination of reductions in FTE, increases for statewide present law adjustments, increases included in HB 13, and increased vacancy savings

Program Narrative

The Administration Program 2011 budget is 2.7 percent higher when compared to the 2009 biennium budget. The legislature approved \$387,000 to support statewide present law adjustments for personal services and operating expenses. These increases are offset by increasing vacancy savings from 4 percent to 7 percent and other general fund reductions totaling \$167,000 over the 2011 biennium. The reductions include funding shifts from general fund to state special revenues, federal special revenues, or proprietary funds; fuel inflation reductions; and elimination of support provided in both personal services and operating costs.

HB 13 contained about \$26,700 in additional authority to support the costs of higher group health insurance and one-time payments of \$450 for employees earning less than \$45,000 a year.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table Administration Program						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 1,134,351	66.9%	\$ 1,178,915	64.2%	\$ 1,160,250	64.1%
01100 General Fund	1,134,351	66.9%	1,178,915	64.2%	1,160,250	64.1%
02000 Total State Special Funds	76,292	4.5%	114,112	6.2%	114,710	6.3%
02004 Cultural & Aesthetic Proj Opi	-	-	(2)	0.0%	(2)	0.0%
02041 Mt Hist. Society Donations	76,292	4.5%	114,114	6.2%	114,712	6.3%
03000 Total Federal Special Funds	156,879	9.3%	107,865	5.9%	107,865	6.0%
03021 Historic Sites Preservation	156,879	9.3%	107,865	5.9%	107,865	6.0%
06000 Total Proprietary Funds	327,270	19.3%	435,620	23.7%	426,541	23.6%
06071 Merchandise - Historical Soc	261,485	15.4%	300,169	16.3%	299,799	16.6%
06073 Historical Society Management	65,785	3.9%	135,451	7.4%	126,742	7.0%
Grand Total	\$ 1,694,792	100.0%	\$ 1,836,512	100.0%	\$ 1,809,366	100.0%

The program is funded with a combination of general fund, state special revenue funds from donations, federal funds generated through indirect cost recoveries, and proprietary funds from museum entrance fees and merchandise sales.

The amount of the indirect cost recoveries is based on two components – the federal grant amount and the indirect cost rate. In FY 2010 and FY 2011 both components of the rate change resulting in about \$74,000 less federal indirect cost revenues than in the 2009 biennium. The legislature adopted the Legislative Fiscal Division's estimates of the amount of federal indirect cost recoveries generated in the Administrative Program over the biennium resulting in decreases of \$46,700 in general fund support. The legislature also included a reduction of general fund support of \$11,717 each year of the biennium in the Administration Program. Language included in the bill allows the MHS to allocate the reduction among its programs.

Proprietary funding to support the Administration Program is derived from two sources, the merchandise fund and the historical society management fund. The merchandise proprietary fund revenues are generated through sales in the museum store. Proprietary funding support for the Administrative Program budget is increased 3 percent, from 20.6 percent in the 2009 biennium to 23.6 percent in the 2011 biennium.

Budget Summary by Category

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

Budget Summary by Category								
	-----General Fund-----				-----Total Funds-----			
Budget Item	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	1,134,351	1,134,351	2,268,702	96.99%	1,694,792	1,694,792	3,389,584	92.97%
Statewide PL Adjustments	139,931	119,232	259,163	11.08%	209,065	178,141	387,206	10.62%
Other PL Adjustments	(40,601)	(40,605)	(81,206)	(3.47%)	(40,612)	(40,617)	(81,229)	(2.23%)
New Proposals	(54,766)	(52,728)	(107,494)	(4.60%)	(26,733)	(22,950)	(49,683)	(1.36%)
Total Budget	\$1,178,915	\$1,160,250	\$2,339,165		\$1,836,512	\$1,809,366	\$3,645,878	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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 2010-----					-----Fiscal 2011-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				114,543	0.00				116,615
Vacancy Savings				(40,819)	0.00				(40,902)
Inflation/Deflation				486	0.00				500
Fixed Costs				134,855	0.00				101,928
Total Statewide Present Law Adjustments	\$139,931	\$36,930	(\$8,167)	\$209,065*	0.00	\$119,232	\$37,150	(\$12,641)	\$178,141*
				0	0.00				0
DP 5 - Pgm 01 Correct Duplicate Budget Entry	0.00	(40,580)	0	(40,580)	0.00	(40,580)	0	0	(40,580)
DP 7101 - Fuel Inflation Reduction	0.00	(21)	(2)	(32)*	0.00	(25)	(2)	(3)	(37)*
				0	0.00				0
Total Other Present Law Adjustments	0.00	(\$40,601)	(\$2)	(\$40,612)*	0.00	(\$40,605)	(\$2)	(\$3)	(\$40,617)*
				0	0.00				0
Grand Total All Present Law Adjustments	0.00	\$99,330	\$36,928	\$168,453*	0.00	\$78,627	\$37,148	(\$12,644)	\$137,524*

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

DP 5 - Pgm 01 Correct Duplicate Budget Entry - The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. The bill removes \$40,580 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

DP 7101 - Fuel Inflation Reduction - The bill reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals										
-----Fiscal 2010-----						-----Fiscal 2011-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 20 - Pgm 01 Align Funding										
01	0.00	(6,950)	2,249	(64,197)	0*	0.00	(8,695)	2,258	(59,723)	0*
DP 30 – Increase Federal Indirect Costs										
01	0.00	(23,353)	0	23,353	0	0.00	(23,353)	0	23,353	0
DP 6013 - 2011 Biennium Pay Plan - HB 13										
01	0.00	4,734	432	0	6,792*	0.00	14,292	1,314	0	17,545*
DP 6014 - Pay Plan Lump Sum Payment OTO										
01	0.00	5,434	509	0	6,619*	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Mgmt Pgm										
01	0.00	2,190	0	0	2,190	0.00	1,899	0	0	1,899
DP 6105 - 2 Percent Unspecified Reduction of General Fund										
01	0.00	(54,217)	0	0	(54,217)	0.00	(54,217)	0	0	(54,217)
DP 8101 - Increasing 4% Vacancy Savings to 7%										
01	0.00	(25,104)	(2,298)	0	(30,617)*	0.00	(25,154)	(2,302)	0	(30,677)*
DP 8102 - Partially Restore Unspecified Reduction										
01	0.00	42,500	0	0	42,500	0.00	42,500	0	0	42,500
Total	0.00	(\$54,766)	\$892	(\$40,844)	(\$26,733)*	0.00	(\$52,728)	\$1,270	(\$36,370)	(\$22,950)*

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

DP 20 - Pgm 01 Align Funding - The bill includes a change in funding of \$71,147 in FY 2010 and \$68,418 in FY 2011 from general fund and federal funds to state special and proprietary funds in order to align projected revenues with projected expenditures for the 2011 biennium.

DP 30 - Increase Federal Indirect Costs - The bill includes increased federal appropriation authority to align federal indirect cost revenues and general fund in the Administrative Program based on the budgeted grant award amount.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Mgmt Pgm - The Workers' Compensation Management Program at the Department of Administration was funded by the 2007 Legislature with a one-time-only (OTO) general fund appropriation. For the 2011 biennium and beyond, the bill contains funding the program via a fixed cost allocation. The allocation is based upon the average number of payroll warrants issued per pay period. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. Therefore, the allocation cannot be included as part of the standard present law fixed cost process.

DP 6105 - 2 Percent Unspecified Reduction of General Fund - This item provides an unspecified reduction in general fund of 2 percent for the agency. Language included in the bill allows the agency to allocate the reduction in funding among programs when developing 2011 biennium operating plans.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislation adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

DP 8102 - Partially Restore Unspecified Reduction - The legislature provided \$42,500 general fund support in each year of the biennium to partially restore funding reduced through an unspecified general fund reduction of 2 percent each year.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	15.75	15.75	15.75	15.75	15.75	15.75	0.00	0.00%
Personal Services	733,129	795,085	807,329	813,484	1,528,214	1,620,813	92,599	6.06%
Operating Expenses	149,090	122,485	147,461	147,503	271,575	294,964	23,389	8.61%
Equipment & Intangible Assets	18,150	8,904	16,166	16,961	27,054	33,127	6,073	22.45%
Benefits & Claims	0	0	0	0	0	0	0	n/a
Total Costs	\$900,369	\$926,474	\$970,956	\$977,948	\$1,826,843	\$1,948,904	\$122,061	6.68%
General Fund	842,871	847,728	870,973	878,962	1,690,599	1,749,935	59,336	3.51%
State Special	0	2,624	0	0	2,624	0	(2,624)	(100.00%)
Federal Special	0	0	0	0	0	0	0	n/a
Other	57,498	76,122	99,983	98,986	133,620	198,969	65,349	48.91%
Total Funds	\$900,369	\$926,474	\$970,956	\$977,948	\$1,826,843	\$1,948,904	\$122,061	6.68%

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 the state.

Program Highlights

Research Center Program HB 2 Budget Highlights	
◆	The Research Center Program 2011 budget increases 6.7 percent when compared to the 2009 biennium, primarily due to statewide present law adjustments
◆	General fund and proprietary fund support the majority of the increases

Program Narrative

The Research Center budget increases 6.7 percent between the 2011 biennium and the 2009 biennium. As shown in the program budget comparison table, the majority of the expenditures related to this program are generated from FTE, 83.2 percent of the budget. As part of the overall reorganization of the MHS, an FTE was reclassified and moved to this program. The position was a cashier (0.75 FTE) in the Administration Program and is now an archivist (1.00 FTE) in this program. The legislature approved support for the additional 0.25 FTE as part of the funding contained in the statewide present law adjustments.

An additional \$29,546 was provided in HB 13 to support higher group health insurance costs and a one-time payment for employees earning less than \$45,000 a year. The legislature also approved the Governor's proposal to increase vacancy savings in the Research Center Program from 4 percent to 7 percent resulting in general fund savings of \$51,330 over the 2011 biennium.

The legislature also approved elimination of duplicate budget authority. The Research Program transferred personal services appropriation authority to operating cost authority in the base budget year, FY 2008. Due to the methodologies used in the budgeting process, the authority was included in both the personal services and operating costs in FY 2010

and FY 2011. \$5,338 in general fund support for operating costs was eliminated by the legislature in FY 2010 and FY 2011 to correct the duplicate budget entries.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table							
Research Center							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
01000 Total General Fund	\$ 842,871	93.6%	\$ 870,973	89.7%	\$ 878,962	89.9%	
01100 General Fund	842,871	93.6%	870,973	89.7%	878,962	89.9%	
06000 Total Proprietary Funds	57,498	6.4%	99,983	10.3%	98,986	10.1%	
06072 Misc Enterprise-Historical Soc	22,680	2.5%	44,173	4.5%	44,173	4.5%	
06076 Mhs Library Enterprise Funds	34,818	3.9%	55,810	5.7%	54,813	5.6%	
Grand Total	\$ 900,369	100.0%	\$ 970,956	100.0%	\$ 977,948	100.0%	

The Research Center Program is funded through a combination of general fund and proprietary funds.. General fund support for the program increases 3.5 percent when compared to the 2009 biennium. The increases include statewide present law adjustment support of \$92,623 in general fund and funding to support personal service costs increases included in HB 13. The increases are partially offset by reductions of \$57,976 in general fund for an additional 3 percent in vacancy savings and to eliminate appropriation authority contained in both personal service costs and operating expenses.

Proprietary funds are generated through the sale of photographs, photocopies, and fees charged for research time spent by staff on public requests. Overall proprietary funding support for the Research Center Program increases 48.9 percent when compared to the 2009 biennium. The majority of the increase supports statewide present law adjustments for personal services.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	842,871	842,871	1,685,742	96.33%	900,369	900,369	1,800,738	92.40%
Statewide PL Adjustments	43,954	48,669	92,623	5.29%	88,454	92,172	180,626	9.27%
Other PL Adjustments	(3,323)	(3,323)	(6,646)	(0.38%)	(5,338)	(5,338)	(10,676)	(0.55%)
New Proposals	(12,529)	(9,255)	(21,784)	(1.24%)	(12,529)	(9,255)	(21,784)	(1.12%)
Total Budget	\$870,973	\$878,962	\$1,749,935		\$970,956	\$977,948	\$1,948,904	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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 2010-----					-----Fiscal 2011-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				120,888	0.00				123,891
Vacancy Savings				(34,159)	0.00				(34,281)
Inflation/Deflation				1,339	0.00				2,134
Inflation/Deflation				386	0.00				428
Total Statewide Present Law Adjustments									
	\$43,954	\$0	\$0	\$88,454*	0.00	\$48,669	\$0	\$0	\$92,172*
				0	0.00				0
DP 6 - Pgm 02 Correct Duplicate Budget Entry									
	0.00	(3,323)	0	0	(5,338)*	0.00	(3,323)	0	0
				0	0.00				0
Total Other Present Law Adjustments									
	0.00	(\$3,323)	\$0	\$0	(\$5,338)*	0.00	(\$3,323)	\$0	(\$5,338)*
				0	0.00				0
Grand Total All Present Law Adjustments									
	0.00	\$40,631	\$0	\$0	\$83,116*	0.00	\$45,346	\$0	\$86,834*

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

DP 6 - Pgm 02 Correct Duplicate Budget Entry - The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. The bill includes a reduction of \$5,338 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

New Proposals

New Proposals									
-----Fiscal 2010-----					-----Fiscal 2011-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Total Funds
DP 25 - Pgm 02 Align Funding									
02	0.00	0	0	0	0	0.00	0	0	0
DP 6013 - 2011 Biennium Pay Plan - HB 13									
02	0.00	5,440	0	0	5,440	0.00	16,456	0	16,456
DP 6014 - Pay Plan Lump Sum Payment OTO									
02	0.00	7,650	0	0	7,650	0.00	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%									
02	0.00	(25,619)	0	0	(25,619)	0.00	(25,711)	0	(25,711)
Total	0.00	(\$12,529)	\$0	\$0	(\$12,529)	0.00	(\$9,255)	\$0	(\$9,255)

DP 25 - Pgm 02 Align Funding - The bill includes the executive's request for changes between proprietary funds of \$20,035 in FY 2010 and \$19,941 in FY 2011 to align projected revenues with projected expenditures for the 2011 biennium.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The bill adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	9.00	9.00	9.00	9.00	9.00	9.00	0.00	0.00%
Personal Services	312,439	260,384	400,262	399,519	572,823	799,781	226,958	39.62%
Operating Expenses	19,494	(1,046)	10,000	10,000	18,448	20,000	1,552	8.41%
Equipment & Intangible Assets	10,748	0	0	0	10,748	0	(10,748)	(100.00%)
Benefits & Claims	0	0	0	0	0	0	0	n/a
Total Costs	\$342,681	\$259,338	\$410,262	\$409,519	\$602,019	\$819,781	\$217,762	36.17%
General Fund	279,893	209,490	313,311	319,269	489,383	632,580	143,197	29.26%
State Special	0	41,548	25,000	25,000	41,548	50,000	8,452	20.34%
Federal Special	0	0	0	0	0	0	0	n/a
Other	62,788	8,300	71,951	65,250	71,088	137,201	66,113	93.00%
Total Funds	\$342,681	\$259,338	\$410,262	\$409,519	\$602,019	\$819,781	\$217,762	36.17%

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

Museum Program HB 2 Budget Highlights	
◆	The Museum Program 2011 biennium budget increases 36.2 percent when compared to the 2009 biennium mainly due to statewide present law adjustments and HB 13 pay plan increases
◆	Vacancy savings in the program are increased from 4 percent to 7 percent
◆	Additional reductions were approved to align funding within the program and reduce personal services

Program Narrative

The legislature approved increases of 36.2 percent when compared to the FY 2009 biennium including significant increases in support from both general fund and proprietary funds. Personal services are 97.6 percent of the total legislative budget in the 2011 biennium. \$270,300 of increases contained in the statewide present law adjustments and HB 13 are offset by 7 percent vacancy savings of \$61,600 and \$33,900 in reductions to personal services included as part of changes to align funding within the program.

As part of the overall reorganization of the MHS, the Museum Program transferred 3.85 FTE to the Education Program. Transfers include:

- FTE Instructional Coordinator
- 0.50 FTE Administrative Assistant
- 0.50 FTE Administrative Assistant
- 0.85 FTE Tour Guide
- 0.50 FTE Tour Guide
- 0.50 FTE Not Yet Classified
-

In addition, the program transferred \$310,392 in general fund appropriation authority to support personal service expenditures associated with the transfers.

The program also receives funding for the Department of Commerce to support historical interpretation and the costs of the Sriver collection. These funds are transferred from Commerce and are not appropriated by the legislature.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
Museum Program						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 279,893	81.7%	\$ 313,311	76.4%	\$ 319,269	78.0%
01100 General Fund	279,893	81.7%	313,311	76.4%	319,269	78.0%
02000 Total State Special Funds	-	-	25,000	6.1%	25,000	6.1%
02045 Orig Gov'S Mansion Restoration	-	-	25,000	6.1%	25,000	6.1%
06000 Total Proprietary Funds	62,788	18.3%	71,951	17.5%	65,250	15.9%
06077 Mhs Museum Enterprise Funds	62,788	18.3%	71,951	17.5%	65,250	15.9%
Grand Total	\$ 342,681	100.0%	\$ 410,262	100.0%	\$ 409,519	100.0%

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 in the bill.

General fund increases 29 percent when compared to the 2009 biennial budget in spite of reductions related to FTE transfers. The increases support personal services costs included in the statewide present law adjustments and increases included in HB 13 for higher group health insurance costs and one-time payments for employees earning less than \$45,000 annually. State special revenues increase 20 percent when compared to the 2009 biennium. Proprietary funds increase 93 percent when compared to the 2009 biennium. The bill includes the Governor's recommendation to increase proprietary fund support for revenues generated from the sales of books, copies, and photographs.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	279,893	279,893	559,786	88.49%	342,681	342,681	685,362	83.60%
Statewide PL Adjustments	57,354	58,399	115,753	18.30%	109,399	110,678	220,077	26.85%
Other PL Adjustments	(20,204)	(20,204)	(40,408)	(6.39%)	4,796	4,796	9,592	1.17%
New Proposals	(3,732)	1,181	(2,551)	(0.40%)	(46,614)	(48,636)	(95,250)	(11.62%)
Total Budget	\$313,311	\$319,269	\$632,580		\$410,262	\$409,519	\$819,781	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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 2010-----						-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					126,677	0.00				127,978
Vacancy Savings					(17,565)	0.00				(17,617)
Inflation/Deflation					67	0.00				97
Fixed Costs					220	0.00				220
Total Statewide Present Law Adjustments		\$57,354	\$0	\$0	\$109,399*	0.00	\$58,399	\$0	\$0	\$110,678*
					0	0.00				0
DP 3 - Original Gov Mansion Restoration	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 7 - Pgm 03 Correct Duplicate Budget Entry	0.00	(20,204)	0	0	(20,204)	0.00	(20,204)	0	0	(20,204)
					0	0.00				0
Total Other Present Law Adjustments	0.00	(\$20,204)	\$25,000	\$0	\$4,796	0.00	(\$20,204)	\$25,000	\$0	\$4,796
					0	0.00				0
Grand Total All Present Law Adjustments	0.00	\$37,150	\$25,000	\$0	\$114,195*	0.00	\$38,195	\$25,000	\$0	\$115,474*

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

DP 3 - Original Gov Mansion Restoration - The bill provides for \$25,000 state special revenue in the 2011 biennium for restoration work at the Original Governor's Mansion (OGM). This includes expending resources in the fund and donations from the OGM Board for refurbishing the OGM carriage house.

DP 7 - Pgm 03 Correct Duplicate Budget Entry - The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. The bill removes \$20,204 in general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

New Proposals

New Proposals										
-----Fiscal 2010-----						-----Fiscal 2011-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 21 - Pgm 03 Align Funding										
03	0.00	2,482	0	0	(40,400)*	0.00	5,682	0	0	(44,135)*
DP 6013 - 2011 Biennium Pay Plan - HB 13										
03	0.00	2,880	0	0	2,880	0.00	8,712	0	0	8,712
DP 6014 - Pay Plan Lump Sum Payment OTO										
03	0.00	4,080	0	0	4,080	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%										
03	0.00	(13,174)	0	0	(13,174)	0.00	(13,213)	0	0	(13,213)
Total	0.00	(\$3,732)	\$0	\$0	(\$46,614)*	0.00	\$1,181	\$0	\$0	(\$48,636)*

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

DP 21 - Pgm 03 Align Funding - The bill provides for changes in funding of \$40,400 in FY 2010 and \$44,135 in FY 2011 from proprietary funds to general fund and state special funds in order to align projected revenues with projected expenditures for the 2011 biennium.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. In addition, the

legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The bill adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	188,373	328,011	215,573	217,181	516,384	432,754	(83,630)	(16.20%)
Operating Expenses	201,420	175,684	174,819	175,722	377,104	350,541	(26,563)	(7.04%)
Benefits & Claims	0	0	0	0	0	0	0	n/a
Transfers	50,503	50,503	50,503	50,503	101,006	101,006	0	0.00%
Total Costs	\$440,296	\$554,198	\$440,895	\$443,406	\$994,494	\$884,301	(\$110,193)	(11.08%)
General Fund	92,401	93,932	98,830	99,107	186,333	197,937	11,604	6.23%
State Special	0	0	0	0	0	0	0	n/a
Federal Special	0	0	0	0	0	0	0	n/a
Other	347,895	460,266	342,065	344,299	808,161	686,364	(121,797)	(15.07%)
Total Funds	\$440,296	\$554,198	\$440,895	\$443,406	\$994,494	\$884,301	(\$110,193)	(11.08%)

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 *Montana, The Magazine of Western History* and the *Montana Star*, official newsletter of the society. It also publishes books under the Montana Historical Society Press imprint.

Program Highlights

Publications Program HB 2 Budget Highlights	
◆	The Publications Program FY 2011 biennium budget decreases about \$110,000, mostly due to FTE reductions
◆	Reductions are offset by statewide present law adjustments and HB 13 personal services increases

Program Narrative

The legislature approved decreases for the Publications Program of 11.1 percent when the 2011 biennium is compared to the 2009 biennium. The Publications Program reduced 1.75 FTE in the agency reorganization. The FTE were transferred to the Education and Museum Programs, and the Research Center. The associated personal service costs for the transferred FTE account for a significant portion of the reduction in the overall costs between the 2009 and 2011 biennia.

Transfers of \$50,503 each year of the biennium are used to support personal services. The percentage of personal services costs supported by general fund increases from 30.2 percent of the costs in the 2009 biennium to 37.1 percent of the costs in the 2011 biennium. The increase is due to a reduction in the personal service costs supported by proprietary funds in the 2011 biennium.

The legislature approved statewide present law adjustments of \$62,600 over the 2011 biennium for increased personal services and operating costs. Vacancy savings for the program was increased from 4 percent to 7 percent saving an additional \$13,741 in proprietary funding. HB 13 contains increases of \$6,801 to support higher group health insurance costs and one-time payments for employees earning less than \$45,000 annually.

The legislature also approved removing \$51,900 in duplicate budget authority from the operating costs of the Publication Program. The authority was also approved in the personal services for the program.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
Publications Program						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 92,401	21.0%	\$ 98,830	22.4%	\$ 99,107	22.4%
01100 General Fund	92,401	21.0%	98,830	22.4%	99,107	22.4%
06000 Total Proprietary Funds	347,895	79.0%	342,065	77.6%	344,299	77.6%
06002 Mhs Publications Enterprise	347,895	79.0%	342,065	77.6%	344,299	77.6%
Grand Total	\$ 440,296	100.0%	\$ 440,895	100.0%	\$ 443,406	100.0%

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

General fund increases 6.2 percent compared to the 2009 biennium due to personal service cost increases contained in statewide present law adjustments and HB 13. Proprietary funds comprise support of 71.2 percent of the program budget in the 2011 biennium, supporting the remaining FTE and operating costs. This is a decrease from the 76.9 percent of program support provided by proprietary funds in the 2011 biennium.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	92,401	92,401	184,802	93.36%	440,296	440,296	880,592	99.58%
Statewide PL Adjustments	6,429	6,706	13,135	6.64%	30,634	31,953	62,587	7.08%
Other PL Adjustments	0	0	0	0.00%	(25,969)	(25,969)	(51,938)	(5.87%)
New Proposals	0	0	0	0.00%	(4,066)	(2,874)	(6,940)	(0.78%)
Total Budget	\$98,830	\$99,107	\$197,937		\$440,895	\$443,406	\$884,301	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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 2010-----					-----Fiscal 2011-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				40,417	0.00				40,852	
Vacancy Savings				(9,151)	0.00				(9,170)	
Inflation/Deflation				250	0.00				271	
Fixed Costs				(882)	0.00				0	
Total Statewide Present Law Adjustments										
	\$6,429	\$0	\$0	\$30,634*	0.00	\$6,706	\$0	\$0	\$31,953*	
				0	0.00				0	
DP 8 - Pgm 04 Correct Duplicate Budget Entry										
	0.00	0	0	0	(25,969)*	0.00	0	0	0	(25,969)*
				0	0.00				0	
Total Other Present Law Adjustments										
	0.00	\$0	\$0	\$0	(\$25,969)*	0.00	\$0	\$0	(\$25,969)*	
				0	0.00				0	
Grand Total All Present Law Adjustments										
	0.00	\$6,429	\$0	\$0	\$4,665*	0.00	\$6,706	\$0	\$0	\$5,984*

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

DP 8 - Pgm 04 Correct Duplicate Budget Entry - The Publications Program moved \$25,969 in personal services authority into operating authority in the FY 2008 base year. The personal services authority was restored in the 2011 biennium personal services calculations and it is also included in the operating expenses authority. The bill removes the funding from the operating expenses for each year of the 2011 biennium.

New Proposals

New Proposals										
-----Fiscal 2010-----					-----Fiscal 2011-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13										
04	0.00	0	0	0	1,288*	0.00	0	0	0	4,004*
DP 6014 - Pay Plan Lump Sum Payment OTO										
04	0.00	0	0	0	1,509*	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%										
04	0.00	0	0	0	(6,863)*	0.00	0	0	0	(6,878)*
Total	0.00	\$0	\$0	\$0	(\$4,066)*	0.00	\$0	\$0	\$0	(\$2,874)*

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

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The bill adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	5.85	5.85	5.85	5.85	5.85	5.85	0.00	0.00%
Personal Services	161,307	306,829	242,539	238,765	468,136	481,304	13,168	2.81%
Operating Expenses	16,992	62,317	7,626	7,636	79,309	15,262	(64,047)	(80.76%)
Total Costs	\$178,299	\$369,146	\$250,165	\$246,401	\$547,445	\$496,566	(\$50,879)	(9.29%)
General Fund	174,590	233,790	217,097	213,333	408,380	430,430	22,050	5.40%
State Special	2,476	132,856	0	0	135,332	0	(135,332)	(100.00%)
Federal Special	0	0	0	0	0	0	0	n/a
Other	1,233	2,500	33,068	33,068	3,733	66,136	62,403	1,671.66%
Total Funds	\$178,299	\$369,146	\$250,165	\$246,401	\$547,445	\$496,566	(\$50,879)	(9.29%)

Program Description

The Education Program is comprised of three primary divisions: 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 traveling 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

Education Program HB 2 Budget Highlights	
◆	The legislature approved funding the new Education Program using a combination of funds including general fund, state special revenues, and proprietary funds
◆	Vacancy savings from the program is increased from 4 percent to 7 percent
◆	2011 biennium budget is 9.3 percent less than the 2009 biennium budget due to transferred appropriation authority in the 2009 biennium that is higher than the estimated costs for the program in the 2011 biennium

Program Narrative

As part of the reorganization of the MHS, the Education Program was created in FY 2008. The agency transferred the following into the Education Program:

The legislature approved support for personal services costs of the related 5.85 FTE included in the program and related operating expenses. The biennial comparison includes transferred appropriation authority for the program in FY 2009 that is significantly higher than the budget for the 2011 biennium operating costs that are estimated based on the costs of operating the program in FY 2008. As the program is new in FY 2008 and the majority of the costs are for personal services, the reductions shown in the biennial comparison should not result in significant decreases to the program operations.

Montana Historical Society FTE Transfers into Education Program			
Program	FTE	Funding	Sources
Administration Program	1.25	\$118,064	General Fund/State Special Revenue
Museum Program	3.35	292,225	General Fund
Publications Program	0.25	0	No funding transferred to support the FTE
Historical Preservation Office	1.00	89,575	General Fund
Total	5.85	\$499,864	

The legislature approved additional vacancy savings for the program of 7 percent totaling \$18,000 and reductions to present law personal service costs of \$40,266 in FY 2010 and \$48,372 in FY 2011. In addition, the legislature eliminated duplicate budget authority of \$18,872 that was included in both personal services and operating costs.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table Education Program						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 174,590	97.9%	\$ 217,097	86.8%	\$ 213,333	86.6%
01100 General Fund	174,590	97.9%	217,097	86.8%	213,333	86.6%
02000 Total State Special Funds	2,476	1.4%	-	-	-	-
02041 Mt Hist. Society Donations	2,476	1.4%	-	-	-	-
06000 Total Proprietary Funds	1,233	0.7%	33,068	13.2%	33,068	13.4%
06022 Mhs Education Enterprise Funds	1,233	0.7%	33,068	13.2%	33,068	13.4%
Grand Total	\$ 178,299	100.0%	\$ 250,165	100.0%	\$ 246,401	100.0%

The Education Program is funded through a combination of general fund, state special revenue funds from donations, 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 Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	174,590	174,590	349,180	81.12%	178,299	178,299	356,598	71.81%
Statewide PL Adjustments	8,926	10,393	19,319	4.49%	125,747	128,178	253,925	51.14%
Other PL Adjustments	(9,436)	(9,436)	(18,872)	(4.38%)	(9,436)	(9,436)	(18,872)	(3.80%)
New Proposals	43,017	37,786	80,803	18.77%	(44,445)	(50,640)	(95,085)	(19.15%)
Total Budget	\$217,097	\$213,333	\$430,430		\$250,165	\$246,401	\$496,566	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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 2010-----					-----Fiscal 2011-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				137,635	0.00				140,157
Vacancy Savings				(11,958)	0.00				(12,059)
Inflation/Deflation				70	0.00				80
Total Statewide Present Law Adjustments	\$8,926	\$5,977	\$85,298	\$125,747*	0.00	\$10,393	\$6,045	\$85,980	\$128,178*
				0	0.00				0
DP 9 - Pgm 05 Correct Duplicate Budget Entry									
0.00	(9,436)	0	0	(9,436)	0.00	(9,436)	0	0	(9,436)
				0	0.00				0
Total Other Present Law Adjustments	0.00	0	\$0	(\$9,436)	0.00	(\$9,436)	\$0	\$0	(\$9,436)
				0	0.00				0
Grand Total All Present Law Adjustments	0.00	(\$510)	\$5,977	\$85,298	0.00	\$957	\$6,045	\$85,980	\$118,742*

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

DP 9 - Pgm 05 Correct Duplicate Budget Entry - The Education Program moved \$9,436 in personal services costs into operating costs in FY 2008. The personal services authority was restored in the 2011 biennium personal services calculations and it is also included in the operating expense. The bill removes the funding from the operating expenses for each year of the biennium.

New Proposals

New Proposals									
-----Fiscal 2010-----					-----Fiscal 2011-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Total Funds
DP 22 - Pgm 05 Align Funding									
05	0.00	47,196	(8,453)	(85,298)	(40,266)*	0.00	40,054	(8,521)	(85,980)
									(48,372)*
DP 6013 - 2011 Biennium Pay Plan - HB 13									
05	0.00	2,240	0	0	2,240	0.00	6,776	0	6,776
DP 6014 - Pay Plan Lump Sum Payment OTO									
05	0.00	2,550	0	0	2,550	0.00	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%									
05	0.00	(8,969)	0	0	(8,969)	0.00	(9,044)	0	(9,044)
Total	0.00	\$43,017	(\$8,453)	(\$85,298)	(\$44,445)*	0.00	\$37,786	(\$8,521)	(\$50,640)*

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

DP 22 - Pgm 05 Align Funding - The bill approves a funding shift for the Education Program. This decision package reduces present law personal service costs by \$40,266 in FY 2010 and \$48,372 in FY 2011. The decision package also increases general fund by \$87,250, proprietary funds by \$12,364 over the biennium and decreases state and federal special revenues by \$16,974 and \$171,278, respectively.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The bill adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	8.75	8.75	8.75	8.75	8.75	8.75	0.00	0.00%
Personal Services	465,213	477,105	468,937	472,321	942,318	941,258	(1,060)	(0.11%)
Operating Expenses	69,515	75,912	84,360	84,751	145,427	169,111	23,684	16.29%
Grants	77,000	78,861	77,000	77,000	155,861	154,000	(1,861)	(1.19%)
Total Costs	\$611,728	\$631,878	\$630,297	\$634,072	\$1,243,606	\$1,264,369	\$20,763	1.67%
General Fund	144,247	116,020	64,475	66,120	260,267	130,595	(129,672)	(49.82%)
State Special	0	0	0	0	0	0	0	n/a
Federal Special	463,699	510,858	561,873	563,994	974,557	1,125,867	151,310	15.53%
Other	3,782	5,000	3,949	3,958	8,782	7,907	(875)	(9.96%)
Total Funds	\$611,728	\$631,878	\$630,297	\$634,072	\$1,243,606	\$1,264,369	\$20,763	1.67%

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 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

Historic Preservation HB 2 Budget Highlights	
◆	The Historic Preservation Program's budget increases 1.7 percent when compared to the 2009 biennium budget <ul style="list-style-type: none"> Increases are attributable to statewide present law adjustments and HB 13 personal services increases
◆	Vacancy savings for the program increased from 4 percent to 7 percent

Program Narrative

The Historic Preservation Program budget increases 1.7 percent when compared to the 2009 biennium. The program transferred 1.00 FTE and \$89,575 in general fund to the Education Program in FY 2008. Without the transfers, the increases to the Historic Preservation Program would have been higher.

The legislature decreased general fund support by 50 percent when compared to the 2009 biennium. Reductions in the bill include a funding change which decreases general fund by the amount of increased federal funds supporting the program. Federal funds increase by 15.5 percent compared to the 2011 biennium and support approximately 89 percent of the program.

Statewide present law adjustments were approved that provide increases of \$55,382 over the biennium for increased personal services, inflation and fixed costs. HB 13, included in the budget tables, provided \$15,398 in personal services for increased costs of providing group health insurance and a one-time payment of \$450 for employees earning less than \$45,000 annually. In addition, the legislature approved a reduction that increases the percentage of vacancy savings from 4 percent to 7 percent.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
Historic Preservation Program						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 144,247	23.6%	\$ 64,475	10.2%	\$ 66,120	10.4%
01100 General Fund	144,247	23.6%	64,475	10.2%	66,120	10.4%
03000 Total Federal Special Funds	463,699	75.8%	561,873	89.1%	563,994	88.9%
03021 Historic Sites Preservation	463,699	75.8%	561,873	89.1%	563,994	88.9%
06000 Total Proprietary Funds	3,782	0.6%	3,949	0.6%	3,958	0.6%
06073 Historical Society Management	3,782	0.6%	3,949	0.6%	3,958	0.6%
Grand Total	\$ 611,728	100.0%	\$ 630,297	100.0%	\$ 634,072	100.0%

The Historic Preservation Program is funded through a combination of general fund, federal special revenue from the National Park Service (NPS), and proprietary funds.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	144,247	144,247	288,494	220.91%	611,728	611,728	1,223,456	96.76%
Statewide PL Adjustments	6,351	6,708	13,059	10.00%	26,934	28,448	55,382	4.38%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(86,123)	(84,835)	(170,958)	(130.91%)	(8,365)	(6,104)	(14,469)	(1.14%)
Total Budget	\$64,475	\$66,120	\$130,595		\$630,297	\$634,072	\$1,264,369	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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 2010-----					-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					31,977	0.00				33,147
Vacancy Savings					(19,888)	0.00				(19,935)
Inflation/Deflation					206	0.00				222
Fixed Costs					14,639	0.00				15,014
Total Statewide Present Law Adjustments		\$6,351	\$0	\$20,416	\$26,934*	0.00	\$6,708	\$0	\$21,564	\$28,448*
					0	0.00				0
					0	0.00				0
					0	0.00				0
Grand Total All Present Law Adjustments		\$6,351	\$0	\$20,416	\$26,934*	0.00	\$6,708	\$0	\$21,564	\$28,448*
	0.00	\$6,351	\$0	\$20,416	\$26,934*	0.00	\$6,708	\$0	\$21,564	\$28,448*

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

New Proposals

New Proposals										
-----Fiscal 2010-----					-----Fiscal 2011-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 23 - Pgm 06 Align Funding										
06	0.00	(85,485)	0	85,485	0	0.00	(84,370)	0	84,370	0
DP 6013 - 2011 Biennium Pay Plan - HB 13										
06	0.00	216	0	2,709	2,925	0.00	657	0	8,190	8,847
DP 6014 - Pay Plan Lump Sum Payment OTO										
06	0.00	266	0	3,360	3,626	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%										
06	0.00	(1,120)	0	(13,796)	(14,916)	0.00	(1,122)	0	(13,829)	(14,951)
Total	0.00	(\$86,123)	\$0	\$77,758	(\$8,365)	0.00	(\$84,835)	\$0	\$78,731	(\$6,104)

DP 23 - Pgm 06 Align Funding - The bill changes the funding in FY 2010 of \$85,485 and FY 2011 of \$84,370 from general fund to federal funds in order to align projected revenues with projected expenditures for the 2011 biennium.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - This request would add an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.