

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	30.50	30.50	30.50	30.50	30.50	30.50	0.00	0.00%
Personal Services	1,980,114	1,799,680	1,733,052	1,748,475	3,779,794	3,481,527	(298,267)	(7.89%)
Operating Expenses	1,838,352	1,855,106	1,800,950	1,784,201	3,693,458	3,585,151	(108,307)	(2.93%)
Equipment & Intangible Assets	17,896	56,684	18,724	19,216	74,580	37,940	(36,640)	(49.13%)
Grants	522,135	1,426,372	1,526,723	926,723	1,948,507	2,453,446	504,939	25.91%
Total Costs	\$4,358,497	\$5,137,842	\$5,079,449	\$4,478,615	\$9,496,339	\$9,558,064	\$61,725	0.65%
General Fund	2,348,128	2,513,420	2,781,739	2,779,166	4,861,548	5,560,905	699,357	14.39%
State Special	1,054,978	1,055,012	883,530	883,523	2,109,990	1,767,053	(342,937)	(16.25%)
Federal Special	955,391	1,417,366	1,414,180	815,926	2,372,757	2,230,106	(142,651)	(6.01%)
Other	0	152,044	0	0	152,044	0	(152,044)	(100.00%)
Total Funds	\$4,358,497	\$5,137,842	\$5,079,449	\$4,478,615	\$9,496,339	\$9,558,064	\$61,725	0.65%

Agency Description

Mission Statement: Montana Library Commission (MLC) meets the information needs of Montana government agency management and staff, ensures all Montana citizens have access to information created by their government, supports the role of all Montana libraries in delivering quality library content and services to their patrons, works to strengthen local community public libraries, ensures that Montanans who are visually or physically handicapped are provided access to library resources, and measures its successes by its patrons' and partners' successes.

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

Additional responsibilities of the commission include: assisting all tax-supported libraries and local governments wishing to establish or improve libraries; maintaining an audio book library for use by Montanans unable to utilize printed materials; providing access to state publications; and maintaining and providing information related to Montana's plant and animal species and habitat and comprehensive natural resources (land) information.

Agency Highlights

Montana Library Commission HB 2 Budget Highlights	
<ul style="list-style-type: none"> ◆ Funding increases of less than \$0.1 million from the 2009 biennium to the 2011 biennium are due to the net of : <ul style="list-style-type: none"> • Statewide present law adjustments • Standard base adjustments that include biennial appropriation of grant awards • Vacancy savings of 7 percent • General fund reductions of \$27,000 ◆ The legislature approved a pilot project for library courier services to assist interlibrary circulation 	
HB 645 Budget Highlights	
<ul style="list-style-type: none"> ◆ MLC receives \$323,000 of general fund to provide reading services to the blind 	

Summary of Legislative Action

The legislature approved increases in the 2011 biennial budget for Montana Library Commission (MLC) of slightly less than 1.0 percent when compared to the 2009 biennium. Personal service costs are slightly more than 36 percent of the overall costs in the 2011 biennium while operating expenses comprise 38 percent and grants are 26 percent of the total costs included in HB 2.

Approximately \$5.5 million in general fund and \$1.8 million in state special revenues are included for the library operations. Support for both the Natural Resource Information System (NRIS) and the Geographic Information System (GIS) are part of state library operations. \$1.4 million in federal grants to local libraries was also approved by the legislature.

The majority of the decreases in personal services and operating costs between the 2009 and 2011 biennia result from eliminating a portion of the costs supported by federal Library Services and Technology Act (LSTA) grants through statewide present law adjustments. These costs are included in the grant expenditure category in the FY 2010 and FY 2011 budgets. The FY 2010 and FY 2011 budgets for personal services and operating costs are lower as a result. In addition, the legislature approved increased vacancy savings of 7 percent for the Library Commission and general fund reductions of \$13,700 in operating costs.

Agency Discussion

The Montana Library Commission provides resources to support the information needs of state agency management and staff, Montana libraries, and the public. Specialized information systems maintained and operated by the agency include State of Montana publications and natural resource information included on the NRIS. Information about the unique plants and animals of Montana is included as a subprogram of NRIS known as the Montana Natural Heritage Program.

The Montana Shared Catalog allows library patrons to access the collections of over 90 participating libraries across Montana using the internet to search the various library listings. Items available to patrons include books, DVD's of movies, albums, and audio books. The project is partially responsible for increasing movement of interlibrary loan items between libraries. The legislature approved a pilot project funded with \$80,000 state special revenue for each year of the 2011 biennium to research cost effective alternatives to escalating postal fees. Options include utilizing existing statewide courier networks or purchasing multiple copies of material to minimize reliance on postal fees. The funding can also be used to increase resources for libraries that incur shipping costs when sharing materials.

Other Legislation

HB 645 - implements the American Reinvestment and Recovery Act of 2009 (ARRA). In addition to the appropriations provided in HB 2, the MLC is provided \$323,000 in general fund in HB 645. The funding provides additional reading services for blind patrons. The following table shows HB 645 funding by program.

Total Agency Funding 2011 Biennium Budget			
Agency Program	General Fund	Grand Total	Total %
01 Statewide Library Resources	\$ 323,000	\$ 323,000	100.00%
Grand Total	\$ 323,000	\$ 323,000	100.00%

The bill provides \$176,000 in general fund in FY 2010 for the Montana radio reading service and \$147,000 in general fund in FY 2010 for NFB-newsline services to provide reading services for the blind. The funds provide for live broadcasts of 9 daily and 20 weekly and biweekly Montana newspapers over closed-circuit radio and access to NFB-newsline services which allows audio access to 250 nationwide newspapers, 3 Montana daily newspapers, and several magazines from home or cell phone.

HB 2 and HB 645 Combined

The table illustrates HB 2 and HB 645 combined.

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 archiving, distribution, and development of natural resources geographic information for natural resources conservation service be authorized to continue into FY 2010.

2011 Biennium HB 2 and HB 645 Combined Montana Library Commission			
Fund	HB 2	One-time HB 645 Appropriations	2011 Biennium Revised Total
General Fund	\$5,560,905	\$323,000	\$5,883,905
State Special Revenues	1,767,053	0	1,767,053
Federal Special Revenues	2,230,106	0	2,230,106
Total Funds	\$9,558,064	\$323,000	\$9,881,064

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	30.50	30.50	30.50	0.00	30.50	30.50	0.00	
Personal Services	1,980,114	1,713,582	1,733,052	19,470	1,717,403	1,748,475	31,072	50,542
Operating Expenses	1,838,352	1,934,685	1,800,950	(133,735)	1,917,938	1,784,201	(133,737)	(267,472)
Equipment & Intangible Assets	17,896	18,724	18,724	0	19,216	19,216	0	0
Grants	522,135	1,526,723	1,526,723	0	926,723	926,723	0	0
Total Costs	\$4,358,497	\$5,193,714	\$5,079,449	(\$114,265)	\$4,581,280	\$4,478,615	(\$102,665)	(\$216,930)
General Fund	2,348,128	2,778,936	2,781,739	2,803	2,766,522	2,779,166	12,644	15,447
State/Other Special	1,054,978	1,003,557	883,530	(120,027)	1,003,555	883,523	(120,032)	(240,059)
Federal Special	955,391	1,411,221	1,414,180	2,959	811,203	815,926	4,723	7,682
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$4,358,497	\$5,193,714	\$5,079,449	(\$114,265)	\$4,581,280	\$4,478,615	(\$102,665)	(\$216,930)

The legislature approved increases for higher group health insurance and one-time payment of \$450 for employees earning less than \$45,000 a year of about \$50,500 over the 2011 biennium. The legislature also provided \$160,000 in state special revenue to support a pilot project for library courier/delivery services which is \$240,000 less than the recommendation by the Governor. The state special revenue supporting the project is derived from the Coal Tax Shared Revenue account which was overappropriated. A reduction of general fund support for operating costs in the agency of \$27,472 over the biennium was approved by the legislature.

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature.

Program Funding Table Statewide Library Resources							
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	\$ 2,348,128	53.9%	\$ 2,781,739	54.8%	\$ 2,779,166	62.1%	
01100 General Fund	2,348,128	53.9%	2,781,739	54.8%	2,779,166	62.1%	
02000 Total State Special Funds	1,054,978	24.2%	883,530	17.4%	883,523	19.7%	
02026 Nris State Special	253,570	5.8%	253,523	5.0%	253,516	5.7%	
02340 Coal Sev. Tax Shared Ssr	550,007	12.6%	630,007	12.4%	630,007	14.1%	
02576 Natural Resources Operations Ssr Fu	251,401	5.8%	-	-	-	-	
03000 Total Federal Special Funds	955,391	21.9%	1,414,180	27.8%	815,926	18.2%	
03018 Library Commission	925,391	21.2%	1,384,180	27.3%	785,926	17.5%	
03930 Nris Federal Funds	30,000	0.7%	30,000	0.6%	30,000	0.7%	
Grand Total	\$ 4,358,497	100.0%	\$ 5,079,449	100.0%	\$ 4,478,615	100.0%	

The MLC is funded through a combination of general fund, state special revenue, and federal special revenue. General fund supports the interlibrary loan reimbursement program, state aid to libraries throughout Montana, NRIS, and general operations.

State special revenue includes funding for the following:

- Coal severance tax shared account partially funds general operations, the periodic database, and library federation grants to assist local libraries in providing basic services
- Resource Indemnity Trust (RIT) revenues from the natural resource operations account partially funds the Natural Heritage Program, NRIS, and the water information system
- \$253,570 is from assessments from various state departments to support NRIS. Fish, Wildlife, and Parks provides 27.36 percent of the assessment, Department of Environmental Quality 23.24 percent, Department of Natural Resources 19.39 percent, Montana University System 17.45 percent, and Montana Department of Transportation 12.56 percent

The legislature increased the percentage of the budget supported by general fund by 7.1 percent, from 51.1 percent of the budget in the 2009 biennium to 58.2 percent in the 2011 biennium. A significant portion of the change is due to elimination of support from natural resource operations state special revenues and replacement of the funding with \$251,401 in general fund. State special revenues are proposed to decrease by 3.4 percent between the biennia, mainly due to the funding shift to general fund. Federal special revenue support decreases slightly.

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	2,348,128	2,348,128	4,696,256	84.45%	4,358,497	4,358,497	8,716,994	91.20%
Statewide PL Adjustments	220,826	208,679	429,505	7.72%	(105,691)	(117,735)	(223,426)	(2.34%)
Other PL Adjustments	4,347	4,345	8,692	0.16%	874,910	274,798	1,149,708	12.03%
New Proposals	208,438	218,014	426,452	7.67%	(48,267)	(36,945)	(85,212)	(0.89%)
Total Budget	\$2,781,739	\$2,779,166	\$5,560,905		\$5,079,449	\$4,478,615	\$9,558,064	

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					(141,155)	0.00				(137,047)
Vacancy Savings					(73,558)	0.00				(73,722)
Inflation/Deflation					4,832	0.00				5,354
Inflation/Deflation					828	0.00				1,320
Fixed Costs					103,362	0.00				86,360
Total Statewide Present Law Adjustments		\$220,826	\$0	(\$326,517)	(\$105,691)	0.00	\$208,679	\$0	(\$326,414)	(\$117,735)
DP 2 - LSTA Grants	0.00	0	0	790,630	790,630	0.00	0	0	190,529	190,529
DP 3 - Standard Cost Adjustment	0.00	4,354	0	0	4,354	0.00	4,354	0	0	4,354
DP 4 - Library Courier/Delivery Service Pilot - OTO	0.00	0	80,000	0	80,000	0.00	0	80,000	0	80,000
DP 7101 - Fuel Inflation Reduction	0.00	(7)	(47)	(20)	(74)	0.00	(9)	(54)	(22)	(85)
Total Other Present Law Adjustments	0.00	\$4,347	\$79,953	\$790,610	\$874,910	0.00	\$4,345	\$79,946	\$190,507	\$274,798
Grand Total All Present Law Adjustments	0.00	\$225,173	\$79,953	\$464,093	\$769,219	0.00	\$213,024	\$79,946	(\$135,907)	\$157,063

DP 2 - LSTA Grants - The bill provides increased federal authority to spend estimated Library Service and Technology Act (LSTA) grant awards and realign the biennial appropriation of the awards into the first year of the biennium, resulting in a smaller adjustment in FY 2011.

DP 3 - Standard Cost Adjustment - The bill reestablishes zero-based per diem for library commissioners and volunteer insurance. It also includes additional funds for legal fees in the Department of Justice, which increase \$504 in each year of the biennium.

DP 4 - Library Courier/Delivery Service Pilot - OTO - The bill includes \$80,000 in state special revenue each year to fund a Library Courier/Delivery Service Pilot Project. The movement of interlibrary loan items between libraries has increased due to increased electronic library catalog searches. The funding provides for one-time-only funding of \$80,000 state special revenue for each year of the 2011 biennium to research and pilot cost effective alternatives such as utilizing other existing statewide courier networks or purchasing multiple copies of material to minimize reliance on escalating postal fees. The funding can also be used to increase resources for libraries that incur shipping costs when sharing materials.

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										
Program	FTE	Fiscal 2010				FTE	Fiscal 2011			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 5 - Natural Resources Operations Acct - Funding Switch										
01	0.00	251,401	(251,401)	0	0	0.00	251,401	(251,401)	0	0
DP 8 - Biennial Appropriation for LSTA State Support										
01	0.00	0	0	0	0	0.00	0	0	0	0
DP 6013 - 2011 Biennium Pay Plan - HB 13										
01	0.00	8,704	0	1,568	10,272	0.00	26,336	0	4,736	31,072
DP 6014 - Pay Plan Lump Sum Payment OTO										
01	0.00	7,794	0	1,404	9,198	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Mgmt Pgm										
01	0.00	1,167	0	0	1,167	0.00	1,012	0	0	1,012
DP 6105 - 2 percent Unspecified Reduction of General Fund										
01	0.00	(55,455)	0	0	(55,455)	0.00	(55,456)	0	0	(55,456)
DP 8101 - Increasing 4% Vacancy Savings to 7%										
01	0.00	(46,893)	0	(8,276)	(55,169)	0.00	(46,998)	0	(8,294)	(55,292)
DP 8102 - Partially Restore Unspecified Reduction										
01	0.00	41,720	0	0	41,720	0.00	41,719	0	0	41,719
Total	0.00	\$208,438	(\$251,401)	(\$5,304)	(\$48,267)	0.00	\$218,014	(\$251,401)	(\$3,558)	(\$36,945)

DP 5 - Natural Resources Operations Acct - Funding Switch - The bill eliminates \$251,401 of support provided through the natural resources operations account. To offset the operational costs previously supported by the state special revenues the legislation provides \$251,401 general fund each year of the biennium. Funding supports staff and operating expenses of the Natural Resource Information System (NRIS).

DP 8 - Biennial Appropriation for LSTA State Support - The bill includes \$205,660 in general fund as a biennial appropriation to support grants to local libraries.

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 includes 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 bill 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 \$41,720 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.

Language and Statutory Authority

The legislature added the following language to HB 2:

"Statewide Library Resources includes a reduction in general fund money of \$13,736 in fiscal year 2010 and \$13,737 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing 2011 biennium operating plans."

Proprietary Rates

Proprietary Program Description

The Montana Shared Catalog is a cooperative project involving over 90 libraries. Public, school, medical, and other special libraries have pooled resources to purchase a library automation system. Member's benefits include shared expertise and the ability to provide additional services to library customers. The Montana Library Commission became the fiscal agent for the Montana Shared Catalog in FY 2008. The members pay membership dues that are used to pay operating expenses.

Proprietary Rate Explanation

The legislature does not approve rates or appropriate funds for the proprietary portion of the Montana Shared Catalog. The legislature reviewed the financial report for the enterprise fund and identified no concerns with the financial position of the fund. Rates for the Montana Shared Catalog are established by the members.