

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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	30.50	30.50	28.25	28.25	30.50	28.25	(2.25)	(7.38%)
Personal Services	2,064,578	1,779,388	1,715,458	1,717,067	3,843,966	3,432,525	(411,441)	(10.70%)
Operating Expenses	2,069,966	1,888,345	1,946,956	1,926,102	3,958,311	3,873,058	(85,253)	(2.15%)
Equipment & Intangible Assets	44,016	19,216	7,935	7,935	63,232	15,870	(47,362)	(74.90%)
Grants	493,048	981,429	1,356,857	356,857	1,474,477	1,713,714	239,237	16.23%
Total Costs	\$4,671,608	\$4,668,378	\$5,027,206	\$4,007,961	\$9,339,986	\$9,035,167	(\$304,819)	(3.26%)
General Fund	2,722,517	2,787,459	2,652,257	2,636,612	5,509,976	5,288,869	(221,107)	(4.01%)
State Special	803,498	803,523	766,923	763,323	1,607,021	1,530,246	(76,775)	(4.78%)
Federal Special	1,145,593	1,060,155	1,608,026	608,026	2,205,748	2,216,052	10,304	0.47%
Other	0	17,241	0	0	17,241	0	(17,241)	(100.00%)
Total Funds	\$4,671,608	\$4,668,378	\$5,027,206	\$4,007,961	\$9,339,986	\$9,035,167	(\$304,819)	(3.26%)

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.

MLC is further authorized in section 90-15-101, MCA to establish a planning framework for the development of the natural resources information system (NRIS), to implement the system, and to establish an ongoing Montana Natural Heritage Program.

Additional responsibilities of the commission include: assisting all tax-supported libraries and local governments wishing to establish or improve libraries; maintaining an audio book library for use by Montanans unable to utilize printed materials; providing access to state publications; 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 Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Montana Library Commission budget decreases in the 2013 biennium due to the 5% reduction plan implemented by the legislature ◆ The 5% reduction reduces state general fund and state special revenue funds by \$351,054 in the 2013 biennium and eliminates 2.25 FTE positions

Summary of Legislative Action

The legislature reduced the budget over 3% in the 2013 biennium, driven largely by the 5% reduction plan implemented in the 2013 biennium.

Approximately \$5.3 million in general fund and \$1.5 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. \$2.2 million in federal grants are included in the bill. The federal grants are line-itemed in the bill as a restricted, biennial appropriation.

Executive Budget Comparison

The following table compares the legislative budget in the 2013 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2010	Executive Budget Fiscal 2012	Legislative Budget Fiscal 2012	Leg - Exec. Difference Fiscal 2012	Executive Budget Fiscal 2013	Legislative Budget Fiscal 2013	Leg - Exec. Difference Fiscal 2013	Biennium Difference Fiscal 12-13
FTE	30.50	29.00	28.25	(0.75)	29.00	28.25	(0.75)	
Personal Services	2,064,578	1,738,949	1,715,458	(23,491)	1,740,427	1,717,067	(23,360)	(46,851)
Operating Expenses	2,069,966	1,996,875	1,946,956	(49,919)	1,976,021	1,926,102	(49,919)	(99,838)
Equipment & Intangible Assets	44,016	44,016	7,935	(36,081)	44,016	7,935	(36,081)	(72,162)
Grants	493,048	1,356,857	1,356,857	0	356,857	356,857	0	0
Total Costs	\$4,671,608	\$5,136,697	\$5,027,206	(\$109,491)	\$4,117,321	\$4,007,961	(\$109,360)	(\$218,851)
General Fund	2,722,517	2,721,573	2,652,257	(69,316)	2,705,797	2,636,612	(69,185)	(138,501)
State/Other Special	803,498	807,098	766,923	(40,175)	803,498	763,323	(40,175)	(80,350)
Federal Special	1,145,593	1,608,026	1,608,026	0	608,026	608,026	0	0
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$4,671,608	\$5,136,697	\$5,027,206	(\$109,491)	\$4,117,321	\$4,007,961	(\$109,360)	(\$218,851)

The legislative budget is less than the proposed executive budget as the legislature implemented a full 5% reduction to general fund and state special revenue in the 2013 biennium compared to the partial implementation of the 5% reduction plan in the executive budget.

Funding

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

Program Funding Table Statewide Library Resources						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 2,722,517	58.3%	\$ 2,652,257	52.8%	\$ 2,636,612	65.8%
01100 General Fund	2,722,517	58.3%	2,652,257	52.8%	2,636,612	65.8%
02000 Total State Special Funds	803,498	17.2%	766,923	15.3%	763,323	19.0%
02005 Operating-Other State Special	-	-	3,600	0.1%	-	-
02026 Nris State Special	253,523	5.4%	253,523	5.0%	253,523	6.3%
02340 Coal Sev. Tax Shared Ssr	549,975	11.8%	509,800	10.1%	509,800	12.7%
03000 Total Federal Special Funds	1,145,593	24.5%	1,608,026	32.0%	608,026	15.2%
03018 Library Commission	1,115,593	23.9%	1,578,026	31.4%	578,026	14.4%
03930 Nris Federal Funds	30,000	0.6%	30,000	0.6%	30,000	0.7%
06000 Total Proprietary Funds	-	-	-	-	-	-
06021 Mt Shared Catalog	-	-	-	-	-	-
Grand Total	\$ 4,671,608	100.0%	\$ 5,027,206	100.0%	\$ 4,007,961	100.0%

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

State special revenue includes funding for the following:

- o Coal severance tax shared account partially funds general operations, the costs of participating in regional and national networking, and library federation grants to assist local libraries in providing basic services
- o Assessments from the departments of Fish, Wildlife and Parks, Transportation, Natural Resources and Conservation, Environmental Quality, and the Montana University System partially fund NRIS core services

Federal funds come primarily from Library Services and Technology Act (LSTA) grants administered through the federal Institute of Museum and Library Services. The annual grant awards have ranged from \$953,000 to \$1.1 million over the last five years. The grants require a 2:1 match, meaning for every \$2 of federal funds, the state must match the grant with \$1 non-federal funds. About one-third of the federal funds are used to support library operations and the remaining two-thirds are used for grants and projects. A five-year plan is required for the grant. The federal funds are used for improving collection content and access by other libraries and patrons; for providing leadership, training, and consultation to Montana libraries; increasing partnerships and collaborations among Montana libraries; and expanding services to patrons with visual, physical, or reading disabilities.

The Montana Library Commission acts as the fiscal agent for the Montana Shared Catalog, a cooperative project involving 133 libraries across Montana. These libraries have pooled resources to purchase a library automation system. This project experienced strong growth in the 2011 biennium and projects a biennial budget increase of 3% in the 2013 biennium. This project is funded by a proprietary fund and does not appear in the Agency Budget Comparison table at the beginning of this narrative.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	2,722,517	2,722,517	5,445,034	102.95%	4,671,608	4,671,608	9,343,216	103.41%
Statewide PL Adjustments	66,358	50,646	117,004	2.21%	(275,166)	(290,876)	(566,042)	(6.26%)
Other PL Adjustments	500	500	1,000	0.02%	804,457	(195,545)	608,912	6.74%
New Proposals	(137,118)	(137,051)	(274,169)	(5.18%)	(173,693)	(177,226)	(350,919)	(3.88%)
Total Budget	\$2,652,257	\$2,636,612	\$5,288,869		\$5,027,206	\$4,007,961	\$9,035,167	

Other Legislation

HB 4 - The bill provides that all remaining FY 2011 federal budget amendment authority for the multistate demonstration project for preservation of state government digital information, the library services and technology act grant, the librarians for the 21st century grant, and the national leadership grant be authorized to continue into state FY 2012. The bill also provides that all remaining FY 2011 federal budget amendment authority for enhancing computing centers at Montana public libraries be authorized to continue into state FY 2013. The bill also authorizes \$229,899 in federal funds for FY 2011 for the multistate demonstration project for preservation of state government digital information and the library services and technology act grant.

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed 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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(182,684)					(181,076)
Vacancy Savings					(75,143)					(75,209)
Inflation/Deflation					(4,507)					(4,402)
Fixed Costs					(12,832)					(30,189)
Total Statewide Present Law Adjustments		\$66,358	\$0	(\$341,524)	(\$275,166)		\$50,646	\$0	(\$341,522)	(\$290,876)
DP 1 - LSTA Grants (Restricted/Biennial)	0.00	0	0	803,957	803,957	0.00	0	0	(196,045)	(196,045)
DP 2 - Standard Cost Adjustments	0.00	500	0	0	500	0.00	500	0	0	500
Total Other Present Law Adjustments	0.00	\$500	\$0	\$803,957	\$804,457	0.00	\$500	\$0	(\$196,045)	(\$195,545)
Grand Total All Present Law Adjustments	0.00	\$66,858	\$0	\$462,433	\$529,291	0.00	\$51,146	\$0	(\$537,567)	(\$486,421)

DP 1 - LSTA Grants (Restricted/Biennial) - The legislature increased federal authority to spend estimated Library Services 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 2013. The legislature line itemed LSTA grants totaling \$1.4 million for the 2013 biennium in HB 2 as a restricted, biennial appropriation.

DP 2 - Standard Cost Adjustments - The legislature reestablished zero-based insurance costs for talking book library volunteers insurance.

New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - Continuing Education & Certification Biennial/OTO	01	0.00	0	3,600	0	3,600	0.00	0	0	0	0
DP 55400 - 4% Personal Services Reduction	01	(1.50)	(67,802)	0	0	(67,802)	(1.50)	(67,866)	0	0	(67,866)
DP 95101 - 5% Plan - Reduce On-line Resources, Equip, & FTE	01	(0.75)	(67,580)	(40,175)	0	(107,755)	(0.75)	(67,456)	(40,175)	0	(107,631)
DP 97100 - Reduction in Worker's Compensation Costs	01	0.00	(1,736)	0	0	(1,736)	0.00	(1,729)	0	0	(1,729)
Total		(2.25)	(\$137,118)	(\$36,575)	\$0	(\$173,693)	(2.25)	(\$137,051)	(\$40,175)	\$0	(\$177,226)

DP 4 - Continuing Education & Certification Biennial/OTO - The legislature increased spending authority in the state special revenue account to allow the Montana State Library to spend the current balance of its continuing education and certification account on training and certification activities. Montana State Library has changed this program and no longer charges the fee. The legislature included this in HB 2 as a biennial, one-time only appropriation.

DP 55400 - 4% Personal Services Reduction - The legislature applied a 5% reduction of general fund and state special revenue funds to this agency in the 2013 biennium. This adjustment reduced general fund personal services by 4% as part of the 5% reduction. This reduction was part of the agency's submitted 5% reduction plan.

DP 95101 - 5% Plan - Reduce On-line Resources, Equip, & FTE - The legislature applied a 5% reduction of general fund and state special revenue funds to this agency in the 2013 biennium. This adjustment reduces both general fund and state special revenue and represents the difference between the 5% reduction plan submitted with the agency's 2013 biennium budget and the budget reduction in DP 55004.

DP 97100 - Reduction in Worker's Compensation Costs - The legislature reduced general fund support for worker's compensation costs based upon the anticipated impact of HB 334.

Proprietary Rates

Proprietary Program Description

The Montana Shared Catalog is a cooperative project involving over 133 libraries and serves nearly three-quarters of all Montanans. The Montana Library Commission serves as the fiscal agent for the Montana Shared Catalog. Public, school, academic, medical, and other special libraries have pooled resources to purchase a library automation system. Members' benefits include shared expertise and the ability to provide additional services to library customers.

The Montana Shared Catalog is funded with enterprise type proprietary funds. Because these proprietary funds do not require an appropriation, they are not included in the budget tables in this report. The source of the funding is the member fees paid by the libraries to belong to the Montana Shared Catalog. State support is not appropriated to the proprietary fund.

Proprietary Rate Explanation

The legislature does not approve rates or appropriate funds for 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.