

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	53.63	1.00	4.50	59.13	1.00	4.50	59.13	59.13
Personal Services	1,902,403	242,336	191,921	2,336,660	252,589	192,548	2,347,540	4,684,200
Operating Expenses	996,842	318,824	211,490	1,527,156	300,607	200,273	1,497,722	3,024,878
Equipment	10,077	0	0	10,077	0	0	10,077	20,154
Grants	72,670	240,000	100,000	412,670	240,000	100,000	412,670	825,340
Transfers	53,652	0	0	53,652	0	0	53,652	107,304
Total Costs	\$3,035,644	\$801,160	\$503,411	\$4,340,215	\$793,196	\$492,821	\$4,321,661	\$8,661,876
General Fund	1,650,520	316,088	433,411	2,400,019	302,793	422,821	2,376,134	4,776,153
State/Other Special	192,586	40,462	0	233,048	41,014	0	233,600	466,648
Federal Special	461,688	409,095	0	870,783	412,328	0	874,016	1,744,799
Proprietary	730,850	35,515	70,000	836,365	37,061	70,000	837,911	1,674,276
Total Funds	\$3,035,644	\$801,160	\$503,411	\$4,340,215	\$793,196	\$492,821	\$4,321,661	\$8,661,876

Agency Description

The Historical Society, authorized by 22-3-101, MCA, exists for the use, learning, culture, and enjoyment of the citizens of the state. They are charged to acquire, preserve, and protect historical records, art, archives, museum objects; and historical places, sites, and monuments. The society maintains a library, an art gallery, a museum, and historical exhibits. They publish the state historical magazine and newsletter, and provide educational opportunities and information. The society also administers preservation and antiquities acts and supports commissions with state history orientation.

Agency Discussion

Overall agency status

During the last two years, visitors to the Historical Society have remained constant, averaging 88,496 per year. The Library Program has reproduced publications and photos at a constant rate averaging 9,460 per year, and provided reference services of 17,510 per year. The Museum Program has increased the average number of exhibits from 26 to 31, and increased program participants from 42,296 to an average of 50,208 per year. The Publication Program has seen a drop in subscribers from 7,341 to an average of 6,303. The Historical Sites Program has seen a slight decline in projects from 1,498 to an average of 1,222. Overall, the Museum Program is increasing its exhibits and public participation, the administration and library programs are remaining constant, and the Publications and Historic Sites programs have declined.

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	Present Law Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Biennium Fiscal 00-01	Total Exec. Budget Fiscal 02-03
FTE	54.63	4.50	59.13	54.63	4.50	59.13	0.00	59.13
Personal Services	2,144,739	191,921	2,336,660	2,154,992	192,548	2,347,540	3,963,774	4,684,200
Operating Expenses	1,315,666	211,490	1,527,156	1,297,449	200,273	1,497,722	1,898,727	3,024,878
Equipment	10,077	0	10,077	10,077	0	10,077	49,468	20,154
Grants	312,670	100,000	412,670	312,670	100,000	412,670	174,814	825,340
Transfers	53,652	0	53,652	53,652	0	53,652	107,302	107,304
Total Costs	\$3,836,804	\$503,411	\$4,340,215	\$3,828,840	\$492,821	\$4,321,661	\$6,194,085	\$8,661,876
General Fund	1,966,608	433,411	2,400,019	1,953,313	422,821	2,376,134	3,226,445	4,776,153
State/Other Special	233,048	0	233,048	233,600	0	233,600	433,119	466,648
Federal Special	870,783	0	870,783	874,016	0	874,016	1,002,014	1,744,799
Proprietary	766,365	70,000	836,365	767,911	70,000	837,911	1,532,507	1,674,276
Total Funds	\$3,836,804	\$503,411	\$4,340,215	\$3,828,840	\$492,821	\$4,321,661	\$6,194,085	\$8,661,876

New Proposals

The table below summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

Prgm	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personnel Officer										
01	0.50	25,722	0	0	25,722	0.50	22,791	0	0	22,791
DP 3 - Lewis & Clark Bicentennial -NP										
01	1.50	145,846	0	0	145,846	1.50	140,062	0	0	140,062
DP 9 - Information System Support Specialist										
01	1.00	46,221	0	0	46,221	1.00	43,372	0	0	43,372
DP 10 - Online Public Record Access										
01	0.00	22,217	0	0	22,217	0.00	29,000	0	0	29,000
DP 12 - Scriver Curator										
03	0.50	28,484	0	0	28,484	0.50	25,553	0	0	25,553
DP 13 - Agency Newsletter Fund Switch										
04	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
DP 14 - Volunteer Coordinator										
03	0.50	20,302	0	0	20,302	0.50	20,355	0	0	20,355
DP 15 - SHPO Grants Administrator										
06	0.50	24,619	0	0	24,619	0.50	21,688	0	0	21,688
DP 17 - Overhead										
01	0.00	0	0	0	70,000*	0.00	0	0	0	70,000*
DP 33 - Grant Funding										
08	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
Total	4.50	\$433,411	\$0	\$0	\$503,411*	4.50	\$422,821	\$0	\$0	\$492,821*

Agency Issues

**LFD
ISSUE**

The Scriver Collection

During the interim, the Historical Society acquired the Scriver Collection of history and art as a gift to the State of Montana from Robert M. Scriver. This collection is massive (both historically and physically). It contains over 3,500 individual pieces, including more than 600 bronze works (many larger than life), 200 original oil paintings, 100 mounted animals, a 500 volume historical reference library, thousands of historical pictures, and hundreds of historical period pieces reflecting life in Montana for early settlers, loggers, ranchers, and Native Americans (including Lewis & Clark Bicentennial related items.)

The agency requested and received a \$125,000 supplemental appropriation in fiscal 2000 to complete transfer and storage of this collection and is anticipating an additional supplemental during fiscal 2001. During the 2003 biennium, the Historical Society has also requested \$196,000 to store and inventory this \$15 million collection. Funding this collection under the limited scope of storage and inventory could potentially result in a major part of Montana history remaining in a warehouse both during the Lewis & Clark Bicentennial and for the foreseeable future.

**LFD ISSUE
CONTINUED**

Since the collection was acquired in the legislative interim, there has also been no opportunity for the legislature to discuss or be involved in the public policy implications the collection engenders. The legislature may wish to be involved in the establishment of a statewide vision for future management and display of this collection. The collection holds high potential as a major draw around the state. The legislature may wish to consider a number of options. These options include:

- ?? establishing a statewide vision for future management and display of the collection;
- ?? soliciting immediate opinions and providing guidance on developing short/long-term collection goals;
- ?? directing development of a timeline for public enjoyment of this collection that is synergistic to peak tourism seasons and the Lewis & Clark Bicentennial; and
- ?? directing development of a plan to suffuse the historical and cultural significance of this collection, with other collectibles and state historic period pieces, for display in schools, museums, libraries, and civic facilities across the state.

**LFD
ISSUE****Agency Direction**

The Historical Society is experiencing significant expansion of their organization based on their interpretation of the Historical Society "mission". The acquisition of the Scriver collection is an example. During the interim, the Historical Society acquired this collection without an opportunity to consult with the legislature on the potential funding effects on the state budget. This has committed the taxpayers of the state to now funding this project into perpetuity.

The mission statements for the Historical Society are filled with sentences that mandate continued growth. This includes:

- ?? "develop the state and nation's most comprehensive collection of research materials for Montana history"
- ?? "continue operation of the Montana Historical Society Press and Museum Store"
- ?? "systematically develop and improve the museum's permanent collection through acquisition"
- ?? "develop and operate the properties in Virginia City and Nevada City"
- ?? "acquire and manage properties that possess outstanding historical value"
- ?? "coordinate and promote Montana's bicentennial commemoration of the Lewis and Clark expedition"

These open-ended acquisition authorities result in continual general agency growth that may or may not be within the wishes or funding intent of the state legislature. Whenever the Historical Society has an opportunity to acquire items large or small, under their broad mission parameters they propose acquisition. (They would, in fact, site the many items they turn down as an indication of agency restraint.) Acquisition proposals are then referred to the Board of Trustees. The Board of Trustees is also charged by mission statement to acquire collectables. This results in continued program growth. Continued growth in all programs has resulted in general fund increases as follows:

- ?? 1995 biennium - \$2,684,173, Base
- ?? 1997 biennium - \$2,641,064, -1% over 1995
- ?? 1999 biennium - \$2,881,474, +8 over 1997
- ?? 2001 biennium - \$3,405,470, +15% over 1999
- ?? 2003 biennium (proposed)- \$4,776,153, +28% over 2001

**LFD ISSUE
CONTINUED**

Part of this large general fund rise is the Scriver acquisition. Without discussing the merits of the state's acquisition, as a minimum the collection will indicate a cost to the state taxpayers of \$196,000 during the 2003 biennium. In addition its acquisition and perpetual funding were not discussed in advance with the state legislature, partially because there is no venue mechanism for this to occur.

The legislature may wish to consider some form of legislative oversight and/or routine interim period communications channel with this agency in order to provide input to the organization's acquisition growth. Another option for consideration could be a legislatively imposed limitation on growth that limits the acquisition ability. This could take the form of long-term goal setting and/or legislative direction. Without legislative oversight, agency history indicates continued above-average growth and corresponding funding requests in the agency.

Program Proposed Budget								
<i>Budget Item</i>	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	13.00	0.00	3.00	16.00	0.00	3.00	16.00	16.00
Personal Services	498,696	73,940	131,381	704,017	76,451	131,817	706,964	1,410,981
Operating Expenses	377,198	122,471	178,625	678,294	98,268	173,408	648,874	1,327,168
Equipment	0	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0
Total Costs	\$875,894	\$196,411	\$310,006	\$1,382,311	\$174,719	\$305,225	\$1,355,838	\$2,738,149
General Fund	737,206	175,489	240,006	1,152,701	152,975	235,225	1,125,406	2,278,107
State/Other Special	81,510	20,513	0	102,023	20,513	0	102,023	204,046
Federal Special	57,178	409	0	57,587	1,231	0	58,409	115,996
Proprietary	0	0	70,000	70,000	0	70,000	70,000	140,000
Total Funds	\$875,894	\$196,411	\$310,006	\$1,382,311	\$174,719	\$305,225	\$1,355,838	\$2,738,149

Program Description

The Administration Program provides supervision, administration, and coordination of the five programs in the Montana Historical Society. Program staff are 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, and historic interpretation.

Funding

This program is funded with general fund, state special revenue funds from donations and bed tax, and federal funds from administration of National Parks Service programs. The executive is proposing to fund a portion of this program through an overhead charge to the commissions attached to the agency.

	-----Fiscal 2002-----				-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					90,119					92,706
Vacancy Savings					(16,179)					(16,255)
Inflation/Deflation					(512)					(306)
Fixed Costs					86,636					62,359
Total Statewide Present Law Adjustments					\$160,064					\$138,504
DP 2 - Lewis And Clark Bicentennial PL	0.00	31,847	0	0	31,847	0.00	31,715	0	0	31,715
DP 5 - Administration Adjustments to Base	0.00	4,500	0	0	4,500	0.00	4,500	0	0	4,500
DP 45 - Sites & Signs-SA	0.00	0	0	0	0	0.00	0	0	0	0
Total Other Present Law Adjustments	0.00	\$36,347	\$0	\$0	\$36,347	0.00	\$36,215	\$0	\$0	\$36,215
Grand Total All Present Law Adjustments					\$196,411					\$174,719

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2 - Lewis And Clark Bicentennial - This funding would allow the society to respond to immediate requests for professional heritage assistance regarding the Lewis and Clark Bicentennial from communities, tribes, and agencies. It would provide for Native American interpretation, and allow cultural artifacts to be conserved prior to their use around Montana and in society exhibits. This package, if funded, would add limited printing, copying, photography, phone, and travel funds to answer specific requests. It would enable tribal elders from around Montana to come to the society for advice on the bicentennial, and it would permit the society to complete professional conservation on Native American items used in the society's exhibits.

LFD ISSUE Due to the short-term nature of this request, if approved, the legislature may wish to consider a one-time-only appropriation.

DP 5 - Administrative Adjustments to Base - This proposal requests in-state travel for several positions in the society administration. The new director has planned a vigorous in-state travel schedule as part of a deliberate campaign to attract new society members and seek statewide input on services most needed by society constituents. The new Chief of Heritage Operations, authorized by the 1999 legislature, requires extensive travel that was not included in the last biennial budget, in order to assist with the Lewis and Clark Bicentennial; and Virginia City, Moss Mansion, and Daly Mansion audits and duties.

Prgm	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 1 - Personnel Officer 01	0.50	25,722	0	0	25,722	0.50	22,791	0	0	22,791
DP 3 - Lewis & Clark Bicentennial -NP 01	1.50	145,846	0	0	145,846	1.50	140,062	0	0	140,062
DP 9 - Information System Support Specialist 01	1.00	46,221	0	0	46,221	1.00	43,372	0	0	43,372
DP 10 - Online Public Record Access 01	0.00	22,217	0	0	22,217	0.00	29,000	0	0	29,000
DP 17 - Overhead 01	0.00	0	0	0	70,000 *	0.00	0	0	0	70,000 *
Total	3.00	\$240,006	\$0	\$0	\$310,006	3.00	\$235,225	\$0	\$0	\$305,225

New Proposals

DP 1 - Personnel Officer - This request would provide funding to hire a half-time personnel officer. Funding this position would allow the Historical Society to begin the process to: 1) conduct agency specific personnel management and policy development; 2) develop professional development plans for employees; 3) write and update agency specific job descriptions; 3) conduct internal hiring processes for FTE's, seasonal positions, and volunteers; 4) conduct cross-training and professional development planning; 5) provide regular and progressive job performance counseling and evaluation; and 6) Establish a positive alignment with the legal complexities of personnel management.

DP 3 - Lewis & Clark Bicentennial -NP - This decision package requests one-time-only funding for 1.50 FTE, and funding associated with current basic requests to prepare for the upcoming Lewis and Clark Bicentennial. The society will be assisting local communities with exhibits, traveling exhibits, educational materials, workshops, and signage and other interpretive products. This request includes a historian, a curator, and a public access librarian, each at 0.50 FTE. This project will also provide specific contributions to the bicentennial effort including: an exhibit on the Corps of Discovery; model and primary theme signage; and local workshops to help communities provide historically accurate and consistent programs during the bicentennial.

**LFD
ISSUE**

Due to the short-term nature of this request, if approved, the legislature may wish to consider a one-time-only appropriation

DP 9 - Information System Support Specialist - This decision package requests funding for a grade 15 Information System Support Specialist. The Society currently performs this function as a combination of "in-house" effort and contracted support. This position would manage the Society's website and develop an integrated, computerized, cross-reference index of all collections available to the public.

**LFD
ISSUE**

Contracting does not appear to be the best solution based on the Historical Society specialty applications. The legislature may wish to consider funding this as a pilot program with the express requirement that the program attain specific goals in common application, upgrading equipment, training personnel on its use, obtaining specific goals in storing, organizing, tracking and making information available to the public.

DP 10 - Online Public Record Access - This decision package requests funding for managing information about the society archival holdings in an electronic format. Funding would be used to complete an agency-wide transition to electronic cataloging. The Society is not funded for hardware, internal support, and state supported software for its specialized historic artifact and document data. Requested items include "Star" software and support for the Photograph Archives to begin electronic cataloging of 400,000 items; licenses for "Past Perfect" museum cataloging software, support costs to participate in the nationwide library catalog, and staff training.

**LFD
ISSUE**

Electronic cataloging could provide a potential revenue source for the Historical Society. Electronic cataloging and availability by Internet may provide the public access to multiple opportunities to purchase materials. The legislature may wish to request that the society explore this option.

DP 17 - Overhead - This decision package would provide funding from a proprietary overhead assessment for administrative and professional assistance the Historical Society provides to the Heritage Commission and the Lewis and Clark Commission. This 10 percent overhead charge against the two commissions total operating budgets would reimburse the society for administrative and professional assistance currently provided to the commissions without charge. The need for this assessment system became apparent during the last five years as the society assumed administrative responsibility by legislative direction (without funding) for the Heritage Commission and its administration of Virginia City and Nevada City and the Lewis and Clark Commission.

**LFD
ISSUE**

The issue for legislative consideration is whether to fund the Historical Society for services they provide the two commissions that were administratively attached to the Historical Society during the previous legislative session. Consideration of this as a simple appropriation would substantially ease this process. Charging "overhead" to these agencies would be a recurring financial burden. Therefore, a more efficient option may be to reduce the proposed general fund appropriation for the commissions (see program 8, Lewis & Clark Bicentennial) by the amount equal to the overhead charge, and increase the appropriation to the Historical Society a proportionate amount.

Program 8 (Lewis & Clark Bicentennial) in the Historical Society section contains information on the proposal for general funding for the Lewis & Clark Bicentennial. The Lewis & Clark Bicentennial Commission is currently receiving no general fund. They are funded through a Travel Montana grant (based on accommodations tax, a grant from U. S. West and a grant from the Tourist Advisory Council.) The Lewis & Clark Bicentennial Commission is administratively attached to the Historical Society and does not answer to the Historical Society Board of Directors or the agency director. Therefore, the Lewis & Clark Bicentennial Commission Director has been invited to attend the discussion of this decision package with the legislature.

Program Proposed Budget								
<i>Budget Item</i>	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	13.75	0.00	0.00	13.75	0.00	0.00	13.75	13.75
Personal Services	492,839	31,943	0	524,782	34,935	0	527,774	1,052,556
Operating Expenses	112,770	10,589	0	123,359	10,673	0	123,443	246,802
Equipment	10,077	0	0	10,077	0	0	10,077	20,154
Grants	0	0	0	0	0	0	0	0
Total Costs	\$615,686	\$42,532	\$0	\$658,218	\$45,608	\$0	\$661,294	\$1,319,512
General Fund	556,884	38,799	0	595,683	41,803	0	598,687	1,194,370
State/Other Special	2,808	0	0	2,808	0	0	2,808	5,616
Federal Special	0	0	0	0	0	0	0	0
Proprietary	55,994	3,733	0	59,727	3,805	0	59,799	119,526
Total Funds	\$615,686	\$42,532	\$0	\$658,218	\$45,608	\$0	\$661,294	\$1,319,512

Program Description

The Library Program staff provides library and archive functions. They acquire, organize, preserve, and provide to the public published materials, historic records, manuscripts, photographs, and oral histories of Montana, and the West. The Library Program also houses the official archives of state government.

Funding

This program is funded with general funds, state special revenue funds (Teakle Trust Fund for special books), and proprietary funds from the sale of photographs and photocopies.

	-----Fiscal 2002-----				-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					46,531					49,616
Vacancy Savings					(14,588)					(14,681)
Inflation/Deflation					(162)					4
Fixed Costs					3,968					3,968
Total Statewide Present Law Adjustments					\$35,749					\$38,907
DP 4 - Library Program Adjustments to Base	0.00	3,783	0	0	3,783	0.00	3,701	0	0	3,701
DP 19 - Microfilm Reader printer Lease	0.00	3,000	0	0	3,000	0.00	3,000	0	0	3,000
Total Other Present Law Adjustments	0.00	\$6,783	\$0	\$0	\$6,783	0.00	\$6,701	\$0	\$0	\$6,701
Grand Total All Present Law Adjustments					\$42,532					\$45,608

Executive Present Law Adjustments

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DP 4 - Library Program Adjustments to Base - This decision package would provide funding for communication costs and board and staff travel not currently reflected in the adjusted base budget. The Archives program would like to install voice mail on several primary lines. The state must have a State Historical Records Advisory Board meeting at least twice a year. The society has no base funding for these meetings. Society staff provide technical assistance to local libraries and historical societies. This program has had no base travel funding. Travel funding would permit society staff to provide basic technical assistance on-site to Montana communities.

**LFD
ISSUE**

It may be possible for local libraries and societies to provide funding or partial funding for this, and teleconferences can save travel. Options the legislature may wish to consider include full funding, partial funding with matching community funds, or discretionary decision making by the Historical Society.

DP 19 - Microfilm Reader printer Lease - This decision package would provide funding for the Library to put four microfilm reader/printers into a replacement schedule to maintain a minimum number of readers available to library patrons. The library currently collects a minimal charge for this service of \$.50 per copy (\$.25 for students).

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	9.00	0.00	1.00	10.00	0.00	1.00	10.00	10.00
Personal Services	307,818	22,737	38,921	369,476	24,470	39,043	371,331	740,807
Operating Expenses	88,597	98,499	9,865	196,961	103,532	6,865	198,994	395,955
Total Costs	\$396,415	\$121,236	\$48,786	\$566,437	\$128,002	\$45,908	\$570,325	\$1,136,762
General Fund	280,204	101,612	48,786	430,602	107,826	45,908	433,938	864,540
State/Other Special	108,268	19,949	0	128,217	20,501	0	128,769	256,986
Proprietary	7,943	(325)	0	7,618	(325)	0	7,618	15,236
Total Funds	\$396,415	\$121,236	\$48,786	\$566,437	\$128,002	\$45,908	\$570,325	\$1,136,762

Program Description

The Museum Program staff, which operates independently in accordance with 3-22-3-013, MCA, preserves, and interprets the history of Montana. They collect fine arts and artifacts of the general geographic region and display them through exhibits and educational activities.

Funding

This program is funded from general funds, state special revenue funds including donations and accommodations tax, and proprietary funds including sales of books, copies and photographs; and rental of traveling exhibits.

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					31,866					33,652
Vacancy Savings					(9,129)					(9,182)
Inflation/Deflation					(493)					(342)
Fixed Costs					2,992					3,874
Total Statewide Present Law Adjustments					\$25,236					\$28,002
DP 11 - Scriver Rent Storage	0.00	96,000	0	0	96,000	0.00	100,000	0	0	100,000
Total Other Present Law Adjustments	0.00	\$96,000	\$0	\$0	\$96,000	0.00	\$100,000	\$0	\$0	\$100,000
Grand Total All Present Law Adjustments					\$121,236					\$128,002

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 11 - Scriver Rent Storage - This present law adjustment would provide funding for storage of the recently acquired \$15 million Robert M. Scriver collection of art, sculpture, taxidermy, guns, artifacts, photographs, books, and Western memorabilia in a secure warehouse.

LFD ISSUE The Scriver collection is a substantial assemblage of "destination quality" exhibits and research materials. Adequately developed, it could become a foundation for cultural tourism with statewide economic potential and a historical and cultural education tool for state school districts during the off-seasons. Based on its financial and historical value, and its potential for visitation and study, viability of leaving the collection in storage should be considered a short-term course of action.

As pointed out in agency issues, leaving this collection in storage for two years provides limited benefit to either state residents or visitors, as no one views the collection, and no revenue is generated. There are many options the legislature may wish to consider. Options could include:

- ?? funding for storage and inventory only (original proposal);
- ?? funding for storage and inventory and concurrent development of a short-term and long-term management plan for the collection;
- ?? funding for storage and inventory, and to provide partial local and off-site display of portions of the collection;
- ?? funding for accelerated availability within this biennium as part of the Lewis & Clark bicentennial planning; or
- ?? funding for development and phased completion of a long-term plan.

New Proposals										
-----Fiscal 2002-----						-----Fiscal 2003-----				
<i>Prgm</i>	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 12 - Scriver Curator										
03	0.50	28,484	0	0	28,484	0.50	25,553	0	0	25,553
DP 14 - Volunteer Coordinator										
03	0.50	20,302	0	0	20,302	0.50	20,355	0	0	20,355
Total	1.00	\$48,786	\$0	\$0	\$48,786 *	1.00	\$45,908	\$0	\$0	\$45,908 *

New Proposals

DP 12 - Scriver Curator - This new proposal would provide funding to establish a 0.50 FTE and curate the Robert M. Scriver collection. This funding would allow the society to hire a part-time curatorial technician to provide minimal, basic curatorial care of the Robert M. Scriver collection of art, sculpture, taxidermy, guns, artifacts, photographs, books, and Western memorabilia. This funding would accomplish the initial processing of the collection, including systematic registration and documentation, initial cleaning and pest control, limited treatment of "at-risk" items, and pre-exhibit research.

LFD ISSUE This issue is synonymous with the overall agency issue and proposals already indicated in decision package 11. The 20,000 square foot, 3,500-piece size of the Scriver collection indicates that completing the curatorial process with one half-time FTE could take a long time. The issue for legislative consideration may be integration of this proposal into a short- and long-term plan for the collection. Possible courses of action to complete this are indicated in the LFD issue for decision package number 11 (above).

DP 14 - Volunteer Coordinator - This new proposal would provide funding for a .5 FTE volunteer coordinator. The society currently relies on 80 to 100 volunteers for a wide range of work. Private funding, provided initially to determine whether such a position would benefit the agency, is no longer available. The agency has indicated that funding this position would enable the society to double its volunteer corps, meet many requests that cannot currently be handled, and curate artifacts currently waiting for care.

Program Proposed Budget								
<i>Budget Item</i>	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	10.38	0.00	0.00	10.38	0.00	0.00	10.38	10.38
Personal Services	319,826	38,663	0	358,489	39,893	0	359,719	718,208
Operating Expenses	347,087	(6,556)	20,000	360,531	(6,312)	20,000	360,775	721,306
Equipment	0	0	0	0	0	0	0	0
Transfers	53,652	0	0	53,652	0	0	53,652	107,304
Total Costs	\$720,565	\$32,107	\$20,000	\$772,672	\$33,581	\$20,000	\$774,146	\$1,546,818
General Fund	53,652	0	20,000	73,652	0	20,000	73,652	147,304
State/Other Special	0	0	0	0	0	0	0	0
Proprietary	666,913	32,107	0	699,020	33,581	0	700,494	1,399,514
Total Funds	\$720,565	\$32,107	\$20,000	\$772,672	\$33,581	\$20,000	\$774,146	\$1,546,818

Program Description

The Publications Program staff promotes the study of Montana history through lectures and publications, including quarterly official publications and newsletters, and books under official society seal through retail, e-mail, and mail order sales.

Funding

This program is funded with general fund and proprietary funds. The proprietary funds are enterprise funds derived from the for-profit sale of magazines and books from the retail and mail order bookstore.

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					48,436					49,705
Vacancy Savings					(9,773)					(9,812)
Inflation/Deflation							168			
Fixed Costs					(6,575)		(6,480)			
Total Statewide Present Law Adjustments					\$32,107		\$33,581			
Grand Total All Present Law Adjustments					\$32,107					\$33,581

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

New Proposals										
-----Fiscal 2002-----						-----Fiscal 2003-----				
<i>Prgm</i>	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 13 - Agency Newsletter Fund Switch										
04	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
Total	0.00	\$20,000	\$0	\$0	\$20,000 *	0.00	\$20,000	\$0	\$0	\$20,000 *

New Proposals

DP 13 - Agency Newsletter Fund Switch - This new proposal would provide a funding switch to place the society's basic newsletter and mailing list management in the general fund under the Administration program, rather than in various programs in a proprietary fund base. The society's mailing/subscription lists are currently maintained via contract with a fulfillment service. The society contends that the present contractor is unwilling to use state-of-the-art electronic databases and newsletters do not meet the expectation of many members.

LFD COMMENT This decision package proposes to move funding for the Society's newsletters and mailings from proprietary to general fund. The agency was questioned about the possibility of considering a charge for the newsletter and was not supportive of this concept based on the administrative time needed to complete billing and a belief that this would substantially reduce subscriber willingness to make donations. There has already been a 14 percent drop in subscriptions over the last two years. The agency feels that charging for the newsletter would likely cause an additional drop in subscribers when the newsletter is the society's single most critical education/informational vehicle, serving all society programs and functions.

LFD ISSUE The legislature currently subsidizes the production of the Historical Society's newsletter in order to avoid having to charge those that receive it. The legislature may wish to discuss the continuing appropriateness of this action. The agency has also indicated, but has not provided data to support the position that the newsletter has been a regular catalyst for donations to the society. If the agency can show there is a positive funding relationship between the newsletter and donations, opportunity for legislative support may be more viable. The legislature may wish to direct that the Historical Society provide evidence to support the assertion that donations are directly or indirectly tied to the newsletter

Program Issue

Director of the Publications Program

LFD ISSUE There was significant vacancy savings reported in the Publication Program based on a vacancy in the Director's position. The legislature may wish to ask the agency what the agency believes is causing the delay in filling this position, and when the Historical Society expects it will be filled.

Position Omission from the Executive Recommendation (unplanned)

The Office of Budget and Program Planning unintentionally omitted a position in calculating total personal services for this program. The agency and OBPP both desire funding for this position. This position is program 4, position 51700501-1, a .5 FTE at grade 12. Funding for this position should include \$16,169 (year 1) and \$16,218 (year 2). With legislative approval, this position will be reentered into the budget numbers for this program and this agency.

Program Proposed Budget								
<i>Budget Item</i>	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	7.50	1.00	0.50	9.00	1.00	0.50	9.00	9.00
Personal Services	283,224	75,053	21,619	379,896	76,840	21,688	381,752	761,648
Operating Expenses	71,190	93,821	3,000	168,011	94,446	0	165,636	333,647
Grants	72,670	240,000	0	312,670	240,000	0	312,670	625,340
Total Costs	\$427,084	\$408,874	\$24,619	\$860,577	\$411,286	\$21,688	\$860,058	\$1,720,635
General Fund	22,574	188	24,619	47,381	189	21,688	44,451	91,832
State/Other Special	0	0	0	0	0	0	0	0
Federal Special	404,510	408,686	0	813,196	411,097	0	815,607	1,628,803
Total Funds	\$427,084	\$408,874	\$24,619	\$860,577	\$411,286	\$21,688	\$860,058	\$1,720,635

Program Description

The Historic Sites Preservation Program administers the Montana Antiquities Act, Montana's participation in the federal Historic Preservation Act, and the federal grants-in-aid for historic preservation. The staff provides technical assistance to all Montana property owners. Staff review all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing on the National Register of Historic Places. The office certifies historic structures and rehabilitation projects for federal tax credits to citizens and businesses authorized by the Tax Reform Act of 1976. The program awards federal grants to local governments, communities, and individuals under the Certified Local Government Program, and completes historic survey and planning for historic areas.

Funding

This program is funded with general fund and federal special revenue from National Park Service grants.

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					36,817					38,489
Vacancy Savings					(8,751)					(8,802)
Inflation/Deflation					637					1,104
Fixed Costs					616					940
Total Statewide Present Law Adjustments					\$29,319					\$31,731
DP 34 - Federal grant adjustment	1.00	0	0	379,555	379,555	1.00	0	0	379,555	379,555
Total Other Present Law Adjustments	1.00	\$0	\$0	\$379,555	\$379,555	1.00	\$0	\$0	\$379,555	\$379,555
Grand Total All Present Law Adjustments					\$408,874					\$411,286

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 34 - Federal grant adjustment - This present law adjustment would adjust federal funding based on an increase in the federal grants already received from the Department of Interior appropriations bill for the National Historic Sites website property data base for historic preservation. This funding will add a 1.00 FTE rural heritage property surveyor in the State Historic Preservation Office (SHPO) of the Montana Historical Society (MHS) to assist rural property owners and state agencies with historic preservation. Funding includes operating expenses. The Montana state antiquities act requires the state historic preservation officer to "conduct an ongoing survey to identify and document heritage properties and paleontological remains". Under the National Historic Preservation Act SHPO receives federal funds to maintain and support statewide cultural resource inventories.

LFD COMMENT This funding adjustment would appropriate already received federal funds that have no requirement for matching funds. The only restriction on this federal funding is that it be used for the federally intended purpose. This is a recurring federal grant provided to every state and it is anticipated to continue at or above current levels.

New Proposals	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
<i>Prgm</i>										
DP 15 - SHPO Grants Administrator 06	0.50	24,619	0	0	24,619	0.50	21,688	0	0	21,688
Total	0.50	\$24,619	\$0	\$0	\$24,619 *	0.50	\$21,688	\$0	\$0	\$21,688 *

New Proposals

DP 15 - SHPO Grants Administrator - This new proposal would provide funding to add a .50 FTE grants administrator and supporting funding to ensure continued receipt of federal preservation grants and funds. This position has previously been funded by private donations from the Historic Society Board of Directors. This position also oversees grants to Montana's 13 community-based preservation programs and ensures grant recipients comply with state and federal requirements.

LFD ISSUE This position procured \$813,196 in federal funding last year, a \$313,196 rise over the \$500,000 in grants procured in the previous year. Historically, there is a substantial return for the cost. This position could have a performance contingency based upon appropriation wording requiring that the state receive grants of at least \$1 million per year as a condition of future funding.

Program Proposed Budget									
<i>Budget Item</i>	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03	
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Grants	0	0	100,000	100,000	0	100,000	100,000	200,000	
Total Costs	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$200,000	
General Fund	0	0	100,000	100,000	0	100,000	100,000	200,000	
Total Funds	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$200,000	

Program Description

The Montana Lewis and Clark Bicentennial Commission was statutorily created by the 1997 legislature. The commission's mission is to provide statewide leadership, communication, and coordination in planning and implementing the Lewis and Clark Bicentennial observance in Montana that is scheduled to be held from 2003-2006. The commission has 12 Governor-appointed commissioners serving three-year staggered terms.

Funding

The executive is proposing a new program with no history of funding by the state legislature. This program would be funded with general fund.

Executive Present Law Adjustments

As this is a new program, there are no adjustments to present law.

<i>Prgm</i>	FTE	-----Fiscal 2002-----				-----Fiscal 2003-----				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 33 - Grant Funding 08	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
Total	0.00	\$100,000	\$0	\$0	\$100,000	0.00	\$100,000	\$0	\$0	\$100,000

New Proposals

DP 33 - Grant Funding - This request would provide the Lewis and Clark Bicentennial Commission non-federal matching funds for several federal and corporate Lewis and Clark grant programs. The commission has implemented a grants program to assist non-profit and community groups needing funding to host visitors during the bicentennial. Those groups have identified \$25 million in basic infrastructure and interpretive needs over the next eight years. Funding for local Lewis and Clark Bicentennial grant programs comes from a variety of sources. The commission serves as the conduit for major grant sources and directs them to local Montana communities through a competitive process. The National Park Service, the US Forest Service, and the Bureau of Land management all will administer grant programs for which Montana would be competitive if it had readily accessible nonfederal match funding capability.

Corporate sponsors expect grant requestors to commit funding to a project. Local projects are required to provide project match, but many communities generate in-kind goods and services for match rather than direct funds. The availability of a state-funded match source would make Montana more competitive in securing out-of-state federal and corporate support for many of the identified local Lewis and Clark bicentennial projects.

**LFD
ISSUE**

The agency has requested the legislature provide a guaranteed matching funds source for federal grants. However, this appears to be match for anticipated grants as opposed to actual grants. The agency has indicated multiple possible sources, but does not indicate any actual approved grants.

There are multiple issues for the legislature to consider related to this issue which have not been provided by the requesting agency. The agency has been requested to provide the following information:

- ?? Why should the state provide this funding?
- ?? How, in specific terms, is this funding going to be used?
- ?? What is the general fund actually matching in this request?
- ?? What are the matching requirements by percentage?
- ?? What can communities that request funding from the Bicentennial Commission provide in match?
- ?? What is the criteria to award the state portion of these matching funds to a community?

The Lewis & Clark Bicentennial Commission is administratively attached to the Historical Society and does not answer to the Historical Society Board of Directors or the agency director. Therefore, the Lewis & Clark Bicentennial Commission Director has been invited to attend discussion of this decision package with the legislature.