

Section E

**Office of Public Instruction
Board of Public Education
Commissioner of Higher Education
Six University Units
Colleges of Technology
Community Colleges
Agricultural Experiment Station
Cooperative Extension Service
Forestry and Conservation
Experiment Station
Bureau of Mines
Fire Services Training School
Tribal Colleges Assistance**

**School for the Deaf and Blind
Montana Arts Council
State Library Commission
Montana Historical Society**



Legislative Fiscal Division



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OFFICE OF PUBLIC INSTRUCTION

AGENCY SUMMARY

The total amount of fiscal 2003 aid to schools that is eligible for spending reductions is \$23.5 million. This includes the appropriations for transportation and the flex account, as well as other smaller distributions. The Office of Public Instruction will reduce spending in its aid to schools by 3 percent. However, all of the spending cut will be borne by the flex account, or \$707,030. An additional 0.5 percent in aid to schools has not been specified. OPI will also reduce spending in administration by 3.5 percent but no specific plans, and therefore no potential impacts, have been identified.

<u>Program Name</u>	<u>Service</u>	<u>Recommended</u>
9 Distribution to Public Schools	Flex fund grants to schools	705,030
As a response to a 3% reduction in expenditures, the Office of Public Instruction recommended a 3% reduction in the amount paid to each school district for the School Flexibility fund. The Flexibility fund is new for FY2003 and has not been received by districts in prior years. Money in the School Flexibility Account is allocated to each school district according to the provisions in 20-9-542 and is used by schools for the purposes listed in 20-9-543. Districts received an estimate of their FY03 "flex" payment from the Office of Public Instruction in March 2002 and have used that estimate in planning their budgets and levy requirements for the 2002-2003 school year. Districts may still levy the amounts approved by voters this spring.		

LFD ISSUE

Beginning in fiscal 2002, OPI began distributing block grants to the county retirement and transportation accounts in accordance with HB 124. The block grant appropriation to each county was based on an estimate of the revenue received in the county account in fiscal 2001 for those revenue sources that HB 124 redirected to the state. Statewide, the appropriation for county education block grants was \$12.7 million in fiscal 2002 and \$12.8 million in fiscal 2003. However the amount of revenue received by these accounts was only \$12.1 million in fiscal 2001. The state could save \$0.6 million per year in block grants to schools if spending were reduced to fiscal 2001 levels.

6 Opi Administration	Personal services and operating expenses	133,625
The Office of Public Instruction responded to the OBPP request with only the options for a 3% reduction in each program. For the administration program 3% reduction, the OPI will first use as much vacancy savings as possible. If that is not enough then the OPI will reduce personal services and operating expenses. The reduction will decrease OPI's ability to provide services to schools.		
99 Entire Agency	Unidentified reductions	139,775
Reductions in programs and services not yet identified by the Office of Public Instruction. The Office of Public Instruction only responded to a 3% reduction in general fund expenses. It is unknown how the Office of Public Instruction would choose to allocate reductions in excess of 3%. The level of reduction necessary is anticipated to be 3.5%.		

Summary for Agency # 3501, Office of Public Instruction, (3 detail records)	978,430
Fiscal 2003 Base Appropriation	27,868,402
Percent Reduction From Base	3.5%

BOARD OF PUBLIC EDUCATION

**AGENCY
SUMMARY**

The first two reductions proposed for this agency should have minimal impact. The third reduction could have an impact on operations, in that a portion of the dues for fiscal 2003 has already been pre-paid. However, there may be options to mitigate some of this impact.

<u>Program Name</u>	<u>Service</u>	<u>Recommended</u>
1 Administration The Board will share reference materials with other agencies, and be frugal in the use of materials by the Board and its staff. The Board will also explore ways to reduce the amount of paperwork necessary to keep its constituents informed. The Board currently provides information regarding its activities to a mailing list consisting of 40 collaborators, constituents and interested parties.	Supplies and Materials	2,332
1 Administration In the current year the legal activity has been less than anticipated and we propose to reduce this program for the next fiscal year with the hope that the Board does not have extensive litigation in 03. The Board will attempt to hold back other expenses, including NASBE dues to mitigate the potential for supplemental.	Legal Services	3,000

**LFD
COMMENT**

As of May 28, the board had expended \$1,286 for legal fees. According to the director, the board had allocated \$18,000 for legal fees in fiscal 2002.

1 Administration This item would discontinue the Board's membership in the National Association of State Boards of Education (NASBE). The National Association has proven to be the best source of material and technical assistance in keeping the Board contemporary with national trends. NASBE is one of the Board's main sources for technical assistance in understanding and implementing the new federal legislation.	NASBE dues	12,442
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**LFD
COMMENT**

Prior to the 2003 biennium, the board had not been provided funding for these dues. The 2001 legislature appropriated \$15,000 each year to allow participation. The board paid dues for the last six months of calendar 2001 and the entire calendar 2002 dues of \$15,000, for a total outlay of about \$22,500, of which \$7,500 is pre-paid for fiscal 2003 from that year's appropriation. Therefore, there may not be this level of reduction from dues available.

As stated earlier, the board potentially has \$18,000 of unspent authority for legal fees in fiscal 2002. Up to 30 percent of this unspent authority could be carried forward into the fiscal 2003 appropriation, mitigating a portion of this reduction.

Summary for Agency # 5101, Board of Public Education, (3 detail records)	17,774
Fiscal 2003 Base Appropriation	\$178,587
Percent Reduction From Base	10.0%

COMMISSIONER OF HIGHER EDUCATION

AGENCY SUMMARY

The Governor's Office of Budget and Program Planning recommends a 3.5 percent general fund expenditure reduction for public postsecondary education campuses and agencies governed by the Montana Board of Regents. At its May 2002 meeting, the Board of Regents reviewed options for complying with proposed general fund reductions. The options, developed by the institutions and the Office of the Commissioner of Higher Education, include increased tuition, reduced budget reserves, operational or equipment reductions, across-the-board or unspecified reductions, service reductions, and reduced student financial assistance. The Board of Regents did not approve any of the proposed options at the May 2002 meeting. The Board is expected to address the general fund reduction issue at its July 2002 meeting if necessary.

The table below summarizes the relative size of the current reduction proposals by category. The actual general fund reduction options approved by the Board in July, if any, may include some from this list or may include an entirely different set of options.

Table 1
General Fund Expenditure Reduction Proposal
Fiscal Year 2003

Category	Reduction Amount	Percent of Total
Increased Tuition	\$1,675,626	32.5%
Reduced Budget Reserves	981,744	19.1%
Across-the-Board or Unspecified Reductions	803,011	15.6%
Operational or Equipment	751,584	14.6%
Reduction to Instruction or Student Services	477,610	9.3%
Reduction to programs not directly related to students	397,619	7.7%
Reduced Student Financial Assistance	<u>64,948</u>	<u>1.3%</u>
TOTAL	<u><u>\$5,152,142</u></u>	<u><u>100.0%</u></u>

**AGENCY
SUMMARY
(continued)**

Table 2 below puts the current reduction proposals into a broader perspective. Table 2 compares the total amount of the current reduction proposal by category for fiscal 2003 to the budgeted fiscal 2002 amount for a similar category. For example, the table compares the proposed budget reserve reduction for fiscal 2003 (\$981,744) to the budgeted reserve for fiscal 2002 (\$5,472,691) and calculates the reduction as a percentage of the fiscal 2002 budgeted amount (17.9%). Although it would be most meaningful to compare potential fiscal 2003 reductions to the fiscal 2003 budget, the fiscal 2003 budget is not yet available.

Table 2
Proposed Fiscal 2003 General Fund Reductions Compared to Fiscal 2002 General Operating Budget
Montana University System

Category	Comparison Item	FY02 Comparison Item Amount	FY03 GF Reduction Amount	Reduction as a % of FY02 Amount
Increased Tuition	Budgeted Tuition Revenue	\$123,985,398	\$1,675,626	1.4%
Reduced Budget Reserves	Budgeted General Operating Fund Reserves	\$5,472,691	\$981,744	17.9%
Across-the-Board or Unspecified Reductions	General Operating Budget	\$277,324,282	\$803,011	0.3%
Operational or Equipment	General Operating Budget	\$277,324,282	\$751,584	0.3%
Reduction to Instruction or Student Services	Total Instruction and Student Services Program in General Operating Budget	\$150,450,360	\$477,610	0.3%
Reduction to programs not directly related to students	Total Research, Public Service, Academic and Institutional Support, Plant O&M, Scholarships & Fellowships, Other Programs in General Operating Budget	\$123,786,076	\$397,619	0.3%
Reduced Student Financial Assistance	Student Financial Assistance, OCHE	\$8,299,390	\$64,948	0.8%
TOTAL REDUCTION	General Operating Budget	\$277,324,282	\$5,152,142	1.9%

When compared to the fiscal 2002 general operating budget, which includes primarily state funds and tuition, the fiscal 2003 general fund expenditure reduction is just under 2 percent. Again, this comparison is just for broad perspective purposes and should not be used for any in-depth analysis.

<u>Program Name</u>	<u>Service</u>	<u>Recommended</u>
99 Lump Sum Appropriation reductions	Lump Sum Appropriation reductions	4,286,913
<p>The Montana University System (MUS) submitted information regarding potential reductions that had not been approved by the Board of Regents. The recommendation of most of the campuses to the Regents recommended that a significant portion of the state general fund reductions be replaced with tuition increases. We continue to recommend to the Regents that the reductions in state general fund not be replaced with further tuition increases.</p>		

LFD COMMENT The lump sum appropriation includes state appropriated funds for the six university units and five colleges of technology, the Board of Regents, and the administration, Student Assistance, Talent Search, and Carl Perkins programs in the Office of the Commissioner of Higher Education. The Board of Regents determines the allocation of the appropriation to the various components of the university system. Eighty-three percent of the proposed 3.5 percent general fund reduction is shouldered by the lump sum appropriation.

LFD ISSUE The Montana University System experienced student enrollments in fiscal year 2002 that exceeded the enrollment estimates used by the legislature to establish the state appropriation and by the Board of Regents to allocate the state appropriation to the individual campuses. Although there was a decline in nonresident students, overall enrollments were 608, nearly 2 percent, higher than expected. As a result, tuition revenue was higher than estimated in the original operating budgets approved by the Board of Regents in September 2001.

The university units experiencing student enrollment increases sought and obtained \$3.0 million additional spending authority from the Board of Regents in January 2002 in anticipation of collecting additional tuition revenue from the increased enrollment. Supporting documentation accompanying the request for additional spending authority from the Board of Regents indicates that approximately two-thirds of the additional authority would be spent for items not identified as attributable to the enrollment increase. Systemwide, actual revenue collections did not reach the higher level anticipated in January and priorities may have therefore changed. However, overall tuition collections are nearly \$2 million higher than anticipated by the Board of Regents in September 2001.

The university system has indicated that it expects fiscal 2003 enrollments to increase above budgeted levels as well. Although some of the additional tuition revenue from the increased enrollments may be necessary to cover the costs associated with the increased enrollment, the Board of Regents could instruct the campuses to consider at least a portion of any additional revenue due to enrollment increases as an offset to a tuition surcharge for all students.

04 Community College Assistance	Community Colleges	212,531
<p>Community Colleges responses to reductions in state general fund varied from all reductions in spending to all tuition increases. We request the Regents to consider cost reductions before tuition increases.</p>		

LFD COMMENT Dawson Community College proposed a tuition surcharge while Flathead Valley Community College and Miles Community College proposed expenditure reductions.

09 Appropriation Distribution	MAES Reductions	379,808
<p>The MT Agricultural Experiment Station has indicated that it would reduce equipment, Personal Services and Operations.</p>		

**LFD
COMMENT**

The proposed expenditure reductions for the Montana Agricultural Experiment Station, Extension Service, Forestry Conservation and Experiment Station, Bureau of Mines, Fire Services Training School, and the Transfer to Tribal Colleges represents 3.5 percent of the fiscal 2003 general fund appropriation for these agencies and programs. These agencies and programs do not have the option of increasing tuition to mitigate the potential general fund reduction; therefore, barring any supplementary funding, the general fund reduction will result in reduced expenditures.

The Board of Regents could consider reallocating state funds from the lump sum appropriation to these agencies. In fiscal 2002, the board approved the transfer of relatively small amounts of general fund appropriation authority from the lump sum to the Montana Agricultural Experiment Station and the Extension Service as well as from the Agricultural Experiment Station and Extension Service to the lump sum.

09 Appropriation Distribution	Extension Services Reductions	161,824
Extension Services indicates that they will reduce support to the Local Government Center, Support to the Animal Range Position, Capital and Operating Budget, Reduce Director's Operational Budget.		
09 Appropriation Distribution	MFCES Reductions	33,600
MFCES has indicated that they would reduce operating funds, reduce classified positions, Reduce Research Assistants, Faculty Positions		
09 Appropriation Distribution	Bu. Of Mines Reductions	57,085
MT Bureau of Mines has indicated reductions in positions, part-time help, Contracted Services, Travel, and Capital Equipment.		
09 Appropriation Distribution	Fire Services Training Reductions	18,631
Fire Services Training Center will reduce the Northwest Trainer Position.		
09 Appropriation Distribution	Reduction in Transfer to Tribal Colleges	1,750
Reductions to the FY2003 portion of the biennial \$100,000 appropriation to non-beneficiary students attending tribal colleges did not contain information on the number of students that would be affected.		

Summary for Agency # 5102, Commissioner of Higher Education, (8 detail	5,152,142
Fiscal 2003 Base Appropriation	\$147,204,016
Percent Reduction From Base	3.5%

SCHOOL FOR THE DEAF & BLIND

AGENCY SUMMARY

Over 55 percent of the reduction in this agency is due to a funding switch. The remaining reductions total 3.6 percent of total expenses and primarily consist of the agency limiting replacement of equipment, text books and supplies which could impact the quality of resources available to the students.

Program Name

Service

Recommended

99 Entire Agency

Fund switch with available trust income

165,000

This option increases state special authority in School Trust Income by \$165,000 with a commensurate reduction in general fund spending. The school has received more school trust revenue over the past several years than appropriated by the legislature which has created a fund balance and ongoing revenue above the appropriation.

LFD COMMENT

School Trust Income will replace general funds in the Education Program.

3 Student Services

Eliminate budget item for vehicle replacement

28,802

Eliminate a \$28,802 budget item for vehicle replacement. The school would be unable to replace a van that is scheduled to be replaced.

LFD COMMENT

The remaining reductions, involving the Education Program, makeup 35 percent of the overall reduction and impact students in that resources available for student use will be outdated including some computers, text books and periodicals. Supplies will also be limited. The school is scheduled to undergo an accreditation review next year and the school has expressed concern with the impact these reductions may have on accreditation.

The 2001 legislature gave the school \$116,772 (\$58,289 in fiscal 2002 and \$58,483 in fiscal 2003) additional general funding for this program to address student classroom condition issues above the level requested by the school. HB 2 states that the school was to present expenditure options for these funds to the Legislative Finance Committee at its October 2001 meeting. A formal report was not given. However, in talking with agency staff, the fiscal 2002 allocation was spent on text books, supplies and materials. Fiscal 2003 funding was intended to be used to replace the math and/or reading text book series.

4 Education

Eliminate budget item for computer

25,000

This reduction would save \$25,000 in general fund by not replacing aging computers. Future improvements in adaptive hardware and software that allow visually impaired students access to the school's curriculum will not be compatible with older PC's.

LFD COMMENT

The 2001 legislature approved \$30,000 annually to replace approximately 30 of the school's 105 computers during the biennium. To date 13 computers have been replaced. With this reduction no additional computers will be replaced during fiscal 2003. The impact of this reduction is that some students would have to rely on outdated computers that are 6-8 years old and may not be able to handle future software upgrades.

4 Education	Reduce Education Program operating budget	66,535
<p>This \$66,035 reduction represents 39% of the Education program operating budget and 73% of the supplies and materials budget. The school would not be able to replace outdated text series in the areas of math and reading that are scheduled for replacement. Supplemental classroom supplies that are ordered annually would be severely curtailed. This could jeopardize the school's ability to maintain accreditation.</p>		
4 Education	Reduce Education Travel	3,301
<p>This \$3,300 would reduce travel by the school's Outreach staff. There are only 4 districts including Great Falls that have staff specifically trained to work with sensory impaired children. Even the 4 districts that have staff rely heavily on MSDB for technical support.</p>		
4 Education	Reduce subscriptions	3,800
<p>This \$3,800 reduction would eliminate all periodicals ordered by the school for library and classroom use. The school would not have any magazines (Time, Newsweek, etc) for student use.</p>		
4 Education	Reduce student work study	3,200
<p>The school provides work opportunities for high school age students. This program revolves around a curriculum designed to prepare students for the world of work. Part of the program involves classroom instruction on work readiness skills, independent living skills, and on/off campus work placement. Transition goals and objectives are written into these student's Individualized Education Plan (IEP). This would save \$3,200 in general fund. This would reduce work opportunities for high school age students and possibly cause a conflict with transition goals and objectives written into these students IEP. There is no way to mitigate the impact of this reduction on students enrolled in this program.</p>		

Summary for Agency # 5113, Montana School for the Deaf & Blind, (7 detail)	295,638
Fiscal 2003 Base Appropriation	3,653,186
Percent Reduction From Base	8.1%

ARTS COUNCIL

AGENCY SUMMARY

The reduction proposals for the Arts Council will have no impact on internal operations but will affect outside grant recipients. Over 45 percent of the reduction consists of a funding switch due to additional state revenue that will offset general fund and have no impact on constituents. The remainder of the reductions would reduce grants to outside recipients.

<u>Program Name</u>	<u>Service</u>	<u>Recommended</u>
01 Promotion of The Arts	Cultural Trust Grants	15,000
Cultural and Aesthetics projects grants in House Bill 9 (Cultural and Aesthetic Grant Appropriations) will be reduced by \$15,000. This program is funded approximately half by earnings from the cultural and aesthetics trust and half from the general fund. The projects impacted will be those that are greater than \$4,500. Project reversions, along with \$59,000 cash returned to the to the Cultural and Aesthetics account by the Department of Administration related to an audit finding, will mitigate this reduction.		

LFD COMMENT

HB 9 appropriates \$223,575 of general fund and \$331,000 from the Cultural and Aesthetic Project Account in fiscal 2003 to the Montana Arts Council for cultural and aesthetic projects. The bill requires that projects be funded from the Cultural and Aesthetic Projects Account first and the general fund last. The agency anticipates that general fund will be offset by \$59,000 cash returned to the Cultural and Aesthetic Projects Account based on an audit finding and reversions, and therefore grants contained in HB 9 will be fully funded resulting in no impact to recipients.

LFD ISSUE

Revenue estimates indicate that revenues in the Cultural and Aesthetic Project account will be short of projections by approximately \$14,000. The \$59,000 cash returned to the account due to the audit finding is enough to cover the anticipated shortfall in addition to the overall proposed reduction in Cultural Trust Grants of \$25,000. However, authority would have to be given for the use of the additional \$59,000 through an emergency budget amendment.

01 Promotion of The Arts	Professional Development/Arts Pros	9,700
Reduce professional development grants and the Arts Pros consultant program. Professional development grants provide matching funds for Montanans to attend seminars, conferences and workshops to further improved artistic quality, and community service in the arts. The Arts Pros consultant program allows artists and art administrators to seek advice for technical, administrative and marketing queries. This level would allow the program to continue in part.		
01 Promotion of The Arts	Arts Education Grants	1,200
Reduce the Artists in Schools and Communities Program which provides matching funds to schools and local non-profit organizations to support artist residencies and other arts education projects. In fiscal year 2001, the program impacted 62 schools and the average grant was about \$1,100.		

LFD COMMENT

The impact of this reduction is minimal consisting of 8 percent of the \$15,000 available general funds.

01 Promotion of The Arts	Cultural Trust Grants	10,000
Additional reduction - Cultural and Aesthetics projects grants in House Bill 9 (Cultural and Aesthetic Grant Appropriations) will be reduced by an additional \$10,000.		
01 Promotion of The Arts	Professional Development/Arts Pros	18,893
Additional reduction of the professional development grants and the Arts Pros consultant program.		

LFD COMMENT	This proposal increases the reduction to the Professional Development/Arts Pros funding of \$30,000 an additional \$18,893 for a total reduction of 95 percent.
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Summary for Agency # 5114, Montana Arts Council, (5 detail records)	54,793
Fiscal 2003 Base Appropriation	\$557,670
Percent Reduction From Base	9.8%

LIBRARY COMMISION

AGENCY SUMMARY

Approximately 94 percent of the reduction proposal is to the State Library Operations Program, which is proportional to the program's share of the agency's total general fund allocation. Reductions consist of reducing operational expenditures within the program and will reduce the number of resources available for constituents and reimbursements to libraries, and delay computer replacement.

The remaining reduction is to the agency's only other program, the Natural Resource Information Services Program (NRIS), consisting of a temporary reduction to equipment. Although general fund for this program is minimal, the 2001 legislature doubled the allocation over prior year funding. As of May 31, approximately 22 percent of the fiscal 2002 allocation has been expended. The agency did submit a \$26,000 reduction to contracted services under this program. However, it was not carried forward by the executive.

<u>Program Name</u>	<u>Service</u>	<u>Recommended</u>
1 State Library Operations	Material and Online Budget	29,713
<p>Library Information Services Division (LISD) provides information and research services for state employees and officials and provides back-up reference service for Montana librarians and their users. LISD also maintains a special collection of materials to help support and develop the skills and knowledge of library staff and trustees in the state. This reduction would decrease the number of information resources for employees and to share with the state's librarians. This budget item is targeted because it contains the only significant general fund that is not a fixed cost or a critical FTE. The savings with a 3% reduction would equal \$39,617 or 27% of the materials and online budget in the LISD. Any unreserved fund balance in the 8.36% coal tax distribution at the end of each fiscal year must be deposited in the general fund.</p>		
1 State Library Operations	Material and Online Budget	9,904
<p>Library Information Services Division (LISD) provides information and research services for state employees and officials and provides back-up reference service for Montana librarians and their users. LISD also maintains a special collection of materials to help support and develop the skills and knowledge of library staff and trustees in the state. This reduction would decrease the number of information resources for employees and to share with the state's librarians. This budget item is targeted because it contains the only significant general fund that is not a fixed cost or a critical FTE. The savings with a 3% reduction would equal \$39,617 or 27% of the materials and online budget in the LISD. Any unreserved fund balance in the 8.36% coal tax distribution at the end of each fiscal year must be deposited in the general fund.</p>		

LFD COMMENT

This reduction reduces spending in the Coal Severance Tax Shared State Special Revenue Account. Any unused portion of the library's appropriation is transferred back to the general fund at the end of the fiscal year. Therefore, reduced expenditures will increase the general fund balance at the end of the fiscal year.

LFD ISSUE

Revenue estimates indicate that revenues into the Coal Severance Tax Shared State Special Revenue Account will be short of projections by approximately \$125,000. Therefore, dollars may not be available to implement the proposed reduction.

1 State Library Operations	Interlibrary Loan Reimbursement Program	17,800
<p>Each Montana library that willingly shares its resources with the patrons of other Montana libraries is eligible for reimbursement through the statewide interlibrary loan program. This reduction is proposed because the decrease affects all libraries, not just one type of library. With a 3% reduction, \$17,800 or 6% of the interlibrary loan reimbursement program will be reduced.</p>		

**LFD
COMMENT**

This proposal plus the additional \$10,000 reduction identified under the last priority will reduce the amount of reimbursement for library-to-library loan participants by approximately 9 percent. Impacts are that libraries will experience higher costs of loaning as each interlibrary loan request will generate less reimbursement dollars. This reduction could be sustained over the long term.

Funding available for this program is \$300,000 each year and is distributed based on area and population to participating libraries. The total amount of aid available remains the same each year. The amount distributed per interlibrary loan request depends on the total number of requests received statewide. Interlibrary loan reimbursement checks are distributed to libraries by the end of September each year.

7 Natural Resource Info System	Agency Equipment Budget	5,667
Reduce equipment by \$5,667 or 20% in the Natural Resource Information Program.		
1 State Library Operations	Agency Equipment Budget	4,631
Reduce equipment by \$4,631 or 20% in the State Library Operations.		

**LFD
COMMENT**

The reduction will reduce the State Library Operations equipment budget of \$128,682 by 3.6 percent.

1 State Library Operations	Material and Online Budget	20,000
Additional amount of reduction in the Library Information Services Division (LISD) information and research services to state employees.		

**LFD
COMMENT**

The Material and Online Budget is funded with both general fund and coal severance tax revenues. This is a reduction in general fund. This proposal increases the overall Material and Online Budget reduction to 61 percent of total expenses and would impact resources available to constituents. It could be mitigated somewhat by the library borrowing information from other libraries.

1 State Library Operations	Interlibrary Loan Reimbursement Program	10,000
Additional amount of reduction for the library loan program.		

Summary for Agency # 5115, State Library Commission, (7 detail records)

97,715

Fiscal 2003 Base Appropriation	1,913,910
Percent Reduction From Base	5.1%

HISTORICAL SOCIETY

AGENCY SUMMARY

The reduction proposals for the Historical Society consist of reducing operational costs in all general funded programs. A summary of the reductions is as follows:

PROGRAM	AMOUNT	% of REDUCTION	% of FY 2003 GENERAL FUND
Administration	\$56,936	52.0%	6.9%
Library	34,167	31.0%	5.8%
Museum	14,077	13.0%	5.0%
Publications	2,146	2.0%	4.0%
Historical Sites Preservation	2,493	2.0%	5.6%

Reductions are not specified. Various potential impacts are given in general terms but cannot be quantified. Although the individual reductions are not specified, the agency anticipates impacts to service such as less travel, communication and personal contacts to Montana Communities and affiliated organizations, less participation in school and fundraising events, an increased backlog of unprocessed library and archive materials and reduced hours of operation for the museum and library. However, there is no way to verify this without specific reduction plans. Personal services may also be impacted through a delay in filling vacant positions. Impacts could be mitigated by entrance fees implemented in February 2002 at the Museum and Governor's Mansion. However, expenditure of these fees would require legislative action and the agency's intent is to direct these dollars to areas not currently receiving any state funding.

Services will still be provided by the agency but at a reduced level. Staff is planning to evaluate efficiencies to identify reductions that will least impact and streamline services.

<u>Program Name</u>	<u>Service</u>	<u>Recommended</u>
3 Museum Program Operations costs will be trimmed per an evaluation of efficiencies and "least operational impact" in areas such as communications, travel, and technology. The Society will attempt to find operational cuts that will have least direct or indirect impact on constituents.	Public Service and Operational Reductions	3,231
2 Library Program This will reduce the Society's ability to place acquired library and archives materials into patrons' hands.	Reference and Collections Processing	15,539

LFD COMMENT

Currently there is a vacant archives reference position in the Library Program that could be impacted by this reduction through a delay in hiring of the position.

1 Administration Program Reduction in general fund could result in potential reductions such as limiting contact with our governing board and a newly formed Indian Advisory Panel; downsizing phone systems or services; reducing technology; limiting memberships in affiliated organizations; limiting newsletter and/or web services for members and constituents; limiting reference services for constituents offered by phone, travel, workshops, preparation of materials; and reducing conservation of artifacts.	Public Services Reductions	38,033
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1 Administration Program**Public Service and Security Reductions**

18,903

Reduced general fund will result in a reduction in the agency's ability to 1) provide outreach, public information, and public contact services to Montana communities, affiliated organizations (Heritage Commission, Heritage Project, Lewis and Clark Bicentennial, Montana Museums Association, Daly and Moss Mansions, etc.), visitors to the Historical Society's Museum, and constituents around the state. 2) join other similar organizations in partnerships to stretch state heritage dollars. 3) inform Montanans of Historical Society services, and 4) maintain hours of operation for the museum.

LFD COMMENT

Approximately 52 percent of the proposed reduction is to the Administration Program. Although the actual reductions are not specified it is anticipated that services to constituents and possibly FTE's would be impacted. The agency currently has a vacant seasonal security position that works weekends during the summer months for which hiring may be delayed due to this reduction.

3 Museum Program**Public Service and Collections Care Reductions**

10,846

Reduced general fund will result in fewer or smaller exhibits prepared; less curatorial work accomplished including fewer collections acquired, cataloged, and preserved; less technical assistance and public service to Montana community museums and historical societies; reduced ability to coordinate work with Montana businesses needing Society images; less ability to honor loan requests from sister institutions around Montana and the nation; less ability to prepare for our own exhibits or to help others preparing for the Lewis and Clark Bicentennial; fewer public programs and educational activities and events offered; less ability to assist statewide affiliated organizations; reduction in museum visitor hours and school tour opportunities.

LFD COMMENT

This proposal increases the reduction of the Museum Program by an additional \$10,846 for a total reduction of 4.7 percent. The agency intends to further analyze how workload can best be redirected, shifted or eliminated to minimize impacts to Society constituents.

The museum is currently open 8-10 hours a day, seven days a week during the summer, including weekends and holidays. During the winter it's open for 9 hours, Monday- Friday, 8 hours on Saturday, and closed on Sundays and holidays. Reductions in the Museum Program may impact exhibits available to the public, reduce public programs and educational activities and reduce museum visitor hours. For example, the agency may close the museum on Sundays throughout the year rather than only during the winter. Many museums close on Mondays which may be a more viable option.

02 Library Program**Public Service and Collections Care Reductions**

18,628

Reduced general fund will cause 1) reduced ability to process incoming materials (books, archival documents, maps, newspapers, photographs) throughout the Library-Archives program; 2) reduction of materials conservation work; 3) further limits on reference services offered to Montana researchers in all program areas (in person and by phone and email); 4) reduction in hours open to the public; 5) potential inability to continue systematic newspaper microfilming; 6) risk of materials being lost if their conditions are not regularly assessed; and 7) a growing backlog of materials that is not processed and so is unavailable for public

LFD COMMENT

This proposal increases the reduction to the Library Program by an additional \$18,628 for a total reduction of 5.5 percent.

Library collections are comprised of books, pamphlets, newspapers, maps, periodicals, federal and state publications, and other printed material regarding Montana history. The Library is currently opened to the public 9:00-5:00 Monday-Friday and 9:00-1:00 on Saturday. This reduction would impact resources available to the public and possibly reduce visitor hours.

