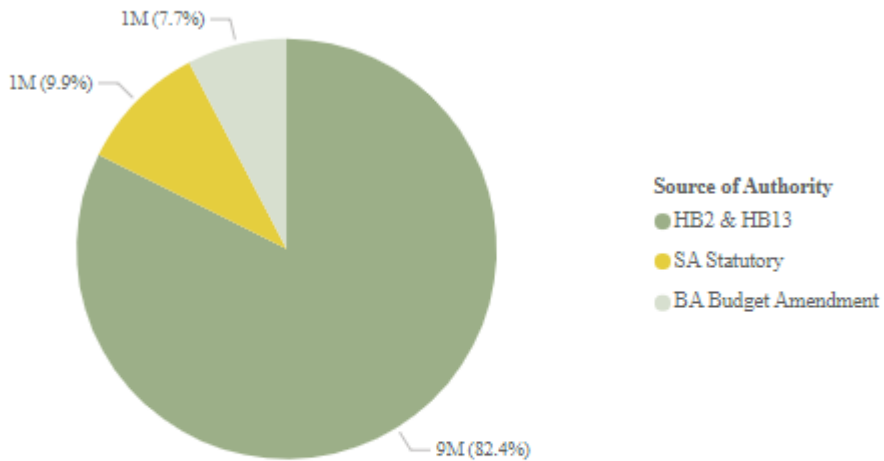


# MONTANA STATE LIBRARY

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Montana State Library (“MSL”) is shown in the pie chart below. HB 2 and HB 13 provide 82.4% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

**Total Modified Budget by Source of Authority**



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	8,616,926	7,033,667	81.6%
BA Budget Amendment	802,226	351,467	43.8%
SA Statutory	1,038,707	1,038,707	100.0%
<b>Total</b>	<b>10,457,859</b>	<b>8,423,840</b>	<b>80.6%</b>

## Statutory Appropriations

Statutory appropriations totaled approximately \$1.0 million in FY 2024, which was 9.9% of the total appropriation authority for the agency. This authority includes approximately \$542,000 general fund for state aid grants to local libraries, of which the MSL has expended 100.0%. Statutory appropriations also include \$497,000 of next generation (NG) 9-1-1 state special revenue funding, of which the MSL has expended 100.0%. The majority of the NG 9-1-1 fund expenditures were for a data assessment service subscription and personal services costs.

## Budget Amendments

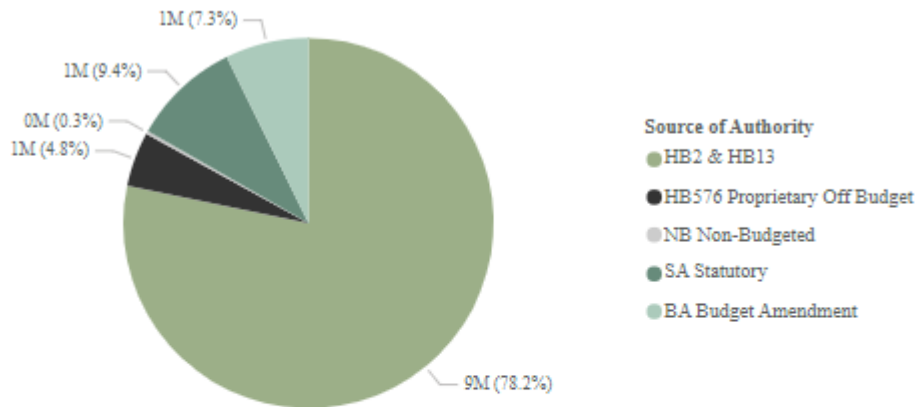
The MSL had approximately \$802,000 of federal special revenue authority added through budget amendments, which was 7.7% of total appropriation authority for the agency. Of that total, \$560,000 of authority was added

for providing the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) and the U.S. Forest Service with access to Montana Natural Heritage Program data. Of that authority, the MSL has expended \$351,000 or 43.8%. Most of these grants have end dates that extend beyond the end of the fiscal year, allowing time in subsequent fiscal years for expenditures.

## EXPENDITURE AUTHORITY

The total expenditure authority for the agency is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

**Modified Budget & Expended Budget by Source of Authority**



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	8,616,926	7,033,667	81.6%
BA Budget Amendment	802,226	351,467	43.8%
HB576 Proprietary Off Budget	524,313	457,347	87.2%
NB Non-Budgeted	30,000	152,837	509.5%
SA Statutory	1,038,707	1,038,707	100.0%
<b>Total</b>	<b>11,012,172</b>	<b>9,034,024</b>	<b>82.0%</b>

## Non-budgeted Proprietary Fund Authority

The MSL is the fiscal agent for the Montana Shared Catalog (“MSC”), a cooperative catalog project, funded by member fees paid by participating libraries. A total budget of \$524,000 was established for the MSC, and of that budget, the MSL has expended approximately \$457,000 or 87.2%. The most significant expenditures include \$171,000 for information technology subscription costs and \$258,000 for personal services costs.

Additionally, the Montana State Library has added \$60,000 in proprietary fund authority for the real-time network. SB 60 authorized the creation of this enterprise fund. In fiscal year (“FY”) 2024, subscriptions will cost \$1,200, and the MSL states that as of fiscal year end (“FYE”), they have 52 subscribers. Although the MSL collected revenue in the proprietary fund authority for the real-time network, they have not yet expended from this fund because, as the agency states, they are working toward a three to six month operating cash reserve.

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from June 1, 2024 through June 31, 2024. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

### Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
Library Commission	8,616,926	8,616,926	0
01 STATEWIDE LIBRARY RESOURCES	8,616,926	8,616,926	0
<b>Total</b>	<b>8,616,926</b>	<b>8,616,926</b>	<b>0</b>

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	4,370,544	4,653,163	282,619
62000 Operating Expenses	3,474,040	3,195,626	-278,414
63000 Equipment & Intangible Assets	7,155	7,155	
66000 Grants	499,947	495,742	-4,205
69000 Debt Service	265,240	265,240	
<b>Total</b>	<b>8,616,926</b>	<b>8,616,926</b>	<b>0</b>

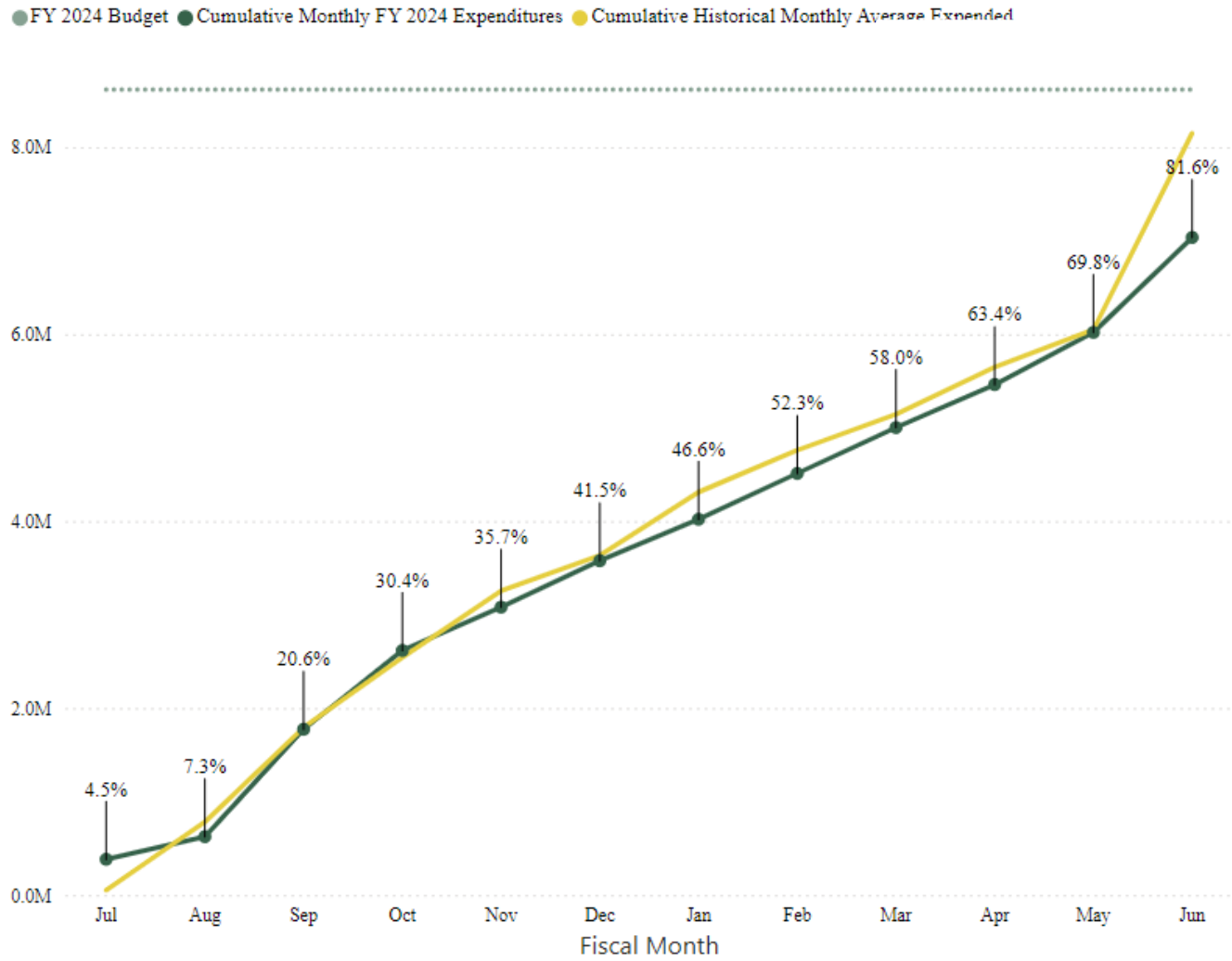
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
01 General	3,205,884	3,205,884	
02 State/Other Spec Rev	3,907,330	3,907,330	0
03 Fed/Other Spec Rev	1,503,712	1,503,712	0
<b>Total</b>	<b>8,616,926</b>	<b>8,616,926</b>	<b>0</b>

The Montana State Library had one budget modification between June 1, 2024 and June 31, 2024, whereby \$283,000 was moved from operating expenses and grants to personal services. The MSL explains this transfer as cleaning up negative organization balances for FYE 2024 to allow appropriations to match actual expenditures.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through June 31, 2024.

### Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
☐ 01 STATEWIDE LIBRARY RESOURCES	8,616,926	7,033,667	81.6%
<b>Total</b>	<b>8,616,926</b>	<b>7,033,667</b>	<b>81.6%</b>
Expenditure Type	Modified Budget	Expended Budget	% Expended
☐ Personal Services	4,653,163	4,182,158	89.9%
☐ Operating Expenses	3,195,626	2,141,994	67.0%
☐ Equipment & Intangible Assets	7,155		
☐ Grants	495,742	444,274	89.6%
☐ Debt Service	265,240	265,240	100.0%
<b>Total</b>	<b>8,616,926</b>	<b>7,033,667</b>	<b>81.6%</b>
Fund Type	Modified Budget	Expended Budget	% Expended
☐ 01 General	3,205,884	3,163,190	98.7%
☐ 02 State/Other Spec Rev	3,907,330	2,441,660	62.5%
☐ 03 Fed/Other Spec Rev	1,503,712	1,428,817	95.0%
<b>Total</b>	<b>8,616,926</b>	<b>7,033,667</b>	<b>81.6%</b>

The MSL expended 81.6% of its \$8.6 million HB 2 modified budget through the end of FY 2024. Overall, this is lower than the five-year average of 94.6%.

The budget for operating expenses totals \$3.2 million and is 67.0% expended in FY 2024. Revenues for the Montana geospatial information state special revenue fund have declined since their peak in FY 2022, so the MSL is pausing spending from this fund, where possible. This fund supports approximately 26.7% of total operating expenses, thereby impacting the percent expended from this account. The table below provides information on the revenues, expenditures, and fund balances for the Montana geospatial information state special revenue fund from FY 2019 through FY 2024. It is important to note that the 2021 Legislature approved a fee increase from \$0.75 to \$1.50 starting in FY 2022, leading to a significant increase in revenue in that fiscal year.

Montana State Library						
Montana Geospatial Information Account (02779) Fund Balance						
	FY 2019	FY 2020	FY 2021	FY 2022*	FY 2023	FY 2024
Beginning Fund Balance	\$ 1,082,809	\$ 1,001,261	\$ 1,058,165	\$ 1,463,415	\$ 1,546,284	\$ 560,323
<b>Revenues</b>						
Investment Earnings	25,460	17,973	2,049	1,700	43,214	35,972
Charges For Services	739,285	927,370	1,341,148	2,039,065	1,287,547	1,188,363
Total Revenues	764,746	945,342	1,343,197	2,040,765	1,330,761	1,224,335
<b>Expenditures</b>						
Equipment	-	-	-	-	(11,372)	-
Grants	(223,951)	(182,948)	(151,549)	(235,851)	(228,062)	(157,670)
Operating Expenses	(134,590)	(172,306)	(233,113)	(628,730)	(681,448)	(38,608)
Personal Services	(487,753)	(533,185)	(553,284)	(1,095,141)	(1,208,100)	(891,525)
Transfers-out	-	-	-	-	(211,517)	-
Total Expenditures	(846,293)	(888,439)	(937,946)	(1,959,722)	(2,340,500)	(1,087,803)
Adjustments				1,826	23,778	
Ending Fund Balance	<u>\$ 1,001,261</u>	<u>\$ 1,058,165</u>	<u>\$ 1,463,415</u>	<u>\$ 1,546,284</u>	<u>\$ 560,323</u>	<u>\$ 696,855</u>
*Fee changed in 7-4-2637(3)(a)(iii), MCA from \$0.75 to \$1.50						

Additionally, appropriations from the Montana geospatial information account total \$250,000 for grants which are 79.5% expended as of the end of FY 2024. The MSL had fewer grant expenditures this year because they typically extend and accrue expenditures for existing grants if they have not been completed in the year awarded. MSL will not be extending grants this fiscal year so grant expenditures decreased slightly. MSL also anticipates pausing the grant program for FY 2025.

The following table shows the MSL's HB 2 budget and expenditure by category, including central services; patron and local library development services; and geographic information services (GIS), data, and information programs.<sup>1</sup> The legislative budget in the first table is what was identified in the budgeting system for each MSL workgroup from the 2023 Legislative Session. The expenditures are from the state accounting system. The agency's spending plan is also included in the second table. Unless restricted, such as for the real-time network, the agency has flexibility to move funding among the categories.

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<sup>1</sup> More detail about each category can be found in Appendix B of this memo, dated March 16, 2022, to the Section E Interim Budget Committee: <https://leg.mt.gov/content/Publications/fiscal/2023-Interim/IBC-E/LFD-Memo-MSL-Program-03-16-22-Final.pdf>

MSL HB 2 Budget and Expenditures by Category through FY 2024				
	Legislative Budget		Expenditures	Percent Expended of Legislative Budget
	HB 2 and HB 13			
Central Services	\$ 3,489,596	\$ 2,008,774		57.6%
Patron & Local Library Development Services	2,448,183	2,575,118		105.2%
GIS, Data, & Information Programs	2,561,481	2,449,774		95.6%
Budget Modifications				
HB 13 Pay Plan Adjustment	117,666			
<b>Total</b>	<b>\$ 8,616,926</b>	<b>\$ 7,033,667</b>		<b>81.6%</b>

	Agency Spending Plan		Expenditures	Percent Expended of Agency Spending Plan
	HB 2 and HB 13			
Central Services	\$ 2,355,434	\$ 2,008,774		85.3%
Patron & Local Library Development Services	2,797,376	2,575,118		92.1%
GIS, Data, & Information Programs	3,389,220	2,449,774		72.3%
<b>Total<sup>1</sup></b>	<b>\$ 8,542,031</b>	<b>\$ 7,033,667</b>		<b>82.3%</b>

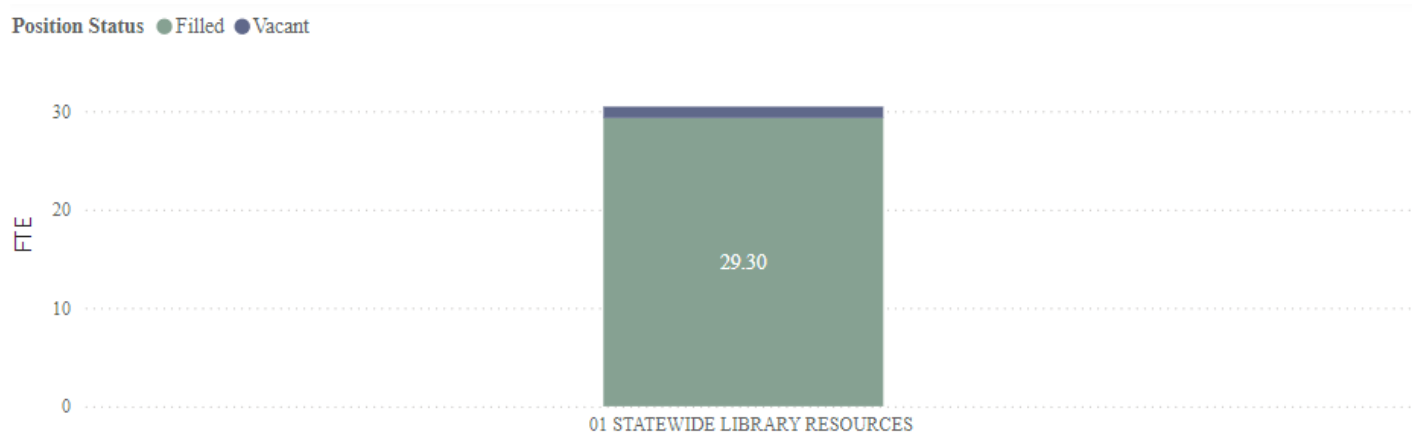
<sup>1</sup>The total for agency spending plan is less than the official budget by \$74,895 due to a difference in anticipated vs. actual federal grant amount

The legislative budget totals \$8.6 million and includes \$8.5 million appropriated under HB 2, along with \$118,000 added to the budget under HB 13. Of the HB 2 funding, 41.1% is budgeted for central services, 28.8% is budgeted for patron and local library development services, and 30.1% is budgeted for GIS, data, and information programs.

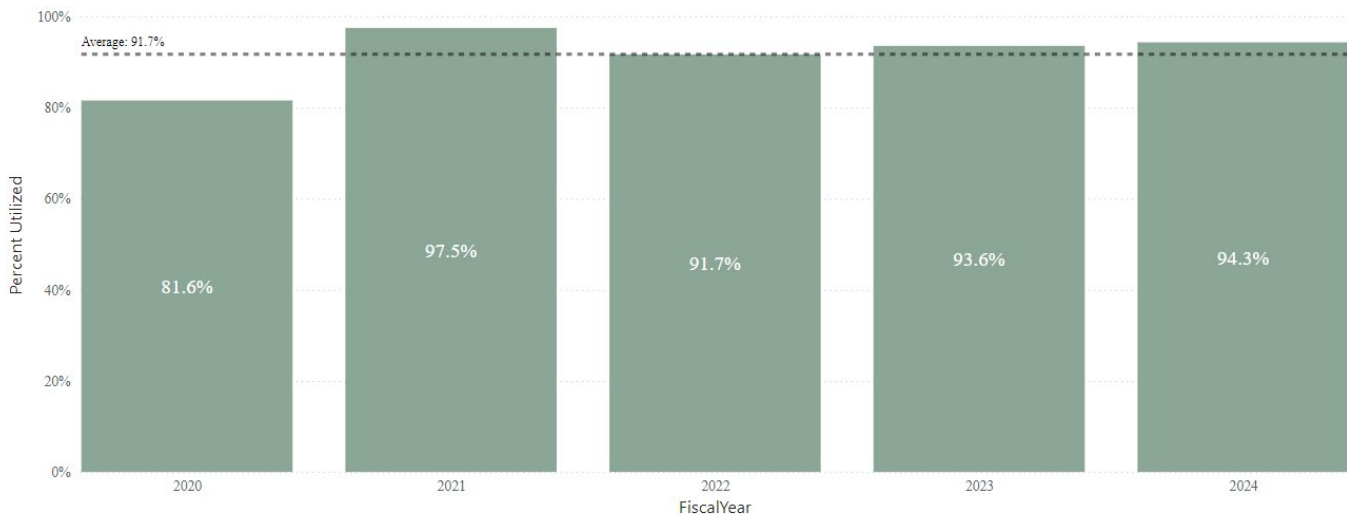
In comparison, the agency spending plan budget totals \$8.5 million, which includes funding appropriated under both HB 2 and HB 13. Of that funding, the agency’s plan includes 27.6% for central services; 32.7% for patron and local library development services; and 39.7% for GIS, data, and information programs. The agency spending plan budget total is approximately \$75,000 less than the total for the legislative budget; this is due to slightly lower than anticipated federal grant funding. The agency’s spending plan aligns with the actual grant amount.

## Personal Services

Appropriations for personal services in the Montana State Library total \$4.7 million and are 89.9% expended through FY 2024. The MSL has 30.46 HB 2 FTE, and 96.2% of these positions were filled as of July 1, 2024. The MSL had two vacancies, which include 1.00 FTE for a library supervisor and 0.16 FTE for a student intern position. The following chart shows the filled and vacant FTE within the agency as of July 1, 2024.



The chart below shows the hourly utilization percentage for the Montana State Library for each fiscal year. Overall, the agency has utilized 94.3% of the hours budgeted, as shown in the chart below. This is slightly higher than the average utilization rate of 91.7% for the five-year time period shown.



## OTHER ISSUES

### Real-Time Network

For the 2025 biennium, the legislature appropriated \$500,000 per fiscal year of state special revenue authority for additional start-up and ongoing costs related to the Montana real-time network, which is a network of permanent continuously operating reference stations (CORS) spread throughout the state. The CORS are mounted with global navigation satellite system receivers and communication equipment to continuously receive and stream global navigation satellite system (GNSS) data.

The Montana State Library has expended \$178,000 or 35.5% of this appropriation as of the end of FY 2024. The lower expenditures from this appropriation are due to the fact that this appropriation is funded with the Montana geospatial information state special revenue account and the revenues are coming in lower as discussed above.

### Hot Spot Lending Program

The MSL was appropriated \$400,000 of state special revenue per fiscal year of the 2025 biennium for continuing the hot spot lending program for local libraries. This program was originally established using federal American Rescue Plan Act funding and was continued in the 2025 biennium with a one-time-only appropriation of coal severance tax funding. Of the FY 2024 appropriation, the MSL has expended 100.0%. For more information about the program, the MSL has a dashboard available:

[Montana State Library Hot Spot Usage](#)