



MEMO

To: Education Interim Budget Committee
Representative David Bedey, Chair
From: Jennie Stapp, Montana State Librarian
Subject: Montana Geospatial Information Act recordation fee collections report
Date: June 12, 2024

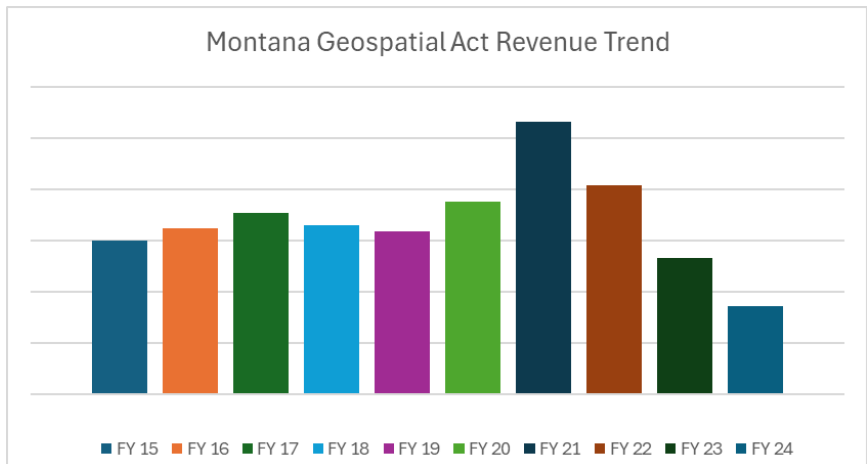
Background:

The obligations of the Montana Geospatial Information Act (MGIA) are funded through a per page recordation fee as established in 7-4-2637 (iii), Montana Code Annotated. The current fee of \$1.50 per page was set through House Bill 49, passed by the 2021 Legislature. Prior to 2021, the fee was \$.75 per page. The budget appropriation in 2021 was based on the five-year collection average and assumed collections would be approximately \$1.65M.

Increased housing sales during the COVID-19 pandemic lead to a significant increase in fee collections. This additional revenue was used to provide one-time-only funding in 2021 and 2023 to launch the Montana Real Time Network, now called the Montana State Reference Network.

Current issue:

The Montana State Library (MSL) has seen a drastic decrease in MGIA funding during fiscal years 2023 and 2024.



*Trends have been normalized for comparison purposes due to a per page fee increase effective FY 22.

*FY 24 does not include May and June data.



Based on discussions with the Office of Budget and Program Planning and County Clerks & Recorders, this decrease has been attributed to increased interest rates, a settled post-Covid real estate market, high housing costs, and an overall reduction in recorded documents at the County level. The current revenue trend is expected to continue into fiscal year 2025. expenditures to match decreased revenue.

MSL response:

In Fiscal Year 2024 MSL reduced spending to preserve existing cash in the MGIA Account. These cost savings are largely reported in the quarterly report provided by legislative fiscal staff.

The State Library Commission adopted an FY 2025 budget that assumes MGIA collections of \$1.1M and spending reductions of approximately \$1.5M. MSL’s priority when making these reductions is to preserve staff and the infrastructure to carry-out responsibilities when revenue rebounds.

Notable FY 24 and FY 25 budget impacts include:

- Montana Geospatial Information Grants
 - Existing MGIA grant awards will not be extended beyond the existing grant period and no new MGIA grant awards will be made.
- GIS architecture
 - The State Information Technology Services Divisions IT Plan states that agencies will identify enterprise solutions to depreciate legacy systems to reduce “tech debt.” MSL will pause research into adopting the enterprise GIS architecture solution.
- MT Spatial Reference Network Equipment (MTRSN)
 - MSL will not purchase receivers, nodes, and other equipment to expand the MTRSN.
- MTRSN technician
 - MSL will delay hiring MTRSN support staff.
- Cadastral data: reduce data update frequency
 - MSL staff that update cadastral data will work on federally funded projects.
- Cadastral application updates
 - MSL will delay addressing bugs or enhancement requests that were identified during development of the newly released application.