

MONTANA STATE LIBRARY

An Agency Profile Prepared by the
Legislative Fiscal Division

November 2018



INTRODUCTION

The Library Commission, authorized in 22-1-101, MCA, administers state and federal library funding to operate and maintain the Montana State Library, oversees the six library federations located throughout Montana, and develops statewide library long-range planning, policy, and service coordination. Located in Helena, the Montana State Library and the Library Commission work to provide access to information services for all Montanans.

The Montana State Library (MSL) is composed of programs that serve the information needs of all branches of state government, its agencies, local counterparts and individuals seeking information and materials that are not found in their local libraries. Its charge includes effecting statewide planning for library development in all communities.

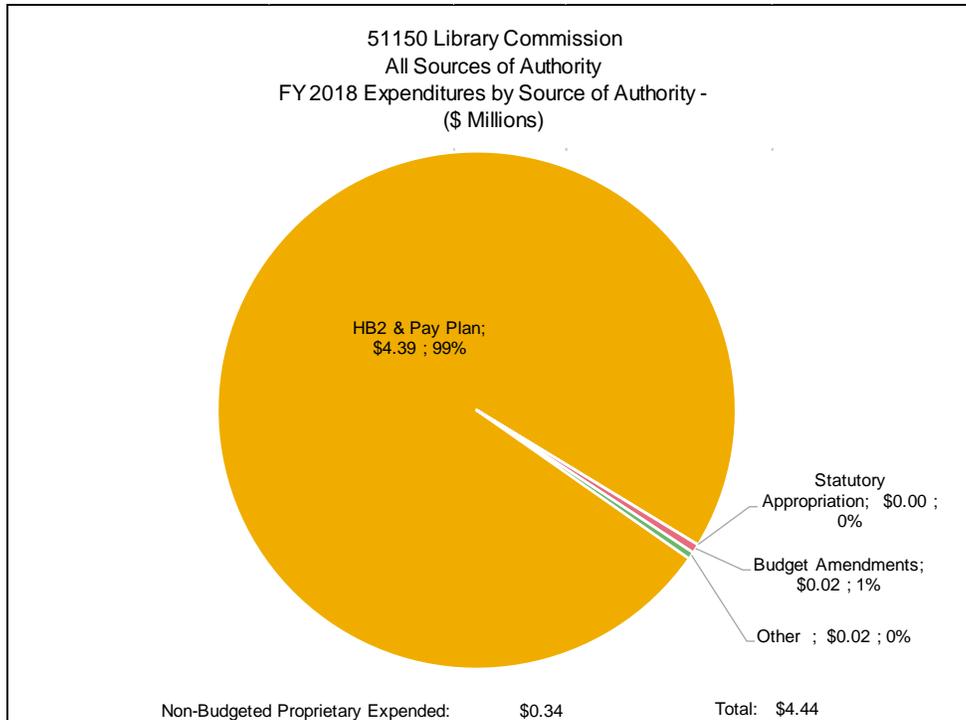
HOW SERVICES ARE PROVIDED

The State Library is a single program agency that is organized between two divisions with administration providing central management, fiscal and accounting services, and federal program administration.

The Digital Library Division maintains catalogued collections of specialized information resources including State of Montana publications, natural resource and geographic information, and information about the unique plants, animals, and habitats of Montana. The digital library provides resources to support the information needs of state agency management and staff, Montana librarians, and the public, including businesses and students. Digital library information and services are offered to users online and through one-on-one assistance. In addition, this division operates the Talking Book Library (MTBL). The MTBL provides library services to those who cannot read traditional print material. The MTBL includes a recording studio to create audio recordings of Montana-related publications, including books and magazines. This program serves about 3,900 people and has nearly 100 volunteers.

The Library Development Division provides consulting, professional development, technology services and program support for all libraries in Montana. Programs include the Montana Shared Catalog, a membership consortia of 180 libraries that share an integrated library management system that allows for more efficient resource sharing.

Sources of Spending Authority

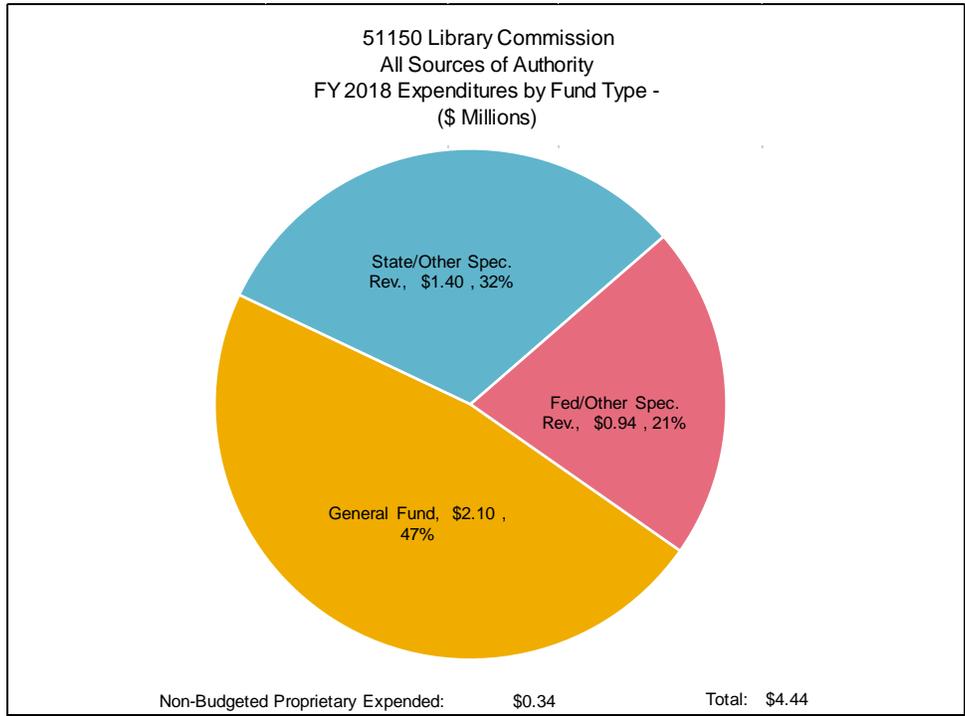


The chart above shows the expenditures by source of authority for the Montana Library Commission for FY 2018. The majority of all funding sources are from HB 2 and pay plan. Other sources of funding authority include:

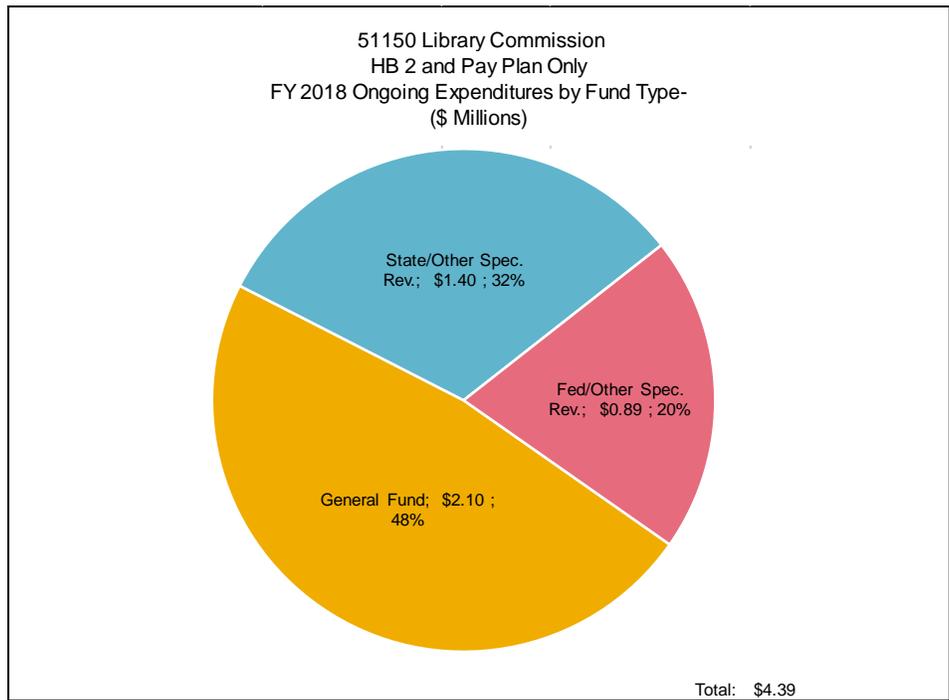
- Budget amendments for the Natural Resource and Conservation Service (NRCS) Wetland-Riparian grant
- Continuing authority for federal funds related to a joint United States Department of Agriculture and NRCS grant
- Statutory appropriations

Funding

The chart below shows FY 2018 actual expenditures by fund type for all sources of authority.



The chart below shows the agency's HB 2 and pay plan expenditures by fund type.



The MSL receives general fund, and state and federal special revenue. General fund comprises the largest funding source of the agency's HB 2 and pay plan appropriation. Approximately, \$2.1 million of the library's total expenditures were from general fund.

The second largest HB 2 and pay plan funding source is state special revenue. The library uses assessments from certain state agencies that use the Natural Resource Information System to fund a contract for the operation of the Montana Natural Heritage Program. The library uses revenue from the Montana Land Information account that receives a portion of document recording fees assessed

at the local level to fund geographic information services coordination and data collection and standardization. And the library uses the coal severance tax revenue to help fund online resources and services that benefit libraries and all Montanans. This revenue also helps the library federations provide service to local libraries through cooperative purchase of services and products and continuing education. State special revenue expenditures account for approximately \$1.4 million or 31.6% of their total expenditures.

The third largest HB 2 and pay plan funding source is federal special revenue. Of the total expenditures for the library, 21.1% are from federal special revenue. Spending priorities for federal Library Service Technology Act (LSTA) funds are determined by a 5-year plan approved by the Institute for Museum and Library Services. Grant funds can be used for statewide projects such as the Montana Shared Catalog, a library management consortium of 180 Montana libraries, and staff and operations associated with State Library programs such as the Talking Book Library and the Library Development Division. Recommendations for how to spend Library Services Technology Act funds are made by the Network Advisory Council, a representative body of librarians, and are approved by the Library Commission.

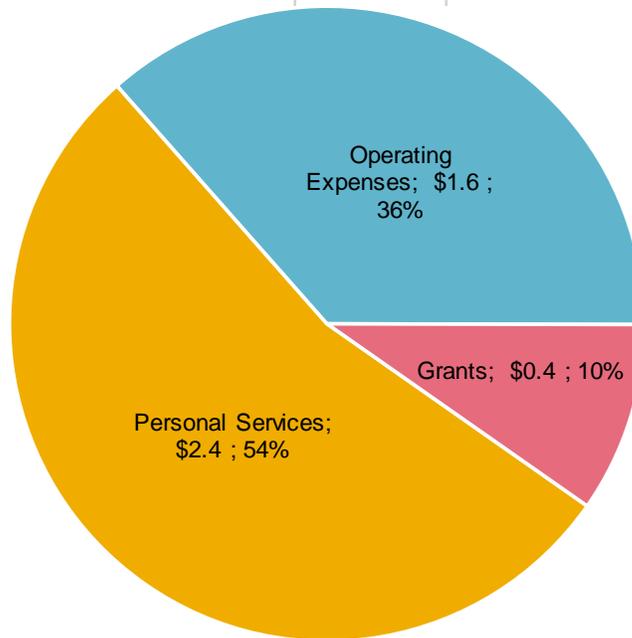
Expenditures

The chart below explains how the HB 2 authority is spent. HB 2 and pay plan ongoing expenditures in FY 2018 totaled \$4.4 million. Personal services of \$2.4 million account for over half of total expenditures.

Operating expenses are 36.5% of the library's total expenditures at \$1.6 million. Operating expenses are driven by state fixed costs. SITSD and rent costs are 38.0% of operating expenses. Other operating expenses fund the state library's services and general operations related to its digital collections, with an emphasis on technology costs to support digital library services.

The final expenditures are within grants at 9.7% of the total. Grants expenditures are split between Montana land information state special revenue funds and coal severance tax funds. The Montana land information funds provide grants to collect and manage land information using GIS for disaster and emergency response, the development and maintenance of transportation, sewer and water infrastructure, resource conservation and development, and overall land use planning. The portion of expenditures from coal tax severance funds are for library federation payments.

51150 Library Commission
 HB 2 and Pay Plan Only
 FY 2018 Ongoing Expenditures by First Level-
 (\$ Millions)



Total: \$4.39

How the 2019 Legislature Can Effect Change

In order to change expenditure levels and/or activity, the legislature might address laws:

- Governing the authority of the Library Commission
- Impacting the library staff such as consultation with and support of local libraries; applying for, accepting, and expending grant funds; and providing library services for the blind or individuals with physical disabilities
- Relating to the code of standards for Montana public libraries, standards, and certification for librarians
- Governing the existence, definition, and location of the State Library, its collections and services, and equal access to information
- Relating to the Montana State Library Trust
- Governing the location and operation of the Natural Heritage Program, and its relationship with principal data source agencies (the Department of Natural Resources and Conservation; the Department of Fish, Wildlife and Parks; the Department of Environmental Quality; the Department of Agriculture; the Department of Transportation; the Montana Historical Society; and the Montana University System)
- Governing the natural resource information system (NRIS) and the water information system

The legislature is less likely to control:

- Federal legislation impacting libraries
- Initiatives or legislation responding to citizen action
- Citizen expectations of web-access libraries

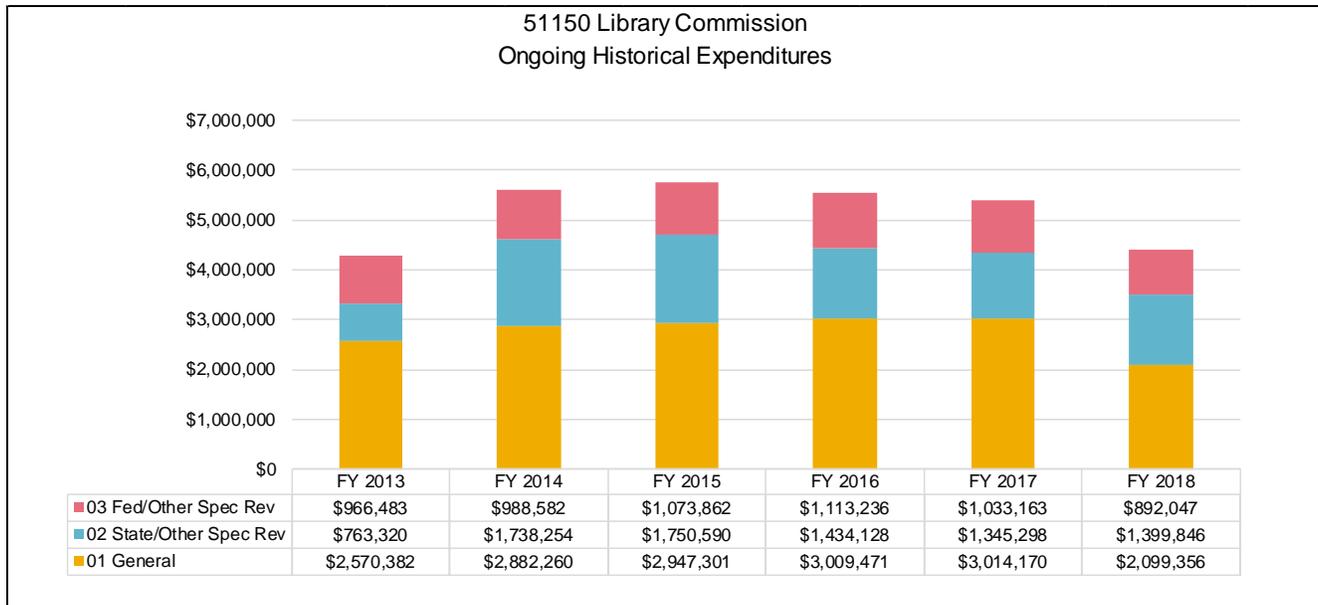
- The amount of information generated, print or media, on a state, regional, or federal level that is to be maintained by the State Library
- The number of citizens needing State Library services

Major Cost Drivers

| Major Cost Drivers for the Montana State Library | | | | |
|--|-------------|-------------|-------------|--|
| Element | FY 2014 | FY 2016 | FY 2018 | Significance of Data |
| Library Development Outreach Services to Montana Libraries | 18,652 | 12,256 | 13,581 | The Montana State Library supports the needs of tax supported public libraries. Library development outreach includes onsite visits to libraries; training sessions, both in person and online; assistance to the Montana Shared Catalog member libraries; and library support for other statewide projects. The vast distances of Montana mean that, to accomplish our goals, staff make use of technologies including phone, email, IT support ticketing systems, and online webinar technologies, in addition to face-to-face meetings and in-person consulting. |
| Public Usage of Statewide Programs | | | 1,430,620 | The Montana State Library procures and administers technology and contracts that facilitate cost effective and efficient resource sharing that benefits librarians and Montanans. Examples include traditional interlibrary loan facilitated through the OCLC Group Services Contract, the Montana Shared Catalog Partners libraries that share items as if they were one library; the Montana Memory Project which is a digital repository of content that documents Montana's act of remembering; the Courier Alliance which makes use of a courier to move physical library materials around Montana, and MontanaLibrary2Go, a shared ebook consortium. |
| Talking Book Library Circulation | 231,371 | 185,476 | 106,929 | The Talking Book Library serves the visually impaired as well as those who have reading and/or physical disabilities. Staff and volunteers also record local Montana books which are available to Montana patrons and Talking Book Library patrons nationally through the National Library Service's BARD program. The Talking Book Library has seen a decline in circulation as local public libraries are able to offer more and more accessible ebooks to their patrons directly. However, as we look at the aging demographics in Montana, the Montana State Library anticipates that these numbers will climb as the Talking Book Library serves a growing population of seniors. More importantly, the State Library only serves a small percentage of the population who may be eligible for service. During FY 2018 the Talking Book Library was down 2.00 FTE due to state budget cuts. This reduced phone answering capacity by more than 30.0% which could have a negative impact on circulation since it will increase situations where patrons are not able to get through to a living person and simply do not call leave a message or call back. Additional staff capacity is also necessary to promote the service to eligible patrons and to better serve their needs. |
| Digital Library Web Services Usage | 6.1 million | 8.0 million | 8.9 million | Increased use of online services reflects continued growth of available services and access to the growing collection of digital state publications. The Digital Library continues to see increased use of online applications and public facing GIS map services available through a cloud-based GIS platform making the services more widely available for consumption that supports everything from desktop GIS analysis to use in mobile applications. Users have come to expect geographic information at their fingertips and the Digital Library strives to keep pace with the rapid pace of technology change and growing user demand. It should be noted that changes in technology impacts our ability to provide consistent statistical data over time. We strive to maintain consistency by reporting the number of unique visitors, user sessions, and information downloads across our websites and applications. The 11.0% increase documented here reflects increases in every major service area of Digital Library services including web services, Montana Natural Heritage Program web tools, Web Map services, and State Publications web access. Note that the FY18 count does not include user access of Montana materials through the EBSCO databases since we no longer have access to usage statistics for that tool. In prior years that data represented close to 1.0 million additional usage sessions. |

Funding/Expenditure History

The table shows the six-year funding history for the agency. Funding on this table reflects funding included in the HB 2 (with pay plan) budget base. One-time-only appropriations are excluded in this table.



Over the last six years, total expenditures included in the HB 2 and pay plan base budget has increased at an average annual rate of 2.1%. Historically, general fund has accounted for approximately 50.0% of the overall expenditures. General fund expenditures have decreased 18.3% over the last six years. State special revenue has grown as a percentage of the total budget from 17.8% in FY 2013 to 31.9% in FY 2018. Expenditures from federal sources has accounted for about 20.0% of the total over the last six years.

State special revenue includes:

- Coal severance tax from the basic library services account, which was previously a portion of the coal severance tax shared account. Partially funds general operations, statewide technology contracts, and the library federation grants to assist local libraries in providing basic services
- Assessments from certain state agencies that use the Natural Resource Information System
- Revenue from the Montana Land Information account that receives a portion of document recording fees assessed at the local level

Federal funds come primarily from Library Services and Technology Act grants administered through the federal Institute of Museum and Library Services. These federal funds:

- Are formula grants rather than competitive grants
- Require a 2:1 federal to state match and a 5-year plan
- Are used for collection content and access, training and outreach to local libraries, and services to patrons with disabilities

Major Legislative Changes in the Last Ten Years

SB 261 from the 2017 Legislative Session decreased the MSL general fund appropriation by \$1.3 million over the biennium. The proprietary appropriation was increased by a like amount over the biennium.

The 2015 Legislature provided an increase of general fund for a new position to operate the Montana Water Information System. This had been previously funded as a one-time-only appropriation.

The 2013 Legislature transferred the Base Map Service Center formerly housed in the Department of Administration to the State Library. This move had been recommended by the executive. This added 2.50 FTE and \$1.9 million state special revenue and reduced the Department of Administration budget by a similar amount.

The 2009 Legislature eliminated approximately \$500,000 support from the natural resource operations account/resource indemnity tax revenues and replaced the revenue with a like amount of state general fund. HB 645 provided an additional \$323,000 of federal authority to provide additional reading services for blind patrons as a result of the American Reinvestment and Recovery Act.

For more information on the Montana State Library, please visit their website, here:
<http://home.msl.mt.gov/>.