

MONTANA HISTORICAL SOCIETY

An Agency Profile Prepared by the
Legislative Fiscal Division

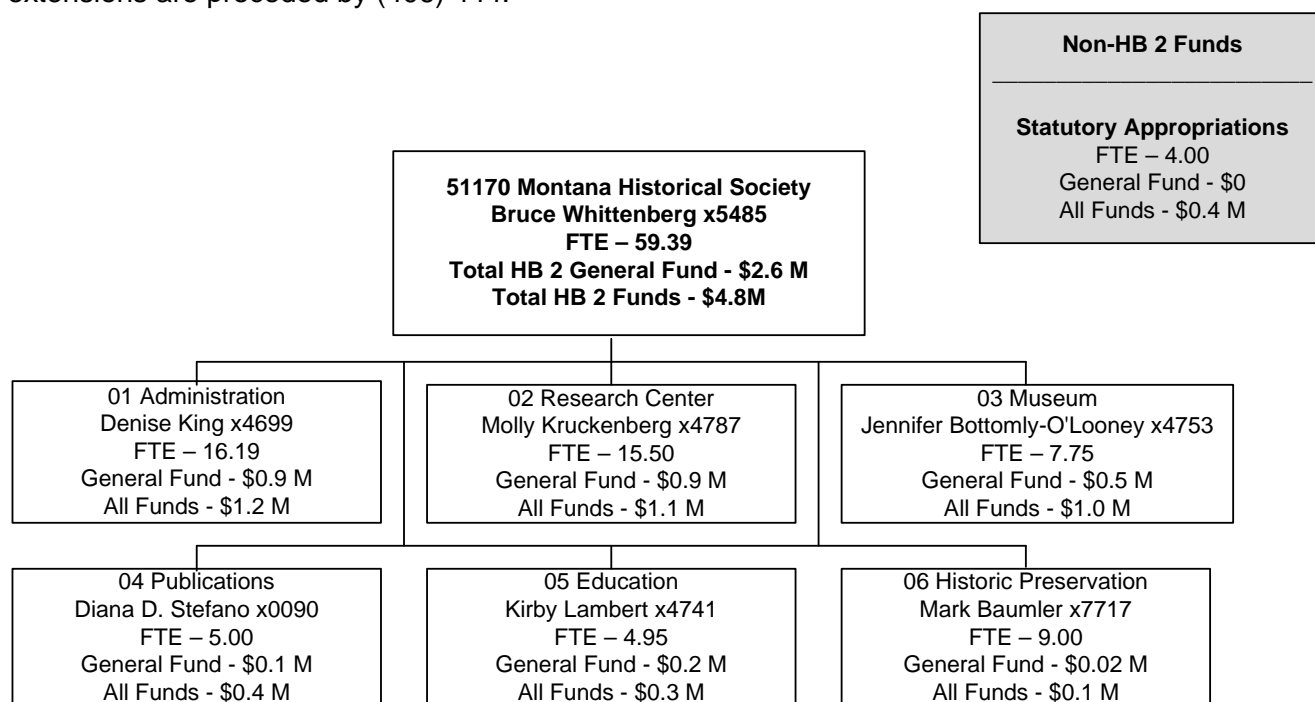
November 2018



INTRODUCTION

The Montana Historical Society (MHS), authorized by 22-3-101, MCA, exists for the use, learning, culture, and enjoyment of the citizens of, and visitors to, the State of Montana. MHS acquires, preserves, and protects historical records, art, documents, photographs, museum objects, historical places, sites, and monuments. MHS maintains a historical museum, library, and archives; provides educational programs and services for teachers and the general public; and, publishes the state historical magazine, press books, and newsletter. MHS also administers the preservation and antiquities acts; supports commissions with state historical orientation; and, provides technical assistance to all Montana museums, historical societies, preservation programs, and owners of historic resources.

Below is an organizational chart of MHS, including full-time employee (FTE) numbers and the HB 2 general fund expenditures and the total expenditures from all funds. Unless otherwise noted, all phone extensions are preceded by (406) 444.



HOW SERVICES ARE PROVIDED

The Montana Historical Society provides the following services through a structure consisting of six programs:

- Administration provides supervision and coordination for all programs of the MHS including: accounting, business management, financial reporting, museum store management, fundraising, marketing, membership, public information, and information technology. The Administration Program is also responsible for security, visitor services, and building management
- Research Center Program staff collects, preserves, and provides access to historic collections, historical photos, historical records, state records, and books and other printed materials. The Research Center operates the MHS reference room, where staff assists the public in finding and using materials from the collections. The program has three sections: library, archives, and photograph archives
- Museum Program staff collects, organizes, and preserves fine art, and historical, archeological and ethnological artifacts. They conduct research, produce exhibits, answer reference requests,

and provide technical assistance to other museums in the state. The Museum Program operates the Original Governor's Mansion as an historic house museum

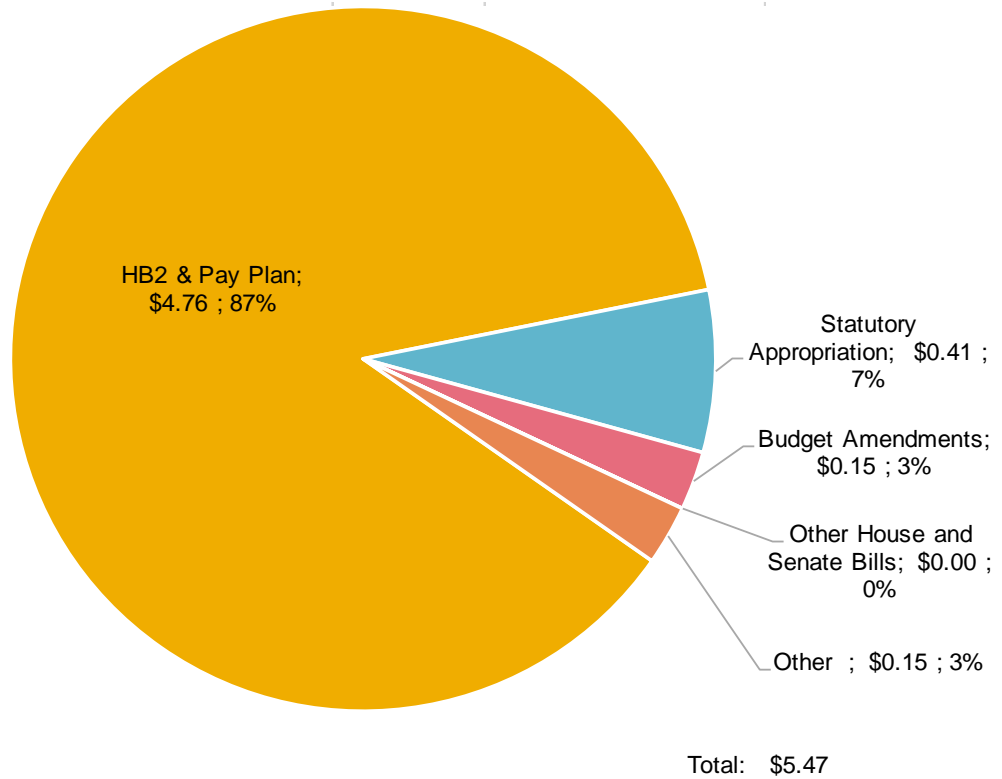
- Publications Program staff plans, produces, publishes and promotes the quarterly production of Montana The Magazine of Western History, the state's journal of record and includes new research in Montana and western history. The program also publishes books under the Montana Historical Society Press, the state's only active academic press, which produces titles on the history of Montana and the northern plains
- Education Program staff designs and conducts tours of the museum, State Capitol, and Original Governor's Mansion; develop and implement a variety of public programs, including the annual Montana History Conference, manage the society-wide volunteer program, and administers the statewide National Register of Historic Places signs program. Additionally, the program produces curriculum resources for teachers including "hands on history" footlockers and the history textbook Montana: Stories of the Land
- State Historic Preservation Program staff provides assistance to agencies, organizations, and individuals trying to preserve prehistoric sites and historic buildings and sites. They manage the National Register of Historic Places Program, archeology services, and cultural resource database, providing regulatory oversight to projects that impact cultural resources in the state. Staff also distributes federal historic preservation grants to communities throughout the state

Sources of Spending Authority

The chart below shows the expenditures by source of authority for the Montana Historical Society for FY 2018. The agency received the majority of its spending authority from HB 2 and the pay plan. Other sources of funding authority include:

- Statutory appropriations
- Budget amendments
- Continuing authority of federal grants
- HB 9 Cultural and Aesthetic grants (other house and senate bills)

51170 Historical Society
All Sources of Authority
FY 2018 Expenditures by Source of Authority -
(\$ Millions)



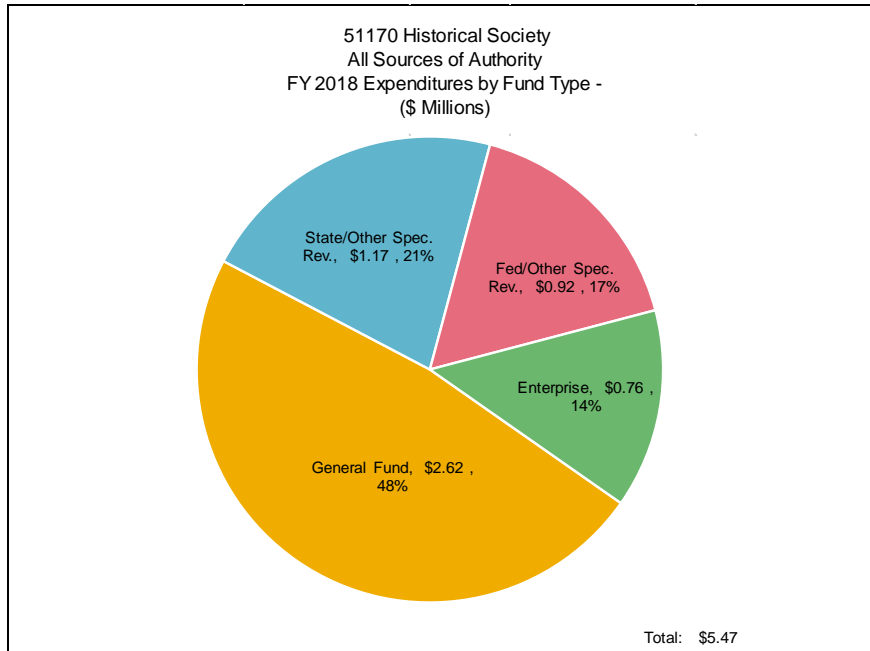
Funding

The Montana Historical Society receives general fund, state and federal special revenue, and enterprise funds. General fund comprises the largest funding source of the agency's HB 2 and pay plan appropriation. Approximately, \$2.6 million of the museum's total expenditures were from general fund. State and federal special revenue account for 21.5% and 16.7% respectively of all expenditures. The remaining 13.8% of expenditures is supported by revenues from museum fees, merchandise sales and other services provided by the MHS as enterprise funds.

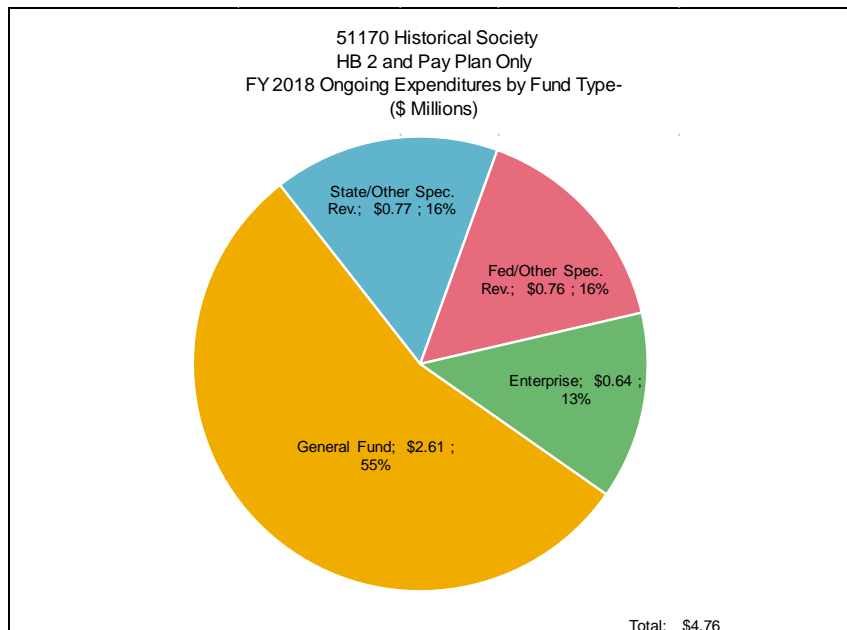
The agency receives:

- A 1.0% allocation from the lodging facility use tax for the installation or maintenance of roadside historical signs and historic sites
- An additional 2.6% allocation from the lodging facility use tax is for historical interpretation and the Robert Scriver collection
- One-fourth of the revenue from the sales of Lewis and Clark bicentennial license plates for projects related to Lewis and Clark
- The proceeds from the purchase of MHS memberships for the improvement, development, and operation of the historical society
- The proceeds from tours of the Original Governor's Mansion for the improvement, development, and operation of the mansion

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



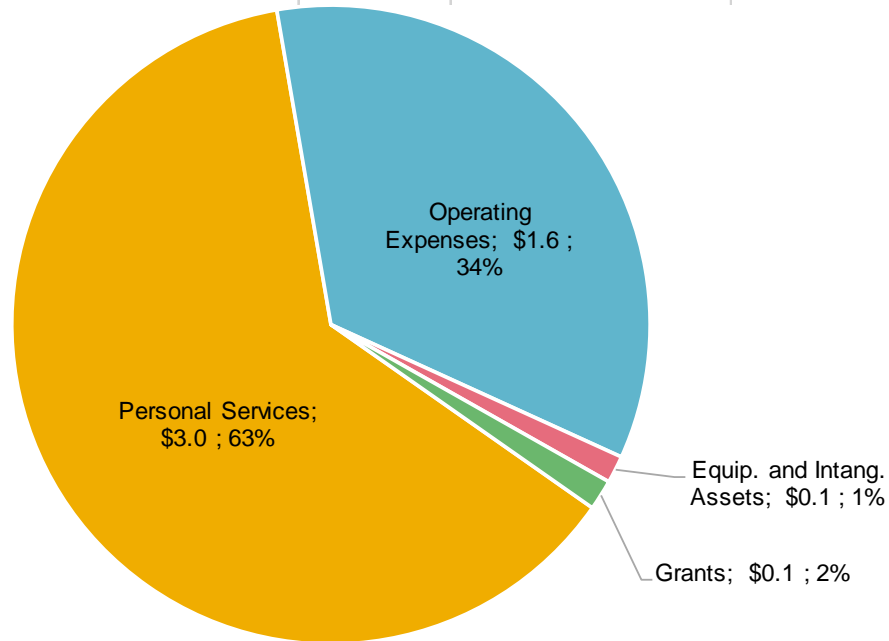
The chart below shows the agency's HB2/pay plan expenditures by fund type.



Expenditures

The chart below explains how the HB 2 and pay plan authority is spent. HB 2 and pay plan ongoing expenditures in FY 2018 totaled \$4.8 million. Personal services of \$3.0 million account for the majority of total expenditures at 62.6%. Operating expenses are 34.5% of the museum's total expenditures at \$1.6 million. Grants within the Historic Preservation Program are 1.5% or approximately \$73,000 of total expenditures. The final expenditures are for equipment and intangible assets at 1.4% of the total.

51170 Historical Society
 HB 2 and Pay Plan Only
 FY 2018 Ongoing Expenditures by First Level-
 (\$ Millions)



Total: \$4.76

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 Montana Historical Society and its fee structure
- Governing the Publication Program and its costs versus service
- Impacting the staff, such as consultation with and support of local sites; applying for, accepting, and expending grant funds; and providing services for the public
- Governing the existence, definition, and location of the society, its collections and services, and equal access to information

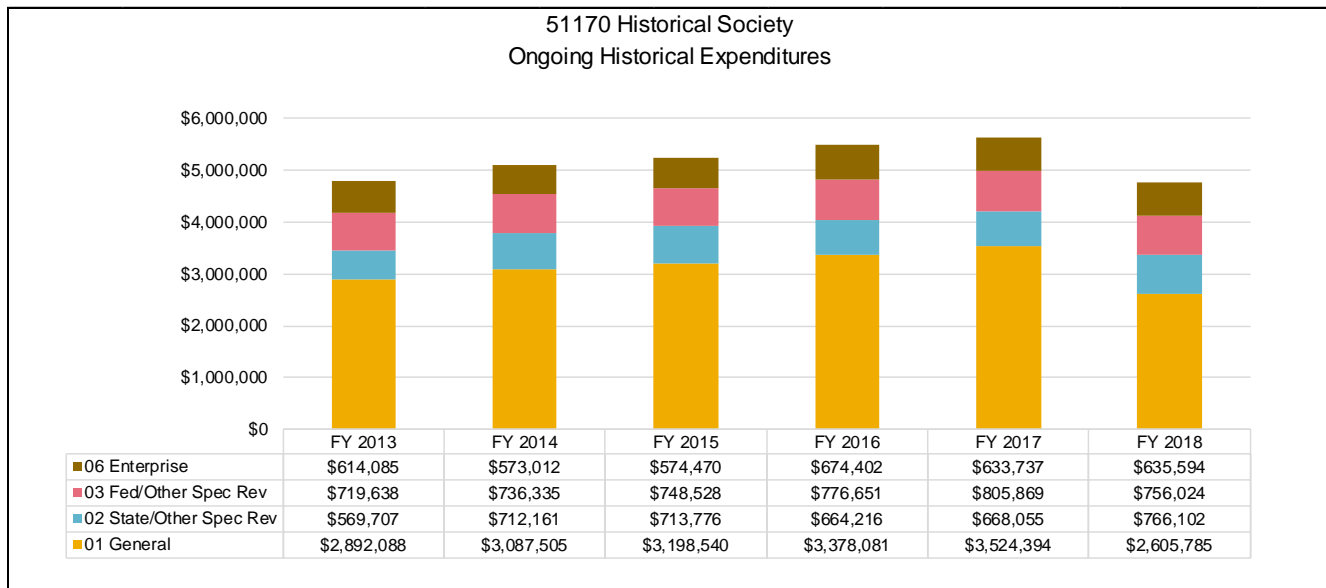
The legislature is less likely to control:

- Citizen expectations of web-accessible museum services
- The amount of information generated, discovered, or donated, print or media, on a state, regional, or federal level that is to be maintained by MHS
- The number of citizens needing MHS services

Major Cost Drivers

Major Cost Drivers for the Montana Historical Society					
Element	FY 2015	FY 2016	FY 2017	FY 2018	Significance of Data
Museum visitors (Historical museum and Governor's Mansion)	64,047	53,619	45,128	30,274	Increase revenues, security challenges
Patrons of archives, library, and photograph archives	10,495	9,357	9,123	7,942	Increased digital accessibility leads to more and easier use of collections by patrons
Participants in public programs & outreach*	432,137	374,557	395,546	399,167	Reflects public interest in services and increased workload
Digital images online	283,844	291,544	413,938	502,010	Impacts walk-in services, increased workload
Requests for reproductions of collection items**	11,729	10,151	6,953	4,195	Increased workload
Electronic requests	8,093	7,939	7,085	6,900	Reflects use of internet, increased workload
Current Collections***					
Art & Artifacts	59,245	59,917	60,859	63,214	Collections are added annually through donations and acquisitions
Books, maps, historic oral interviews	88,922	89,753	90,816	91,268	Collections are added annually through donations and acquisitions
Linear feet of archival materials	32,782	33,391	33,696	33,841	Collections are added annually through donations and acquisitions, includes records of state government
Historic photographs	545,184	549,818	564,421	572,298	Collections are added annually through donations and acquisitions
Historic preservation database	57,021	58,696	59,186	61,126	Site records are added annually
* The <i>Land of Many Stories: the People and Histories of Glacier National Park</i> traveling exhibit was on display at the Missoula International Airport for FY 2015, reaching 349,100 passengers					
** Museums and libraries are facing rapid change/growth in demand for digital data and use of electronic media. Reference services and electronic requests demonstrate a shift in how patrons locate and obtain data. National expectations are that this upward trend will continue with additional information available via web-based services					
*** These categories are the core of the Montana Historical Society. Growth occurs annually with the donation and acquisition of new materials documenting the history and heritage of Montana					

Funding/Expenditure History



The table above shows the six year funding history for the agency. Funding shown reflects funding included in the HB 2 and pay plan budget base. One-time-only appropriations are excluded from this table.

Over the last six years, total expenditures included in the HB 2 and pay plan budget base have decreased approximately 1.0%. General fund, the largest funding source for the Montana Historical Society, has decreased at an average rate of 9.9% from FY 2013 to FY 2018. State Special revenue has increased at an average annual rate of 34.5% since FY 2013. A slight increase of 5.5% has occurred with federal special revenue over the past six years.

State special funds include:

- A 2.6% allocation from the lodging facility use tax that funds historical interpretation and costs associated with the Scriver collection
- Donations and membership fees for the Historical Society
- Entrance fees charged at the Original Governor's Mansion

Federal funds include National Park Service funds for the State Historic Preservation Office. The program identifies, evaluates, and protects historic properties through surveys, technical assistance, and federal tax incentives. Federal funds are distributed to Certified Local Governments. Federal funds have increased at an average annual rate of 5.1%. The amount received is dependent upon availability of funds at the federal level.

Enterprise funds include fees for goods and services to external customers and are used to support the costs of providing the goods and services. Examples of enterprise fund revenue include magazine subscriptions, the sale of books published by the Historical Society, merchandise sales, and photography sales. Between FY 2013 and FY 2018, enterprise funds included in the HB 2 and pay plan budget base have decreased an average of 3.5% annually.

Major Legislative Changes in the Last Ten Years

The 2017 Legislature implemented SB 261 which decreased the MHS general fund appropriation by \$1.2 million over the biennium. The proprietary appropriation was increased by a like amount over the

biennium. State special revenue in the Museum Program increased by approximately \$188,00 for the biennium

HB 487 of the 2015 Legislature created two new accounts to receive revenues from the purchase of memberships to the Montana Historical Society and revenues received from tours of the Old Governor's Mansion. Revenue from membership fees is statutorily appropriated for operation of the society, and tour fees are appropriated for the maintenance, upkeep and operation of the mansion

The 2011 Legislature added \$95,000 for the 2013 biennium as an ongoing, biennial, restricted appropriation for the care and conservation of artifacts. In addition, HB 477 was adopted and passed which permanently allocates 2.6% of the lodging facility use tax to the agency for historical interpretation and Scriver collection costs.

The 2009 Legislature clarified that it was the intent of the legislature that the Department of Administration plan and construct the new historical society building at the 6th Avenue and Roberts Street site with the remaining balance of the \$7.5 million of bonds and the \$30 million in donations and grants authorized by the 2005 Legislature in HB 5

For more information on the Montana Historical Society, visit their website here: <https://mhs.mt.gov/>