

Agency Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Agency Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	6,032,843	7,216,635	1,183,792	19.62 %
Operating Expenses	3,442,628	3,491,239	48,611	1.41 %
Equipment & Intangible Assets	160,068	188,020	27,952	17.46 %
Grants	174,240	174,240	0	0.00 %
Total Expenditures	\$9,809,779	\$11,070,134	\$1,260,355	12.85 %
General Fund	5,255,234	6,575,750	1,320,516	25.13 %
State/Other Special Rev. Funds	1,534,552	1,536,541	1,989	0.13 %
Federal Spec. Rev. Funds	1,658,714	1,643,361	(15,353)	(0.93)%
Proprietary Funds	1,361,279	1,314,482	(46,797)	(3.44)%
Total Funds	\$9,809,779	\$11,070,134	\$1,260,355	12.85 %
Total Ongoing	\$9,809,779	\$11,070,134	\$1,260,355	12.85 %
Total OTO	\$0	\$0	\$0	0.00 %

Agency Biennium Comparison -

The biennium comparison table shows a total growth of 12.9%, which for this agency is influenced by the FY 2018 appropriation reductions. Compared to the FY 2019 base appropriation, the growth is 11.7%.

Mission Statement

The Montana Historical Society (MHS) exists for the purpose of:

- Learning, culture, and enjoyment of the citizens of, and visitors to the state of Montana by acquiring, preserving, and protecting historical records, art, archives, museum objects, historical places, sites, and monuments
- Maintaining a library and a historical museum, providing educational programs and services for teachers and the general public, and publishing the state historical magazine and books
- Administering the preservation and antiquities acts, and supporting commissions with state historical orientation
- Providing technical assistance to all Montana museums, historical societies, preservation programs, and owners of historical resources

There is additional, more detailed information about the Montana Historical Society in the agency profile. The profile may be viewed at: <https://leg.mt.gov/lfd/publications/>.

Agency Highlights

Montana Historical Society Major Budget Highlights
<ul style="list-style-type: none"> • The Montana Historical Society 2021 biennium budget request is approximately \$1.3 million or 12.9% higher than the 2019 biennium primarily due to present law adjustments. While this is a higher average growth from the 2019 biennium, it is 3.7% or \$0.4 million lower than the agency's 2017 biennium appropriation • The executive has proposed reducing 4.01 FTE for a personal services savings of \$0.5 million • The budget request includes the following: <ul style="list-style-type: none"> ◦ General fund increase of approximately \$1.3 million ◦ State special revenue increase of approximately \$2,000 ◦ Federal special revenue decrease of approximately \$15,000 ◦ Proprietary fund decrease of approximately \$47,000

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	58.39	58.39	54.38	54.38
Personal Services	2,928,101	2,945,028	3,087,815	3,608,182	3,608,453
Operating Expenses	1,644,159	1,758,341	1,684,287	1,763,473	1,727,766
Equipment & Intangible Assets	66,057	66,058	94,010	94,010	94,010
Grants	73,200	87,120	87,120	87,120	87,120
Total Expenditures	\$4,711,517	\$4,856,547	\$4,953,232	\$5,552,785	\$5,517,349
General Fund	2,553,796	2,593,159	2,662,075	3,308,628	3,267,122
State/Other Special Rev. Funds	766,101	768,776	765,776	768,147	768,394
Federal Spec. Rev. Funds	756,025	818,165	840,549	820,285	823,076
Proprietary Funds	635,595	676,447	684,832	655,725	658,757
Total Funds	\$4,711,517	\$4,856,547	\$4,953,232	\$5,552,785	\$5,517,349
Total Ongoing	\$4,711,517	\$4,856,547	\$4,953,232	\$5,552,785	\$5,517,349
Total OTO	\$0	\$0	\$0	\$0	\$0

Agency Discussion

2018 Appropriations Compared to FY 2018 Actual Expenditures

MHS expended 97.0% of their \$4.9 million FY 2018 HB 2 budget. Factoring in SB 261 budget reductions of \$0.6 million in FY 2018, expenditures were generally consistent with previous years. General fund comprises the majority of the funding for this agency and was 98.5% expended. The personal services appropriation of \$2.9 million was 99.4% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

FY 2019 total appropriations are 2.0% higher than the FY 2018 total appropriation due to:

- FY 2018 reductions for state share holiday and SITSD rates
- SB 294 pay plan increase in FY 2019

Executive Request

The proposed budget increases the Montana Historical Society biennial appropriation by \$1.3 million, or 12.8%. The increases are due to present law adjustments for personal services, fixed costs, and inflation and deflation. In addition, personal services are slightly offset by the elimination of 4.01 FTE related to SB 261 reductions. Overall the impacts of the proposed budget include:

- Personal services increase approximately \$1.2 million
- Operating expenses increase approximately \$48,000
- Equipment and intangible assets increase of \$28,000

Comparison of FY 2019 Legislative Budget to FY 2019 Base

Figure 1 illustrates the beginning FY 2019 budget as adopted by the 2017 Legislature compared to the finalized 2019 Base Budget, which includes modifications done by the executive (as authorized in statute) during the interim. The 2019 Base Budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2021 biennium budgeting process.

Figure 1

FY 2019 Legislative Appropriations - Montana Historical Society				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change from Legislative Action
01 Administration Program				
61000 Personal Services	832,670	-	832,670	0.0%
62000 Operating Expenses	288,759	1,500	290,259	0.5%
63000 Equipment & Intangible Assets	28,368	-	28,368	0.0%
Program Total	1,149,797	1,500	1,151,297	0.1%
02 Research Center				
61000 Personal Services	716,913	-	716,913	0.0%
62000 Operating Expenses	329,160	-	329,160	0.0%
63000 Equipment & Intangible Assets	58,847	-	58,847	0.0%
Program Total	1,104,920	-	1,104,920	0.0%
03 Museum Program				
61000 Personal Services	469,183	-	469,183	0.0%
62000 Operating Expenses	588,343	(1,500)	586,843	-0.3%
63000 Equipment & Intangible Assets	6,795	-	6,795	0.0%
Program Total	1,064,321	(1,500)	1,062,821	-0.1%
04 Publications Program				
61000 Personal Services	287,163	-	287,163	0.0%
62000 Operating Expenses	166,976	-	166,976	0.0%
Program Total	454,139	-	454,139	0.0%
05 Education				
61000 Personal Services	212,992	-	212,992	0.0%
62000 Operating Expenses	133,165	-	133,165	0.0%
Program Total	346,157	-	346,157	0.0%
06 Historic Preservation Program				
61000 Personal Services	568,894	-	568,894	0.0%
62000 Operating Expenses	177,884	-	177,884	0.0%
66000 Grants	87,120	-	87,120	0.0%
Program Total	833,898	-	833,898	0.0%
Grand Total	4,953,232	-	4,953,232	0.0%

The legislative budget for the Montana Historical Society has remained unchanged since special session. An executive modification occurred to move a small amount of operating funds from the Museum Program to the Administration Program.

5.0% Plans

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. A summary of the entire 2019 biennium 5.0% plan submitted for this agency is in the Budget Analysis Appendix.

The Montana Historical Society submitted a 5.0% plan which would reduce general fund by \$127,561 and state special revenue by \$38,267. The plan includes:

- Adjust the replacement cycle of computers to a seven year cycle in the Administration and Education programs for savings in general fund and state special revenue
- Elimination of 1.51 FTE in the Administration Program, accounting for approximately \$88,000 of general fund. Reducing FTE would decrease the agency personal services budget by 2.3% and result in decreased service offerings and limit the ability to market specific programs

- Reducing 1.00 FTE to 0.75 FTE in the Research Center. This reduction would decrease general fund by roughly \$36,000 and would delay access to publications
- A reduction of \$32,867 state special revenue from the Museum Program and Research Center. This would decrease the amount of ongoing preservation of historical artifacts

Agency Personal Services

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into four categories, as follows:

1. Formula Based

Formula based changes are calculated independent of agency choices, such as: annualize personal services costs including FY 2019 statewide pay plan adjustments, changes to benefit rates, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot, plus rate changes for workers' compensation and unemployment insurance.

A detailed illustration of this methodology is included in the Budget Analysis Appendix.

2. Personal Services Management Decisions

Any agency management decisions that adjusted employee pay or transferred personal services authority between programs. This includes raises or position changes that may increase or reduce a budget, such as hiring FTE at a lower rate to replace retired senior staff or moving FTE and funding between programs.

3. Proposed Reinstatement of Personal Services Base Budget Reductions

Most agencies requested reinstatement of personal services budget reductions taken last session. The single largest reinstatement is due to the lower vacancy savings rate requested by the executive. The FY 2019 personal services base included approximately 6.0% vacancy savings reduction as part of the funding adopted in HB 2. Generally, the executive requested a 2.0% vacancy savings reduction for 2021 biennium.

Agencies funded with general fund may have additional personal services reductions such as those reduced from the triggers in SB 261 from last session.

In some instances, the lower personal services budgets caused agencies to make management decisions that lowered the ongoing cost of personal services. When this occurred, the LFD reflected the lower reinstatement requested rather than the total of all personal services reductions made by the previous legislature.

4. Budget Modifications

This category includes modifications to the FY 2019 personal services budget such as transfer of personal services authority to operating expenses that occurred during the interim. These transfers may impact the overall size of the personal services present law adjustment (DP 1).

The Figure shows the analysis of the proposed changes.

Figure 2

Personal Services Present Law DP 1 - FY 2020						
Program	Formula Based	Management Decisions	Proposed Reinstatement of PS	Budget Modifications	DP1 SWPL	
01 ADMINISTRATION PROGRAM	(1,155)	-	268,358	-	267,203	
02 RESEARCH CENTER	1,336	(12,594)	298,432	-	287,174	
03 MUSEUM PROGRAM	5,650	(347)	23,794	-	29,097	
04 PUBLICATIONS PROGRAM	4,983	10,560	38,346	-	53,889	
05 EDUCATION	5,638	1,747	90,193	-	97,578	
06 HISTORIC PRESERVATION PROGRAM	8,406	634	23,535	-	32,575	
Agency Total	\$24,858	\$0	\$742,658	\$0	\$767,516	

Personal services are \$3.1 million, or 62.3% of total FY 2019 appropriations. The executive proposes an increase of approximately \$770,000 in both FY 2020 and FY 2021. In addition to the formula based changes, the proposed reinstatement of personal services base budget reductions and management decisions are primarily contributing to the statewide present law adjustment for personal services. In some instances, the lower personal services budgets caused agencies to make management decisions that lowered the ongoing cost of personal services. When this occurred, the LFD reflected the lower reinstatement requested rather than the total of all personal services reductions made by the previous legislature.

LFD COMMENT

The executive has proposed further adjustments to personal services in the Montana Historical Society with the elimination of 4.01 FTE. In order to make SB 261 personal services reductions permanent, the executive has proposed to permanently reduce FTE associated with those reductions. This would reduce personal services by approximately \$494,000.

Funding

The following table shows proposed agency funding by source of authority.

Total Montana Historical Society Funding by Source of Authority 2021 Biennium Budget Request - Montana Historical Society						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	6,575,750	0	0	0	6,575,750	55.54 %
State Special Total	1,536,541	0	0	769,438	2,305,979	19.48 %
Federal Special Total	1,643,361	0	0	0	1,643,361	13.88 %
Proprietary Total	1,314,482	0	0	0	1,314,482	11.10 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$11,070,134	\$0	\$0	\$769,438	\$11,839,572	
Percent - Total All Sources	93.50 %	0.00 %	0.00 %	6.50 %		

The agency is funded through a combination of general fund, state special revenue including 2.6% of the lodging facility use tax, federal special, and proprietary revenue as shown in the table above.

Statutory revenues sources include:

- Montana Historical Society Membership fees
- Entrance fees charged at the Original Governor's Mansion
- 1.0% of the lodging facility use tax
- One fourth of the revenue generated from the sale of Lewis and Clark license plates

Proprietary revenues are fees for goods and services to external customers and support the costs of providing those goods and services. Proprietary fund revenues include magazine subscriptions, the sale of books published by the Historical Society, merchandise sales, and photography sales.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,662,075	2,662,075	5,324,150	80.97 %	4,953,232	4,953,232	9,906,464	89.49 %
SWPL Adjustments	893,702	852,022	1,745,724	26.55 %	846,702	811,092	1,657,794	14.98 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(247,149)	(246,975)	(494,124)	(7.51)%	(247,149)	(246,975)	(494,124)	(4.46)%
Total Budget	\$3,308,628	\$3,267,122	\$6,575,750		\$5,552,785	\$5,517,349	\$11,070,134	

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,611,937	2,022,342	410,405	25.46 %
Operating Expenses	708,772	642,917	(65,855)	(9.29)%
Equipment & Intangible Assets	28,368	56,736	28,368	100.00 %
Total Expenditures	\$2,349,077	\$2,721,995	\$372,918	15.88 %
General Fund	1,638,054	2,087,323	449,269	27.43 %
State/Other Special Rev. Funds	54,918	105,404	50,486	91.93 %
Federal Spec. Rev. Funds	151,927	104,489	(47,438)	(31.22)%
Proprietary Funds	504,178	424,779	(79,399)	(15.75)%
Total Funds	\$2,349,077	\$2,721,995	\$372,918	15.88 %
Total Ongoing	\$2,349,077	\$2,721,995	\$372,918	15.88 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Administration Program provides supervision, administration, and coordination of the six programs in the Montana Historical Society. Program staff are responsible for the management, planning, direction, and leadership of the society. Activities include public information, payroll/personnel, fund raising, financial reporting, business management, security, building management, community outreach, and the society store.

Program Highlights

Administration Program Major Budget Highlights
<ul style="list-style-type: none"> • The proposed budget increases the Administration Program biennial appropriation by \$373,000 due in large part to present law adjustments • The executive proposal includes a reduction of 1.51 FTE • The budget requests the following: <ul style="list-style-type: none"> ◦ General fund increase of approximately \$449,000 ◦ State special revenue increase of approximately \$51,000 ◦ Federal special revenue decrease of approximately \$47,000 ◦ Proprietary fund decrease of approximately \$79,000

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	16.19	16.19	14.68	14.68
Personal Services	764,882	779,267	832,670	1,011,632	1,010,710
Operating Expenses	372,093	418,513	290,259	342,390	300,527
Equipment & Intangible Assets	0	0	28,368	28,368	28,368
Total Expenditures	\$1,136,975	\$1,197,780	\$1,151,297	\$1,382,390	\$1,339,605
General Fund	830,169	869,538	768,516	1,065,985	1,021,338
State/Other Special Rev. Funds	757	2,222	52,696	52,702	52,702
Federal Spec. Rev. Funds	73,194	74,599	77,328	51,383	53,106
Proprietary Funds	232,855	251,421	252,757	212,320	212,459
Total Funds	\$1,136,975	\$1,197,780	\$1,151,297	\$1,382,390	\$1,339,605
Total Ongoing	\$1,136,975	\$1,197,780	\$1,151,297	\$1,382,390	\$1,339,605
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

2018 Appropriations Compared to FY 2018 Actual Expenditures

The Administration Program expended 94.9% of their \$1.2 million FY 2018 HB 2 appropriation. General fund was 95.5% expended. Total personal services of \$779,267 were 98.2% expended. The majority of the remaining budget in operating expenses is for the legislative audit.

FY 2018 Appropriations Compared to FY 2019 Appropriations

FY 2019 total appropriations are \$46,483, or 3.9% lower than the FY 2018 total appropriation due to:

- SB 261 reductions in both years that were higher in FY 2019
- November 2017 Special Session reductions in both fiscal years
- SB 294 pay plan increase in FY 2019

Executive Request

The proposed budget increases the Administration Program biennial appropriation by approximately \$373,000, or 15.9%. The increase is due to present law adjustments for personal services, fixed costs, and inflation and deflation. In addition, personal services are slightly offset by the elimination of 1.51 FTE related to SB 261 reductions. The following changes have been requested for the 2021 biennium:

- Personal services increase of approximately \$410,000
- Operating expenses decrease of approximately \$66,000
- Equipment and intangible assets increase of \$28,000

Program Personal Services Narrative

Personal services are approximately \$832,000 or 72.3% of total FY 2019 appropriations. The executive proposes an increase of approximately \$267,000 in FY 2020 and \$266,000 in FY 2021 for statewide present law adjustments. The primary factors contributing to the statewide present law adjustment for personal services are the formula based changes and reinstatement of personal services base of 2017 Regular Session and SB 261 reductions and vacancy savings. In addition, a new proposal to eliminate 1.51 FTE reduces personal services by approximately \$177,000.

Funding

The following table shows proposed program funding by source of authority.

Montana Historical Society, 01-Administration Program Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,087,323	0	0	0	2,087,323	72.14 %	
02041 MHS Membership	0	0	0	171,484	171,484	61.93 %	
02188 Senate Art	3,456	0	0	0	3,456	1.25 %	
02853 Accommodation Tax	101,948	0	0	0	101,948	36.82 %	
State Special Total	\$105,404	\$0	\$0	\$171,484	\$276,888	9.57 %	
03021 Historic Sites Preservation	104,489	0	0	0	104,489	100.00 %	
Federal Special Total	\$104,489	\$0	\$0	\$0	\$104,489	3.61 %	
06071 Merchandise - Historical Soc	352,215	0	0	0	352,215	82.92 %	
06073 Historical Society Management	72,564	0	0	0	72,564	17.08 %	
Proprietary Total	\$424,779	\$0	\$0	\$0	\$424,779	14.68 %	
Total All Funds	\$2,721,995	\$0	\$0	\$171,484	\$2,893,479		

The program is funded with a combination of:

- General fund
- State special revenue funds from membership fees, donations, and a portion of the lodging facility use tax
- Federal funds through indirect cost recoveries
- Proprietary funds from museum entrance fees and merchandise sales

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	768,516	768,516	1,537,032	73.64 %	1,151,297	1,151,297	2,302,594	84.59 %
SWPL Adjustments	385,710	340,873	726,583	34.81 %	319,334	276,359	595,693	21.88 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(88,241)	(88,051)	(176,292)	(8.45)%	(88,241)	(88,051)	(176,292)	(6.48)%
Total Budget	\$1,065,985	\$1,021,338	\$2,087,323		\$1,382,390	\$1,339,605	\$2,721,995	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
DP 1 - Personal Services	0.00	335,998	0	(25,945)	267,203	0.00	333,163	0	(24,222)	266,091
DP 2 - Fixed Costs	0.00	49,669	6	0	52,088	0.00	7,657	6	0	10,215
DP 3 - Inflation Deflation	0.00	43	0	0	43	0.00	53	0	0	53
Grand Total All Present Law Adjustments	0.00	\$385,710	\$6	(\$25,945)	\$319,334	0.00	\$340,873	\$6	(\$24,222)	\$276,359

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

New Proposals

The "New Proposals" table shows new changes to spending.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
New Proposals										
DP 4 - Position Reductions	(1.51)	(88,241)	0	0	(88,241)	(1.51)	(88,051)	0	0	(88,051)
Total	(1.51)	(\$88,241)	\$0	\$0	(\$88,241)	(1.51)	(\$88,051)	\$0	\$0	(\$88,051)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 4 - Position Reductions -

The executive budget proposes reducing 1.51 FTE to make certain reductions from SB 261 permanent.

Program Biennium Comparison

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Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,420,517	1,776,565	356,048	25.06 %
Operating Expenses	661,949	672,918	10,969	1.66 %
Equipment & Intangible Assets	113,628	117,694	4,066	3.58 %
Total Expenditures	\$2,196,094	\$2,567,177	\$371,083	16.90 %
General Fund	1,898,478	2,269,009	370,531	19.52 %
State/Other Special Rev. Funds	228,110	228,083	(27)	(0.01)%
Proprietary Funds	69,506	70,085	579	0.83 %
Total Funds	\$2,196,094	\$2,567,177	\$371,083	16.90 %
Total Ongoing	\$2,196,094	\$2,567,177	\$371,083	16.90 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Research Center Program consists of the library, archives, and photograph archives functions. This program acquires, organizes, preserves, makes accessible to the public, and assists researchers with published materials, historic records and manuscripts, photographs and related media, digitized materials available online, and oral histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official archives of state government.

Program Highlights

Research Center Major Budget Highlights
<ul style="list-style-type: none"> • The proposed budget increases the Research Center biennial appropriation by \$371,000 due in part to the present law adjustments • The executive proposal includes a reduction of 2.00 FTE • The budget request includes the following: <ul style="list-style-type: none"> ◦ General fund increase by approximately \$371,000 ◦ Proprietary fund increase of \$500

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	15.50	15.50	13.50	13.50
Personal Services	703,607	703,604	716,913	887,721	888,844
Operating Expenses	329,603	332,789	329,160	335,493	337,425
Equipment & Intangible Assets	54,780	54,781	58,847	58,847	58,847
Total Expenditures	\$1,087,990	\$1,091,174	\$1,104,920	\$1,282,061	\$1,285,116
General Fund	942,371	942,366	956,112	1,132,972	1,136,037
State/Other Special Rev. Funds	114,029	114,055	114,055	114,045	114,038
Proprietary Funds	31,590	34,753	34,753	35,044	35,041
Total Funds	\$1,087,990	\$1,091,174	\$1,104,920	\$1,282,061	\$1,285,116
Total Ongoing	\$1,087,990	\$1,091,174	\$1,104,920	\$1,282,061	\$1,285,116
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

2018 Appropriations Compared to FY 2018 Actual Expenditures

The Research Center expended 99.7% of their \$1.1 million FY 2018 HB 2 appropriation. General fund comprises the majority of the funding for this program and was 100.0% expended. Personal services of \$703,604 were 100.0% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

FY 2019 total appropriations are \$13,746, or 1.3% higher than the FY 2018 total appropriation due to:

- SB 261 reductions in both years that were higher in FY 2019
- November 2017 Special Session reductions in both fiscal years
- SB 294 pay plan increase in FY 2019

Executive Request

The proposed budget increases the Research Center biennial appropriation by \$0.4 million, or 16.9%. The increase is due to present law adjustments for personal services, fixed costs, and inflation and deflation. In addition, personal services are slightly offset by the elimination of 2.00 FTE related to SB 261 reductions. The following changes have been requested for the 2021 biennium:

- Personal services increase approximately \$356,000
- Operating expenses increase approximately \$11,000
- Equipment and intangible assets increase of \$4,000

Program Personal Services Narrative

Personal services are approximately \$717,000 or 64.9% of total FY 2019 appropriations. The executive proposes an increase of approximately \$287,000 in FY 2020 and \$288,000 in FY 2021 for statewide present law adjustments. The primary factors contributing to the statewide present law adjustment for personal services are the formula based changes and reinstatement of personal services base of 2017 Regular Session and SB 261 reductions and vacancy savings. In addition, a new proposal to eliminate 2.00 FTE reduces personal services by approximately \$232,000.

Funding

The following table shows proposed program funding by source of authority.

Montana Historical Society, 02-Research Center Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,269,009	0	0	0	2,269,009	88.39 %	
02131 HIS/LSD MOU	0	0	0	0	0	0.00 %	
02406 Cultural And Aesthetic Project	0	0	0	0	0	0.00 %	
02853 Accommodation Tax	228,083	0	0	0	228,083	100.00 %	
State Special Total	\$228,083	\$0	\$0	\$0	\$228,083	8.88 %	
03102 Federal Grants	0	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
06072 MHS Photo Archives Enterprise	33,579	0	0	0	33,579	47.91 %	
06076 MHS Library Enterprise Funds	36,506	0	0	0	36,506	52.09 %	
Proprietary Total	\$70,085	\$0	\$0	\$0	\$70,085	2.73 %	
Total All Funds	\$2,567,177	\$0	\$0	\$0	\$2,567,177		

The program is funded with a combination of:

- General fund
- State special revenue from the lodging facility use tax
- Proprietary fund revenue from the sale of historic photo reproductions and images

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	956,112	956,112	1,912,224	84.28 %	1,104,920	1,104,920	2,209,840	86.08 %
SWPL Adjustments	293,226	296,020	589,246	25.97 %	293,507	296,291	589,798	22.97 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(116,366)	(116,095)	(232,461)	(10.24)%	(116,366)	(116,095)	(232,461)	(9.06)%
Total Budget	\$1,132,972	\$1,136,037	\$2,269,009		\$1,282,061	\$1,285,116	\$2,567,177	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
DP 1 - Personal Services	0.00	287,174	0	0	287,174	0.00	288,026	0	0	288,026
DP 2 - Fixed Costs	0.00	5,903	(10)	0	6,184	0.00	7,809	(17)	0	8,080
DP 3 - Inflation Deflation	0.00	149	0	0	149	0.00	185	0	0	185
Grand Total All Present Law Adjustments	0.00	\$293,226	(\$10)	\$0	\$293,507	0.00	\$296,020	(\$17)	\$0	\$296,291

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

New Proposals

The "New Proposals" table shows new changes to spending.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
New Proposals										
DP 4 - Position Reductions	(2.00)	(116,366)	0	0	(116,366)	(2.00)	(116,095)	0	0	(116,095)
Total	(2.00)	(\$116,366)	\$0	\$0	(\$116,366)	(2.00)	(\$116,095)	\$0	\$0	(\$116,095)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 4 - Position Reductions -

The executive budget proposes reducing 2.00 FTE to make certain reductions from SB 261 permanent.

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	909,924	996,455	86,531	9.51 %
Operating Expenses	1,145,330	1,195,040	49,710	4.34 %
Equipment & Intangible Assets	18,072	13,590	(4,482)	(24.80)%
Total Expenditures	\$2,073,326	\$2,205,085	\$131,759	6.35 %
General Fund	1,030,661	1,196,729	166,068	16.11 %
State/Other Special Rev. Funds	1,035,647	982,107	(53,540)	(5.17)%
Proprietary Funds	7,018	26,249	19,231	274.02 %
Total Funds	\$2,073,326	\$2,205,085	\$131,759	6.35 %
Total Ongoing	\$2,073,326	\$2,205,085	\$131,759	6.35 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Museum Program collects, preserves, and interprets the history of Montana through its material culture, by collecting fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours, and traveling exhibits. The program also coordinates with the society's education program to orchestrate events, programs, and materials on Montana history for learners of all ages.

Program Highlights

Museum Program Major Budget Highlights
<ul style="list-style-type: none"> • The proposed budget increases the Museum Program biennial appropriation by \$131,759 due to present law adjustments • The budget request includes the following: <ul style="list-style-type: none"> ◦ General fund increase of approximately \$166,000 ◦ State special revenue decrease of approximately \$54,000 ◦ Proprietary fund increase of approximately \$19,000

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	7.75	7.75	7.75	7.75
Personal Services	440,740	440,741	469,183	498,280	498,175
Operating Expenses	557,158	558,487	586,843	596,127	598,913
Equipment & Intangible Assets	11,277	11,277	6,795	6,795	6,795
Total Expenditures	\$1,009,175	\$1,010,505	\$1,062,821	\$1,101,202	\$1,103,883
General Fund	461,868	461,869	568,792	598,414	598,315
State/Other Special Rev. Funds	543,445	544,627	491,020	491,054	491,053
Proprietary Funds	3,862	4,009	3,009	11,734	14,515
Total Funds	\$1,009,175	\$1,010,505	\$1,062,821	\$1,101,202	\$1,103,883
Total Ongoing	\$1,009,175	\$1,010,505	\$1,062,821	\$1,101,202	\$1,103,883
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

2018 Appropriations Compared to FY 2018 Actual Expenditures

The Museum Program expended 99.9% of their \$1.0 million FY 2018 HB 2 appropriation. General fund was 100.0% expended. State special revenue comprises the majority of the funding for this program and was 99.8% expended. Personal services of \$440,741 were 100.0% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

FY 2019 total appropriations are \$52,316, or 5.2% higher than the FY 2018 total appropriation due to:

- SB 261 reductions in both years which were higher in FY 2018
- November 2017 Special Session reductions in both fiscal years
- SB 294 pay plan increase in FY 2019

Executive Request

The proposed budget increases the Museum Program biennial appropriation by \$131,759, or 6.4%. The increase is due to present law adjustments for personal services, fixed costs, and inflation and deflation. The following changes have been requested for the 2021 biennium:

- Personal services increase approximately \$87,000
- Operating expenses increase approximately \$50,000
- Equipment and intangible assets decrease of \$4,000

Program Personal Services Narrative

Personal services are approximately \$469,000 or 44.1% of total FY 2019 appropriations. The executive proposes an increase from the FY 2019 base appropriation of approximately \$29,000 in both FY 2020 and FY 2021. In addition to the formula based changes, the primary factors contributing to the statewide present law adjustment for personal services is the reinstatement of personal services base of 2017 Regular Session and SB 261 reductions and vacancy savings.

Funding

The following table shows proposed program funding by source of authority.

Montana Historical Society, 03-Museum Program Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,196,729	0	0	0	1,196,729	48.97 %	
02009 Cultural And Aesthetic Project	0	0	0	0	0	0.00 %	
02045 Original Governor's Mansion	3,350	0	0	5,947	9,297	0.76 %	
02123 Sites & Signs	0	0	0	106,778	106,778	8.75 %	
02853 Accommodation Tax	978,757	0	0	0	978,757	80.18 %	
02986 Lewis & Clark License Plates	0	0	0	125,930	125,930	10.32 %	
State Special Total	\$982,107	\$0	\$0	\$238,655	\$1,220,762	49.95 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
06077 MHS Museum Enterprise Funds	26,249	0	0	0	26,249	100.00 %	
Proprietary Total	\$26,249	\$0	\$0	\$0	\$26,249	1.07 %	
Total All Funds	\$2,205,085	\$0	\$0	\$238,655	\$2,443,740		

The program is funded with a combination of:

- General fund
- State special revenue from the lodging facility use tax, and donations at the Original Governor’s Mansion
- Proprietary funds generated through the sales of books, copies, and photographs, and the rental of traveling exhibits

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	568,792	568,792	1,137,584	95.06 %	1,062,821	1,062,821	2,125,642	96.40 %
SWPL Adjustments	29,622	29,523	59,145	4.94 %	38,381	41,062	79,443	3.60 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$598,414	\$598,315	\$1,196,729		\$1,101,202	\$1,103,883	\$2,205,085	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	29,097	0	0	29,097	0.00	28,992	0	0	28,992
DP 2 - Fixed Costs	0.00	493	34	0	9,252	0.00	491	33	0	12,030
DP 3 - Inflation Deflation	0.00	32	0	0	32	0.00	40	0	0	40
Grand Total All Present Law Adjustments	0.00	\$29,622	\$34	\$0	\$38,381	0.00	\$29,523	\$33	\$0	\$41,062

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	585,096	681,628	96,532	16.50 %
Operating Expenses	313,044	338,470	25,426	8.12 %
Total Expenditures	\$898,140	\$1,020,098	\$121,958	13.58 %
General Fund	245,661	372,722	127,061	51.72 %
Proprietary Funds	652,479	647,376	(5,103)	(0.78)%
Total Funds	\$898,140	\$1,020,098	\$121,958	13.58 %
Total Ongoing	\$898,140	\$1,020,098	\$121,958	13.58 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Publications Program promotes the study of Montana history and education through lectures, publications, and curriculum materials. The program publishes quarterly edition of the award-winning *Montana The Magazine of Western History*. It also publishes books under the Montana Historical Society Press imprint.

Program Highlights

Publications Program Major Budget Highlights
<ul style="list-style-type: none"> • The proposed budget increases the Publications Program biennial appropriation by \$121,958 due to present law adjustments • The budget request includes the following: <ul style="list-style-type: none"> ◦ General fund increase of approximately \$127,000 ◦ Proprietary fund decrease of approximately \$5,000

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	5.00	5.00	5.00	5.00
Personal Services	297,891	297,933	287,163	341,052	340,576
Operating Expenses	144,290	146,068	166,976	169,168	169,302
Total Expenditures	\$442,181	\$444,001	\$454,139	\$510,220	\$509,878
General Fund	116,536	116,536	129,125	186,599	186,123
Proprietary Funds	325,645	327,465	325,014	323,621	323,755
Total Funds	\$442,181	\$444,001	\$454,139	\$510,220	\$509,878
Total Ongoing	\$442,181	\$444,001	\$454,139	\$510,220	\$509,878
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

2018 Appropriations Compared to FY 2018 Actual Expenditures

The Museum Program expended 99.6% of their \$0.4 million FY 2018 HB 2 appropriation. General fund was 100.0% expended. Proprietary revenue comprises the majority of the funding for this program and was 99.4% expended. Personal services of \$297,933 were 100.0% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

FY 2019 total appropriations are \$10,138, or 2.3% higher than the FY 2018 total appropriation due to:

- SB 261 reductions in both years which were higher in FY 2018
- November 2017 Special Session reductions in both fiscal years
- SB 294 pay plan increase in FY 2019

Executive Request

The proposed budget increases the Publications Program biennial appropriation by \$121,958, or 13.6%. The increase is due to present law adjustments for personal services, fixed costs, and inflation and deflation. The following changes have been requested for the 2021 biennium:

- Personal services increase approximately \$97,000
- Operating expenses increase approximately \$25,000

Program Personal Services Narrative

Personal services are approximately \$287,000 or 63.2% of total FY 2019 appropriations. The executive proposes an increase from the FY 2019 base appropriation of approximately \$54,000 in both FY 2020 and FY 2021. In addition to the formula based changes, the primary factor contributing to the statewide present law adjustment for personal services is the reinstatement of personal services base of 2017 Regular Session and SB 261 reductions and vacancy savings. A small portion is related to management decisions in relation to wage changes.

Funding

The following table shows proposed program funding by source of authority.

Montana Historical Society, 04-Publications Program Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	372,722	0	0	0	372,722	36.54 %	
02386 MHS Misc MOU's	0	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
06002 MHS Publications Enterprise	647,376	0	0	0	647,376	100.00 %	
Proprietary Total	\$647,376	\$0	\$0	\$0	\$647,376	63.46 %	
Total All Funds	\$1,020,098	\$0	\$0	\$0	\$1,020,098		

The program is funded with a combination of:

- General fund
- Proprietary funds from subscription sales for the magazine and sales of books published by the program

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	129,125	129,125	258,250	69.29 %	454,139	454,139	908,278	89.04 %
SWPL Adjustments	57,474	56,998	114,472	30.71 %	56,081	55,739	111,820	10.96 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$186,599	\$186,123	\$372,722		\$510,220	\$509,878	\$1,020,098	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	57,474	0	0	53,889	0.00	56,998	0	0	53,413
DP 2 - Fixed Costs	0.00	0	0	0	2,172	0.00	0	0	0	2,301
DP 3 - Inflation Deflation	0.00	0	0	0	20	0.00	0	0	0	25
Grand Total All Present Law Adjustments	0.00	\$57,474	\$0	\$0	\$56,081	0.00	\$56,998	\$0	\$0	\$55,739

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	393,954	536,923	142,969	36.29 %
Operating Expenses	268,697	271,350	2,653	0.99 %
Total Expenditures	\$662,651	\$808,273	\$145,622	21.98 %
General Fund	393,954	536,923	142,969	36.29 %
State/Other Special Rev. Funds	215,877	220,947	5,070	2.35 %
Proprietary Funds	52,820	50,403	(2,417)	(4.58)%
Total Funds	\$662,651	\$808,273	\$145,622	21.98 %
Total Ongoing	\$662,651	\$808,273	\$145,622	21.98 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Education Program is comprised of three primary activities: Outreach and Interpretation, Historic Signs, and the Volunteer Program. The Education Program provides educational public programming of all types, both at the society's headquarters and throughout the state, for a wide range of audiences; plans and produces educational publications, curriculum materials, and instructional literature for broad distribution; plans and produces interpretive, place-based publications, articles, brochures, and tours for statewide distribution/implementation; provides reference services to the general public, teachers, students, technical users, and other like-minded institutions and organizations; oversees the National Register Sign Program for the State of Montana, producing interpretive signage for eligible structures and sites in all parts of the state; assists in the planning, production, and placement of non-Register permanent and/or temporary signage in all parts of the state; and oversees the society's volunteer program, coordinating volunteers, and volunteer activities society-wide.

Program Highlights

Education Program Major Budget Highlights
<ul style="list-style-type: none"> • The proposed budget increases the Education Program biennial appropriation by \$145,622 due in part to the present law adjustments • The executive has proposed reducing personal services by 0.50 FTE, or \$85,371 • The budget request includes the following: <ul style="list-style-type: none"> ◦ General fund increase of approximately \$143,000 ◦ State special revenue increase of approximately \$5,000 ◦ Proprietary fund decrease of approximately \$2,400

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	4.95	4.95	4.45	4.45
Personal Services	180,963	180,962	212,992	268,028	268,895
Operating Expenses	132,808	135,532	133,165	135,549	135,801
Total Expenditures	\$313,771	\$316,494	\$346,157	\$403,577	\$404,696
General Fund	180,963	180,962	212,992	268,028	268,895
State/Other Special Rev. Funds	107,870	107,872	108,005	110,346	110,601
Proprietary Funds	24,938	27,660	25,160	25,203	25,200
Total Funds	\$313,771	\$316,494	\$346,157	\$403,577	\$404,696
Total Ongoing	\$313,771	\$316,494	\$346,157	\$403,577	\$404,696
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

2018 Appropriations Compared to FY 2018 Actual Expenditures

The Education Program expended 99.1% of their \$0.3 million FY 2018 HB 2 appropriation. General fund comprises the majority of the funding for this program and was 100.0% expended. State special revenue was 100.0% expended. Personal services of \$180,962 were 100.0% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

FY 2019 total appropriations are \$29,663, or 9.4% higher than the FY 2018 total appropriation due to:

- SB 261 reductions in both years which were higher in FY 2018
- November 2017 Special Session reductions in both fiscal years
- SB 294 pay plan increase in FY 2019

Executive Request

The proposed budget increases the Education Program biennial appropriation by \$146,000, or 22.0%. The increase is due to present law adjustments for personal services, fixed costs, and inflation and deflation. In addition, personal services are slightly offset by the elimination of 0.50 FTE related to SB 261 reductions. The following changes have been requested for the 2021 biennium:

- Personal services increase approximately \$143,000
- Operating expenses increase approximately \$2,600

Program Personal Services Narrative

Personal services are approximately \$213,000 or 61.5% of total FY 2019 appropriations. The executive proposes an increase from the FY 2019 base appropriation of approximately \$98,000 in FY 2020 and \$99,000 in FY 2021 for statewide present law adjustments. The primary factors contributing to the statewide present law adjustment for personal services are the formula based changes and reinstatement of personal services base of 2017 Regular Session and SB 261 reductions and vacancy savings. A small portion is related to management decisions in relation to wage changes. In addition, a new proposal to eliminate 0.50 FTE reduces personal services by approximately \$85,000.

Funding

The following table shows proposed program funding by source of authority.

Montana Historical Society, 05-Education Program Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	536,923	0	0	0	536,923	45.99 %	
02123 Sites & Signs	0	0	0	359,299	359,299	61.92 %	
02853 Accommodation Tax	220,947	0	0	0	220,947	38.08 %	
State Special Total	\$220,947	\$0	\$0	\$359,299	\$580,246	49.70 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
06022 MHS Education Enterprise Funds	50,403	0	0	0	50,403	100.00 %	
Proprietary Total	\$50,403	\$0	\$0	\$0	\$50,403	4.32 %	
Total All Funds	\$808,273	\$0	\$0	\$359,299	\$1,167,572		

The program is funded with a combination of:

- General fund
- State special revenue appropriated in HB 2 from a 2.6% allocation of the lodging facility use tax which may be used only for the purpose of historical interpretation and costs relating to the Scriver collection
- State special revenue appropriated via a statutory appropriation from a 1.0% allocation of the lodging facility use tax which may be used for the installation or maintenance of roadside historical signs and historic sites
- Proprietary funds derived from program fees and education enterprises

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	212,992	212,992	425,984	79.34 %	346,157	346,157	692,314	85.65 %
SWPL Adjustments	97,578	98,732	196,310	36.56 %	99,962	101,368	201,330	24.91 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(42,542)	(42,829)	(85,371)	(15.90)%	(42,542)	(42,829)	(85,371)	(10.56)%
Total Budget	\$268,028	\$268,895	\$536,923		\$403,577	\$404,696	\$808,273	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
DP 1 - Personal Services	0.00	97,578	0	0	97,578	0.00	98,732	0	0	98,732
DP 2 - Fixed Costs	0.00	0	2,245	0	2,288	0.00	0	2,476	0	2,516
DP 3 - Inflation Deflation	0.00	0	96	0	96	0.00	0	120	0	120
Grand Total All Present Law Adjustments	0.00	\$97,578	\$2,341	\$0	\$99,962	0.00	\$98,732	\$2,596	\$0	\$101,368

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

New Proposals

The "New Proposals" table shows new changes to spending.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
New Proposals										
DP 4 - Position Reductions	(0.50)	(42,542)	0	0	(42,542)	(0.50)	(42,829)	0	0	(42,829)
Total	(0.50)	(\$42,542)	\$0	\$0	(\$42,542)	(0.50)	(\$42,829)	\$0	\$0	(\$42,829)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 4 - Position Reductions -

The executive budget proposes reducing 0.50 FTE to make certain reductions from SB 261 permanent.

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,111,415	1,202,722	91,307	8.22 %
Operating Expenses	344,836	370,544	25,708	7.46 %
Grants	174,240	174,240	0	0.00 %
Total Expenditures	\$1,630,491	\$1,747,506	\$117,015	7.18 %
General Fund	48,426	113,044	64,618	133.44 %
Federal Spec. Rev. Funds	1,506,787	1,538,872	32,085	2.13 %
Proprietary Funds	75,278	95,590	20,312	26.98 %
Total Funds	\$1,630,491	\$1,747,506	\$117,015	7.18 %
Total Ongoing	\$1,630,491	\$1,747,506	\$117,015	7.18 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Historic Preservation Office administers the Montana Antiquities Act and Montana's participation in the National Historic Preservation Act of 1966, as amended. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public. Staff maintain a statewide inventory of recorded historic and archaeological sites. Staff review state agencies compliance with the state antiquities act. Staff review and comment on all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing in the National Register of Historic Places. Staff administer the National Register of Historic Places program in Montana through the State Preservation Review Board. The office recommends certification of historic structures and rehabilitation projects for federal tax credits to citizens and businesses, as authorized by the Tax Reform Act of 1976. The program awards and administers pass-through federal grants to local governments participating in the federal Certified Local Government Program. The program may also award funds for historic survey and planning for historic areas and for bricks and mortar rehabilitation when funds are available.

Program Highlights

Historic Preservation Program Major Budget Highlights
<ul style="list-style-type: none"> • The proposed budget increases the Historic Preservation Program biennial appropriation by \$117,015 due to present law adjustments • The budget request includes the following: <ul style="list-style-type: none"> ◦ General fund increase of approximately \$65,000, ◦ Federal special revenue increase of approximately \$32,000 ◦ Proprietary fund increase of approximately \$20,000

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	9.00	9.00	9.00	9.00
Personal Services	540,018	542,521	568,894	601,469	601,253
Operating Expenses	108,207	166,952	177,884	184,746	185,798
Grants	73,200	87,120	87,120	87,120	87,120
Total Expenditures	\$721,425	\$796,593	\$833,898	\$873,335	\$874,171
General Fund	21,889	21,888	26,538	56,630	56,414
Federal Spec. Rev. Funds	682,831	743,566	763,221	768,902	769,970
Proprietary Funds	16,705	31,139	44,139	47,803	47,787
Total Funds	\$721,425	\$796,593	\$833,898	\$873,335	\$874,171
Total Ongoing	\$721,425	\$796,593	\$833,898	\$873,335	\$874,171
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

2018 Appropriations Compared to FY 2018 Actual Expenditures

The Historic Preservation Program expended 90.6% of their \$0.8 million FY 2018 HB 2 appropriation. General fund was 100.0% expended. Federal special revenue comprises the majority of the funding for this program and was 91.8% expended. Personal services of \$542,521 were 99.5% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

FY 2019 total appropriations are \$37,305, or 4.7% higher than the FY 2018 total appropriation due to:

- November 2017 Special Session reductions in both fiscal years
- SB 294 pay plan increase in FY 2019

Executive Request

The proposed budget increases the Historic Preservation Program biennial appropriation by \$117,015, or 7.2%. The increase is due to present law adjustments for personal services, fixed costs, and inflation and deflation. The following changes have been requested for the 2021 biennium:

- Personal services increase approximately \$91,000, or 8.2%
- Operating expenses increase approximately \$26,000, or 7.5%

Program Personal Services Narrative

Personal services are approximately \$569,000 or 68.2% of total FY 2019 appropriations. The executive proposes an increase of approximately \$32,000 in both FY 2020 and FY 2021. In addition to the formula based changes, the primary factor contributing to the statewide present law adjustment for personal services is the reinstatement of personal services base of 2017 Regular Session and SB 261 reductions and vacancy savings. A small portion is related to management decisions in relation to wage changes.

Funding

The following table shows proposed program funding by source of authority.

Montana Historical Society, 06-Historic Preservation Program Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	113,044	0	0	0	113,044	6.47 %	
State Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
03021 Historic Sites Preservation	1,538,872	0	0	0	1,538,872	100.00 %	
03102 Federal Grants	0	0	0	0	0	0.00 %	
Federal Special Total	\$1,538,872	\$0	\$0	\$0	\$1,538,872	88.06 %	
06013 SHPO ENTERPRISE FUND	95,590	0	0	0	95,590	100.00 %	
Proprietary Total	\$95,590	\$0	\$0	\$0	\$95,590	5.47 %	
Total All Funds	\$1,747,506	\$0	\$0	\$0	\$1,747,506		

The program is funded through a combination of:

- General fund
- Federal special revenue
- Proprietary

Federal special revenue is from the National Park Service for historic site preservation. Proprietary funds are generated from fees for historical preservation assistance and services and are used to enhance and maintain the agency's antiquities database.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	26,538	26,538	53,076	46.95 %	833,898	833,898	1,667,796	95.44 %
SWPL Adjustments	30,092	29,876	59,968	53.05 %	39,437	40,273	79,710	4.56 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$56,630	\$56,414	\$113,044		\$873,335	\$874,171	\$1,747,506	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	30,092	0	2,483	32,575	0.00	29,876	0	2,483	32,359
DP 2 - Fixed Costs	0.00	0	0	3,144	6,808	0.00	0	0	4,198	7,846
DP 3 - Inflation Deflation	0.00	0	0	54	54	0.00	0	0	68	68
Grand Total All Present Law Adjustments	0.00	\$30,092	\$0	\$5,681	\$39,437	0.00	\$29,876	\$0	\$6,749	\$40,273

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.