

Agency Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	5,138,926	4,864,449	(274,477)	(5.34)%
Operating Expenses	4,311,399	6,507,639	2,196,240	50.94 %
Grants	1,696,730	2,395,956	699,226	41.21 %
Debt Service	3,000	0	(3,000)	(100.00)%
Total Expenditures	\$11,150,055	\$13,768,044	\$2,617,989	23.48 %
General Fund	5,205,870	5,690,287	484,417	9.31 %
State/Other Special Rev. Funds	3,835,900	6,310,367	2,474,467	64.51 %
Federal Spec. Rev. Funds	2,108,285	1,767,390	(340,895)	(16.17)%
Total Funds	\$11,150,055	\$13,768,044	\$2,617,989	23.48 %
Total Ongoing	\$10,900,055	\$12,891,302	\$1,991,247	18.27 %
Total OTO	\$250,000	\$876,742	\$626,742	250.70 %

Agency Description

Montana State Library Commission (MSL) has several responsibilities, which include:

- Meeting the information needs of Montana government agency management and staff
- Ensuring all Montana citizens have access to information created by their government
- Supporting the role of all Montana libraries in delivering quality library content and services to their patrons
- Working to strengthen local community public libraries
- Ensuring that Montanans who are visually or physically handicapped are provided access to library resources

The MSL, authorized in Section 22-1-101, MCA, administers state and federal library funding to operate and maintain the state library, oversees the six library federations located throughout Montana, and develops library oriented statewide long-range planning, policy, and service coordination.

The MSL is also authorized in section 90-1-401, MCA to develop a standardized, sustainable method to collect, maintain, and disseminate information in digital formats about the natural and artificial land characteristics of Montana.

MSL is further authorized in section 90-15-101, MCA to establish a planning framework for the development of the natural resources information system (NRIS), to implement the system, and to establish an ongoing Montana Natural Heritage Program.

Additional responsibilities of the library include:

- Assisting all tax-supported libraries and local governments wishing to establish or improve libraries
- Maintaining an audio book library for use by Montanans unable to utilize printed materials
- Providing access to state publications
- Developing a land information plan and administering a granting process for the purposes of implementing the plan
- Maintaining and providing information related to Montana’s plant and animal species and habitat and comprehensive natural resources (land) information

Please refer to the agency profile for the Montana State Library at <https://leg.mt.gov/lfd/state-agency-profiles/montana-state-library/> for additional information about the agency’s organizational structure, historical expenditures, FY 2020 expenditure dashboard, and recent studies, audits, and legislation.

Agency Highlights

Montana State Library Major Budget Highlights
<ul style="list-style-type: none"> • The Montana State Library’s 2023 biennium appropriations are approximately \$2.6 million or 23.5% higher than the 2021 biennium. Significant biennial changes include: <ul style="list-style-type: none"> ◦ Increases in state special revenue appropriations of \$1.7 million for the Montana Land Information Act ◦ Increases in state special revenue appropriations of \$925,000 for start-up costs to build out a statewide real-time network as restricted, biennial and one-time-only ◦ Increases in state special revenue appropriations of \$234,000 for the natural resource information system (NRIS) and the geographic information system (GIS) fixed cost. The Office of Budget and Program Planning included an assessment for the NRIS/GIS fixed cost to agencies as requested by the Legislative Finance Committee ◦ Decreases in coal severance tax state special revenue appropriations of \$113,000, which is a 10.0% reduction in appropriations from this fund

Agency Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	29.46	29.46	30.46	30.46
Personal Services	2,781,491	2,827,132	2,311,794	2,403,502	2,460,947
Operating Expenses	2,138,576	2,337,057	1,974,342	3,266,904	3,240,735
Grants	468,618	542,052	1,154,678	1,197,978	1,197,978
Debt Service	2,282	3,000	0	0	0
Total Expenditures	\$5,390,967	\$5,709,241	\$5,440,814	\$6,868,384	\$6,899,660
General Fund	2,528,197	2,598,274	2,607,596	2,829,605	2,860,682
State/Other Special Rev. Funds	1,844,229	1,882,464	1,953,436	3,155,089	3,155,278
Federal Spec. Rev. Funds	1,018,541	1,228,503	879,782	883,690	883,700
Total Funds	\$5,390,967	\$5,709,241	\$5,440,814	\$6,868,384	\$6,899,660
Total Ongoing	\$5,291,539	\$5,609,241	\$5,290,814	\$6,454,142	\$6,437,160
Total OTO	\$99,428	\$100,000	\$150,000	\$414,242	\$462,500

Summary of Legislative Action

The legislature approved an increase of 30.1% or approximately \$3.2 million in the 2023 biennium compared to the FY

2021 base appropriation.

The increase in appropriations is primarily associated with the Montana land information account state special revenue fund. The legislature increased expenditures from this state special revenue fund by \$925,000 over the biennium in order to begin implementing a real-time network (RTN). The RTN allows for precise location data that can be used for precision agriculture, surveying, infrastructure asset management, and autonomous navigation. This appropriation is utilizing the available fund balance in this state special revenue account. Additionally, the legislature passed and approved HB 49, which increased the fee for filing documents such as land titles with county clerks. This increase in revenue is estimated to be approximately \$1.7 million over the biennium and can be used to develop a standardized and sustainable way to collect, maintain, and disseminate information in digital format about the land characteristics of Montana.

Additionally, the legislature adopted an increase in state special revenue authority for an increase the natural resource information system (NRIS) and the geographic information system (GIS) fixed cost collected by the Montana State Library. The Office of Budget and Program Planning used the consumer price index (CPI) inflation rate to apply a growth factor to the core funding of approximately \$282,000, which was established in 2005. This resulted in additional funding for the Montana State Library of approximately \$234,000 over the 2023 biennium.

Funding

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

Total Montana State Library Funding by Source of Authority 2023 Biennium Budget Request - Montana State Library						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	5,738,545	(48,258)	0	831,532	6,521,819	42.26 %
State Special Total	5,385,367	925,000	0	0	6,310,367	40.89 %
Federal Special Total	1,767,390	0	0	0	1,767,390	11.45 %
Proprietary Total	0	0	833,711	0	833,711	5.40 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$12,891,302	\$876,742	\$833,711	\$831,532	\$15,433,287	
Percent - Total All Sources	83.53 %	5.68 %	5.40 %	5.39 %		

The Montana State Library is funded through a combination of general fund, state special revenue, federal special revenue and proprietary funds.

HB 2 Authority

General fund in the Montana State Library supports:

- The statewide interlibrary resource sharing program
- State aid to libraries throughout Montana
- The natural resource information system (NRIS)
- General agency operations

State special revenue in the 2023 biennium includes:

- The digital library services account, which receives assessments paid by certain state agencies that use the NRIS. In previous biennia, these agencies included the Departments of Fish, Wildlife, and Parks, Transportation, Environmental Quality, Natural Resources and Conservation, and the Montana University System. For the 2023 biennium, the legislature adopted a decision package to include additional agencies in this assessment
- The Montana land information account, which receives a portion of the document recording fees assessed at the local level
- The coal severance tax, which partially funds general operations, statewide technology contracts, and the library federation grants to assist local libraries in providing basic services

Federal special revenue is primarily comprised of Library Services and Technology Act (LSTA) grants administered by the Institute of Museum and Library Services (IMLS). These funds:

- Are formula grants from the IMLS rather than competitive grants
- Require a 2:1 federal/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

Proprietary Authority

Approximately 5.4% of the Montana State Library functions are supported with a non-budgeted proprietary fund. This funding supports the Montana Shared Catalog Program.

Statutory Authority

The Montana State Library is estimating approximately \$832,000 general fund statutory authority in the 2023 biennium. Statute (22-1-327, MCA) states that the commission shall distribute grants to public libraries and public library districts based on a per capita and per square mile basis. The base amount that can be allocated is \$0.40 multiplied by the total number of residents of the state as determined by the most recent decennial census.

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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	2,607,596	2,607,596	5,215,192	91.65 %	5,290,814	5,290,814	10,581,628	76.86 %
SWPL Adjustments	300,268	283,176	583,444	10.25 %	306,162	289,275	595,437	4.32 %
PL Adjustments	(6,546)	(6,546)	(13,092)	(0.23)%	(6,546)	(6,546)	(13,092)	(0.10)%
New Proposals	(71,713)	(23,544)	(95,257)	(1.67)%	1,277,954	1,326,117	2,604,071	18.91 %
Total Budget	\$2,829,605	\$2,860,682	\$5,690,287		\$6,868,384	\$6,899,660	\$13,768,044	

Other Legislation

HB 49 – Revise recording fees to support county and state land information accounts

The purpose of the Montana Land Information Act is to develop a standardization and sustainable way to collect, maintain, and disseminate information in a digital form about the land characteristics of Montana. The Montana State Library receives funding from fees for filing documents such as land titles with county clerks. HB 49 increased the filing fee from \$7.00 to \$8.00. Of this \$1.00 increase, \$0.75 is deposited into the Montana land information state special revenue account and \$0.25 is deposited into the county land information account. Additional funding for the Montana State Library of approximately \$828,000 each fiscal year is included in DP 19.

HB 50 – Redistribute 9-1-1 funding to state library

Next generation 911 systems are built on GIS datasets comprised of transportation and address data. The Montana State Library is the steward for these statewide datasets, which are part of the Montana spatial data infrastructure. HB 50 creates a 911 GIS mapping state special revenue account and authorizes a transfer of \$450,000 at the beginning of each fiscal year. This transfer terminates July 1, 2031.

HB 374 – Amend Coal Severance Tax SSR accounts, provide transfers

The Montana State Library receives an appropriation from the coal severance tax state special revenue account. Revenues from this state special revenue account have declined over time. HB 374 authorizes a general fund transfer to this state special revenue account if revenues fall below the amount appropriated to the MSL from this fund.

HB 632 – Implement receipt of and appropriate federal stimulus and COVID recovery funds

The Montana State Library received approximately \$2.4 million in the American Rescue Plan Act of 2021. HB 632 includes:

- An appropriation of \$1.2 million for the hotspot lending program and broadband infrastructure in libraries
- An appropriation of \$1.0 million for e-learning digital content
- An appropriation of \$120,000 for Newline from the supporting older Americans and family funds, if eligible

Executive Budget Comparison

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	29.46	30.46	30.46	0.00	30.46	30.46	0.00	0.00
Personal Services	2,311,794	2,368,639	2,403,502	34,863	2,426,179	2,460,947	34,768	69,631
Operating Expenses	1,974,342	2,138,628	3,266,904	1,128,276	2,112,459	3,240,735	1,128,276	2,256,552
Grants	1,154,678	1,154,678	1,197,978	43,300	1,154,678	1,197,978	43,300	86,600
Transfers	0	(56,700)	0	56,700	(56,700)	0	56,700	113,400
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$5,440,814	\$5,605,245	\$6,868,384	\$1,263,139	\$5,636,616	\$6,899,660	\$1,263,044	\$2,526,183
General Fund	2,607,596	2,855,676	2,829,605	(26,071)	2,886,842	2,860,682	(26,160)	(52,231)
State/other Special Rev. Funds	1,953,436	1,865,743	3,155,089	1,289,346	1,865,938	3,155,278	1,289,340	2,578,686
Federal Spec. Rev. Funds	879,782	883,826	883,690	(136)	883,836	883,700	(136)	(272)
Total Funds	\$5,440,814	\$5,605,245	\$6,868,384	\$1,263,139	\$5,636,616	\$6,899,660	\$1,263,044	\$2,526,183
Total Ongoing	\$5,290,814	\$5,653,503	\$6,454,142	\$800,639	\$5,636,616	\$6,437,160	\$800,544	\$1,601,183
Total OTO	\$150,000	(\$48,258)	\$414,242	\$462,500	\$0	\$462,500	\$462,500	\$925,000

The legislature adopted ongoing appropriations that are approximately \$1.6 million higher than the proposed appropriations for the 2023 biennium. The legislature adopted one-time-only appropriations that are approximately \$900,000 higher than the proposed appropriations for the biennium. These differences are primarily in state special revenue appropriations.

The major differences in the legislative budget compared to the proposed budget include:

- The legislature adopted state special revenue appropriations of \$1.7 million over the biennium for activities associated with the Montana Land Information Act. HB 49 increases the filing fee associated with the act, and results in additional state special revenue funds
- The legislature adopted restricted, biennial, one-time-only state special revenue appropriations of \$925,000 over the biennium for start-up costs to build out a statewide real-time network
- The legislature adopted a personal services vacancy savings rate of 5.0%, which is an additional 1.0% vacancy savings above the rate proposed by the executive. This reduced general fund, state special revenue, and federal special revenue appropriations for personal services. This reduction totaled approximately \$50,000 over the biennium
- The legislature adopted a reduction in general fund appropriations of approximately \$5,000 over the biennium for a reduction in fixed costs for information technology services

Language and Statutory Authority

The legislature included the following language in HB 2:

"All HB 2 federal funding appropriations for the Montana State Library are biennial appropriations.

If HB 49 is not passed and approved, the appropriation for Montana Land Information Act Funding is void.

The Statewide Library Resources includes a reduction in general fund of \$23,455 in fiscal year 2022 and \$23,544 in fiscal year 2023, state special revenue of \$1,546 in fiscal year 2022 and \$1,552 in fiscal year 2023, and federal special revenue of \$136 in fiscal year 2022 and \$136 in fiscal year 2023. The reduction is the equivalent of an additional 1% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2023 biennium operating plans."

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	29.46	29.46	30.46	30.46
Personal Services	2,781,491	2,827,132	2,311,794	2,403,502	2,460,947
Operating Expenses	2,138,576	2,337,057	1,974,342	3,266,904	3,240,735
Grants	468,618	542,052	1,154,678	1,197,978	1,197,978
Debt Service	2,282	3,000	0	0	0
Total Expenditures	\$5,390,967	\$5,709,241	\$5,440,814	\$6,868,384	\$6,899,660
General Fund	2,528,197	2,598,274	2,607,596	2,829,605	2,860,682
State/Other Special Rev. Funds	1,844,229	1,882,464	1,953,436	3,155,089	3,155,278
Federal Spec. Rev. Funds	1,018,541	1,228,503	879,782	883,690	883,700
Total Funds	\$5,390,967	\$5,709,241	\$5,440,814	\$6,868,384	\$6,899,660
Total Ongoing	\$5,291,539	\$5,609,241	\$5,290,814	\$6,454,142	\$6,437,160
Total OTO	\$99,428	\$100,000	\$150,000	\$414,242	\$462,500

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	16,506	1,850	4,044	22,400	0.00	24,345	2,045	4,054	30,444
DP 2 - Fixed Costs	0.00	285,000	0	0	285,000	0.00	259,607	0	0	259,607
DP 3 - Inflation Deflation	0.00	(1,238)	0	0	(1,238)	0.00	(776)	0	0	(776)
DP 11 - ServiceNow Reduction	0.00	(3,930)	0	0	(3,930)	0.00	(3,930)	0	0	(3,930)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(2,616)	0	0	(2,616)	0.00	(2,616)	0	0	(2,616)
Grand Total All Present Law Adjustments	0.00	\$293,722	\$1,850	\$4,044	\$299,616	0.00	\$276,630	\$2,045	\$4,054	\$282,729

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to 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 legislature adopted 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.

DP 11 - ServiceNow Reduction -

The legislature adopted a decrease in general fund appropriations because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The Montana State Library is anticipating operating efficiencies and other savings by using ServiceNow.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	Fiscal 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 13 - NRIS/GIS Fixed Costs	1.00	0	117,157	0	117,157	1.00	0	117,157	0	117,157
DP 18 - Real Time Network (RST/BIEN/OTO)	0.00	0	462,500	0	462,500	0.00	0	462,500	0	462,500
DP 19 - Montana Land Information Act Funding	0.00	0	828,392	0	828,392	0.00	0	828,392	0	828,392
DP 20 - Reduce Funding from Coal Severance Tax SSR Account	0.00	0	(56,700)	0	(56,700)	0.00	0	(56,700)	0	(56,700)
DP 51 - Additional 1.0% Vacancy Savings	0.00	(23,455)	(1,546)	(136)	(25,137)	0.00	(23,544)	(1,552)	(136)	(25,232)
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(48,258)	0	0	(48,258)	0.00	0	0	0	0
Total	1.00	(\$71,713)	\$1,349,803	(\$136)	\$1,277,954	1.00	(\$23,544)	\$1,349,797	(\$136)	\$1,326,117

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

DP 13 - NRIS/GIS Fixed Costs -

The 2019 Legislature enacted HB 633 requiring the Legislative Finance Committee to conduct a study of the funding of digital library services. The LFC recommended that the Office of Budget and Program Planning include an assessment for the natural resource information system and the geographic information system as a fixed cost to state agencies beginning in the 2023 biennium. The assessment is made to those agencies that utilize the NRIS/GIS.

The legislature adopted an increase in state special revenue appropriations and 1.00 FTE for the Montana State Library. These funds will be included with the current core funding for NRIS/GIS of \$282,000. Five state agencies have paid this core funding since 2005 without any inflationary increase. This new funding includes inflationary increases and redistributes the costs across all state agency that use NRIS/GIS.

DP 18 - Real Time Network (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, one-time-only state special revenue appropriations for the start-up costs to

build out a statewide real-time network (RTN). An RTN is a network of permanent continuously operating reference stations (CORS) spread throughout the state. The CORS are mounted with global navigation satellite system receivers and communication equipment to continuously receive and stream global navigation satellite system (GNSS) data. This precise location data supports a variety of needs including precision agriculture, surveying, infrastructure asset management, and autonomous navigation. The Montana State Library would serve as the central processing center to receive and manage the raw coordinate data and to connect network users. Authorized network users would access the network at any time to receive real-time geospatial location data from any location within the network that has communications with the Library.

Start-up costs include costs for software and computer equipment, personal service costs for coordination and promotion, and funding for CORS stations.

DP 19 - Montana Land Information Act Funding -

The legislature adopted state special revenue appropriations contingent on the passage and approval of HB 49. The Montana land information state special revenue fund receives revenues from fees for filing documents such as land titles with county clerks. If passed and approved, HB 49 would increase the fee from \$7.00 to \$8.00. Of this \$1.00 increase, \$0.75 would be deposited in the Montana land information state special revenue account, which is available for developing a standardized and sustainable way to collect, maintain, and disseminate information in digital form about the land characteristics of Montana.

DP 20 - Reduce Funding from Coal Severance Tax SSR Account -

The legislature adopted a reduction in the coal severance tax state special revenue fund. This is a 10.0% reduction to the appropriation from the state special revenue account for the Montana State Library. Revenue into the state special revenue fund has declined over time. In addition to the proposed reduction in appropriations, HB 374 proposes a general fund transfer to this state special revenue fund to cover any shortfall in revenue.

DP 51 - Additional 1.0% Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings, which reduces general fund, state special revenue, and federal special revenue appropriations for personal services.

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature adopted a reduction in general fund appropriations for a two-month state share holiday for employer contributions into the state health insurance fund. This change removes the general fund portion of the savings generate by the contribution holiday. Savings from other funding sources remain in the agency to be able to address ongoing functions of the agency.

Other Issues

Proprietary Program Description

The Montana Shared Catalog (MSC) is a cooperative project involving approximately 177 libraries in 99 Montana communities. Public school, academic, medical, and other special libraries have pooled resources to purchase a library automation system. Members enjoy the benefits of shared expertise and the ability to provide services to library customers. The Montana State Library became the fiscal agent for the MSC in FY 2008. The MSC is funded with an enterprise type proprietary fund. Since proprietary funds do not require an appropriation, they are not typically included in appropriation tables. The source of the funding is from member fees paid by libraries to belong to the MSC.

2023 Biennium Report on Internal Service and Enterprise Funds

Fund	Fund Name	Agency #	Program Name
06021	MT Shared Catalog	51150	Statewide Library Resources

	Estimated FY 20	Budgeted FY 21	Budgeted FY 22	Budgeted FY 23
Operating Revenues				
Fees and Charges				
Fee Revenue A	391,212	389,500	405,902	418,079
Total Operating Revenues	391,212	389,500	405,902	418,079
Expenses				
Personal Services	148,283	159,570	182,283	182,408
Other Operating Expense	227,149	234,510	234,510	234,510
Total Operating Expense	375,432	394,080	416,793	416,918
Operating Income (Loss)	15,780	(4,580)	(10,891)	1,161
Beginning Net Position - July 1	46,699	62,479	57,899	47,008
Prior Period Adjustments				
Change in Net Position	15,780	(4,580)	(10,891)	1,161
Ending Net Position - June 30	62,479	57,899	47,008	48,169

Proprietary Revenue and Expenses

The MSC members pay membership dues that are used to pay operating expenses. There are approximately 177 member libraries that pay membership fees each year. Expenditures include payment of required fees for software licensing, user interface, indexing to make the system run, payment for required yearly catalog director station maintenance, travel budget for meeting with stakeholders and conference attendance, member training, and equipment replacement.

Proprietary Rate Explanation

In accordance with the written agreement each participating library signs upon joining this consortium, the annual fees assessed to each library are established on the basis of a membership-approved cost formula. The goal of the cost formula is to distribute MSC operational costs as fairly and evenly as possible based on the following:

- Individual library’s titles count
- Patron count
- Circulation count
- Equal share contribution