

### Agency Biennium Comparison

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

Agency Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	6,615,348	7,584,909	969,561	14.66 %
Operating Expenses	3,739,599	4,145,126	405,527	10.84 %
Equipment & Intangible Assets	221,501	192,020	(29,481)	(13.31)%
Grants	174,240	174,240	0	0.00 %
Debt Service	5,787	0	(5,787)	(100.00)%
<b>Total Expenditures</b>	<b>\$10,756,475</b>	<b>\$12,096,295</b>	<b>\$1,339,820</b>	<b>12.46 %</b>
General Fund	6,042,937	7,108,026	1,065,089	17.63 %
State/Other Special Rev. Funds	1,842,557	1,956,398	113,841	6.18 %
Federal Spec. Rev. Funds	1,619,150	1,850,714	231,564	14.30 %
Proprietary Funds	1,251,831	1,181,157	(70,674)	(5.65)%
<b>Total Funds</b>	<b>\$10,756,475</b>	<b>\$12,096,295</b>	<b>\$1,339,820</b>	<b>12.46 %</b>
<b>Total Ongoing</b>	<b>\$10,756,475</b>	<b>\$12,096,295</b>	<b>\$1,339,820</b>	<b>12.46 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

### 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

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

Agency Highlights

<b>Montana Historical Society Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Montana Historical Society's 2023 biennium requested appropriations are approximately \$1.3 million or 12.5% higher than the 2021 biennium</li> <li>• The executive proposes increases in the statewide present law adjustment for personal services of \$899,000 over the 2023 biennium when compared to the FY 2021 base appropriations. Personal services were reduced in many programs in the 2021 biennium without a corresponding reduction in FTE. The executive personal services snapshot process has restored this funding in the 2023 biennium</li> <li>• The executive is proposing shifting \$10,000 in expenditures for information technology costs from the accommodation tax state special revenue fund to general fund</li> </ul>

Agency Actuals and Budget Comparison

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	54.38	54.38	54.38	54.38
Personal Services	3,232,776	3,272,306	3,343,042	3,787,334	3,797,575
Operating Expenses	1,648,401	1,855,806	1,883,793	2,077,618	2,067,508
Equipment & Intangible Assets	93,581	125,491	96,010	96,010	96,010
Grants	76,089	87,120	87,120	87,120	87,120
Debt Service	5,787	5,787	0	0	0
<b>Total Expenditures</b>	<b>\$5,056,634</b>	<b>\$5,346,510</b>	<b>\$5,409,965</b>	<b>\$6,048,082</b>	<b>\$6,048,213</b>
General Fund	2,973,923	3,014,615	3,028,322	3,555,304	3,552,722
State/Other Special Rev. Funds	765,688	905,551	937,006	978,039	978,359
Federal Spec. Rev. Funds	729,235	802,431	816,719	924,544	926,170
Proprietary Funds	587,788	623,913	627,918	590,195	590,962
<b>Total Funds</b>	<b>\$5,056,634</b>	<b>\$5,346,510</b>	<b>\$5,409,965</b>	<b>\$6,048,082</b>	<b>\$6,048,213</b>
<b>Total Ongoing</b>	<b>\$5,056,634</b>	<b>\$5,346,510</b>	<b>\$5,409,965</b>	<b>\$6,048,082</b>	<b>\$6,048,213</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Agency Discussion

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Montana Historical Society is funded in HB 2 with general fund, state special revenue, federal special revenue and proprietary funds. The HB 2 modified budget of \$5.3 million was 94.6% expended as of the end of FY 2020. State special revenue appropriations of \$906,000 were 84.6% expended. Lower expenditures were primarily from the accommodation tax state special revenue fund. Management reduced expenditures from this state special revenue account due to concerns about the impact the COVID-19 pandemic and decreased tourism would have on revenue.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Overall, the FY 2021 appropriation is approximately \$63,000 or 1.2% higher than the FY 2020 appropriation. The FY 2020 and FY 2021 appropriations are not significantly different.

*Comparison of FY 2021 Legislative Budget to FY 2021 Base*

Figure 1 illustrates the beginning FY 2021 budget as adopted by the 2019 Legislature compared to the FY 2021 base budget, which includes modifications made during the interim as authorized in statute. The FY 2021 base budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2023 biennium budgeting process.

Figure 1

FY 2021 Legislative Appropriations - Montana Historical Society				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change from Legislative Action
<b>01 ADMINISTRATION PROGRAM</b>				
61000 Personal Services	904,593	-	904,593	0.0%
62000 Operating Expenses	300,862	12,357	313,219	4.1%
63000 Equipment & Intangible Assets	28,368	(28,368)	-	-100.0%
<b>01 ADMINISTRATION PROGRAM Total</b>	<b>1,233,823</b>	<b>(16,011)</b>	<b>1,217,812</b>	<b>-1.3%</b>
<b>02 RESEARCH CENTER</b>				
61000 Personal Services	766,091	-	766,091	0.0%
62000 Operating Expenses	415,544	(14,357)	401,187	-3.5%
63000 Equipment & Intangible Assets	58,847	30,368	89,215	51.6%
<b>02 RESEARCH CENTER Total</b>	<b>1,240,482</b>	<b>16,011</b>	<b>1,256,493</b>	<b>1.3%</b>
<b>03 MUSEUM PROGRAM</b>				
61000 Personal Services	501,536	-	501,536	0.0%
62000 Operating Expenses	677,760	(1,678)	676,082	-0.2%
63000 Equipment & Intangible Assets	6,795	-	6,795	0.0%
<b>03 MUSEUM PROGRAM Total</b>	<b>1,186,091</b>	<b>(1,678)</b>	<b>1,184,413</b>	<b>-0.1%</b>
<b>04 PUBLICATIONS PROGRAM</b>				
61000 Personal Services	331,104	-	331,104	0.0%
62000 Operating Expenses	169,731	-	169,731	0.0%
<b>04 PUBLICATIONS PROGRAM Total</b>	<b>500,835</b>	<b>-</b>	<b>500,835</b>	<b>0.0%</b>
<b>05 EDUCATION</b>				
61000 Personal Services	232,610	-	232,610	0.0%
62000 Operating Expenses	135,986	1,678	137,664	1.2%
<b>05 EDUCATION Total</b>	<b>368,596</b>	<b>1,678</b>	<b>370,274</b>	<b>0.5%</b>
<b>06 HISTORIC PRESERVATION PROGRAM</b>				
61000 Personal Services	607,108	-	607,108	0.0%
62000 Operating Expenses	185,910	-	185,910	0.0%
66000 Grants	87,120	-	87,120	0.0%
<b>06 HISTORIC PRESERVATION PROGRAM Total</b>	<b>880,138</b>	<b>-</b>	<b>880,138</b>	<b>0.0%</b>
<b>51170 MONTANA HISTORICAL SOCIETY Total</b>	<b>5,409,965</b>	<b>-</b>	<b>5,409,965</b>	<b>0.0%</b>

FY 2021 Legislative Appropriations - Montana Historical Society				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change from Legislative Action
01 General Fund	3,028,322	-	3,028,322	0.0%
02 State/Other Spec Rev	937,006	-	937,006	0.0%
03 Fed/Other Spec Rev	816,719	-	816,719	0.0%
06 Proprietary	627,918	-	627,918	0.0%
Grand Total	5,409,965	-	5,409,965	0.0%

The Montana Historical Society had two budget modifications to the FY 2021 base budget. The most significant modification moved \$35,000 general fund from the Research Center to the Administration Program and \$51,000 state special revenue from the Administration Program to the Research Center. This transfer was made to correct funding in each program. The Administration Program received an appropriation from the accommodation tax state special revenue fund it could not use because, by statute, it must be used to pay costs associated with historical interpretation and the Robert Sriver collection. The MHS transferred these funds to the Research Center, which could meet the intent of the law, and the Research Center transferred general fund to the Administration Program for its operations.

#### *Executive Request*

The Montana Historical Society is requesting an increase of approximately \$638,000 in FY 2022 and \$638,000 in FY 2023 above FY 2021 base appropriations. The increase in the 2023 biennium is primarily due to the statewide present law adjustment for personal services and fixed costs. Additionally, the executive is requesting to move \$10,000 of funding for information technology costs each fiscal year from the accommodation tax state special revenue account to the general fund.

#### *5.0% Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. The general fund reduction impact for the Montana Historical Society is approximately \$149,000. The 5.0% plan includes reductions in the:

- Administration Program of approximately \$63,000. This would eliminate an administrative assistant position and reduce the number of in person meetings of the Board of Trustees
- Research Center of approximately \$25,000. This would reduce library subscription services, the Montana shared catalog, archives west, and Montana memory project memberships
- Museum Program of \$24,000. This would eliminate the replacement of safety equipment
- Education Program of approximately \$36,000. This would eliminate a tour guide in the Montana Capitol building (0.82 FTE)

The state special revenue reduction impact for the Montana Historical Society totals approximately \$38,000. The plan includes reductions in the:

- Museum Program of approximately \$20,000. This would reduce the educational hands-on history footlocker program and public programming
- Education Program of \$18,000. The development of new exhibits would be placed on hold

A summary of the entire 2023 biennium 5% plan submitted for the Montana Historical Society can be found online at the [Section E subcommittee page](#) on "Tab D Materials".

**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 three categories, as follows:

1. Expected Changes - This category includes those adjustments explicitly approved by the legislature, such as expected changes to annualize personal services costs including FY 2021 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.
2. Personal Services Management Decisions - Any agency management decisions that adjusted employee pay. 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 between programs.
3. Modifications to the Personal Services Base Budget - Other modifications to the FY 2021 personal services base like operating plan transfers that occurred during the interim may impact the overall size of the personal services present law adjustment (DP 1)

The figure below shows the analysis of the executive budget for personal services compared to the expected personal services budget for each program.

Figure 2

Personal Services Present Law DP 1 - FY 2022				
Program	Expected Changes	Management Decisions	Budget Modifications	DP1 SWPL
01 ADMINISTRATION PROGRAM	150,201	14,565	-	164,766
02 RESEARCH CENTER	158,675	5,631	-	164,306
03 MUSEUM PROGRAM	11,036	11,420	-	22,456
04 PUBLICATIONS PROGRAM	17,655	(5,546)	-	12,109
05 EDUCATION	47,653	4,851	-	52,504
06 HISTORIC PRESERVATION PROGRAM	4,223	23,928	-	28,151
Agency Total	\$ 389,443	\$ 54,849	\$ -	\$ 444,292

Personal Services are \$3.3 million or 61.8% of total FY 2021 appropriations. The executive proposes an increase of approximately \$444,000 in FY 2022 and \$455,000 in FY 2023. The table above shows the total adjustments for each personal services category.

Expected changes comprise the majority of the increase in the statewide present law adjustment for personal services. This increase is primarily due to the funding of the statewide present law adjustment in the 2019 session. The FY 2021 statewide present law adjustment received approximately 52.0% of the funding requested by the executive. The reduction of funding totaled approximately \$371,000 and did not have a corresponding reduction in FTE. The process used by the executive to establish the statewide present law adjustment for personal services calculates the adjustment using current FTE, so the reduction in funding in FY 2021 is being restored.

**Funding**

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

Total Montana Historical Society Funding by Source of Authority 2023 Biennium Budget Request - Montana Historical Society						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	7,108,026	0	0	0	7,108,026	54.78 %
State Special Total	1,956,398	0	0	880,045	2,836,443	21.86 %
Federal Special Total	1,850,714	0	0	0	1,850,714	14.26 %
Proprietary Total	1,181,157	0	0	0	1,181,157	9.10 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$12,096,295</b>	<b>\$0</b>	<b>\$0</b>	<b>\$880,045</b>	<b>\$12,976,340</b>	
<b>Percent - Total All Sources</b>	<b>93.22 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>6.78 %</b>		

### HB 2 Appropriations

The agency is funded through a combination of general fund, state special revenue, federal special, and proprietary revenue as shown in the table above. The accommodation tax state special revenue fund is discussed in more detail below. The remaining HB 2 appropriations will be discussed in further detail at the program level.

#### LFD COMMENT

The accommodation tax state special revenue account funds several programs in the Montana Historical Society. This fund is established in 22-3-115, MCA. It receives 2.6% of the lodging facility use tax and these revenues must be used to pay costs associated with historical interpretation and the Robert Scriver collection. The table below shows the projected fund balance at the end of the 2023 biennium using HJ 2 revenue estimates adopted by the Revenue Interim Committee for FY 2021, FY 2022, and FY 2023 and requested appropriations for the 2023 biennium.

Figure 3

Montana Historical Society Accommodation Tax (02853) 2023 Biennium Fund Balance Projection				
	Actual FY 2020	Estimated FY 2021	Requested FY 2022	Requested FY 2023
Beginning Fund Balance	\$ 633,337	\$ 714,163	\$ 488,862	\$ 559,167
Revenue	852,143	709,976	1,046,616	1,247,324
Expenditures				
Operating Expenses	(716,316)	(851,102)	(888,442)	(888,733)
Equipment and Intangible Assets	(53,859)	(84,175)	(87,868)	(87,897)
Debt Service	(1,142)	-	-	-
Total Expenditures	(771,318)	(935,277)	(976,310)	(976,630)
Ending Fund Balance	<u>\$ 714,163</u>	<u>\$ 488,862</u>	<u>\$ 559,167</u>	<u>\$ 829,861</u>

### Statutory Appropriations

The Montana Historical Society has several state special revenue funds that are statutorily appropriated. These include:

- Montana Historical Society membership state special revenue fund
- Original Governor's mansion state special revenue fund
- Sites and signs state special revenue fund
- Lewis and Clark license plates state special revenue fund

The statutory appropriations will be discussed in further detail at the program level.

**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	3,028,322	3,028,322	6,056,644	85.21 %	5,409,965	5,409,965	10,819,930	89.45 %
SWPL Adjustments	516,982	514,400	1,031,382	14.51 %	636,120	636,251	1,272,371	10.52 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	10,000	10,000	20,000	0.28 %	1,997	1,997	3,994	0.03 %
<b>Total Budget</b>	<b>\$3,555,304</b>	<b>\$3,552,722</b>	<b>\$7,108,026</b>		<b>\$6,048,082</b>	<b>\$6,048,213</b>	<b>\$12,096,295</b>	

**HB 2 Language**

The executive is not proposing HB 2 language for the Montana Historical Society.



**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	1,811,432	2,140,413	328,981	18.16 %
Operating Expenses	696,394	723,686	27,292	3.92 %
Debt Service	857	0	(857)	(100.00)%
<b>Total Expenditures</b>	<b>\$2,508,683</b>	<b>\$2,864,099</b>	<b>\$355,416</b>	<b>14.17 %</b>
General Fund	2,002,448	2,209,722	207,274	10.35 %
State/Other Special Rev. Funds	3,458	3,458	0	0.00 %
Federal Spec. Rev. Funds	111,435	238,126	126,691	113.69 %
Proprietary Funds	391,342	412,793	21,451	5.48 %
<b>Total Funds</b>	<b>\$2,508,683</b>	<b>\$2,864,099</b>	<b>\$355,416</b>	<b>14.17 %</b>
<b>Total Ongoing</b>	<b>\$2,508,683</b>	<b>\$2,864,099</b>	<b>\$355,416</b>	<b>14.17 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**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**

<b>Administration Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Administration Program’s 2023 biennium requested appropriations are approximately \$355,000 or 14.2% higher than the 2021 biennium</li> <li>• The proposed increase is primarily due to the statewide present law adjustment for personal services. Personal services were reduced in the 2021 biennium without a corresponding reduction in FTE. The executive personal services snapshot process has restored this funding in the 2023 biennium</li> <li>• The statewide present law adjustment for fixed costs includes audit costs of approximately \$47,000 in FY 2022</li> </ul>

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	14.68	14.68	14.68	14.68
Personal Services	892,864	906,839	904,593	1,069,359	1,071,054
Operating Expenses	335,564	383,175	313,219	384,513	339,173
Debt Service	857	857	0	0	0
<b>Total Expenditures</b>	<b>\$1,229,285</b>	<b>\$1,290,871</b>	<b>\$1,217,812</b>	<b>\$1,453,872</b>	<b>\$1,410,227</b>
General Fund	986,386	1,027,080	975,368	1,126,683	1,083,039
State/Other Special Rev. Funds	259	1,729	1,729	1,729	1,729
Federal Spec. Rev. Funds	61,181	69,417	42,018	119,063	119,063
Proprietary Funds	181,459	192,645	198,697	206,397	206,396
<b>Total Funds</b>	<b>\$1,229,285</b>	<b>\$1,290,871</b>	<b>\$1,217,812</b>	<b>\$1,453,872</b>	<b>\$1,410,227</b>
<b>Total Ongoing</b>	<b>\$1,229,285</b>	<b>\$1,290,871</b>	<b>\$1,217,812</b>	<b>\$1,453,872</b>	<b>\$1,410,227</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Administration Program is primarily funded in HB 2 with general fund, federal special revenue, and proprietary funds. The HB 2 modified budget of \$1.3 million was 95.2% expended as of the end of FY 2020. There were slightly lower expenditures in operating expenses. This was primarily due to the timing of legislative audit costs. The audit appropriation is biennial and can be used in both years of the biennium.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Overall, the FY 2021 appropriation is approximately \$73,000 or 5.7% lower than the FY 2020 appropriation. The significant difference is in operating expenses. This difference is due to audit appropriations of approximately \$44,000 in FY 2020. Additionally, the Montana Historical Society transferred \$34,000 from other programs into the Administration Program in FY 2020. This transfer was made to better align expenditures between the programs.

*Executive Request*

The Administration Program is requesting an increase of approximately \$236,000 in FY 2022 and \$192,000 in FY 2023 above the FY 2021 base appropriations. The proposed increase is primarily due to the statewide present law adjustment for personal services, which will be discussed in more detail in the next section of the narrative. Additionally, the statewide present law adjustment for fixed costs includes audit costs in FY 2022 of \$47,000.

**Program Personal Services**

Personal services are \$900,000 or 74.3% of total FY 2021 appropriations. The executive proposes an increase of approximately \$165,000 in FY 2022 and \$166,000 in FY 2023. The table below shows the total adjustments for each personal services category.

Figure 4

Montana Historical Society Administration Program FY 2022 Statewide Present Law Adjustment for Personal Services	
Expected Changes	\$150,201
Management Decisions	14,565
Budget Modifications	-
<b>Total Present Law Adjustment</b>	<b><u>\$164,766</u></b>

Expected changes comprise the majority of the increase in the statewide present law adjustment for personal services. This increase is primarily due to the funding of the statewide present law adjustment in the 2019 session. The FY 2021 statewide present law adjustment received approximately 50.0% of the funding requested by the executive. The reduction of funding totaled approximately \$134,000 and did not have a corresponding reduction in FTE. The process used by the executive to establish the statewide present law adjustment for personal services calculates the adjustment using current FTE, so the reduction in funding in FY 2021 is being restored.

**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	2,209,722	0	0	0	2,209,722	72.62 %	
02041 MHS Membership	0	0	0	178,627	178,627	98.10 %	
02188 Senate Art	3,458	0	0	0	3,458	1.90 %	
<b>State Special Total</b>	<b>\$3,458</b>	<b>\$0</b>	<b>\$0</b>	<b>\$178,627</b>	<b>\$182,085</b>	<b>5.98 %</b>	
03021 Historic Sites Preservation	238,126	0	0	0	238,126	100.00 %	
<b>Federal Special Total</b>	<b>\$238,126</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$238,126</b>	<b>7.83 %</b>	
06071 Merchandise - Historical Soc	340,183	0	0	0	340,183	82.41 %	
06073 Historical Society Management	72,610	0	0	0	72,610	17.59 %	
<b>Proprietary Total</b>	<b>\$412,793</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$412,793</b>	<b>13.57 %</b>	
<b>Total All Funds</b>	<b>\$2,864,099</b>	<b>\$0</b>	<b>\$0</b>	<b>\$178,627</b>	<b>\$3,042,726</b>		

*HB 2 Appropriations*

The Administration Program is primarily funded in HB 2 with general fund. It receives a small amount of state special revenue from the sale Lewis and Clark medallions and bronze replicas of the “We Proceeded On” bronze bas relief in the Senate chamber. This state special revenue funding is used for the care and maintenance of the original bronze relief. The program also receives federal funds generated through indirect cost recoveries and proprietary funds from museum entrance fees and merchandise sales.

*Statutory Appropriations*

The Administration Program has one statutorily appropriated state special revenue fund. The Montana Historical Society membership fund receives revenue from the purchase of memberships to the Montana Historical Society. This funding must be used for the improvement, development, and operation of the MHS.

**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](#).

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	975,368	975,368	1,950,736	88.28 %	1,217,812	1,217,812	2,435,624	85.04 %
SWPL Adjustments	151,315	107,671	258,986	11.72 %	236,060	192,415	428,475	14.96 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$1,126,683</b>	<b>\$1,083,039</b>	<b>\$2,209,722</b>		<b>\$1,453,872</b>	<b>\$1,410,227</b>	<b>\$2,864,099</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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.

	-----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	87,512	0	77,045	164,766	0.00	89,207	0	77,045	166,461
DP 2 - Fixed Costs	0.00	63,852	0	0	71,343	0.00	18,495	0	0	25,985
DP 3 - Inflation Deflation	0.00	(49)	0	0	(49)	0.00	(31)	0	0	(31)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$151,315</b>	<b>\$0</b>	<b>\$77,045</b>	<b>\$236,060</b>	<b>0.00</b>	<b>\$107,671</b>	<b>\$0</b>	<b>\$77,045</b>	<b>\$192,415</b>

\*\*"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:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 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 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	1,575,987	1,862,865	286,878	18.20 %
Operating Expenses	813,681	938,477	124,796	15.34 %
Equipment & Intangible Assets	183,790	178,430	(5,360)	(2.92)%
Debt Service	2,388	0	(2,388)	(100.00)%
<b>Total Expenditures</b>	<b>\$2,575,846</b>	<b>\$2,979,772</b>	<b>\$403,926</b>	<b>15.68 %</b>
General Fund	2,030,431	2,419,647	389,216	19.17 %
State/Other Special Rev. Funds	472,054	489,879	17,825	3.78 %
Proprietary Funds	73,361	70,246	(3,115)	(4.25)%
<b>Total Funds</b>	<b>\$2,575,846</b>	<b>\$2,979,772</b>	<b>\$403,926</b>	<b>15.68 %</b>
<b>Total Ongoing</b>	<b>\$2,575,846</b>	<b>\$2,979,772</b>	<b>\$403,926</b>	<b>15.68 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**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**

<b>Research Center Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Research Center's 2023 biennium requested appropriations are approximately \$400,000 or 15.7% higher than the 2021 biennium</li> <li>• The proposed increase in general fund is primarily due to the statewide present law adjustment for personal services. Personal services were reduced in the 2021 biennium without a corresponding reduction in FTE. The executive personal services snapshot process has restored this funding in the 2023 biennium</li> <li>• The executive is also requesting increases in general fund and state special revenue for the statewide present law adjustments for fixed costs, which are primarily related to rent and information technology costs</li> </ul>

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	13.50	13.50	13.50	13.50
Personal Services	809,896	809,896	766,091	930,397	932,468
Operating Expenses	371,056	412,494	401,187	451,831	486,646
Equipment & Intangible Assets	69,281	94,575	89,215	89,215	89,215
Debt Service	2,388	2,388	0	0	0
<b>Total Expenditures</b>	<b>\$1,252,621</b>	<b>\$1,319,353</b>	<b>\$1,256,493</b>	<b>\$1,471,443</b>	<b>\$1,508,329</b>
General Fund	1,052,147	1,052,147	978,284	1,191,374	1,228,273
State/Other Special Rev. Funds	162,555	228,924	243,130	244,945	244,934
Proprietary Funds	37,919	38,282	35,079	35,124	35,122
<b>Total Funds</b>	<b>\$1,252,621</b>	<b>\$1,319,353</b>	<b>\$1,256,493</b>	<b>\$1,471,443</b>	<b>\$1,508,329</b>
<b>Total Ongoing</b>	<b>\$1,252,621</b>	<b>\$1,319,353</b>	<b>\$1,256,493</b>	<b>\$1,471,443</b>	<b>\$1,508,329</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Research Center is funded in HB 2 with general fund, state special revenue and proprietary funds. The HB 2 modified budget of \$1.3 million was 94.9% expended as of the end of FY 2020. Lower expenditures were primarily from the accommodation tax state special revenue fund. Management reduced expenditures from this state special revenue account due to concerns about the impact the COVID-19 pandemic and decreased tourism would have on revenue.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Overall, the FY 2021 appropriation is approximately \$63,000 or 4.8% lower than the FY 2020 appropriation. The significant difference is primarily in personal services. The Montana Historical Society transferred \$50,000 from other programs into the Research Center in FY 2020. This transfer was made to better align expenditures between the programs.

*Executive Request*

The Research Center is requesting an increase of approximately \$215,000 in FY 2022 and \$252,000 in FY 2023 above the FY 2021 base appropriations. The proposed increase is primarily due to the statewide present law adjustments for personal services, which is discussed in more detail in the next section. The statewide present law adjustment for fixed costs is also contributing to the requested change and is mainly due to increases in rent and information technology costs.

**Program Personal Services**

Personal services are \$766,000 or 61.0% of total FY 2021 appropriations. The executive proposes an increase of approximately \$164,000 in FY 2022 and \$166,000 in FY 2023. The table below shows the total adjustments for each personal services category.

Figure 5

Montana Historical Society Research Center FY 2022 Statewide Present Law Adjustment for Personal Services	
Expected Changes	\$158,675
Management Decisions	5,631
Budget Modifications	-
<b>Total Present Law Adjustment</b>	<b><u>\$164,306</u></b>

Expected changes comprise the majority of the increase in the statewide present law adjustment for personal services. This increase is primarily due to the funding of the statewide present law adjustment in the 2019 session. The FY 2021 statewide present law adjustment received approximately 48.0% of the funding requested by the executive. The reduction of funding totaled approximately \$149,000 and did not have a corresponding reduction in FTE. The process used by the executive to establish the statewide present law adjustment for personal services calculates the adjustment using current FTE, so the reduction in funding in FY 2021 is being restored.

**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	2,419,647	0	0	0	2,419,647	81.20 %	
02131 HIS/LSD MOU	0	0	0	0	0	0.00 %	
02853 Accommodation Tax	489,879	0	0	0	489,879	100.00 %	
<b>State Special Total</b>	<b>\$489,879</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$489,879</b>	<b>16.44 %</b>	
03102 Federal Grants	0	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06072 MHS Photo Archives Enterprise	33,694	0	0	0	33,694	47.97 %	
06076 MHS Library Enterprise Funds	36,552	0	0	0	36,552	52.03 %	
<b>Proprietary Total</b>	<b>\$70,246</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,246</b>	<b>2.36 %</b>	
<b>Total All Funds</b>	<b>\$2,979,772</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,979,772</b>		

The Research Center is primarily funded with general fund. The program also receives state special revenue from the lodging facility use tax, and two proprietary funds that receive revenue from the sale of historical photo reproductions and images and research requests.

**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](#).

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	978,284	978,284	1,956,568	80.86 %	1,256,493	1,256,493	2,512,986	84.33 %
SWPL Adjustments	213,090	249,989	463,079	19.14 %	214,950	251,836	466,786	15.67 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$1,191,374</b>	<b>\$1,228,273</b>	<b>\$2,419,647</b>		<b>\$1,471,443</b>	<b>\$1,508,329</b>	<b>\$2,979,772</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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	164,306	0	0	164,306	0.00	166,377	0	0	166,377
DP 2 - Fixed Costs	0.00	48,931	1,815	0	50,791	0.00	83,704	1,804	0	85,551
DP 3 - Inflation Deflation	0.00	(147)	0	0	(147)	0.00	(92)	0	0	(92)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$213,090</b>	<b>\$1,815</b>	<b>\$0</b>	<b>\$214,950</b>	<b>0.00</b>	<b>\$249,989</b>	<b>\$1,804</b>	<b>\$0</b>	<b>\$251,836</b>

\*"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:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 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 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	974,878	1,051,189	76,311	7.83 %
Operating Expenses	1,251,888	1,447,467	195,579	15.62 %
Equipment & Intangible Assets	37,711	13,590	(24,121)	(63.96)%
Debt Service	656	0	(656)	(100.00)%
<b>Total Expenditures</b>	<b>\$2,265,133</b>	<b>\$2,512,246</b>	<b>\$247,113</b>	<b>10.91 %</b>
General Fund	1,109,152	1,284,536	175,384	15.81 %
State/Other Special Rev. Funds	1,147,376	1,221,551	74,175	6.46 %
Proprietary Funds	8,605	6,159	(2,446)	(28.43)%
<b>Total Funds</b>	<b>\$2,265,133</b>	<b>\$2,512,246</b>	<b>\$247,113</b>	<b>10.91 %</b>
<b>Total Ongoing</b>	<b>\$2,265,133</b>	<b>\$2,512,246</b>	<b>\$247,113</b>	<b>10.91 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**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**

<b>Museum Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Museum Program’s 2023 biennium requested appropriations are approximately \$247,000 or 10.9% higher than the 2021 biennium</li> <li>• The proposed increases in general fund and state special revenue are due to the statewide present law adjustments for personal services and fixed costs</li> <li>• The executive is proposing shifting \$10,000 in expenditures for information technology costs from the accommodation tax state special revenue fund to general fund</li> </ul>

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	7.75	7.75	7.75	7.75
Personal Services	473,342	473,342	501,536	523,992	527,197
Operating Expenses	526,710	575,806	676,082	723,601	723,866
Equipment & Intangible Assets	24,300	30,916	6,795	6,795	6,795
Debt Service	656	656	0	0	0
<b>Total Expenditures</b>	<b>\$1,025,008</b>	<b>\$1,080,720</b>	<b>\$1,184,413</b>	<b>\$1,254,388</b>	<b>\$1,257,858</b>
General Fund	507,477	507,476	601,676	640,657	643,879
State/Other Special Rev. Funds	512,297	567,691	579,685	610,651	610,900
Proprietary Funds	5,234	5,553	3,052	3,080	3,079
<b>Total Funds</b>	<b>\$1,025,008</b>	<b>\$1,080,720</b>	<b>\$1,184,413</b>	<b>\$1,254,388</b>	<b>\$1,257,858</b>
<b>Total Ongoing</b>	<b>\$1,025,008</b>	<b>\$1,080,720</b>	<b>\$1,184,413</b>	<b>\$1,254,388</b>	<b>\$1,257,858</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Museum Program is funded in HB 2 with general fund, state special revenue, and proprietary funds. The HB 2 modified budget of \$1.1 million was 94.8% expended as of the end of FY 2020. Lower expenditures were primarily from the accommodation tax state special revenue fund. Management reduced expenditures from this state special revenue account due to concerns about the impact the COVID-19 pandemic and decreased tourism would have on revenue.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Overall, the FY 2021 appropriation is approximately \$104,000 or 9.6% higher than the FY 2020 appropriation. The significant difference is primarily in operating expenses. In FY 2020, there was a transfer of \$24,000 from operating expenses to purchase equipment. Additionally, there was a transfer of \$61,000 in FY 2020 from the Museum Program to other programs in the Montana Historical Society in order to better align expenditures between the programs.

*Executive Request*

The Museum Program is requesting an increase of approximately \$70,000 in FY 2022 and \$73,000 in FY 2023 above the FY 2021 base appropriations. The proposed increase is partially due to the statewide present law adjustments for personal services, which is discussed in more detail in the next section. The statewide present law adjustment for fixed costs is also contributing to the requested change and is mainly due to increases in rent.

Additionally, the executive is requesting shifting funding for \$10,000 in information technology costs from the accommodation tax state special revenue fund to general fund.

**Program Personal Services**

Personal services are \$502,000 or 42.3% of total FY 2021 appropriations. The executive proposes an increase of approximately \$22,000 in FY 2022 and \$26,000 in FY 2023. The table below shows the total adjustments for each personal services category.

Figure 6

Montana Historical Society Museum Program FY 2022 Statewide Present Law Adjustment for Personal Services	
Expected Changes	\$ 11,036
Management Decisions	11,420
Budget Modifications	<u>-</u>
<b>Total Present Law Adjustment</b>	<b><u>\$ 22,456</u></b>

Expected changes comprise a portion of the of the increase in the statewide present law adjustment for personal services. There are two primary drivers, which include:

- The legislatively approved pay plan
- The statewide present law adjustment in the 2019 session. The FY 2021 statewide present law adjustment received approximately 59.0% of the funding requested by the executive. The reduction of funding totaled approximately \$12,000 and did not have a corresponding reduction in FTE. The process used by the executive to establish the statewide present law adjustment for personal services calculates the adjustment using current FTE, so the reduction in funding in FY 2021 is being restored

Management decisions comprise the remaining portion of the changes in the statewide present law adjustment for personal services. This increase is due market adjustments and hiring a new staff member at the 2018 market rate.

**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	1,284,536	0	0	0	1,284,536	46.42 %	
02009 Cultural and Aesthetic Project	0	0	0	0	0	0.00 %	
02045 Original Governor's Mansion	0	0	0	5,996	5,996	0.41 %	
02123 Sites & Signs	0	0	0	123,115	123,115	8.34 %	
02853 Accommodation Tax	1,221,551	0	0	0	1,221,551	82.73 %	
02986 Lewis & Clark License Plates	0	0	0	125,930	125,930	8.53 %	
<b>State Special Total</b>	<b>\$1,221,551</b>	<b>\$0</b>	<b>\$0</b>	<b>\$255,041</b>	<b>\$1,476,592</b>	<b>53.36 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06077 MHS Museum Enterprise Funds	6,159	0	0	0	6,159	100.00 %	
<b>Proprietary Total</b>	<b>\$6,159</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,159</b>	<b>0.22 %</b>	
<b>Total All Funds</b>	<b>\$2,512,246</b>	<b>\$0</b>	<b>\$0</b>	<b>\$255,041</b>	<b>\$2,767,287</b>		

*HB 2 Appropriations*

The Museum Program is primarily funded in HB 2 with general fund and the accommodation tax state special revenue fund. This program also has proprietary funding, which receives revenue from the sale of books, copies, and photographs, as well as the rental of traveling exhibits.

Statutory Appropriations

The Museum Program has several state special revenue funds that are statutorily appropriated. These include:

- The original Governor’s mansion account, which is established in 22-3-117, MCA. It receives revenues from tours of the mansion and the funding must be used for the improvement, development, and operation of the original Governor’s mansion
- The sites and signs account, which is established in 15-65-121(2)(a), MCA. This fund receives 1.0% of the lodging facility use tax for the installation or maintenance of roadside historical signs and historic sites
- The Lewis and Clark license plates account, which is established in 90-1-115, MCA. This fund receives 25.0% of the revenue from the sale of Lewis and Clark bicentennial license plates. Funding must be used to support projects related to Lewis and Clark

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](#).

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	601,676	601,676	1,203,352	93.68 %	1,184,413	1,184,413	2,368,826	94.29 %
SWPL Adjustments	28,981	32,203	61,184	4.76 %	69,975	73,445	143,420	5.71 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	10,000	10,000	20,000	1.56 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$640,657</b>	<b>\$643,879</b>	<b>\$1,284,536</b>		<b>\$1,254,388</b>	<b>\$1,257,858</b>	<b>\$2,512,246</b>	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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	22,456	0	0	22,456	0.00	25,661	0	0	25,661
DP 2 - Fixed Costs	0.00	6,573	40,966	0	47,567	0.00	6,572	41,215	0	47,814
DP 3 - Inflation Deflation	0.00	(48)	0	0	(48)	0.00	(30)	0	0	(30)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$28,981</b>	<b>\$40,966</b>	<b>\$0</b>	<b>\$69,975</b>	<b>0.00</b>	<b>\$32,203</b>	<b>\$41,215</b>	<b>\$0</b>	<b>\$73,445</b>

\*\*"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:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 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

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 5 - Funding Revision	0.00	10,000	(10,000)	0	0	0.00	10,000	(10,000)	0	0
<b>Total</b>	<b>0.00</b>	<b>\$10,000</b>	<b>(\$10,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>\$10,000</b>	<b>(\$10,000)</b>	<b>\$0</b>	<b>\$0</b>

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

DP 5 - Funding Revision -

The executive is requesting to reduce state special revenue and increase general fund in FY 2022 and FY 2023. The executive requests State Information Technology Services Division costs that have been paid with accommodation tax receipts be moved to general fund.

<b>LFD COMMENT</b>	The accommodation tax state special revenue account funds several programs in the Montana Historical Society. The table below shows the projected fund balance at the end of the 2023 biennium using HJ 2 revenue estimates adopted by the Revenue Interim Committee for FY 2021, FY 2022, and FY 2023 and requested appropriations for the 2023 biennium. There appears to be a sufficient fund balance to support the information technology costs through the 2023 biennium.
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Figure 7

Montana Historical Society Accommodation Tax (02853) 2023 Biennium Fund Balance Projection				
	Actual FY 2020	Estimated FY 2021	Requested FY 2022	Requested FY 2023
Beginning Fund Balance	\$ 633,337	\$ 714,163	\$ 488,862	\$ 559,167
Revenue	852,143	709,976	1,046,616	1,247,324
Expenditures				
Operating Expenses	(716,316)	(851,102)	(888,442)	(888,733)
Equipment and Intangible Assets	(53,859)	(84,175)	(87,868)	(87,897)
Debt Service	<u>(1,142)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	(771,318)	(935,277)	(976,310)	(976,630)
Ending Fund Balance	<u>\$ 714,163</u>	<u>\$ 488,862</u>	<u>\$ 559,167</u>	<u>\$ 829,861</u>

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	660,683	687,215	26,532	4.02 %
Operating Expenses	341,842	351,015	9,173	2.68 %
Debt Service	486	0	(486)	(100.00)%
<b>Total Expenditures</b>	<b>\$1,003,011</b>	<b>\$1,038,230</b>	<b>\$35,219</b>	<b>3.51 %</b>
General Fund	367,089	502,616	135,527	36.92 %
Proprietary Funds	635,922	535,614	(100,308)	(15.77)%
<b>Total Funds</b>	<b>\$1,003,011</b>	<b>\$1,038,230</b>	<b>\$35,219</b>	<b>3.51 %</b>
<b>Total Ongoing</b>	<b>\$1,003,011</b>	<b>\$1,038,230</b>	<b>\$35,219</b>	<b>3.51 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

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

**Program Highlights**

<b>Publications Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Publications Program’s 2023 biennium requested appropriations are approximately \$35,000 or 3.5% higher than the 2021 biennium</li> <li>• The budget request includes a funding shift from proprietary funding to general fund</li> <li>• The proposed increases in general fund are due to the statewide present law adjustments for personal services</li> </ul>

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	5.00	5.00	5.00	5.00
Personal Services	316,786	329,579	331,104	343,213	344,002
Operating Expenses	170,059	172,111	169,731	175,506	175,509
Debt Service	486	486	0	0	0
<b>Total Expenditures</b>	<b>\$487,331</b>	<b>\$502,176</b>	<b>\$500,835</b>	<b>\$518,719</b>	<b>\$519,511</b>
General Fund	184,225	184,226	182,863	251,308	251,308
Proprietary Funds	303,106	317,950	317,972	267,411	268,203
<b>Total Funds</b>	<b>\$487,331</b>	<b>\$502,176</b>	<b>\$500,835</b>	<b>\$518,719</b>	<b>\$519,511</b>
<b>Total Ongoing</b>	<b>\$487,331</b>	<b>\$502,176</b>	<b>\$500,835</b>	<b>\$518,719</b>	<b>\$519,511</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Publications Program is funded in HB 2 with general fund and proprietary funds. The HB 2 modified budget of \$502,000 was 97.0% expended as of the end of FY 2020. This is in line with anticipated expenditures at the end of the fiscal year.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Overall, the FY 2021 appropriation is approximately \$1,000 or 0.3% lower than the FY 2020 appropriation. The FY 2020 and FY 2021 appropriations are not significantly different.

*Executive Request*

The Publications Program is requesting an increase of approximately \$18,000 in FY 2022 and \$19,000 in FY 2023 above the FY 2021 base appropriations. The increase is primarily due to the statewide present law adjustments for personal services and fixed costs. Personal services are discussed in more detail in the next section.

**Program Personal Services**

Personal services are \$331,000 or 66.1% of total FY 2021 appropriations. The executive proposes an increase of approximately \$12,000 in FY 2022 and \$13,000 in FY 2023. The table below shows the total adjustments for each personal services category.

Figure 8

Montana Historical Society Publications Program FY 2022 Statewide Present Law Adjustment for Personal Services	
Expected Changes	\$ 17,655
Management Decisions	(5,546)
Budget Modifications	-
<b>Total Present Law Adjustment</b>	<b>\$ 12,109</b>



Expected changes are the reason for the increase in the statewide present law adjustment for personal services. This increase is primarily due to the funding of the statewide present law adjustment in the 2019 session. The FY 2021 statewide present law adjustment received approximately 64.0% of the funding requested by the executive. The reduction of funding totaled approximately \$19,000 and did not have a corresponding reduction in FTE. The process used by the executive to establish the statewide present law adjustment for personal services calculates the adjustment using current FTE, so the reduction in funding in FY 2021 is being restored.

**LFD  
ISSUE**

Fund Switches are New Proposals

The requested statewide present law adjustment for personal services includes a fund switch that should be considered as a new proposal.

Over the last three biennia an average of 48.0% of the budget for personal services in the Publications Program was from general fund. The range of general fund support over this time period has gone from a low of 39.0% in FY 2018 to a high of 56.0% in FY 2020.

The proposed statewide present law adjustment for personal services for the 2023 biennium increases general fund by approximately \$68,000 and decreases enterprise funds by \$56,000 each fiscal year. When applying this change to the funding of personal services in the FY 2021 base year, it is proposed that general fund supports 73.0% of personal services and enterprise funds supports 23.0%.

Figure 9

Montana Historical Society Publications Program Statewide Present Law Adjustment (SWPL) for Personal Services Funding Analysis			
	FY 2021	FY 2022	FY 2023
Personal Services Base Appropriations			
General Fund	182,863		
Enterprise Fund	<u>148,241</u>		
Total	331,104		
SWPL Adjustment - Personal Services		12,109	12,898
SWPL Adjustment - Base Allocation			
General Fund		6,688	7,123
Enterprise Fund		<u>5,421</u>	<u>5,775</u>
Total		12,109	12,898
SWPL Adjustment - Requested Allocation			
General Fund		68,445	68,445
Enterprise Fund		<u>(56,336)</u>	<u>(55,547)</u>
Total		12,109	12,898
Difference			
General Fund		61,757	61,322
Enterprise Fund		(61,757)	(61,322)

**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	502,616	0	0	0	502,616	48.41 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06002 MHS Publications Enterprise	535,614	0	0	0	535,614	100.00 %	
<b>Proprietary Total</b>	<b>\$535,614</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$535,614</b>	<b>51.59 %</b>	
<b>Total All Funds</b>	<b>\$1,038,230</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,038,230</b>		

The Publications Program is funded with general fund and proprietary funds. The proprietary funding receives revenues 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](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget	Budget	Biennium	Percent	Budget	Budget	Biennium	Percent
	Fiscal 2022	Fiscal 2023	Fiscal 22-23	of Budget	Fiscal 2022	Fiscal 2023	Fiscal 22-23	of Budget
2021 Base Budget	182,863	182,863	365,726	72.76 %	500,835	500,835	1,001,670	96.48 %
SWPL Adjustments	68,445	68,445	136,890	27.24 %	17,884	18,676	36,560	3.52 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$251,308</b>	<b>\$251,308</b>	<b>\$502,616</b>		<b>\$518,719</b>	<b>\$519,511</b>	<b>\$1,038,230</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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	State	Federal	Total	FTE	General	State	Federal	Total
		Fund	Special	Special	Funds		Fund	Special	Special	Funds
DP 1 - Personal Services	0.00	68,445	0	0	12,109	0.00	68,445	0	0	12,898
DP 2 - Fixed Costs	0.00	0	0	0	5,796	0.00	0	0	0	5,791
DP 3 - Inflation Deflation	0.00	0	0	0	(21)	0.00	0	0	0	(13)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$68,445</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,884</b>	<b>0.00</b>	<b>\$68,445</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,676</b>

\*\*"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:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 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 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	424,990	571,169	146,179	34.40 %
Operating Expenses	272,090	292,013	19,923	7.32 %
Debt Service	486	0	(486)	(100.00)%
<b>Total Expenditures</b>	<b>\$697,566</b>	<b>\$863,182</b>	<b>\$165,616</b>	<b>23.74 %</b>
General Fund	424,990	571,169	146,179	34.40 %
State/Other Special Rev. Funds	219,669	241,510	21,841	9.94 %
Proprietary Funds	52,907	50,503	(2,404)	(4.54)%
<b>Total Funds</b>	<b>\$697,566</b>	<b>\$863,182</b>	<b>\$165,616</b>	<b>23.74 %</b>
<b>Total Ongoing</b>	<b>\$697,566</b>	<b>\$863,182</b>	<b>\$165,616</b>	<b>23.74 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**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
- Oversees the society's volunteer program, coordinating volunteers, and volunteer activities society-wide

**Program Highlights**

<b>Education Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Education Program’s 2023 biennium requested appropriations are approximately \$166,000 or 23.7% higher than the 2021 biennium</li> <li>• The proposed increase is primarily due to the statewide present law adjustment for personal services. Personal services were reduced in the 2021 biennium without a corresponding reduction in FTE. The executive personal services snapshot process has restored this funding in the 2023 biennium</li> </ul>

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	4.45	4.45	4.45	4.45
Personal Services	192,382	192,380	232,610	285,114	286,055
Operating Expenses	117,515	134,426	137,664	145,967	146,046
Debt Service	486	486	0	0	0
<b>Total Expenditures</b>	<b>\$310,383</b>	<b>\$327,292</b>	<b>\$370,274</b>	<b>\$431,081</b>	<b>\$432,101</b>
General Fund	192,382	192,380	232,610	285,114	286,055
State/Other Special Rev. Funds	90,577	107,207	112,462	120,714	120,796
Proprietary Funds	27,424	27,705	25,202	25,253	25,250
<b>Total Funds</b>	<b>\$310,383</b>	<b>\$327,292</b>	<b>\$370,274</b>	<b>\$431,081</b>	<b>\$432,101</b>
<b>Total Ongoing</b>	<b>\$310,383</b>	<b>\$327,292</b>	<b>\$370,274</b>	<b>\$431,081</b>	<b>\$432,101</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Education Program is funded in HB 2 with general fund, state special revenue, and proprietary funds. The HB 2 modified budget was 94.8% expended as of the end of FY 2020. Lower expenditures were primarily from the accommodation tax state special revenue fund. Management reduced expenditures from this state special revenue account due to concerns about the impact the COVID-19 pandemic and decreased tourism would have on revenue.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Overall, the FY 2021 appropriation is approximately \$43,000 or 13.1% higher than the FY 2020 appropriation. The significant difference is primarily in personal services. There was a transfer of approximately \$69,000 from the Education Program to other Montana Historical Society programs in FY 2020 in order to better align expenditures between the programs. Additionally, the pay plan allocation in each fiscal year contributed to the difference.

*Executive Request*

The Education Program is requesting an increase of approximately \$61,000 in FY 2022 and \$62,000 in FY 2023 above the FY 2021 base appropriations. The increase is primarily due to the statewide present law adjustments for personal services and fixed costs. Personal services are discussed in more detail in the next section.

**Program Personal Services**

Personal services are \$233,000 or 62.8% of total FY 2021 appropriations. The executive proposes an increase of approximately \$53,000 in FY 2022 and \$53,000 in FY 2023. The table below shows the total adjustments for each personal services category.

Figure 10

Montana Historical Society Education Program FY 2022 Statewide Present Law Adjustment for Personal Services	
Expected Changes	\$ 47,653
Management Decisions	4,851
Budget Modifications	<u>-</u>
<b>Total Present Law Adjustment</b>	<b><u>\$ 52,504</u></b>

Expected changes comprise the majority of the increase in the statewide present law adjustment for personal services. This increase is primarily due to the funding of the statewide present law adjustment in the 2019 session. The FY 2021 statewide present law adjustment received approximately 54.0% of the funding requested by the executive. The reduction of funding totaled approximately \$45,000 and did not have a corresponding reduction in FTE. The process used by the executive to establish the statewide present law adjustment for personal services calculates the adjustment using current FTE, so the reduction in funding in FY 2021 is being restored.

**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	571,169	0	0	0	571,169	43.62 %
02123 Sites & Signs	0	0	0	446,377	446,377	64.89 %
02853 Accommodation Tax	241,510	0	0	0	241,510	35.11 %
<b>State Special Total</b>	<b>\$241,510</b>	<b>\$0</b>	<b>\$0</b>	<b>\$446,377</b>	<b>\$687,887</b>	<b>52.53 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
06022 MHS Education Enterprise Funds	50,503	0	0	0	50,503	100.00 %
<b>Proprietary Total</b>	<b>\$50,503</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,503</b>	<b>3.86 %</b>
<b>Total All Funds</b>	<b>\$863,182</b>	<b>\$0</b>	<b>\$0</b>	<b>\$446,377</b>	<b>\$1,309,559</b>	

*HB 2 Appropriations*

The Education Program is primarily funded in HB 2 with general fund and the accommodation tax state special revenue fund. This program also has proprietary funding, which receives revenue from:

- The Montana historical conference and the revenues are used for expenses associated with the conference
- Special tours and revenues are used for operating expenses associated with the tours
- Eighth grade textbook sales and revenues are used for expenses related to textbook reproduction and teacher training

*Statutory Appropriations*

The Education Program has one state special revenue fund that is statutorily appropriated. The sites and signs fund is established in 15-65-121(2)(a), MCA. This fund receives 1.0% of the lodging facility use tax for the installation or maintenance of roadside historical signs and historic sites.

**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](#).

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	232,610	232,610	465,220	81.45 %	370,274	370,274	740,548	85.79 %
SWPL Adjustments	52,504	53,445	105,949	18.55 %	60,807	61,827	122,634	14.21 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$285,114</b>	<b>\$286,055</b>	<b>\$571,169</b>		<b>\$431,081</b>	<b>\$432,101</b>	<b>\$863,182</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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.

	-----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	52,504	0	0	52,504	0.00	53,445	0	0	53,445
DP 2 - Fixed Costs	0.00	0	8,429	0	8,480	0.00	0	8,445	0	8,493
DP 3 - Inflation Deflation	0.00	0	(177)	0	(177)	0.00	0	(111)	0	(111)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$52,504</b>	<b>\$8,252</b>	<b>\$0</b>	<b>\$60,807</b>	<b>0.00</b>	<b>\$53,445</b>	<b>\$8,334</b>	<b>\$0</b>	<b>\$61,827</b>

\*\*"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:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 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 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	1,167,378	1,272,058	104,680	8.97 %
Operating Expenses	363,704	392,468	28,764	7.91 %
Grants	174,240	174,240	0	0.00 %
Debt Service	914	0	(914)	(100.00)%
<b>Total Expenditures</b>	<b>\$1,706,236</b>	<b>\$1,838,766</b>	<b>\$132,530</b>	<b>7.77 %</b>
General Fund	108,827	120,336	11,509	10.58 %
Federal Spec. Rev. Funds	1,507,715	1,612,588	104,873	6.96 %
Proprietary Funds	89,694	105,842	16,148	18.00 %
<b>Total Funds</b>	<b>\$1,706,236</b>	<b>\$1,838,766</b>	<b>\$132,530</b>	<b>7.77 %</b>
<b>Total Ongoing</b>	<b>\$1,706,236</b>	<b>\$1,838,766</b>	<b>\$132,530</b>	<b>7.77 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Historic Preservation Program administers the Montana Antiquities Act and Montana's participation in the National Historic Preservation Act of 1966, as amended. Duties for staff include:

- Providing technical assistance to all Montana property owners, including agencies, organizations, and the public
- Maintaining a statewide inventory of recorded historic and archaeological sites
- Reviewing state agencies compliance with the state antiquities act
- Reviewing and commenting 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
- Administering the national register of historic places program in Montana through the State Preservation Review Board

The program 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 brick and mortar rehabilitation when funds are available.

**Program Highlights**

<b>Historic Preservation Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Historic Preservation Program's 2023 biennium requested appropriations are approximately \$133,000 or 7.8% higher than the 2021 biennium</li> <li>• The proposed increases in general fund, federal special revenue and proprietary funding are due to the statewide present law adjustments for personal services and fixed costs</li> </ul>



**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	9.00	9.00	9.00	9.00
Personal Services	547,506	560,270	607,108	635,259	636,799
Operating Expenses	127,497	177,794	185,910	196,200	196,268
Grants	76,089	87,120	87,120	87,120	87,120
Debt Service	914	914	0	0	0
<b>Total Expenditures</b>	<b>\$752,006</b>	<b>\$826,098</b>	<b>\$880,138</b>	<b>\$918,579</b>	<b>\$920,187</b>
General Fund	51,306	51,306	57,521	60,168	60,168
Federal Spec. Rev. Funds	668,054	733,014	774,701	805,481	807,107
Proprietary Funds	32,646	41,778	47,916	52,930	52,912
<b>Total Funds</b>	<b>\$752,006</b>	<b>\$826,098</b>	<b>\$880,138</b>	<b>\$918,579</b>	<b>\$920,187</b>
<b>Total Ongoing</b>	<b>\$752,006</b>	<b>\$826,098</b>	<b>\$880,138</b>	<b>\$918,579</b>	<b>\$920,187</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Historic Preservation Program is funded with general fund, federal special revenue, and proprietary funds. The HB 2 modified budget of \$826,000 was 91.0% expended as of the end of FY 2020. The slightly lower percentage expended was primarily in operating expenses and due to State Information Technology Services Division costs being shifted to a federal grant received by the Montana Historical Society.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Overall, the FY 2021 appropriation is approximately \$54,000 or 6.5% higher than the FY 2020 appropriation. The significant difference is primarily in personal services. There was a transfer of \$30,000 from the Historic Preservation Program to other programs in the Montana Historical Society in order to better align expenditures within the programs in FY 2020. Additionally, the pay plan allocation in each fiscal year contributed to the difference.

*Executive Request*

The Historic Preservation Program is requesting an increase of approximately \$38,000 in FY 2022 and \$40,000 in FY 2023 above the FY 2021 base appropriations. The increase is due to the statewide present law adjustments for personal services and fixed costs. Personal services are discussed in more detail in the next section.

**Program Personal Services**

Personal services are \$607,000 or 69.0% of total FY 2021 appropriations. The executive proposes an increase of approximately \$28,000 in FY 2022 and \$30,000 in FY 2023. The table below shows the total adjustments for each personal services category.

Figure 11

Montana Historical Society Historic Preservation Program FY 2022 Statewide Present Law Adjustment for Personal Services	
Expected Changes	\$ 4,223
Management Decisions	23,928
Budget Modifications	-
<b>Total Present Law Adjustment</b>	<b>\$ 28,151</b>

Management decisions comprise the majority of the increase in the statewide present law adjustment for personal services. This increase is primarily due to wage changes for market and performance adjustments.

**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	120,336	0	0	0	120,336	6.54 %	
02406 Cultural And Aesthetic Project	0	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
03021 Historic Sites Preservation	1,612,588	0	0	0	1,612,588	100.00 %	
03102 Federal Grants	0	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$1,612,588</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,612,588</b>	<b>87.70 %</b>	
06013 SHPO ENTERPRISE FUND	105,842	0	0	0	105,842	100.00 %	
<b>Proprietary Total</b>	<b>\$105,842</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$105,842</b>	<b>5.76 %</b>	
<b>Total All Funds</b>	<b>\$1,838,766</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,838,766</b>		

The Historic Preservation Program is primarily funded with federal special revenue. This funding is from the National Parks Service for historic site preservation. The program also receives a small portion of funding from the general fund and a proprietary fund. The proprietary fund receives revenue from fees for historical preservation assistance and services and is 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](#).

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	57,521	57,521	115,042	95.60 %	880,138	880,138	1,760,276	95.73 %
SWPL Adjustments	2,647	2,647	5,294	4.40 %	36,444	38,052	74,496	4.05 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	1,997	1,997	3,994	0.22 %
<b>Total Budget</b>	<b>\$60,168</b>	<b>\$60,168</b>	<b>\$120,336</b>		<b>\$918,579</b>	<b>\$920,187</b>	<b>\$1,838,766</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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	2,647	0	25,504	28,151	0.00	2,647	0	27,044	29,691
DP 2 - Fixed Costs	0.00	0	0	5,333	8,350	0.00	0	0	5,398	8,397
DP 3 - Inflation Deflation	0.00	0	0	(57)	(57)	0.00	0	0	(36)	(36)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,647</b>	<b>\$0</b>	<b>\$30,780</b>	<b>\$36,444</b>	<b>0.00</b>	<b>\$2,647</b>	<b>\$0</b>	<b>\$32,406</b>	<b>\$38,052</b>

\*\*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:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 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

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 6 - NRIS/GIS Fixed Costs	0.00	0	0	0	1,997	0.00	0	0	0	1,997
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,997</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,997</b>

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

DP 6 - NRIS/GIS Fixed Costs -

The 2019 Legislature enacted HB 633 requiring the Legislative Finance Committee (LFC) 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 (NRIS) and the geographic information system (GIS) as a fixed cost to state agencies beginning in the 2023 biennium. The assessment is made to those agencies that utilize the NRIS/GIS.