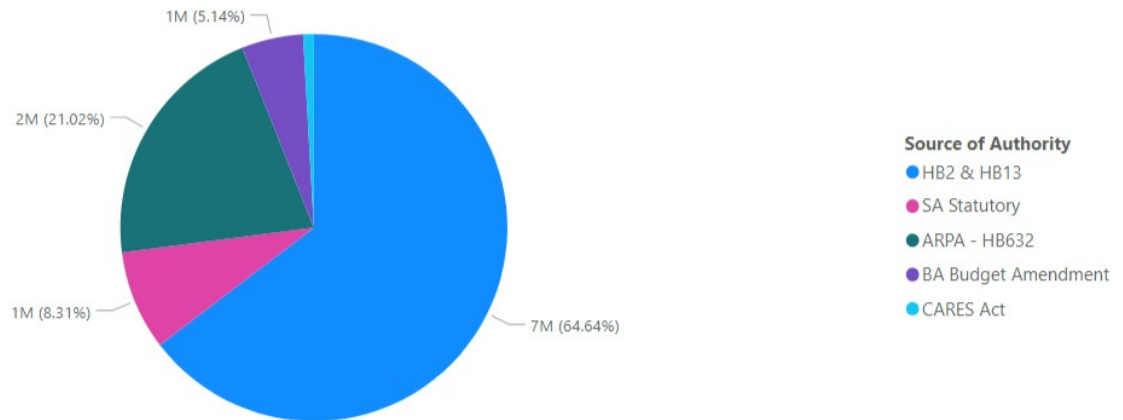


# MONTANA STATE LIBRARY (MSL)

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 64.6% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	6,870,678	2,545,329	37.0%
SA Statutory	883,690	455,836	51.6%
ARPA - HB632	2,234,029	80,977	3.6%
BA Budget Amendment	546,646	83,215	15.2%
CARES Act	94,867	94,867	100.0%
<b>Total</b>	<b>10,629,909</b>	<b>3,260,223</b>	<b>30.7%</b>

FiscalMonth

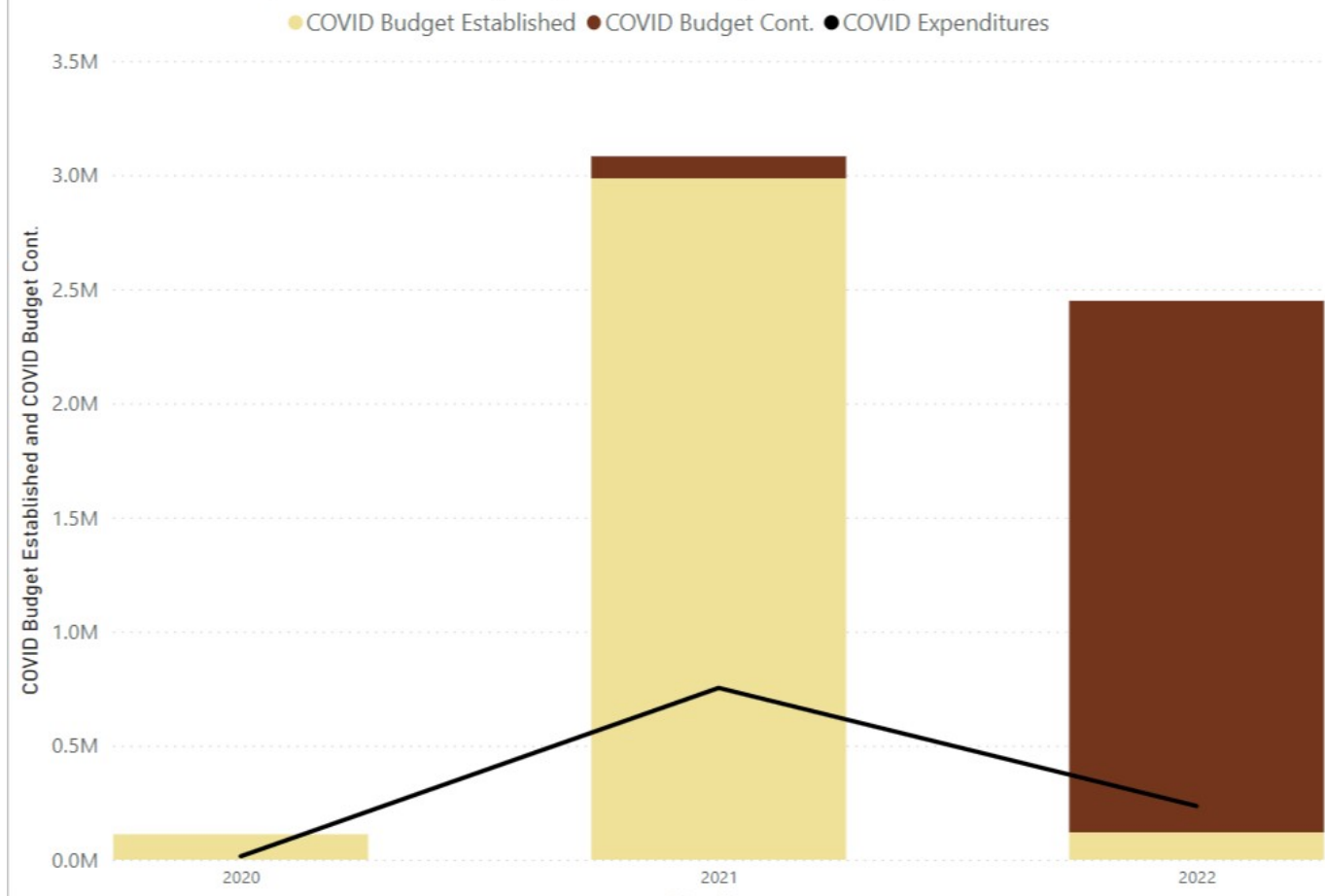
- ☐ Select all
- ☒ Jul
- ☒ Aug
- ☒ Sep
- ☒ Oct
- ☒ Nov
- ☐ Dec
- ☐ Jan

## Other Bills

### COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. Administrative authority for CARES I and ARPA appropriations were allocated to the agency by the Governor's Office. Administrative authority is not an appropriation and thus is not included in the total appropriation authority shown on the previous page.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



In FY 2021, approximately \$847,000 of CARES Act and \$2.2 million of ARPA budget authority was established for the MSL. As shown in the chart above, total COVID funding expended in FY 2021 was approximately \$753,000; about \$752,000 was from CARES Act funding, and \$1,400 was from ARPA funds.

Of the budget established in FY 2021, about \$95,000 of CARES Act and \$2.2 million of ARPA funds were continued in FY 2022. Additionally, \$120,000 of COVID budget was established in FY 2022 through an administrative appropriation for the Newslines from the Department of Health and Human Services' funds for supporting older Americans and families.

For FY 2022 expenditures, the \$95,000 of continued CARES Act funding has been fully expended. For the ARPA funds, about \$81,000 has been expended for the hot spots program. \$60,000 has been expended of the Newslines budget.

## Statutory Appropriations

A total of approximately \$884,000 was established in statutory appropriations for the Montana State Library .

\$450,000 of the authority is for 911 GIS mapping. This funding is for the MSL to carry out its coordination and management responsibilities as it pertains to Next Generation 911 data sets. Of the budgeted amount, the MSL has expended approximately \$23,500.

The MSL also has about \$434,000 in statutory authority for formula-based state aid to local libraries, as authorized in 22-1-327, MCA. \$432,000 has been expended for these grants in FY 2022.

## Budget Amendments

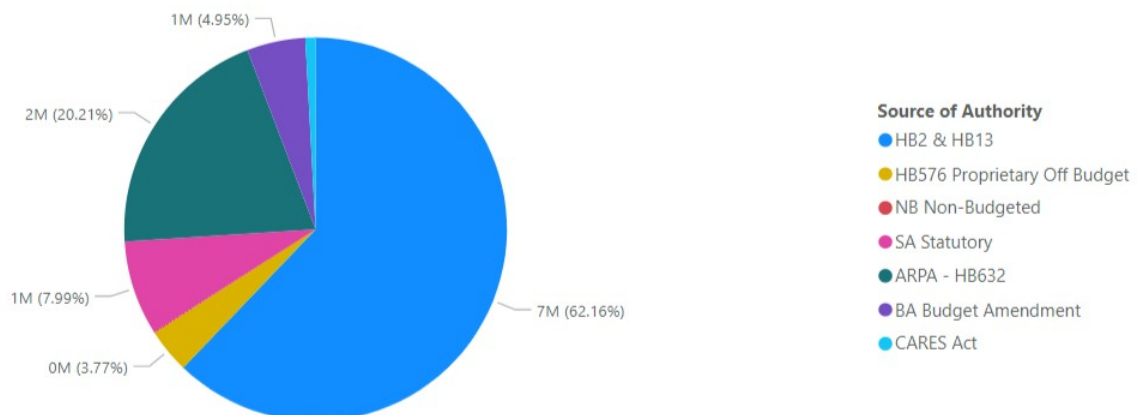
About \$547,000 of federal special revenue authority has been established through budget amendments for the MSL. Of that budget, about \$83,000 has been expended.

\$294,000 of that funding was established from the U.S. Department of Agriculture's Natural Resource Conservation Service for various data services, including the MSL's Natural Resource Information System data development and delivery and for training and technical support for access to the MSL's Natural Heritage Program data. About \$52,000 of that budget has been expended in FY 2022.

## TOTAL EXPENDITURE AUTHORITY

The total expenditure authority for the agency is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

Modified Budget and Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	6,870,678	2,545,329	37.0%
HB576 Proprietary Off Budget	416,793	375,117	90.0%
NB Non-Budgeted	6,350	8,104	127.6%
SA Statutory	883,690	455,836	51.6%
ARPA - HB632	2,234,029	80,977	3.6%
BA Budget Amendment	546,646	83,215	15.2%
CARES Act	94,867	94,867	100.0%
<b>Total</b>	<b>11,053,052</b>	<b>3,643,445</b>	<b>33.0%</b>

FiscalMonth

- ☐ Select all
- ☒ Jul
- ☒ Aug
- ☒ Sep
- ☒ Oct
- ☒ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb

The MSL is the fiscal agent for the Montana Shared Catalog (MSC), a cooperative catalog project, funded by member fees paid by participating libraries. The FY 2022, proprietary non-budgeted funds for the MSC is about \$417,000; \$182,000 was budgeted for personal services, and \$235,000 was budgeted for operating expenses. Of the total MSC budget, the MSL has expended \$375,000 or 90.0%. For personal services, \$125,000 or 68.6% of the personal services budget has been expended. About \$250,000 or 106.7% of the operating expense budget

has been expended. According to the MSL, there was a large expenditure at the beginning of the year to pay for the MSC catalog platform, which contributed to the higher expenditure percentage. They anticipate a budget modification, requesting more authority to cover expenses for the remainder of the year, utilizing fund balance to fund the additional authority.

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through November 30, 2021. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only			
Agency Name	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> <b>Library Commission</b>	<b>6,870,678</b>	<b>6,870,678</b>	<b>0</b>
STATEWIDE LIBRARY RESOURCES	6,870,678	6,870,678	0
<b>Total</b>	<b>6,870,678</b>	<b>6,870,678</b>	<b>0</b>

Acct & Lvl 1 DESC	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services	2,405,796	2,550,796	145,000
<input type="checkbox"/> 62000 Operating Expenses	3,266,904	3,118,860	-148,044
<input type="checkbox"/> 66000 Grants	1,197,978	1,197,978	0
<input type="checkbox"/> 69000 Debt Service		3,044	3,044

Fund Type	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 01 General	2,829,605	2,829,605	0
<input type="checkbox"/> 02 State/Other Spec Rev	3,157,383	3,157,383	0
<input type="checkbox"/> 03 Fed/Other Spec Rev	883,690	883,690	

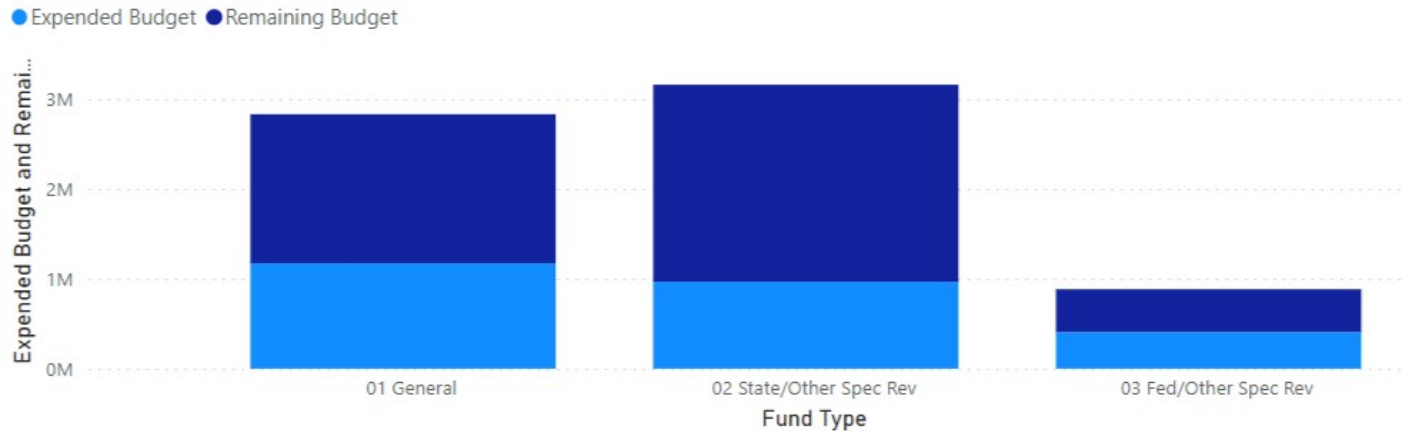
There have been two main operating plan changes to the modified HB 2 budget so far in FY 2022, totaling \$145,000. \$90,000 of that amount was moved from operating expenses to personal services for adding a modified FTE, an IT systems administrator to provide desktop support for MSL staff and to provide general support to the IT manager.

The other change was to move \$55,000 of coal severance tax funds from operating expenses to personal services. According to the MSL, this change was made to share administrative costs among more funds that utilize central services.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2021.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	2,550,796	1,489,890	58.4%
Operating Expenses	3,118,860	829,171	26.6%
Grants	1,197,978	225,000	18.8%
Debt Service	3,044	1,268	41.7%

Program Name	Modified Budget	Expended Budget	Percent Expended
STATEWIDE LIBRARY RESOURCES	6,870,678	2,545,329	37.0%
<b>Total</b>	<b>6,870,678</b>	<b>2,545,329</b>	<b>37.0%</b>

The MSL's total modified HB 2 budget for FY 2022 is \$6.9 million; MSL has expended approximately \$2.6 million or 37.0% of its budget through November 2021.

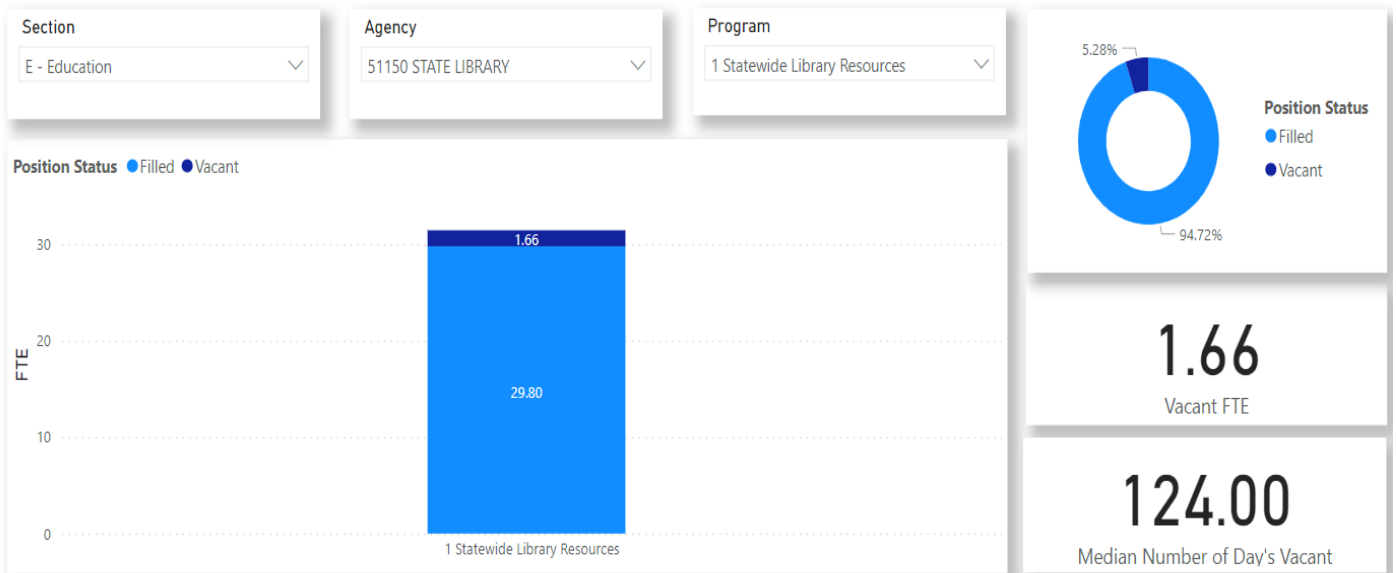
By fund type, this budget consists of \$2.8 million of general fund, \$3.2 million of state special revenue, and \$884,000 of federal special revenue. For expenditures through November 2021, \$1.2 million of general fund, \$966,000 of the state special revenue, and \$407,000 of federal special revenue has been expended.

By account, the MSL has expended about \$1.5 million or 58.4% of its modified HB 2 personal services budget; personal services will be discussed further in the following section. The MSL has expended \$829,000 of its operating expenses, and for grants, \$225,000 has been expended for payments to local library federations.

## PERSONAL SERVICES

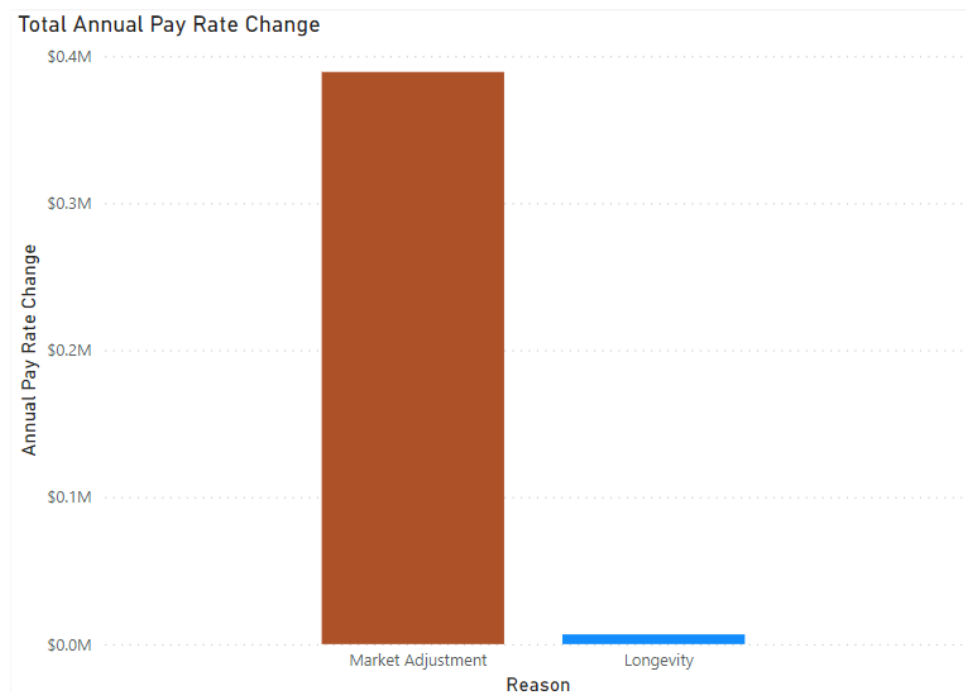
The following chart shows the filled and vacant FTE within the agency as of November 1, 2021.

# Vacancies - House Bill 2



Of the 31.46 FTE authorized under HB 2, as of November 1 the MSL has 1.66 vacant FTE for a librarian position and a biologist position.

In terms of wage changes for the period of July 1 through November 1, 2021, the following chart shows the adjustments for the MSL by annual pay rate change.



As can be seen in the chart above, there was an annual increase of approximately \$389,000 for 22 employees under HB 2 due to market adjustments made. If applied evenly across the 22 positions, that would result in an annual pay increase of approximately \$17,700 per position. The market adjustments varied in range as shown in the following table of hourly pay rate increases.

Number of Employees	Increase in Hourly Pay Rate by Range
10	\$0.25-5
4	5-10
1	10-15
7	15-20

In annual terms, the increases range from \$520 to about \$42,000. The following chart shows how the pay increases are being paid, by fund type.

<b>Pay Adjustments by Fund Type, Provided by MSL</b>	
Fund Type & Fund Number	Pay Adjustment Amount
General Fund (01100)	240,301
State State Special Revenue (02046, 02094, 02779)	112,043
State Special Revenue - Next Gen. 911 (02021)*	4,581
Federal Special Revenue (03018)	22,162
Non-Budgeted Proprietary (06021)*	11,106
<b>Total</b>	<b>390,193</b>
*Non-HB2 funding - Statutory authority & proprietary funds	

Total annual market adjustment increases for other state agencies for HB 2 funded positions during the time period of July 1 to November 1, 2021, excluding MSL, were about \$458,000 for 98 positions, which averages approximately \$4,700 annually per employee. MSL's market adjustment accounted for approximately 46.0% of the total state market adjustment amount and 18.0% of the total number of employees who received increases.

In 2021, many of the MSL's positions were reclassified by the Department of Administration based upon MSL's detailing of position descriptions, job duties, education/skill requirements, and other pertinent information. The 2020 market analysis for the reclassified positions was issued and went into effect July 1, 2021.

According to the MSL's pay plan policy, "to the extent funding allows, the MSL has a goal to progress employees to a target mid-point ratio." Market midpoint means "the median base salary that other employers pay to employees in comparable occupations as determined by the department's (Department of Administration) salary survey of the relevant labor market", 2-18-101, MCA. While market mid-point is identified in the pay plan policy, the MSL, prior to the market adjustments and reclassification, was paying positions more closely to market minimum; no positions were paid below the market minimum. Following the reclassification of positions, 13 positions were below market minimum. Adjustments for these positions to be at market minimum as well as the statutorily required adjustments for longevity would have totaled approximately \$129,000 annually, as shown in the subsequent chart.

In July 2021, the MSL presented the following options for market adjustments to the Finance Committee of the Library Commission, so that the Finance Committee could make its recommendation for the Library Commission for the July 23, 2021 budget meeting.

Options Presented to the Library Commission Finance Committee	
Option Description	Total Annual Increase (Includes HB2 & Non-HB2 Funding)
Follow the MSL Pay Plan (Mid-Market)	390,193
25% of the MSL Pay Plan	97,548
50% of the MSL Pay Plan	195,096
Minimum Market Plus Longevity	129,297
State Average for Other Employees In Same Classification Plus 5%	288,862

According to the MSL, the Finance Committee recommended the option of paying to mid-market, in accordance with the pay plan. This recommendation was adopted by the Library Commission as part of the MSL's 2023 biennium budget at their July 23, 2021 meeting.

In terms of the Governor's Office of Budget and Program Planning (OBPP), according to 2-18-102(5), MCA, OBPP approval is required for any salary increase proposed by an agency that exceeds an employee's occupational wage range prior to the increase going into effect. In the case of the MSL, this approval was not required because, with the reclassification, the increases did not exceed employees' occupational wage ranges. In September 2021, the OBPP issued a new policy which outlined that, in addition to the statute requirement, OBPP approval will be required for pay adjustments for a group of employees, the total of which is \$50,000 or more, as well as for pay adjustments for individual employees of more than \$10,000 annually.

A significant change to the budget requires notification to the Legislative Finance Committee. The statute defines a significant change in scope, objectives, activities, or expenditures if the following conditions are met:

- (i) the operating budget change exceeds \$1.0 million; or
- (ii) the operating budget change exceeds 25.0% of a budget category and the change is greater than \$75,000. If there have been other changes to the budget category in the current fiscal year, all the changes, including the change under consideration, must be used in determining the 25.0% and \$75,000 threshold.

In the case of the MSL's budget, with 58.0% of personal services budget expended 42.0% through the fiscal year, it is anticipated that authority will have to be moved to personal services to cover the additional expenditure for the increases. At this point in the fiscal year, it is uncertain as to whether these changes, in addition to others that may occur, will amount to what is deemed significant in statute. Moving authority from other budget categories will also mean that less authority is available than was originally planned for expenditure in those categories.

## OTHER ISSUES

During the 67th Legislative Session, the MSL received additional funding for: the land information account in order to collect, maintain, and disseminate Montana's land characteristic information digitally; developing a Next Generation 911 system; and start-up costs to build out a statewide real-time network. A report on the current goals and measures for success related to the additional funding are available on the Education IBC's webpage in the Meeting Materials section: <https://www.leg.mt.gov/lfd/interim-budget-committee-section-e/Budget>

In terms of expenditures for this additional funding, \$23,000 has been expended of the Next Generation 911 funding. About \$302,000 has been expended from the land information account. There has not yet been expenditure of the funding for the real-time network.