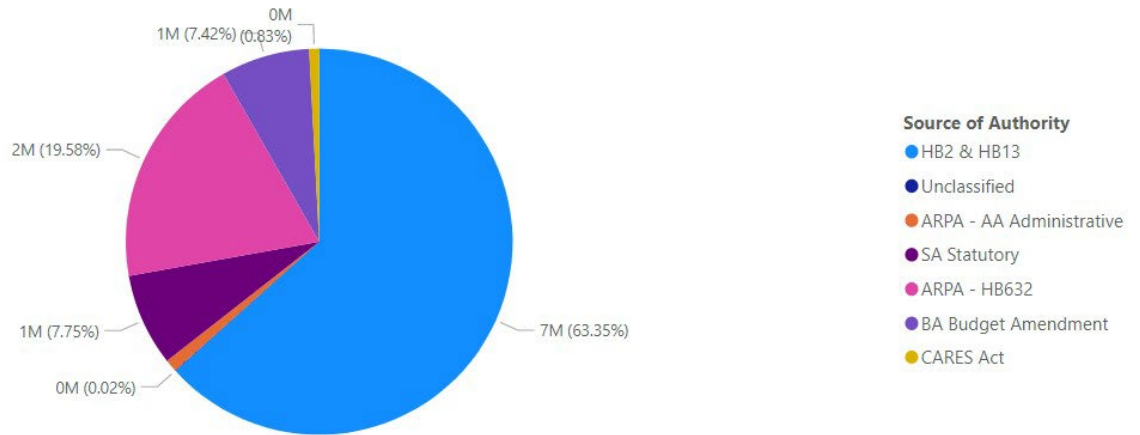


MONTANA STATE LIBRARY (MSL)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 63.4% 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 | 7,227,760 | 5,039,263 | 69.7% |
| BA Budget Amendment | 846,646 | 276,353 | 32.6% |
| SA Statutory | 883,690 | 717,108 | 81.1% |
| Unclassified | 1,916 | | |
| CARES | 94,867 | 94,867 | 100.0% |
| ARPA | 2,354,029 | 1,099,892 | 46.7% |
| Total | 11,408,907 | 7,227,482 | 63.3% |

Report Period

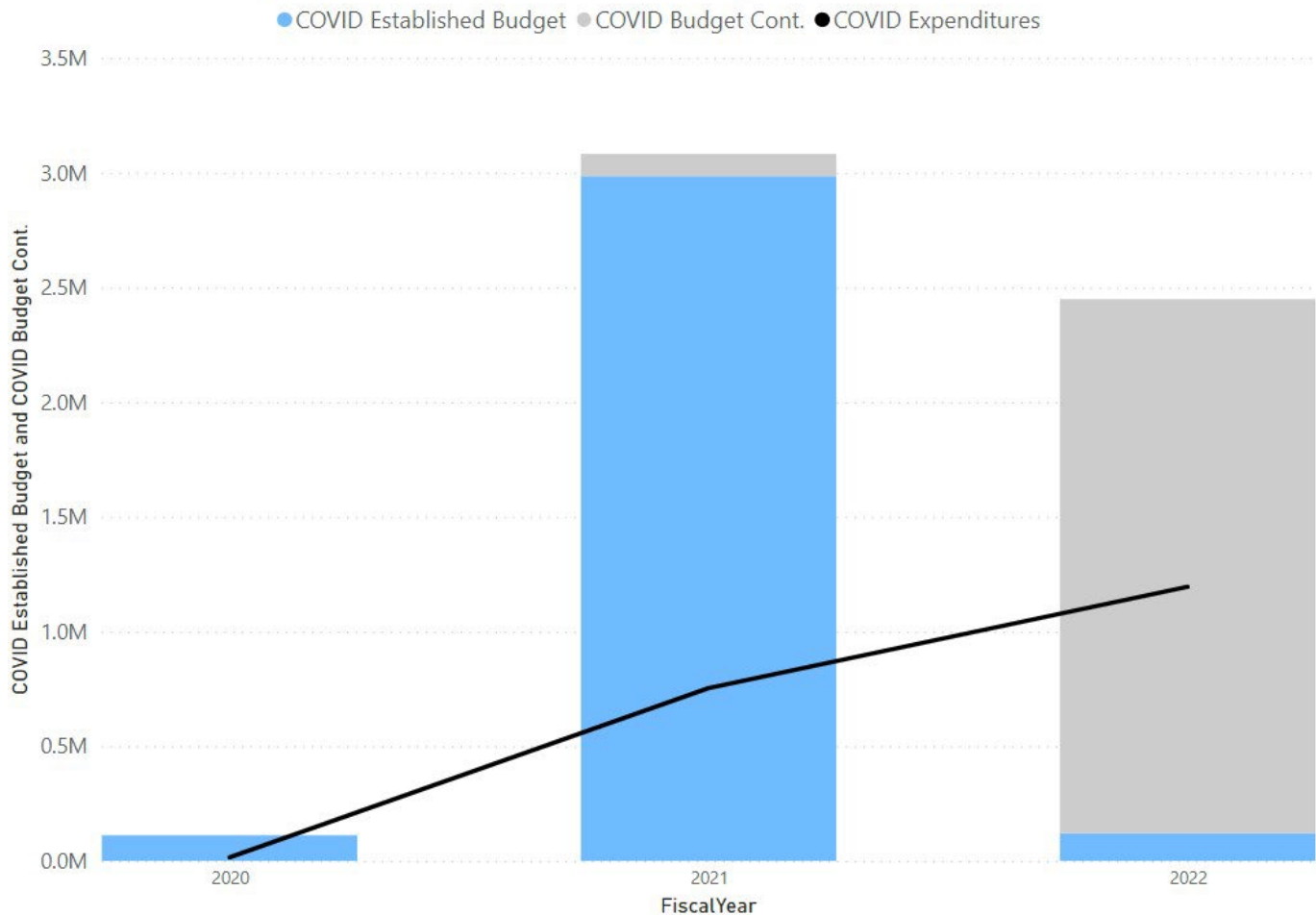
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb

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.

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



For FY 2022, the MSL's total COVID budget is approximately \$2.4 million. ARPA federal funding totaling \$2.2 million and CARES Act funding totaling \$95,000 was established as continuing authority from FY 2021. Additionally, in FY 2022, \$120,000 of COVID budget was established for the biennium through an administrative appropriation for the Newsline from the Department of Health and Human Services' funds for supporting older Americans and families.

In terms of expenditure in FY 2022, \$60,000 has been expended for the Newsline. The MSL has expended \$415,000 of ARPA funding for the hot spots program and \$625,000 of ARPA funding for e-learning; the deadline for spending this funding is December 31, 2022. The CARES Act budget of \$95,000 has been fully expended.

Statutory Appropriations

Statutory authority for the MSL for FY 2022 totals approximately \$884,000. Of that total authority, \$434,000 is general fund for state aid grants to local libraries, and \$450,000 is state special revenue 9-1-1 funding for GIS mapping.

The MSL has expended \$432,000 of its state aid funding and about \$285,000 or 63.3% of its 9-1-1 funding through May of 2022.

Budget Amendments

A total of \$847,000 of federal special revenue authority has been established for MSL through budget amendments, which includes \$300,000 added since the March quarterly report for the development and delivery of natural resource inventory and assessment information and other GIS data under an agreement with the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS). The MSL has through September 2026 to expend the funds.

Approximately \$276,000 or 32.6% of that total has been expended in FY 2022, including \$180,000 expended for data and information services provided under agreements with USDA NRCS and \$45,000 expended under a grant from the Institute of Museum and Library Service's Laura Bush 21st Century Librarian Program related to developing training for small and rural libraries.

Unclassified

Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

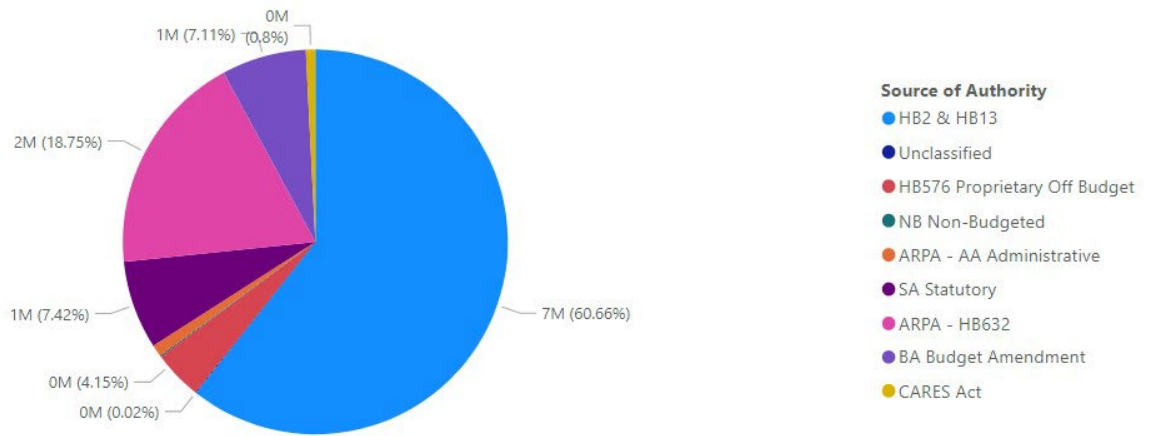
- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP. For the MSL, this appropriation totals approximately \$1,900 and is identified as "unclassified" in the chart on page 1.

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 | 7,227,760 | 5,039,263 | 69.7% |
| BA Budget Amendment | 846,646 | 276,353 | 32.6% |
| HB576 Proprietary Off Budget | 494,049 | 450,878 | 91.3% |
| NB Non-Budgeted | 11,715 | 54,615 | 466.2% |
| SA Statutory | 883,690 | 717,108 | 81.1% |
| Unclassified | 1,916 | | |
| CARES | 94,867 | 94,867 | 100.0% |
| ARPA | 2,354,029 | 1,099,892 | 46.7% |
| Total | 11,914,671 | 7,732,975 | 64.9% |

Report Period

- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May

The MSL is the fiscal agent for the Montana Shared Catalog (MSC), a cooperative catalog project, funded by members fees paid by participating libraries. The MSC’s budget was appropriated at \$417,000 for FY 2022. Additional authority of \$77,000 was added to the MSC’s budget for personal services through budget modification, which brings the total budget to \$494,000; funding for this additional authority is from member dues collected. Expenditure for the MSC is \$451,000 or 91.3% of this non-budgeted proprietary funding through May of FY 2022.

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 May 31, 2022. 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 | March Modified Budget | June Modified Budget | Net Modifications |
|--------------------|-----------------------|----------------------|-------------------|
| Library Commission | 6,870,678 | 7,227,760 | 357,082 |
| Total | 6,870,678 | 7,227,760 | 357,082 |

| Acct & Lvl 1 DESC | March Modified Budget | June Modified Budget | Net Modifications |
|--------------------------|-----------------------|----------------------|-------------------|
| 61000 Personal Services | 2,550,796 | 4,101,013 | 1,550,217 |
| 62000 Operating Expenses | 3,118,860 | 2,511,742 | -607,118 |
| 66000 Grants | 1,197,978 | 611,961 | -586,017 |
| 69000 Debt Service | 3,044 | 3,044 | |

| Fund Type | March Modified Budget | June Modified Budget | Net Modifications |
|-------------------------|-----------------------|----------------------|-------------------|
| 01 General | 2,829,605 | 2,828,689 | -916 |
| 02 State/Other Spec Rev | 3,157,383 | 3,156,767 | -616 |
| 03 Fed/Other Spec Rev | 883,690 | 1,242,304 | 358,614 |

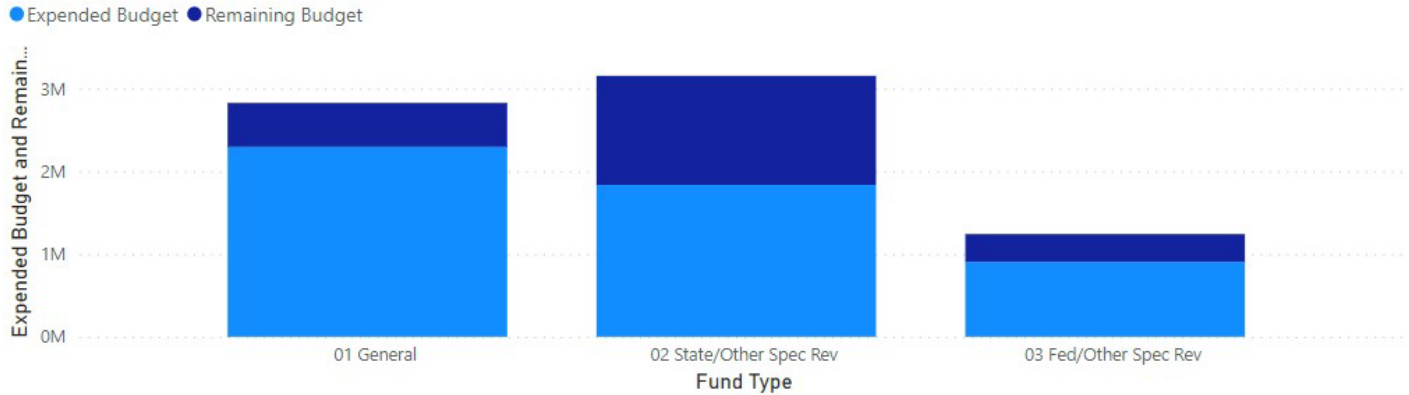
The MSL's March modified budget was approximately \$6.9 million. During this reporting period, the MSL transferred \$359,000 of federal special revenue authority from FY 2023 to FY 2022 for personal services; federal special revenue authority was appropriated as a biennial appropriation in HB 2. Additionally, there was a reduction of \$1,774 for workers' compensation premium savings to align with 39-71,403, MCA. These changes brought the MSL's total HB 2 modified budget to approximately \$7.2 million.

The MSL has had two operating plan changes during this reporting period. The MSL moved a total of \$741,000, which includes \$155,000 from operating expenses and \$586,000 from grants, to personal services. In addition to the movement among expenditure categories, this change corrected the accounts into which funds were allocated. The MSL also moved \$452,000 from operating expenses to personal services for 5.41 continuing modified FTE for the Montana Natural Heritage Program.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2022.

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



| acclv1_descr | Modified Budget | Expended Budget | Percent Expended |
|--------------------|-----------------|-----------------|------------------|
| Personal Services | 4,101,013 | 3,451,861 | 84.2% |
| Operating Expenses | 2,511,742 | 1,349,207 | 53.7% |
| Grants | 611,961 | 235,658 | 38.5% |
| Debt Service | 3,044 | 2,536 | 83.3% |

| Program Name | Modified Budget | Expended Budget | Percent Expended |
|-----------------------------|------------------|------------------|------------------|
| STATEWIDE LIBRARY RESOURCES | 7,227,760 | 5,039,263 | 69.7% |
| Total | 7,227,760 | 5,039,263 | 69.7% |

The MSL’s modified HB 2 budget totals approximately \$7.2 million; the MSL has expended \$5.0 million or 69.7% of its HB 2 budget through May 2022.

By fund type, the MSL’s budget is comprised of \$2.8 million of general fund, \$3.2 million of state special revenue, and \$1.2 million of federal special revenue. MSL has expended \$2.3 million of its general fund budget, \$1.8 million of its state special revenue budget, and \$906,000 of its federal special revenue budget through May 2022.

By account, the MSL has expended \$3.5 million or 84.2% of its personal services budget and \$1.3 million or 53.7% of its operating expenses budget. For grants, the MSL has expended \$236,000 of coal severance tax funds for payments to local library federations; the remaining grant authority is for Montana land information grants. The lower expenditure percentages for operating expenses and grants are primarily in the Montana Land Information Act (MLIA) fund; operating expenses for this fund are 18.6% expended, and grants are 2.8% expended. According to the MSL, they anticipate full expenditure of their MLIA operating expense budget, as

there are several large contracts for which they plan to accrue expenses. Montana land information grants are reimbursement-based grants, so due to timing of grant reimbursement requests, expenditures are lower.

The following table shows the MSL’s HB 2 budget and expenditures by category, including Central Services, Patron and Local Library Development Services, and GIS, Data, and Information Programs. The legislative budget in the first table is what was identified in the budgeting system for each MSL workgroup from the 2021 Legislative Session. The expenditures are from the state accounting system. The agency’s spending plan is also included in the second table; unless restricted, such as for the real-time network, the agency has flexibility to move funding among the workgroups.

| MSL HB 2 Budget and Expenditures by Category | | | |
|--|--------------------------------------|--|---|
| | Legislative Budget - HB 2 | Expenditures through May 2022 | Percent Expended of Legislative Budget |
| Central Services | 2,821,885 | 1,552,947 | 55.0% |
| Patron & Local Library Development Services | 1,085,703 | 1,629,424 | 150.1% |
| GIS, Data, & Information Programs | 2,960,796 | 1,856,892 | 62.7% |
| Budget Modifications¹ | 359,376 | | |
| Fiscal Transfer of Federal Funding | 358,856 | | |
| HB 13 Pay Plan Adjustment | 2,294 | | |
| Reduction for Worker's Comp | (1,774) | | |
| Total | 7,227,760 | 5,039,263 | 69.7% |

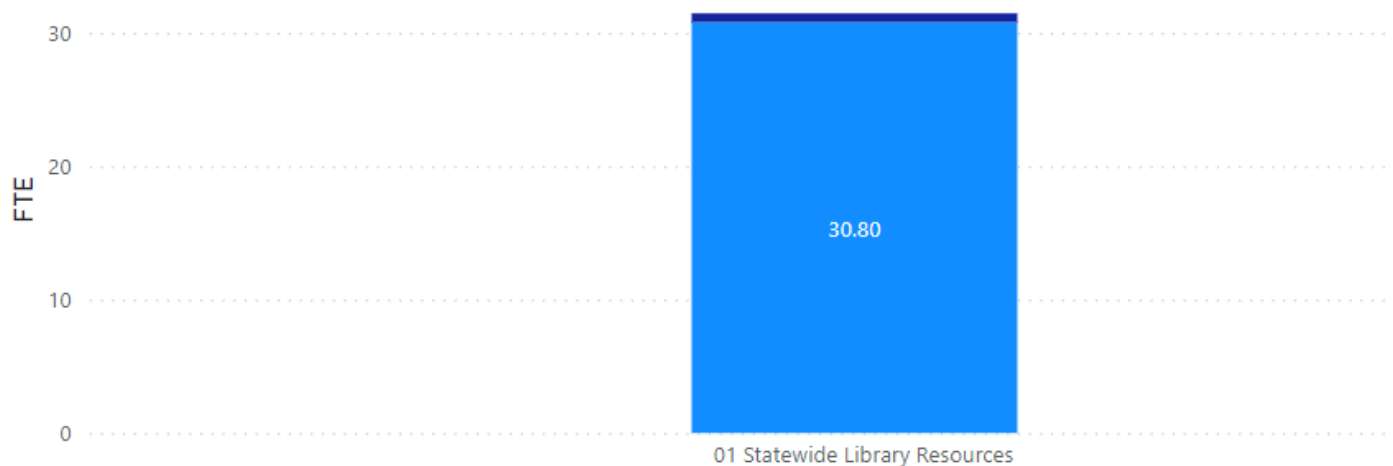
¹Budget modifications include federal fiscal transfer, worker's compensation reduction, and HB 13 pay plan adjustment

| | Agency Spending Plan - HB 2 | Expenditures through May 2022 | Percent Expended of Agency Spending Plan |
|--|--|--|---|
| Central Services | 2,358,739 | 1,552,947 | 65.8% |
| Patron & Local Library Development Services | 2,098,989 | 1,629,424 | 77.6% |
| GIS, Data, & Information Programs | 2,770,032 | 1,856,892 | 67.0% |
| Total | 7,227,760 | 5,039,263 | 69.7% |

Personal Services

The following chart shows the filled and vacant FTE within the agency through May 1, 2022.

Position Status ● Filled ● Vacant



Of the 31.46 FTE under HB 2, the MSL currently has 0.66 vacant FTE. These vacancies include 0.50 FTE for a librarian position and 0.16 FTE for a student intern position.

In terms of hours utilized, out of the available hours through May 1, 2022, the MSL has utilized 92.9% of hours available; this is slightly lower than the MSL’s FY 2021 utilization rate, which was 97.5%. The difference is likely due to the two previously vacant positions in FY 2022 that were reported in the prior quarter’s financial report.

Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from June 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive’s decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [short brochure](#) from 2019.

OTHER ISSUES

During the 67th Legislative Session, the MSL was authorized \$1.7 million of additional funding for the 2023 biennium for the land information account in order to collect, maintain, and disseminate Montana’s land characteristic information digitally. The MSL has expended \$919,000 or 52.0% of that authority through May of 2022.

Additionally, restricted, one-time-only funding was authorized for start-up costs to build out a statewide real-time network. The FY 2022 budget for this project is \$462,500 of state special revenue; MSL has expended \$43,000 or 9.2% of this funding through May of 2022. This authority is biennial, so it may be continued in FY 2023. As reported in the previous quarterly financial report, the Montana Department of Transportation (MDT) participated in a real-time network pilot project that was operated by Seattle Public Utilities. In February of FY 2022, the MDT and the MSL sponsored an IT project to migrate the real-time or reference network pilot project to the State of Montana. More details about that migration are available on the State of Montana IT Projects dashboard¹, as well as the MDT quarterly financial report, available on the Section C Interim Budget Committee website.²

¹ <https://tinyurl.com/itprojectdashboard>. The Real-Time or Reference Network Project is listed as an MDT project.

² <https://www.leg.mt.gov/lfd/interim-budget-committee-section-c/>