

Montana State Library Expenditures

BETWEEN FY 2012 AND FY 2019
BY KRIS WILKINSON

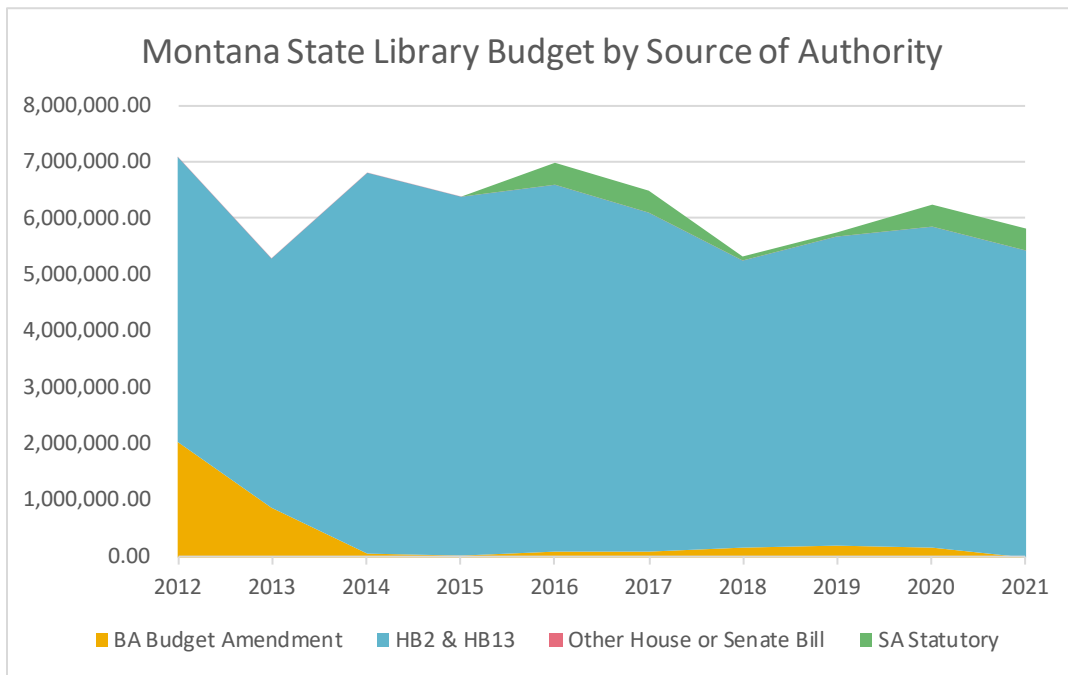
SEPTEMBER 17, 2019

INTRODUCTION

HB 633 requires the Legislative Finance Committee to conduct a study of a funding formula to adequately and fairly distribute the cost of administering and operating the natural resource information system and other digital library services among state agencies and private or commercial entities. The purpose of this report is to provide information on the current funding established for the Montana State Library, including the digital library services.

BUDGETED EXPENDITURES BY SOURCE OF AUTHORITY

The following figure shows the sources of appropriation authority for budgeted governmental funds provided to the Montana State Library (MSL) between FY 2012 and FY 2021.



As shown in the figure above, the majority of the budgeted authority for MSL is provided by HB 2. Since FY 2012 there has been an overall decline in funding for the Montana State Library. HB 2 authority increased by 10.3% annually between FY 2012 and FY 2014. Between FY 2014 and FY 2021 HB 2 funding declined by 2.7% annually. Most of the reduction occurred in FY 2018 and FY 2019 when requirements in SB 261 were implemented. SB 261 reduced HB 2 general fund authority for the MSL by \$681,00 in FY 2018 and \$684,000 in FY 2019

Statutory appropriations for state aid grants to public libraries funded through the general fund were provided beginning in FY 2015. In the 2019 biennium, due to revenue declines, the appropriations were not authorized in statute. The legislature reinstated the statutory appropriations for the 2021 biennium.

In FY 2010 the MSL received a grant from the federal Department of Commerce to establish the Broadband Technology Opportunities Program. MSL used a budget amendment to add the authority to its budget between FY 2010 and FY 2014. The funding was used to increase

broadband speeds at libraries across Montana. In FY 2012 \$1.2 million in authority was budgeted for the project, in FY 2013 \$471,000 was budgeted. The grant concluded in FY 2014.

BUDGETED EXPENDITURES BY FUND TYPE

The following figure shows the budgeted expenditures for the MSL broken into fund type. General fund provided \$2.7 million supporting 37.5% of the budget in FY 2012, in FY 2021 general fund provided \$3.0 million and supported 51.5% of the budget. General fund supports the statewide interlibrary resource-sharing program, state aid to libraries, the Natural Resource Information System, other digital library services, and general operations.

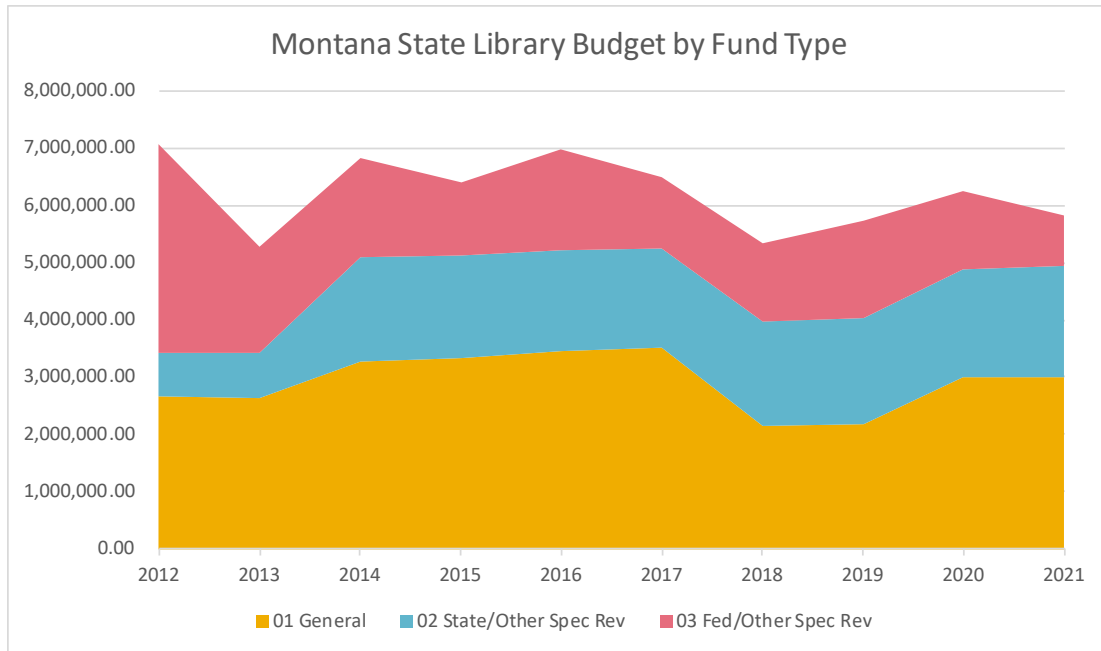
State special revenues were \$0.8 million and 10.8% of the budget in FY 2012, by 2021 the support grew to \$2.0 million and 33.5% of the budget. The majority of the growth was from the transfer of Base Map Service Center as required in HB 38. State special revenues include:

- Coal tax severance taxes supporting general operations, statewide technology contracts, and the library federation grants to assist local libraries in providing basic services
- Assessments to the Departments of Fish, Wildlife, and Parks, Transportation, Environmental Quality, Natural Resources and Conservation, and the Montana University System for use of the Natural Resource Information System
- Document recording fees deposited into the Montana land information account

Federal funds come primarily from the Library Services and Technology Act (LSTA) grant administered through the federal Institute of Museum and Library Services. The federal grants:

- Are formula grants rather than competitive grants
- Require a 2:1 federal: state match and a 5-year plan
- Are used for collection content and access, training and outreach to local libraries, and services to patrons with disabilities

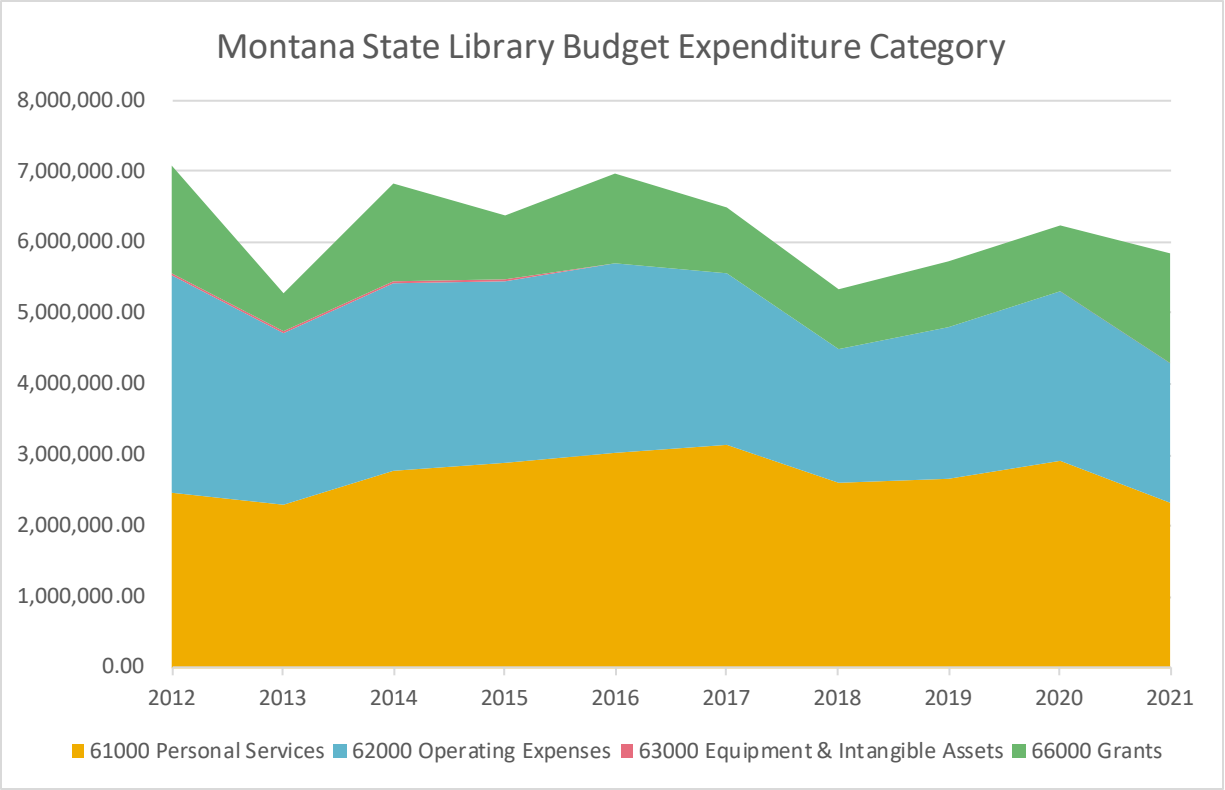
In FY 2012 federal special revenues provided \$3.7 million or 51.7% of the budget, a higher percentage due to the Broadband Technology Opportunities Program. In FY 2021 federal special revenues provide \$.09 million and 15.1% of the budget.



BUDGETED EXPENDITURES BY EXPENDITURE CATEGORY

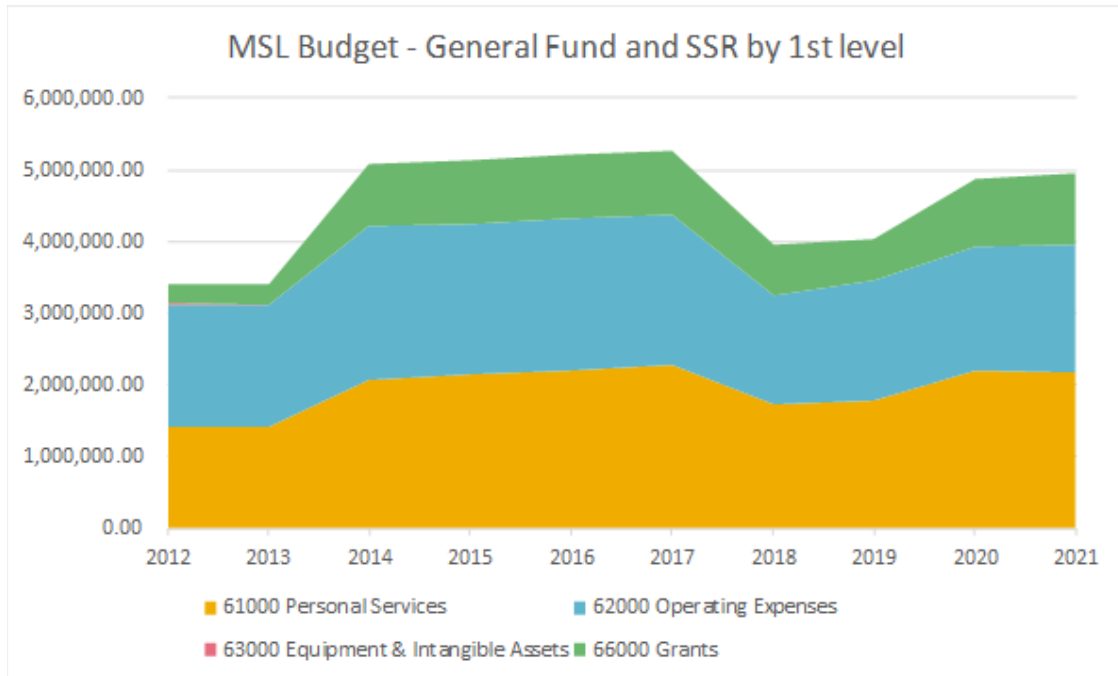
The following figure shows the budgeted expenditures by expenditure category. Personal services expenditures made up 34.9% in FY 2012 and 39.6% in FY 2021. In the 2015 biennium the legislature provided for 2.50 additional FTE for the transfer of the Base Map Service Center from the Department of Administration to the MSL. The transfer provided for Montana Land Information Act (MLIA) coordination, Montana spatial data infrastructure support and grants to local and tribal governments for the MLIA. Personal services appropriations were reduced by \$359,000 in FY 2018 and \$361,000 in FY 2019 to implement the requirements of SB 261.

Operating expenses were 43.4% in FY 2012 and 33.8% in FY 2021. To implement the requirements of SB 261, operating expenses appropriations were reduced by \$322,000 in FY 2018 and \$323,000 in FY 2019. Grants to libraries made up 21.2% of the budget in FY 2012 and 26.6% in FY 2021. Grants increased for statutory appropriations for direct aid to public libraries.



DIGITAL LIBRARY SERVICES

Digital library services are supported by the general fund and the state special revenue fund and appropriated in HB 2. The following figure shows the budgeted 1st level expenditures for the MSL between FY 2012 and FY 2021 for HB 2 general fund and state special revenue.



The following figure shows the actual expenditures for general fund and state special revenue between FY 2016 and FY 2019. At the beginning of FY 2016 the Montana State Library reorganized and began to track expenditures for the digital library functions.

Montana Library General Fund and State Special Revenue Expenditures By Budget Organizational Unit				
Organizational Unit	FY 2016	FY 2017	FY 2018	FY 2019
Digital Library Administrator	\$109,492	\$107,675	\$108,779	\$114,710
Digital Library User Services	119,520	133,270	75,754	75,826
Digital Library GIS User Services	140,826	162,524	89,409	117,045
Digital Library Water Information Management	213,331	236,298	157,801	146,642
Digital Library Library Information Management	78,555	79,422	79,488	85,291
Digital Library Land Information Management	226,183	254,759	175,401	176,321
Digital Library Information Products	176,050	211,730	174,044	188,914
Digital Library Fixed Cost	441,691	373,830	373,749	370,903
Digital Library Other Costs	163,484	133,122	98,371	138,689
Natural Resource Information System	466,174	476,927	362,223	349,563
Montana Land Information Act	157,456	201,831	209,725	223,951
HB 61 911 GIS Mapping			74	75,860
Information Technology Staff	334,872	332,987	197,156	224,966
Coal Tax Grant	176,122	176,122	176,122	216,122
Periodical Database	240,941	68,682		
State Aid for Libraries	593,537	593,537	197,772	197,772
Library Development Division	285,720	278,534	244,235	358,964
Talking Book Library	258,120	306,233	123,696	196,258
Administration	662,175	618,514	466,454	514,038
SB 261 Costs			163,082	77,805
Total	\$4,844,248	\$4,745,996	\$3,473,334	\$3,849,639

As reflected in the figure on the previous page, digital library services, including the natural resource information system, the Montana Land Information Act, Geographical Information System (GIS) mapping, and information technology staff made up between 54.2% and 60.5% of the expenditures for general fund and state special revenue during the period.

As discussed under the Budgeted Expenditures by Fund Type, several agencies contribute funding for Natural Resource Information System (NRIS) including:

- Department of Fish, Wildlife, and Parks \$68,857
- Department of Transportation \$31,622
- Department of Environmental Quality \$88,307
- Department of Natural Resources and Conservation \$48,813
- Montana University System \$43,942

The funding amounts were established in FY 2003 based on agency usage of NRIS. The amounts have not been updated since, however, state agency usage has changed significantly since the funding levels were established. In addition, costs of administering the program have also changed.