

Montana Board of Education

2003 Biennium Joint Budget Request

The Board of Education has carefully reviewed the budget requests submitted by Montana's educational community. We have endorsed these requests and provide this justification for these needs. We believe that increases in support for public education in Montana are critical for the State's future. We stand ready to engage in further discussion regarding these requests at the appropriate time during both the Executive Budget process and the 2001 Legislative session.

The State of Montana has every reason to be proud of the performance of its public schools and universities. Students in Montana's K-12 schools have demonstrated outstanding levels of achievement on standardized tests administered during a student's academic career. In addition, year after year, Montana's high school graduates who take the ACT achieve scores that are above national and regional averages and ahead of students from many other states. Graduates of the university system have excellent records in job placement and are well received by employers who return annually to recruit more of our graduates. Our graduates' performance on licensure exams and in admission to first-rate graduate schools also provides evidence of the quality of our programs and graduates from the university system.

The Montana Legislature and the Montana public have high expectations for efficiency in publicly-supported programs. Once again, comparative data makes clear that the quality in Montana's public schools and universities is achieved with remarkable efficiency. Per student expenditures at both the K-12 and university level are significantly lower than the averages of peer states. The record is clear: Montana's public schools and universities turn out a quality product at a price that recognizes Montanans' limited ability to pay.

However, we are deeply concerned that the quality of Montana's schools and universities cannot be maintained without increased funding. Reliance on efficiencies has been carried to extreme and risky lengths. Reductions in supplies, operating, and professional development budgets in our local schools have left many classrooms short of materials. Many teachers have responded by spending their own resources and personal time to ensure that students have what they need. To maintain quality, the university system has had to rely on rapid increases in tuition. These tuition increases have compromised access to post-secondary education for some Montanans and have saddled many others with excessive debt from student loans upon graduation. Both the public schools and the university campuses are experiencing significant difficulties in recruiting and retaining high-quality instructors because of non-competitive compensation.

Expressions of support for education from the public, the State's media, and politicians running for office give us some hope that this picture may change. However, it has been difficult in the past to turn public support into budget increases. The two strongest themes in this year's electoral campaign are economic development and education. More importantly, there seems to be an increasing awareness that improvements in Montana's economy cannot occur without increased financial support for

Montana’s public schools and universities. A well-funded public system of schools and colleges and significant support for research and development activities at universities will be expected by those who can make decisions to bring new, clean, and high-tech businesses to our state.

It is our hope that this document provides the Governor a clear statement of the need for improved funding for Montana’s schools and universities. Even these proposed funding increases would still leave our schools and universities at a remarkable level of efficiency and at a per-student investment by the State well below the average in peer states. While we would not presume to have a full understanding of the fiscal challenges facing Montana in the next biennium, we are convinced that a major investment in funding public education is drastically needed. Fortunately, public and political opinion appears to be reaching the same conclusion.

**Board of Education
Budget Request
New Proposals -- General Fund Only**

Rank	EPP #	Name	FY 2002	FY 2003	Biennial Total
Montana University System					
1	201	Increase State Supported Financial Aid	2,097,900	3,047,400	5,145,300
1	901	Increase State Support Resident Student	12,290,061	24,928,724	37,218,785
1	909	MUS Agency Initiatives	1,273,709	1,273,709	2,547,418
2	903	Information Technology	2,475,000	2,475,000	4,950,000
2	904	MUS Data Warehouse	1,500,000	-	1,500,000
2	905	Supplement Statewide Pay Plan	3,750,000	7,550,000	11,300,000
2	906	Academic Dev - Technical Programs	800,000	-	800,000
2	908	Differential Tuition Offset	500,000	500,000	1,000,000
2	910	Course Fee Replacement	1,000,000	1,000,000	2,000,000
Total			25,686,670	40,774,833	66,461,503

K-12

1	9218	K-12 Base Aid & Spec. Ed - New Proposal	21,522,000	57,971,000	79,493,000
2	6311	School Improvement: Focus on Learning-NP	1,500,000	1,500,000	3,000,000
3	9212	School Facility Payments-NP	350,000	700,000	1,050,000
4	9111	National Board Certification Stipends-NP	60,000	90,000	150,000
5	9216	Transportation Aid Rates-NP	1,700,000	1,700,000	3,400,000
6	New	Interim Study of School Funding	50,000	-	50,000
7	9354	Voed Distribution to Districts-NP	2,500,000	2,500,000	5,000,000
8	9351	Adult Basic Education - NP	250,000	250,000	500,000
9	6351	Workforce Development - NP	256,160	256,160	512,320
10	6331	Special Populations - NP	60,000	60,000	120,000
11	6211	School Budget and Accounting Section-NP	104,712	100,032	204,744

12	6111	OPI Automated Systems - NP	50,000	50,000	100,000
13	6322	Tobacco Education-NP	155,742	155,742	311,484
		Total	28,402,872	65,177,192	93,580,064

Other Education Agencies

Board of Public Education

1	1	Standards Adoption	8,000	8,000	16,000
2	3	NASBE Dues	16,000	16,000	32,000
		Total	24,000	24,000	48,000

School for the Deaf and Blind

1	1	Upgrade Salaries - Teachers & Interpreters	30,436	60,872	91,308
2	3	Additional Outreach Consultants	58,680	58,680	117,360
3	4	Salary Increase for Interpreters	4,800	9,600	14,400
		Total	93,916	129,152	223,068

Historical Society

1	1	Personnel Officer	26,289	23,289	49,578
2	3	Lewis and Clark Bicentennial -NP	247,446	241,446	488,892
3	9	Information System Support Specialist	47,353	44,353	91,706
4	10	Online Public Record Access	22,217	29,000	51,217
5	12	Schrifer Curator	29,000	26,000	55,000
6	13	Agency Newsletter and Fulfillment	20,000	20,000	40,000
7	14	Volunteer Coordinator	20,695	17,695	38,390
8	17	SHPO Grants Administrator	25,135	22,135	47,270
9	21	Funding Switch	35,584	35,584	71,168
10	23	Military Package	18,008	17,200	35,208
11	24	Lewis and Clark Challenge Grant	100,000	100,000	200,000
12	25	Surplus Truck Purchase	7,500	2,000	9,500
13	26	Federal Required Match	75,000	75,000	150,000
		Total	674,227	653,702	1,327,929

Library Commission

1	4	Stable funding for NRIS Core	112,055	112,055	224,110
2	2	Build a Sustainable Infrastructure	1,331,127	147,127	1,478,254
3	5	Periodical Database	235,000	235,000	470,000
4	6	Equalization Grants	200,000	200,000	400,000
		Total	1,878,182	694,182	2,572,364

Montana Arts Council

1	2	Arts Ed-Creative Capital 4 Tomorrow	499,750	499,750	999,500
2	3	Business Technical Assistance	252,145	252,145	504,290
3	4	Arts Indust. Market Development	486,823	486,823	973,646
		Total	1,238,718	1,238,718	2,477,436

TOTAL OF ALL EDUCATIONAL UNITS 57,998,585 108,691,779 166,690,364

K-12 Education

New Proposals (General Fund only)

• K-12 BASE Aid and Special Education	\$ 79,500,000
• School Improvement: Focus on Learning	\$ 3,000,000
• School Facility Payments	\$ 1,050,000
• Pupil Transportation Rate Increase	\$ 3,400,000
• National Board Certification Stipends	\$ 150,000
• Interim Study of School Funding System	\$ 50,000
• Vocational Education Distribution to Districts	\$ 5,000,000
• Adult Basic Education	\$ 500,000
• Workforce Development	\$ 512,320
• Special Populations	\$ 120,000
• School Budget and Accounting	\$ 102,000
• OPI Automated Systems	\$ 100,000

Total of New Proposals for K-12 Education \$93,484,320

1. K-12 BASE Aid and Special Education – New Proposal

This EPP proposal raises the basic and per-ANB entitlements for schools by 4% in FY 2002 and 7% in FY 2003. It also increases the state appropriation for special education by 10% annually. The cost of this general fund proposal is \$ 79.5 million. The purpose of this request is to allow districts to maintain quality educational programs in the face of declining enrollments, to prevent the balance between state and local aid for schools from tipping further in the direction of local property taxpayers, and to provide additional state support for special education services.

This proposal sets the basic entitlements, per-ANB entitlements, and the state special education appropriation as follows:

	<u>FY 2002</u>	<u>FY 2003</u>
Elementary basic entitlement:	\$19,260	\$20,608
Elementary per-ANB entitlement:	\$3,909	\$4,182
High School basic entitlement:	\$214,000	\$228,980
High School per-ANB entitlement:	\$5,210	\$5,575
Special Education appropriation:	\$37,290,000	\$41,019,000

2. School Improvement: Focus on Learning – New Proposal

This general fund request of \$1,500,000 in each year of the biennium supports ongoing activities of the Montana School Improvement Initiative. This proposal addresses integration of the recently adopted education content and performance standards, publication of the Montana Statewide Education Profile, coordination of a statewide comprehensive assessment system, and alignment of teacher education, professional development and school accreditation. Included in the funding request is the cost of the statewide assessment, scoring, and reporting of assessment results. Of the \$3 million request, \$800,000 is designated for professional development activities for teachers and administrators.

3. School Facility Payments – New Proposal

The new proposal totaling \$1,050,000 increases funding by \$350,000 per year to keep pace with the increased number of eligible districts and maintain full funding for this state obligation.

4. Transportation Aid – New Proposal

The new proposal requests an additional \$3,400,000 to fund an increase in the transportation reimbursement rate to more closely reflect inflation of actual costs and provide local property tax relief. State reimbursement rates for pupil transportation were set at 85 cents/bus-mile in FY92 and have not been increased in 10 years.

5. National Board Certification Stipends – New Proposal

This request, at a biennial cost of \$150,000, targets the retention of experienced teachers. An annual stipend of \$3,000 will be provided to full-time Montana public school teachers who are certified by the National Board for Professional Teaching Standards.

6. Interim Study of School Funding System – New Proposal

This request is for \$50,000 to conduct a study of the adequacy of funding for the K-12 public school system. The study will analyze, evaluate and make recommendations regarding the public school funding structure, impacts of enrollment fluctuations, compensation of teachers and administrators, and budgeting and voting provisions. This study would be completed prior to the 2003 legislative session.

7. Vocational Education Distribution to Districts – New Proposal

This request is for an additional \$2,500,000 per year to be allocated to districts with approved Vocational Technical education programs. The Montana K-12 Career and Technical Education Advisory Board encouraged this request to support increasing costs of career and technical education.

8. Adult Basic Education – New Proposal

This proposal will provide \$250,000 per year in additional funding to districts to support Adult Basic Education (ABE) services. The demand for ABE programs is increasing and this proposal will support serving more students, program expansion, and growth in outreach to rural and isolated areas of the state.

9. Workforce Development – New Proposal

This request of \$256,160 in each year of the biennium will support three additional professional staff in the OPI's Workforce Development program. The outcome of the program will be better technical education programs, better prepared educators, and students who are able to fill the demands of Montana's technical workforce and earn high wages.

10. Special Populations / Indian Education – New Proposal

The 1999 legislature passed HB528 to fully implement the Montana constitutional mandate regarding American Indian education. This EPP request for \$60,000 per year will provide program support to develop a Native American model curriculum, create a web-based professional development tool for Montana educators, and support the collaborative work of the Montana Advisory Council for Indian Education (MACIE).

11. School Budget and Accounting – New Proposal

Since 1991, numerous new programs and major changes in existing programs have caused the workload to exceed the capabilities of current staff in the School Budgeting and Accounting Section of the OPI Operations Division. This request would add 2.00 permanent FTE at a cost of \$204,744 for the biennium.

12. OPI Automated Systems – New Proposal

This request for \$50,000 per year will provide operational support to continue automation and upgrading of the annual non-fiscal data collection and management system. This request will help assure that OPI has the technical capacity and training resources to allow all 450 school districts to submit reports electronically in the next three years.

Montana University System

FY02-03 Budget Priorities

Summary of Budget Priorities for FY02-03

New Proposals	FY 2002	FY 2003	TOTAL
Tier 1 Priorities			
\$500 Resident Student Increase	12,290,061	24,928,724	37,218,785
State Supported Financial Aid	2,097,900	3,047,400	5,145,300
Agency Budget Initiatives	1,273,709	1,273,709	2,547,419
Tier 2 Priorities			
Information Technology	3,975,000	2,475,000	6,450,000
Supplement Pay plan	3,750,000	7,550,000	11,300,000
COT Technical Programs	800,000		800,000
Differential Tuition	333,000	667,000	1,000,000
Course Fee Replacement	1,000,000	1,000,000	2,000,000
Total New Proposals	\$ 25,519,670	\$ 40,941,833	\$ 66,461,504

Significant Present Law Base	FY 2002	FY 2003	TOTAL
Resident Enrollment Growth	1,799,850	2,560,350	4,360,200
Support Costs Inc/WICHE/WWAMI/MN	307,279	465,939	773,218
Total Present Law Base	\$ 2,107,129	\$ 3,026,289	\$ 5,133,418

Budget Priorities – Tier 1

Increase the state support per resident student by a system-wide average of \$500 each year of the biennium

State support and total current unrestricted support per student in Montana lags far behind other states. In a recent report released by the Legislative Fiscal Division, Montana's funding per student was compared to system funding per student in the seven peer states established by the 1989 Legislative Interim Committee on university funding. The report indicates that state support per student along with total current unrestricted support per student in Montana are lower than the support levels in all seven peer states. On the average, state support per student in Montana is \$2,639 less than in the peer states and total current unrestricted support per student (state support plus tuition) in Montana is \$2,006 less than in the peer states.

MONTANA UNIVERSITY SYSTEM STATE SUPPORT INCREASE PER RESIDENT FTE (\$500 AVG)

	Projected FY 2002	Per FTE	Total FY 2002	Projected FY 2003	Per FTE	Total FY 2003	Biennium Total
MSU							
Bozeman	7,961	509	4,052,149	8,000	1,018	8,144,000	12,196,149
Billings	3,923	423	1,659,429	4,093	846	3,462,678	5,122,107
Northern	1,340	527	706,180	1,343	1,054	1,415,522	2,121,702
Great Falls COT	809	435	351,915	833	870	724,710	1,076,625
Total MSU	14,033		6,769,673	14,269		13,746,910	20,516,583

UM							
Missoula	8,109	463	3,754,467	8,190	926	7,583,940	11,338,407
Tech	1,748	591	1,033,068	1,766	1,182	2,087,412	3,120,480
Western	884	488	431,392	893	976	871,568	1,302,960
Helena COT	771	391	301,461	817	782	638,894	940,355
Total UM	11,512		5,520,388	11,666		11,181,814	16,702,202
Total MUS	25,545		\$ 12,290,061	25,935		\$ 24,928,724	\$ 37,218,785

Increase state supported student financial aid/student assistance

- Increase Baker Scholarships- \$2.0 million
- Increase work study funds by 10%
- Increase SEOG funds by 15%
- State funding for the second, third, and fourth years of the high school honor scholarship program - \$2.7 million
- Continued support (with increased support costs) of WICHE/WWAMI/MN Dental
- Increased access to WICHE/Minnesota Dentistry by 3 slots each year
- Although funding levels have not been identified at this time, discussions are continuing regarding the state's needs in speech pathology and dental hygiene

INCREASE STATE SUPPORTED FINANCIAL AID

	FY 2002	FY2003	TOTAL
Baker Scholarship	1,000,000	1,000,000	2,000,000
Work Study	84,000	84,000	168,000
SEOG Grants	68,000	68,000	136,000
High School Honor 2nd - 4th years	900,000	1,800,000	2,700,000
Increase Dental Slots-WICHE/MN	45,900	95,400	141,300
Total New Proposals	\$2,097,900	\$3,047,400	\$5,145,300

Agency Budget Initiatives

The attached agencies (AES, CES, FSTS, FCES, and BoM) are outside of the lump sum appropriation. They were instructed to provide requests approximating a 5% increase in their general fund.

Budget Priorities – Tier 2

Provide funding for information technology on all campuses

- Funding for technology infrastructure - \$4.95 million
- Funding for data warehouse - \$1.5 million

General Fund - \$6.45 Million

Supplement to the statewide pay plan

The MUS faces a number of salary issues that cannot be addressed through the statewide pay plan. Examples include market disparities within a class of employees (faculty at some units, information technology positions, and some administrative positions), merit/competency pay, faculty promotions and inversion, and market adjustments. Additional funding in the pay plan bill would be requested as supplemental funding to begin to address these issues.

General Fund - \$11.3 Million

Academic program development funding for technical programs at the colleges of technology

The colleges of technology do not have existing funds within their budgets for academic program development. Developing new programs and updating existing programs to meet workforce needs is critical to their mission. The development of new

programs at the colleges of technology generally requires significant investment in equipment and technology. This funding would allow them to develop new programs in response to the needs in their communities.
 General Fund - \$.8 Million

Differential Tuition

During FY00 and FY01, tuition differential at the colleges of technology was implemented by freezing tuition at the colleges of technology and making tuition adjustments at the four-year units to keep total current unrestricted revenue neutral at all units. Continuing the implementation of tuition differential at the colleges of technology will require state funding or additional tuition adjustments at the four-year units.
 General Fund required to continue the policy through FY02 and FY03 is \$1.0 million.

Course Fee Replacement

The task force on fees has recommended that many course fees be eliminated and the lost revenue backfilled with current unrestricted funds. These costs are legitimate instructional expenditures and should be funded through a combination of general fund and tuition. Currently course fees are accounted for in the designated fund and a budget request is required because of the change in funding source to current unrestricted.
 General Fund required to replace the lost revenue would be \$1.5-\$2.0 million.

Commissioner of Higher Education Federal Fund Initiatives

	FY 2002	FY2003	TOTAL
Gear Up	2,494,168	2,553,538	5,047,706
GSL:			-
Accounting Change	12,171,259	13,113,409	25,284,668
Increased Operating	489,016	490,369	979,385
Total CHE	15,154,443	16,157,316	31,311,759

Significant Present Law Base Adjustments

Resident Enrollment Growth

Current budget practice includes funding for resident enrollment growth as a present law adjustment. Projections for FY02 and FY03 have been developed.

	FTE	Increase %	Increase # Over Base	Increase \$
Base Year (FY00) Resident Enrollment	24,622			
Estimated FY01 Resident Enrollment	24,873	1.0%		
Estimated FY02 Resident Enrollment	25,545	2.7%	923	1,799,850
Estimated FY03 Resident Enrollment	25,935	1.5%	1,313	2,560,350
				\$ 4,360,200

Increased Rates WICHE/WWAMI/MN

FY02	- \$307,279	General Fund
FY03	- \$465,939	General Fund
Total	- \$773,218	General Fund

OTHER EDUCATION AGENCIES

Board of Public Education

1-Standards Adoption Implementation

FY2002 \$8,000 and FY2003 \$8,000

The last legislature appropriated authority to the Office of Public Instruction for school improvement. However, any recommendations for school improvement must be adopted by the Board of Public Education to be effective. This requires that the Board hold hearings and engage in the necessary research to ascertain the advisability of the Superintendent's recommendations. The Board is requesting \$8,000 per year appropriation to continue the participation in and the implementation of this process, which would include, but not be limited to, teacher testing requirements, appeals and attorney fees.

2-Technology Upgrade

FY2002 \$4,000 and FY2003 \$4,000

Technology Upgrade to allow the Board of Public Education to link the office with the members via e-mail and Internet access. These funds will also provide up to date information to other state agencies, communities and education entities nationwide. Through upgrading computer equipment and replacing a scanner, this will increase productivity; keep critical contact and coordination of meetings and information with Board members. If not approved, this will critically slow down production and increase costs (i.e. phone calls, conference calls, mail costs, etc.) It will help the office maintain and keep up with MSU - Bozeman's technology (i.e. Internet connections and support) and SABHRS technology).

3-NASBE Dues

FY2002 \$16,000 and FY2003 \$16,000

The Board has not belonged to its National association for the past 11 years. It is extremely important that a small citizen board such as the Board of Public Education have regular interaction with other state board members around the country in order to be effective. In the absence of this contact, the Board is less likely to institute good ideas and reject bad ideas that have been tried in other states. NASBE offered the Board of Public Education reduced dues to make it easier for the Board to belong to this important organization.

4-Administration Salary Increase

FY2002 \$2,400 and FY2003 \$2,400

This funding request is to cover pay increases to the Executive Secretary and Administrative Assistant that were granted by the Board of Public Education and not covered by the pay plan.

School for the Deaf and Blind

1-Upgrade Salaries-Teachers & Interpreters

FY2002 \$30,436 and FY2003 \$60,872

The Montana School for the Deaf and Blind (MSDB) is requesting general fund of \$30,436 in FY'2002 and \$60,872 in FY'2003 to upgrade salaries for teachers and interpreters. The legislature in past sessions has recognized the disparity in pay for teachers and interpreters at MSDB who make less than their counterparts in other Montana public schools and in state funded deaf and blind schools in other states. The school is appreciative that the legislature has provided assistance to help narrow this salary gap. However, a January 2000 salary survey conducted by the Department of Administration indicates MSDB teachers and interpreters are paid less than their peers employed by other Montana public schools and in state funded deaf and blind schools in other states.

2-Computers-Fund 4-year replacement cycle

FY2002 \$88,250 and FY2003 \$36,450

The Montana School for the Deaf and Blind (MSDB) is requesting general fund of \$83,250 in FY'2002 and \$31,450 in FY'2003 to replace computers and \$5,000 general fund in each year for computer maintenance. Currently, the school has been able to finance installation of a computer network, computers, and computer maintenance from grants and donations. The school, however, has not been able to secure funding from these sources for establishing a replacement cycle

for the current inventory of computers. Additionally, the MSDB Foundation, which has provided funding for computer maintenance has indicated they will discontinue funding after FY'2001 as they consider this a state responsibility.

3-Additional Outreach Consultants

FY2002 \$58,680 FTE 1.50 and FY2003 \$58,680 FTE 1.50

The Montana School for the Deaf and the Blind (MSDB) is requesting general fund of \$58,580 in both years of the 2003 biennium to hire two (2) outreach resource consultants at a total of 1.5 FTE. These consultants would work a 195-day contract to serve Montana's sensory impaired children.

Currently, the five Itinerant Resource Consultants employed by MSDB serve 251 students across Montana. Data kept by the consultants indicate 61 percent of these students are seen regularly and 39 percent are seen on an as needed basis. A survey of surrounding states indicates a maximum ratio of one consultant for each 25 students is standard. In Montana, our current ratio is one consultant for each 50 students. Being the 4th largest state in the nation, MSDB consultants not only have extensive caseloads but also must travel great distances to provide services.

4-Salary Increase for Interpreters

FY2002 4,800 and FY 2003 \$9,600

The Montana School for the Deaf and Blind (MSDB) is requesting general fund of \$4,800 in FY'2002 and \$9,600 in FY'2003 to upgrade salaries for interpreters. The legislature in past sessions has recognized the disparity in pay for interpreters at MSDB who make less than their counterparts in other Montana public schools and in state funded deaf and blind schools in other states. The school is appreciative that the legislature has provided assistance to help narrow this salary gap. However, a January 2000 salary survey conducted by the Department of Administration indicates MSDB teachers and interpreters are paid less than their peers employed by other Montana public schools and in state funded deaf and blind schools in other states.

Montana Arts Council

1-Computer Equipment

FY2002 \$25,500

These funds will purchase 4 computer workstations, 1 OCR scanner, 1 network printer and 1 network server. The agency's computer equipment is in large part far older than the current standard of 4 years for replacement, with only two computer workstations and the current server being up-to-date, i.e. only 4 years old in 2002. The remaining 5 computers were purchased as follows: 1 in FY 1996 and 4 in FY 1994 or earlier.

2-Arts Ed-Creative Capital 4 Tomorrow

FY2002 \$499,750 FTE 2.00 and FY2003 \$499,750 FTE 2.00

Improve K-12 education in Montana by using local arts-based resources to advance student skills vital for the workplace of tomorrow. The arts resources in this proposal build on highly successful existing Arts Council programs and services. They complement, and do not duplicate, current education efforts.

3-Business Technical Assistance

FY2002 \$252,145 FTE 1.00 and FY2003 \$252,145 FTE 1.00

Improve Montana's economy by honing the business, marketing, and professional development skills of the arts community of Montana, resulting in increased revenues for Montanans and local business. (While the Business Technical Assistance program is the agency's second priority, its importance to the state is equal to priority number one.)

4-Arts Industry Market

FY2002 \$486,823 FTE 1.00 and FY2003 \$486,823 FTE 1.00

This request would 1) Establish a centralized resource to locate ALL Montana artists and arts activities, linking that information to private-sector businesses, artists, and arts organizations; 2) Create major internet and website initiatives to promote Montana arts; 3) Conduct two economic impact studies, one on individual artists and the other on private-sector arts businesses; 4) Assist in the production of a major national arts event (that does not duplicate current efforts to promote outstanding Montana arts, such as a major Indian art show, a statewide literature festival, etc.); 5) Produce a promotion campaign to boost sales of Montana arts statewide and nationally; build public awareness about the value the arts to local Montana economies and education.

State Library Commission

1-Stable Funding Structure for NRIS

FY2002 \$100,000 and FY2003 \$100,000

For the past 15 years, the Natural Resources and Information System has collected, maintained, and distributed information about natural resources to state and federal agencies and the public. During these years, NRIS has earned a reputation as an innovator in providing useable, accurate, and current information to Montana citizens who make public policy decisions. NRIS has proven itself an essential program to the state.

However, NRIS's original funding structure has evolved into a management nightmare. Funded by the Resource Indemnity Trust (RIT) Fund, a small amount of General Fund, and contribution from source agencies, NRIS has become dependent on outside contracts to support many basic functions. In addition, the transfer of funds between NRIS and source agencies has become an accounting nightmare because each agency has different programmatic and fiscal requirements. This hodgepodge of funding creates a logistic nightmare and results in insecure and unstable funding. The state must recognize NRIS as an important, critical service and provide stable, secure funding.

2- Build a sustainable info structure

FY2002 \$1,331,127 FTE 3.00 and FY2003 \$147,127 FTE 3.00

Maintain and expand the information products for all Montana libraries and citizens. As Montana's economy shifts from one based on resource extraction to one dependent on other sectors, the need for accurate, current and extensive information becomes critical for economic development and an educated citizenry. The State Library's new proposal is designed to ensure that Montana's citizens can compete nationally and globally by developing businesses and job skills in the library or at home through remote access to important information. The proposal will maintain and expand the amount of information available to Montana citizens; ensure that Montana public librarians are trained to offer their communities the most complete access to information; help individual public libraries meet the increased costs of providing information resources to their communities; and provide citizens with a seamless access to Montana library resources.

3-Base adjustments in Program 01

FY2002 \$62,000 and FY2003 \$62,000

Support necessary base adjustments in the budget of the State Library. Operating funds must be increased by \$15,000 for the Talking Books Library Program for the following reasons:

1) Maintenance contracts for the Keystone library system, Otari/Telex/Magnefax and the Solaris/Sun machine have increased. \$7400; 2) Braille service contract has increased by \$5.00 per patron and number of patrons has increase. \$1785; 3) Parts of playback machines, batteries and lubrications that were previously provided by the National Library Services now need to be purchased directly. \$3,000; 4) Price increases on consumable items that TBL currently purchase such as cassettes, reels, and spice tabs. \$1000; 5) National Library Service requires each TBL staff persons to be oriented at NLS at least once every five years; and 6) currently only one staff person of seven has received NLS orientation. \$1900

Computer replacements. MSL Program One must replace 10 computers at this time. The State of Montana, Department of Administration has provided minimum level PC standards based on a four-year life cycle for replacement. We currently have 14 computers that do not meet those minimum standards; ten are essential for replacement at this time. The replacement and/or upgrade will cost approximately \$2000 for each workstation, for a total of \$20,000.

Operating funds increase by \$15,000 so that the State Library can give state employee patrons and citizens access for our catalog via the web. Additional software and programming is needed to get our Horizon catalog to that point.

Printing and operating funds increase of \$12,000 to provide for: two additional publications, a revised Trustee Manual and a New Director's Manual; the purchase of Software that will allow the statewide technology librarians to help local librarians with their computer problems from a remote location and upgraded computer for State Data Coordinator.

4-Stable funding for NRIS Core

FY2002 \$31,923 FTE 0.60 and FY2003 \$31,923 FTE 0.60

The Natural Resource Information System (NRIS), a Program of the Montana State Library, was created in 1985 to create and maintain a Natural Resource Information Clearinghouse for the State of Montana. The Program has served as a national model, is highly recognized and utilized, and is an essential program to the state. Funding for the program has always been complex, however, and inherently unstable. Funding for the Program has come from a mixture of sources including the Resource Indemnity Trust (RIT) Fund, a small amount from the General Fund, contributions from source agencies, and

outside contracts. The Program has always had a relatively large reliance on contract funding, and in recent years, this funding has become increasingly difficult to secure, contracts are smaller, and workload and budget management have become increasingly difficult. The current budget provides for 5.4 FTE while current staffing levels are at 12 FTE. This proposal would add 0.6 FTE into the NRIS budget, at an annual cost of \$31,923 to provide more stable and secure funding for the program.

5-Periodical Database

FY2002 \$235,000 and FY2003 \$235,000

The proposal will maintain and expand the amount of information available to Montana citizens and was an OTO in the 1999 session. The pilot project allowed libraries to subscribe to an extensive magazine database and was a great success. 681 Montana libraries participated in the project. In the six-month period between September 1999 and March 2000, the product received 180,854 total number of logins and the average session lasted 10.25 minutes. Users viewed 387,912 articles and retrieved 68,954 items. Citizens could access this information through their libraries or, in most cases, from their homes. Most Montana schools, public, and small academic libraries could not afford the expense of this product without the state's contribution.

6-Equalization Grants

FY2002 \$200,000 and FY2003 \$200,000

The state must help those communities without sufficient tax valuation to garner enough funds to support basic library service. This program is based on the average value of one mill in Montana. Communities that have property valuation above this average receive no state aid under this program. Communities under the average receive a proportional amount of state aid based on their distance from the average and their population.

Montana Historical Society

1-Personnel Officer

FY2002 \$26,289 FTE 0.50 and FY2003 \$23,289 FTE 0.50

This request would provide \$49,578 general fund funding for and enable the Montana Historical Society to hire a 0.5 FTE, Grade 14 Personnel Officer, the first such position that the Society will have had dedicated solely to Personnel Management and Administration. To date, the Society has relied on the Department of Administration for all formal personnel assistance, including classification. Society staff with other primary duties has attempted to handle routine personnel matters. Not only do we risk missing critical requirements or steps, we waste valuable time "re-teaching" ourselves the rules for each hire. Hence, the Society has no one to accomplish, train, or guide others in standard personnel work or personnel development and oversight: performance appraisals, career development, re-classification of changing positions, well-presented and distributed job announcements for "specialist" positions, sound resolutions of union issues, employee in-service-training, grievance proceedings, position description updates, routine seasonal hirings. Classification reviews for existing staff are often backlogged for six months. Positions that should be reviewed before vacancies are filled are not. The Society regularly works from shaky legal ground-when so many partially trained staff attempt to resolve personnel issues. This 0.5 FTE would begin to provide the Society crucial timesaving and would limit the legal liabilities and the staff dissatisfaction that we currently face.

2 Lewis And Clark Bicentennial PL

FY2002 \$31,847 and FY2003 \$31,765

This request for \$63,612 in the biennium of general fund support will provide important assistance in three areas of the Museum Program's work where current base funding is nonexistent or extremely limited.

Conservation Contracted Services. This request for \$20,000 general fund funding would permit the Society to resume limited, ongoing contracted conservation work, especially on fragile early nineteenth-century Native American items of particular interest for the Lewis and Clark Bicentennial. The Society has one of the best collections of Native American artifacts in the West, with over 4,300 items representing all of Montana's native peoples. Two major collections (400 items) with many early nineteenth century artifacts representing tribal history were acquired by the Museum through bequest during the last biennium alone. Fabric and hide artifacts in particular cannot be loaned or displayed until they are stabilized.

Native American Consultation. This request would give the Society a small base general fund allowance (\$8,000) to bring Native American elders to the museum to provide us with needed consultation and research materials. All museums that receive federal funds and/or seek American Association of Museums accreditation (MHS received re-accreditation in

1999) need to consult regularly with tribal elders or culture committee representatives to reach sound decisions regarding the storage, care, and interpretation of items of religious value. The Montana Historical Society museum staff consulted extensively with Montana tribal representatives in the late 1980s and early 1990s during the construction of our "Montana Homeland" exhibit and to meet Federal Native American Graves and Repatriation Act requirements. In recent years, funding for Native consultation has not been available and hence has not been built into our base. Tribal interest and concern about appropriate presentation of their materials is increasing the closer we get to the Lewis and Clark Bicentennial. This request restores minimal funding for limited honoraria payments to our base to allow approximately four elders from every Montana tribe to visit the Society each year.

Travel. This request for \$3,847 (FY02) and \$3,765 (FY03) of general fund support for travel will allow the Society's Museum staff to answer critical travel needs that are currently not being met. The Society's Museum staff regularly is asked to provide limited technical assistance to local museums. They regularly are asked to visit with families, businesses, or organizations considering donating historical items to the Society, or offering objects on loan for special exhibits. Finally, the Museum staff provides formal assistance to the Museums Association of Montana and its efforts to make small town museums and historical societies better contributors to state preservation and cultural tourism efforts. This program is one of several that have virtually no base travel funding. Trips that we must make to answer basic constituent needs are being funded at the expense of conservation, exhibit, or educational materials. This travel request would permit Society staff to provide at least limited technical assistance, guidance, and donations consultations onsite to Montana communities and families.

3-Lewis And Clark Bicentennial NP

FY2002 \$247,446 FTE 1.50 and FY2003 \$241,446 FTE 1.50

The \$488,892 general fund operation dollars requested here would allow the Montana Historical Society to meet some of the basic requests and demands it currently cannot meet to help Montana be ready for the Lewis and Clark Bicentennial. As the state's lead historical agency, the Society is frustrated to have no resources that will meet local communities' demands for help with exhibits, traveling exhibits, educational materials, workshops, and signage or other interpretive products to support the upcoming Bicentennial event. This request includes a request for a Lewis and Clark historian, curator and public access librarian, all at 0.50 FTE. This operational funding will allow the Society to provide Montana with the following specific contributions to the Bicentennial effort: an exhibit on the Corps of Discovery (Montana is not currently scheduled to host any nationally-created exhibit); model or primary theme signage; workshops that will help communities insure that signage across the state is historically accurate, appropriately presented, and consistent; publications and educational materials tailored to fill gaps and address Montana's particular needs-especially the inclusion of Native American perspectives; workshops and other programming that advance Montana communities' ability to present appropriate, historically accurate, appealing events and programs during the Bicentennial. This request does not duplicate that of the Lewis and Clark Bicentennial Commission. The Commission itself looks to the Society for accurate historical information as well as educational and interpretive expertise. In fact, the Society currently attempts to provide these kinds of products and training from existing staff-on behalf of the Commission-and fails to do so sufficiently. In addition, as the Commission launches its regrant programs, the demand for examples, workshops, and exhibits will increase from communities.

4-Library Program Adjustments to Base

FY2002 \$3,783 and FY2003 \$3,701

This combined request would provide \$7,484 general fund funding for responsibilities and operational costs not currently reflected in base or compensated for by inflation increases. This request also includes funding to meet the need for the addition of voice mail. The Society's Library/Archives program has remained so strapped for funding that they delayed installation and use of voice mail on several of their primary lines as long as they could. Hence, voice mail costs have not been in base. Not only has voice mail been mandated by a memo from the Governor's office, it gives Library/Archives staff some additional services to offer patrons-who can leave requests for assistance on tape for later staff response.

This request for instate travel for several positions in the Society's Library/Archives Program reflects unfunded mandates and substantial unmet constituent requests for assistance. As a condition for the Montana Historical Society to receive federal grants (National Historical Publications and Records Commission/granting arm of the National Archives) for archives management and cataloging, the state must have an eight person State Historical Records Advisory Board and it must meet at least twice a year.

5-Administration Adjustments to Base

FY2002 \$4,500 and FY2003 \$4,500

This request for \$9,000 general fund support for in-state travel for several positions in the Society's Administration reflects substantial Society management and circumstance changes. In recent years, poor health and an overwhelming concentration on Virginia and Nevada City issues kept the previous Society director from traveling. Hence, we had lost all travel in our base for the Director. The Society's new Director anticipates a vigorous in-state travel schedule, as part of his deliberate campaign to attract Society members and seek statewide input on Society services that are most needed by our constituents.

6- Preservation Office Computer Replacement

FY2002 \$26,500

In 1999, the Society received funds to place many of its computer workstations into the standard replacement schedule. However, Preservation was not included. This request for \$26,500 of general fund support is one of several Society priorities designed to insure that all Montana Historical Society personnel have equipment that is in the State's IT replacement schedule, is networkable, and is networked into the state system. This particular request would permit the Preservation Program to purchase equipment that will meet this minimum standard. Preservation uses their equipment for intense word processing, for providing Montanans with detailed information about historic buildings and sites, and for preparing analyses and reports and technical assistance materials for Montanans. They administer a small regrant program for a dozen local preservation programs. They track a wide range of current and previous year funds to successfully received federal historic preservation fund grants from the Department of Interior. Their dated equipment makes it difficult to accomplish the public services that they are required perform.

7-Publications Office Computer Replacement

FY2002 \$22,500

This request for \$22,500 of general fund support is one of several Society priorities designed to insure that all Montana Historical Society personnel have equipment that is in the State's IT replacement schedule, can be networked, and is networked into the state system. This particular request would make that possible for the Society's Publications Program. For many years, the Society's Publication Program had operated Mackintosh equipment (standard in the printing and publishing business). Only a portion of their workstations had standard equipment of that type; the remaining stations have used dated cast-offs. Although this situation faces several state agencies, ISD has chosen not to support Mackintosh equipment. ISD continues, also, to be unable to link Mackintosh equipment into Microsoft Office-the state's network. Publications' inability to communicate directly through the state system has left it isolated and unable to conduct much critical business. Since it operates several proprietary fund programs, Publications needs to share financial and inventory information directly with the Society's Centralized Services staff. The public anticipates reaching all staff through the state electronic system. This program manages the Society's mailing and membership lists. That information again needs to be on shared drives and accessed by all programs. Publications' inability to function in an integrated electronic framework has so hindered its work that they have placed a high priority on acquiring equipment that will work in the state system and in joining the state network.

8-Library Program Printer Replacement

FY2002 \$1,500

This request for \$1500 is for general fund support for computer printer replacement in the library/Archives/Photo Archives program of the Society. The 1999 legislature approved placement of most of this program's computer stations into the Society's computer replacement schedule. Printers, however, were not included.

9-Information System Support Specialist

FY2002 \$47,353 FTE 1.00 and FY2003 \$44,353 FTE1.00

This request would provide the Society with 1.0 FTE and \$91,706 general fund support for a Grade 15 Information System Support Specialist. The Montana Historical Society currently pays ISD approximately \$10,000 a year for limited IT support. Those costs will increase. Currently, professional historians, archaeologists, and accountants try to learn enough to solve their own computer problems and help their colleagues. For each problem that our professional staff solves, they tend to create four more problems simply because they have no grounding in IT work. Our museum, archives, library, and photo archives staff must contract for outside expertise to support museum data management programs or apply their own inexpert skills to the issue. Without at least minimal in-house IT support and guidance, several of our professional data management programs have been helpless to find, test, evaluate, and purchase software that might otherwise save extensive staff and time-

or to provide public access to Society collections and resources. No one oversees appropriate computer training for staff. Our Web Site suffers enormously-despite our dependence on it for revenue generation, for membership, for museum store marketing, for educational and statewide outreach, and as a reference tool. A single position devoted to in-house information system support would provide enormous efficiencies over the current "dark ages" computer era at the Society and over our current patchwork system of contracts, self-help efforts, and partially trained staff.

10- Online Public Record Access

FY2002 \$22,217 and FY2003 \$29,000

The Montana Historical Society has specialized and technical needs NOT covered under ISD's basic software and support systems. Hence, this specific request for \$51,217 in general fund support establishes a foundation, throughout the agency, for managing information about our archival holdings, books, historic photographs, museums objects, art, and historic site records in professional, electronic format. It completes the purchase of licenses, software, and technical support needed for us to make an agency-wide transition to electronic cataloging of these materials. It also enables us to begin providing that information online-or to link with other museum/library organizations that offer electronic information. The Montana Historical Society began a systematic transition to electronic data management a full decade after most agencies. We lacked the funding for hardware, internal IT support, and state supported software for our specialized historic artifact and document data or guidance that would help us get affordable data management programs for the kind of particular needs we face.

11-Scriver Rent Storage

FY2002 96,000 and FY2003 \$100,000

This request for \$196,000 general fund support for rent for offsite storage reflects both longstanding problems at the Society and new responsibilities. For the past decade, the Society has begged, borrowed, and found one-time funding for its growing storage needs. The extent of our need for secure, climate-controlled storage for our artifacts, art, archival records, and Press books in large measure drives the Society's capital funding request for a plan that will analyze its need for a new building. In the meantime, we have no additional space in this building. Archives, Preservation, the Museum, and Publications all use temporary rental space outside the Society-all in different locations. The Society also just received thousands of square feet of additional art, artifact, and archives materials with the Robert M. Scriver donation. The donated Scriver material cannot be placed in space that is open to the weather or insecure. The Society's current off-site museum storage is abandoned highway department space at the Fairgrounds. Not only is it inappropriate for Scriver material, we are leaving other critical collections at risk in that space. The state's presence (and hence security) is diminishing there. It is not efficient for each program to use different space. The Society must now find and fund space that demonstrates at least minimal stewardship of materials entrusted to its care-and is efficient.

12-Scriver Curator

FY2002 \$29,000 FTE 0.50 and FY2003 \$26,000 FTE 0.50

This request would extend the 1999 legislature's one-time-only approval of the Society's Assistant Museum Curator position devoted to research, exhibit preparation, and museum reference work. This request for \$55,000 makes that 0.50 FTE permanent. Society exhibits must be historically accurate and must be developed in cooperation with related organizations, families, and individuals (e.g. Native Americans, artists, railroad historians). The current absence of research time and capability has limited our ability to tackle some pertinent exhibits. Lacking this expertise, we can provide only limited answers to public inquiries about items in our collection and can offer visiting researchers who work with our collections only limited assistance. Research about artifacts in our collection helps us care for them professionally; an absence of information and context jeopardizes that ability. The Curator currently hired on an OTO basis has enabled the Society to produce its compelling exhibit of Karl Bodmer art, a critical foundation to additional Lewis and Clark exhibits. Our research extended known information and provided broad, accurate interpretation of both Native American and European American themes related to this early nineteenth century artist. This position has also provided critical reference assistance to professionals, tribal cultural committees, students, and Montana communities. The presence of the position over this past biennium gave the museum staff some assistance in coping with the demands imposed on them by the Virginia and Nevada City artifact collections. Historically there was more curatorial staff in the Society than at present, although workload and collections increases have occurred.

13-Agency Newsletter and Fulfillment

FY2002 \$20,000 and FY \$20,000

This funding switch request would place the Society's basic newsletter and its mailing list management costs on a \$40,000 biennial general fund cost base, in the Society's administrative program, rather than in a specific program in a proprietary fund base. The newsletter is the Society's single most critical education /informational vehicle, serving all Society programs and functions. Mailing list maintenance and management, currently handled by a private vendor, again serves all Society programs for many different uses. Organizationally, the Society's newsletter and the mailing list management are both central, foundation services for all Society programs. However, the Society's Publications Program, an earned-revenue, proprietary-fund program, currently absorbs all costs associated with the Society's newsletter and with the mailing list fulfillment service-despite the fact that neither service generates revenue or is directly related to the Program's proprietary activity. Providing general fund support for these basic Society functions relieves Publications of these costs, enables it to work more efficiently, and allows the Society to enhance its membership recruitment and retention. Eliminating the newsletter is not a viable option.

14-Volunteer Coordinator

FY2002 \$20,695 FTE 0.50 and FY2003 \$20,695 FTE 0.50

This request would provide \$20,695 general fund funding and 0.5 FTE per year for a Montana Historical Society Volunteer Coordinator. The Society currently relies on an 80 to 100 volunteers for a wide range of concrete help with work that could not otherwise be done. Using one-time "start-up" private funding sources, the Society has employed a 0.5 FTE time volunteer coordinator for approximately two years. The position has proved very successful in recruiting and training more volunteers to help with more critical tasks. Private funding-provided for experimental purposes-is no longer available. Volunteers extend staff capabilities in a wide range of ways: giving tours, providing assistance in artifact conservation, organizing receptions and programs, pitching in on major clerical projects, etc. However, no single person in the Society can devote full attention to volunteer recruitment and training and to helping Society programs craft appropriate volunteer projects. The sensitive nature of the Society's work with priceless objects, manuscripts, recordings, and impressionable school groups requires vigorous volunteer supervision. Ongoing volunteer encouragement and training depends upon consistent attention. The investment of public funding in this partial position can enable us to at least double our volunteer corps, meet requests for tours that we cannot currently handle, curate artifacts currently waiting for care, and extend many other all other public investments in the Society.

17-SHPO Grants Administrator

FY2002 \$25,135 FTE 0.50 and FY2003 \$22,135 FTE .050

This request would provide the Preservation Office of the Montana Historical Society with 0.5 position for a Grade 14 grants administrator and the supporting \$47,270 general fund funding. We can no longer sustain this position with private funds or donations. This is a core administrative position that insures successful receipt of the Office's federal preservation funding. Those federal funds in turn support research and recognition for historic and archaeological properties all around Montana. The Preservation Office and its primary professional positions are mandated in Montana's antiquities legislation (2-15-1512 MCA, tied to Federal regulations located in 36 RF61.4). In 1979, when the Antiquities Act established the Preservation Office, the state committed to funding at least half of the required professional positions. Since then, state support for this half-million dollar program has diminished to \$19,000 and provides support for less than half a professional position. Because Montana now relies so heavily on receipt of federal preservation dollars to accomplish Montana's basic preservation work, the Society crafted a partial modified level grants administrator position based on donated funds. The position provides accounting and data management needed to satisfy required federal grant applications, year-end reports, and Department of Interior onsite program audits. It has assisted substantially in the office's ability to secure contracts with the Bureau of Land Management and the Bureau of Reclamation to complete shared projects. However, the private donations needed for this position, have been diminishing. Support of this position has become an unacceptable burden on its current resources, but we risk serious loss of federal funds without it. This position, as well as other mandated positions, should be funded by more solid-state funds.

19- State Agency Archives Fixed-Cost Program

FY2002 \$175,987 and FY2003 \$175,987

This proposal would assess state agencies a minimal fixed cost in return for care of their historic records. Specifically, we propose a system with a percentage assessment against all state agency budgets except the university system (which is, by law, responsible for permanent archiving of its own material). Our current thinking is based on the application of .0000672 against \$2,618,852,862-yielding \$175,987. This request is founded on the principle that state law has given the

Montana Historical Society an enormous and growing responsibility for permanent, archival care of historic state agency records-without giving the Society financial support for fulfilling those duties. Likewise, all state agencies are charged to comply with state records management laws and expect Society assistance in meeting them-without helping the Society financially. Specifically, 22-3-301 through 22-3-221 MCA, gives the Montana Historical Society responsibility for "preservation of noncurrent records of permanent value" from states agencies, who are themselves responsible for insuring that their records are protected. This includes the legislature and the governor's office. Over the past two decades, the Society's receipt of records from state agencies and elected officials has increased enormously. Agency compliance with state records management statutes have improved.

20-Overhead

FY2002 \$70,000 and FY2003 \$70,000

This is a nongeneral fund request for \$70,000 that would give the Montana Historical Society authority to assess a ten percent overhead charge against the total operating budgets of organizations for whom the Society provides extensive administrative and professional assistance. The need for such an assessment system has become apparent over the last five years as the Society assumed administrative responsibility for the Heritage Commission and their administration of Virginia City and Nevada City and the Lewis and Clark Commission with no compensation. Although both commissions have limited permanent staff, the Society's responsibility has been far from nominal. Our involvement has included a wide range of work including: policy development, state policy explanations and elaborations; all payroll; all bill paying; oversight of contracting; position description preparation; job advertisements; personnel oversight; professional advice on all matters related to curatorial care, historic preservation, historic interpretation, historical research accuracy and appropriateness; publicity; and more. While the Society is established to provide far ranging advice and technical assistance to anyone in Montana interested in history, historic preservation, library, and museum work, the Society's level of involvement has far exceeded the range of professional assistance that we can offer any other Montana organizations including fellow state agencies such as State Parks. Hence, the current administrative arrangement has required Society staff to put a variety of other duties aside to meet this unfunded responsibility. This request for authority to assess a modest overhead reflects the Society's need to realize some assistance for the service provided and to insure that the rest of the Society's functions do not suffer as a responsibility of this special responsibility given to the Society as an "umbrella" administrator.

21- Funding Switch

FY2002 \$35,584 and FY2003 \$35,584

This request would transfer portions of two positions in the Montana Historical Society Publications Program from their current proprietary fund support to \$71,168 general fund support since not all components of this program are proprietary. The Montana Historical Society Publications Program (which publishes history books and the Society's quarterly history magazine and operates the Society's museum/educational store) functions almost exclusively on earned revenue in a proprietary account. However, the Publications Program provides extensive services critical to the rest of the agency's work: graphic design and technical assistance; writing, editing, and proofreading assistance; mailing list management; membership services; historical research assistance; and production expertise with printing, distribution, and promotion. This proposal would replace proprietary funds with general funds in half of the two positions (the graphic designer supervisor and publications specialist) whose time is most often substantially directed to other Society responsibilities. In doing so, the switch more accurately reflects for whom these positions work. It will provide the program's proprietary account at least limited relief from charges where there is no proprietary return to the account.

22-Microfilm Reader printer Lease

FY2002 \$3,000 and FY2003 \$3,000

This request for \$6,000 of general funds allows the Society Library to put two of our four microfilm reader printers into a lease/replacement schedule. Many patrons to the Montana Historical Society's Library rely on microfilmed documents-especially newspapers-for important primary source information. At least four functioning microfilm reader printers are critical to meeting current demand. This request will let us use existing purchased equipment as long as we can and insure the presence of a minimum number of functioning readers. For many years, the Society has chosen to purchase reader printers as they could. Current purchase price, coupled with the costs of maintenance contracts, the timeliness of repair service, and our uncertainty about new technologies, lead us to believe that long-term maintenance contracts are a far better investment for the state. The Society's current equipment budget does not pay either for purchases of this magnitude or for establishment a lease program of this nature.

23-Military Package

FY2002 \$18,008 and FY2003 \$17,200

Several major events related to Montana's military history would propel the Society into substantial additional work in the 2003 biennium. This \$35,208 general fund support request allows us to meet at least the minimum work requirements attached to these events. In spring 2002, the four veterans organizations (Veterans of Foreign Wars, Disabled American Veterans, the American Legion, and the 163rd Infantry Regiment) currently housed in the Veterans' and Pioneers' Memorial Building will move to the new state military building at Fort Harrison. They leave behind space that the Society desperately needs, but that cannot be used without major electrical and computer modifications. The veterans have also asked the Society for assistance with the appropriate handling, disposition, exhibit, or move of the artifacts and interpretive materials now located in the Nutter-Shore Memorial Trophy Room Museum. These veterans' organizations also hold extensive records on Montana veterans and have asked us to assume responsibility for them.

25- Surplus Truck Purchase

FY2002 \$7,500 and FY2003 \$2,000

This request would allow the Society to use \$9,500 in general fund support to purchase a used half- or three quarter-ton truck from Surplus Property and pay for basic maintenance (oil changes, tune-ups, minor repairs). The Society currently rents motor pool vehicles and prevails upon staff for their vehicles, often weekly, for moving materials to and from off-site storage or picking up donated collections. Neither is adequate for the need. Access to a larger truck saves the staff time in securing motor pool vehicles and saves staff inappropriate wear and tear on private vehicles.

26-Federal Required Match

FY2002 \$75,000 and FY2003 \$75,000

This request for \$150,000 general fund would provide 40 percent support for four required professional positions in the State Historic Preservation Office. However, in reality, it would direct \$150,000 to Montana communities and rural areas of federal dollars to match local dollars and services to record significant historic buildings and sites. The Preservation Office and its primary professional positions (historians, archaeologists, architectural historians, historical architects or comparable specialties in historic preservation) are mandated in Montana's antiquities legislation (2-15-1512 MCA, tied to Federal regulations located in 36 CRF61.4). In 1979, when the Antiquities Act established the Preservation Office, the state committed to funding at least half of the required professional positions. Since then, state support for this half-million dollar program has diminished to \$19,000 and provides support for less than half of one of the required professional positions. In the meantime, federal preservation grant rules have changed so that our match ratio now can be 40 percent state and 60 percent federal. As Montana's general fund support for preservation of its cultural resource heritage has diminished, funding (either federal or state) that can be directed to communities for local preservation efforts has diminished accordingly. In the early 1980s, while state general fund support for preservation was strong, the Preservation Office administered a vigorous community/rural area survey regrant program that resulted in listing many Montana properties in the National Register of Historic Places. Those Registered properties now serve as the basis for cultural tourism promotion, interpretive literature, federal tax credit rehabilitation, and a variety of other community development program. The fewer dollars directed to historic site research and survey-the less prepared Montana locales are to invest in cultural tourism or local redevelopment efforts. This request for 40 percent support for the positions that earn us substantial federal preservation support translates directly into community preservation research and survey work.