

MINUTES OF THE MEETING OF THE APPROPRIATION ON
EDUCATION SUBCOMMITTEE
January 14, 1981

The meeting reconvened at 10:30 for the hearing on the Cooperative Extension Service and the Agricultural Experiment Station.

JAMES WELSH assisted by JERRY SUTTON gave testimony. (EXHIBIT G) There have been reductions to accomodate part of these unusual increased costs. The areas we have sighted for the requests are primarily program operations areas. The shortfalls we have experienced in the operations area have been covered to date by contingency approval use of Hatch and Regional Funds and interest on the station earmark revenue account by the Board of Regents. There are two types of funds (1) Federal Funds which are the Hatch and Regional funds that have come in over and above the amount of money listed in HB 483 and (2) the interest on earmarked revenue accounts that we have accrued during the year. The total of the additional federal funds that we had available is \$276,000 for the total biennium, and \$142,000 total in interest from earmark revenue funds which totals to \$419,000.

The station has absorbed some of the unanticipated additional personal service costs such as increased benefits, and workman's compensation premium. These are not included in the request-- its just to show that they have absorbed some of the increases.

If we have the supplemental approved and the difference between the actual amount of income that we will have and the income appropriated in the HB 483 we would have a zero balance at the end of FY 80. The total deficit borrowed from other accounts is \$391,682.

CURT NICHOLS read the law "Any Hatch or regional funds received when added together excede \$1,253,723 and equal amount of general funds revert all hatch and regional funds available to them are to be expended each year." The requested supplemental is \$391,682.

DR. CARL HOFFMAN assisted by CLYDE CARROLL gave testimony regarding the Cooperative Extension Service. He explained the handout (EXHIBIT F). We have experienced a 27.89% turnover in positions. Out of 147 positions we have 41 that have had turn-overs. As far as health benefits and retirement, extension's portion has been coming out at 13%.

CLYDE CARROL replied that \$128,000 is the amount over and above the appropriated amount in HB 483 and those funds are made up of both unrestricted and restricted. The funds we are requesting are the unrestricted.

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CURT NICHOLS pointed out that the last legislature appropriated them all unrestricted but beside that issue there's a law that states that any Smith-Lever revenues above the \$1,820,000 whether restricted or unrestricted will cause a reversion.

THE CHAIRMAN requested that Curt Nichols, Glen Levitt and Carl Hoffman and James Welsh get together and come up with an agreement.

Meeting recessed at 11 a.m.

At 3:30 p.m. the meeting reconvened.

CURT NICHOLS explained the new procedure as on EXHIBIT H regarding the Cooperative Extension Service. Discussion was held. Dr. Carl Hoffman was in full agreement with Curt Nichol's recommendation.

CURT NICHOLS also explained the procedure as on EXHIBIT I regarding the Agricultural Experiment Station. This request is for \$391,682 to cover shortfalls.

Meeting adjourned at 4 p.m.

GENE DONALDSON, Chairman

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Jan 14

Agency: Montana Historical Society
 Program: Agency Summary

Fund Source	----Executive Recommendation----		-----LFA Recommendation-----		Subcom. Recommendation	
	Actual FY 1980	FY 1982	FY 1983	Actual FY 1980	FY 1982	FY 1983
Gen. Fund	\$ 490,428	\$ 802,298	\$ 827,405	\$ 490,428	\$ 644,273	\$ 700,439
Other Fund	649,015	618,593	628,840	649,015	489,004	518,171
Other Funds- Non-Appr.	<u>713,099</u>	<u>500,000</u>	<u>500,000</u>	<u>713,099</u>	<u>500,000</u>	<u>500,000</u>
Total Funds	\$1,852,542	\$1,920,891	\$1,956,245	\$1,852,542	\$1,633,277	\$1,718,610

Expenditure by Object	----Executive Recommendation----		-----LFA Recommendation-----		Subcom. Recommendation	
	Actual FY 1980	FY 1982	FY 1983	Actual FY 1980	FY 1982	FY 1983
Personal Serv.	\$ 616,095	\$ 724,775	\$ 724,920	\$ 616,095	\$ 691,187	\$ 753,396
Operating	541,980	663,932	704,363	541,980	432,740	455,865
Equipment	<u>16,256</u>	<u>32,184</u>	<u>26,962</u>	<u>16,256</u>	<u>9,350</u>	<u>9,350</u>
Total Oper.	\$1,174,331	\$1,420,891	\$1,456,245	\$1,174,331	\$1,133,277	\$1,218,611
Non-Oper.	<u>674,211</u>	<u>500,000</u>	<u>500,000</u>	<u>678,211</u>	<u>500,000</u>	<u>500,000</u>
Total Expend.	\$1,852,542	\$1,920,891	\$1,956,245	\$1,852,542	\$1,633,277	\$1,718,611

Function

The Montana historical society exists for the use, learning, culture, and enjoyment of the citizens of the state. The historical society is primarily charged to insure the preservation of historical art, historic sites, artifacts, documents and records, and the maintenance and operation of the historical society.

Modifications

The LFA budget includes funds above current level for the operation of the original governor's mansion, personal service costs associated with the loss of indirect cost revenue from the Libby dam program, compensation for society trustees, and increased support for the publications program.

Montana Historical Society

Program : Administration

	-----Executive Recommendation-----		-----LFA Recommendation-----		Subcom. Recommendation	
	Actual		Actual		FY 1982	FY 1983
	FY 1980	FY 1982	FY 1980	FY 1982	FY 1982	FY 1983
<u>Fund Source</u>						
Gen. Fund	\$136,457	\$308,895	\$136,457	\$179,294		\$195,115
Other Fund	82,546	128,145	82,546	---		---
Other Funds-						
Non-Appr.	700		700			
Total Funds	\$219,703	\$437,040	\$219,703	\$179,294	\$179,294	\$195,115

	-----Executive Recommendation-----		-----LFA Recommendation-----		Subcom. Recommendation	
	Actual		Actual		FY 1982	FY 1983
	FY 1980	FY 1982	FY 1980	FY 1982	FY 1982	FY 1983
<u>Expenditure by Object</u>						
Personal Serv.	\$109,197	\$162,101	\$109,197	\$100,408		\$109,445
Operating	106,969	256,402	106,969	77,357		84,141
Equipment	3,536	18,537	3,536	1,529		1,529
Total Expend.	\$219,702	\$437,040	\$219,702	\$179,294	\$179,294	\$195,115

Function

The administration program provides administrative and support functions for the operations of the historical society. In addition, the administration program contains an operational or programmatic component which provides for the mural restoration work, and an educational outreach program.

Modifications

The primary differences between the LFA recommendation and the executive concern the educational outreach program and funding of the mural restoration project.

Montana Historical Society

Program : Publications

	-----Executive Recommendation-----		-----LFA Recommendation-----		Subcom. Recommendation	
<u>Fund Source</u>	<u>Actual</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>Actual</u>	<u>FY 1982</u>	<u>FY 1983</u>
Gen. Fund	\$ 16,199	\$ 28,985	\$ 36,545	\$ 16,199	\$ 24,581	\$ 26,566
Other Fund	121,110	131,000	131,000	121,110	139,290	150,542
Total Funds	\$137,309	\$159,985	\$167,545	\$137,309	\$163,871	\$177,108

	-----Executive Recommendation-----		-----LFA Recommendation-----		Subcom. Recommendation	
<u>Expenditure by Object</u>	<u>Actual</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>Actual</u>	<u>FY 1982</u>	<u>FY 1983</u>
Personal Serv.	\$ 50,382	\$ 56,232	\$ 56,232	\$ 50,382	\$ 61,305	\$ 66,823
Operating	86,847	103,753	111,313	86,847	102,566	110,285
Equipment	81	---	---	81	---	---
Total Expend.	\$137,310	\$159,985	\$167,545	\$137,310	\$163,871	\$177,108

Function

The publications program is designed to "promote the study of Montana history by lectures and publications." The publications program fulfills this charge by publishing Montana: The Magazine of Western History, as well as the Montana Post, the official newsletter of the society. Both publications are released on a quarterly basis. Circulation for the magazine is approximately 9,000-10,000. Subscription price is currently \$15 for one year and \$25 for two years.

Modifications

Both the executive and legislative fiscal analyst recommend general fund support for the publications program. The LFA recommends that the state general fund support 15 percent of the program costs.

Our heritage is a perishable commodity which can be quickly lost through neglect. Over the past few decades our society has endured changes never imagined by our ancestors. Economic uncertainty and social changes have prompted many to search for security, stability and enduring values. We are reassessing values and discovering much that is worthwhile in older traditions. These are efforts to identify ourselves with a tradition and at least some patterns of life which do not change and which identify us as Americans and as Montanans. The past gives us an identity and a sense of tradition.

There is a growing interest in history and heritage. It is the responsibility of the Montana Historical Society to insure that a representative sample of our history, heritage and information about the past is collected and preserved for present and future generations and made available to the public.

The creation of the Montana Historical Society predates the origin of any other state agency, which indicates the importance assigned to it by the pioneers of our state. Its continued existence in statutes was reaffirmed by the Legislative Assembly in 1963 when it stated that the "Montana Historical Society constitutes an agency of state government for the use, learning, culture and enjoyment of the citizens of the state and for the acquisition, preservation and protection of historical records, art, archival and museum objects, historical places, sites and monuments and the custody, maintenance and operation of the historical library, museums, art galleries, and historical places, sites and monuments".

To accomplish its stated mandate the Society operates seven programs, each of which is involved in the preservation of a specific portion of our heritage and in making the wealth of information stored in this institution visible and accessible to the people of Montana and to visitors from other states and countries. These programs include:

1. Administration which oversees all agency activities.

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3. The Montana Historical Society is authorized by statute. The Society reserves fine art and historical, archeological and geological artifacts which pertain to the State and the general geographical region. The purpose of the Society's museum collection is to interpret the history of Montana through exhibits and educational programs and to present a variety of fine arts to the people of Montana.
 4. The Publications program publishes Montana, the Magazine of Western History which is acclaimed as one of the most successful and prestigious historical journals in the nation. Its success is based on a skillful blend of solid research, with fine photographs and exceptional graphic design. The magazine has 9,000 subscribers many of which are schools and libraries. The magazine is a major resource for those interested in Montana and for the teaching of our history. It fulfills in part the Society's statutory obligation "to promote the study of Montana history by lectures and publications".
 5. By statute the Society is charged with acquisition and protection of historical records and archival materials. Pursuant to this the Society operates the State Archives which has a dual function to collect and preserve records, manuscripts and other materials which will facilitate research, and as of 1959 to preserve "noncurrent records of permanent value to the state..." As an adjunct to the archives is the photographic archives which now holds close to 100,000 historical photographs which visually document our heritage.
 6. The Historical Society Library began its collecting shortly after the Society was incorporated in 1865. The Library acquires, protects and makes available to the public significant historical materials relative to the history of Montana, including books, manuscripts. The library staff

assists thousands of researchers each year, in person, by mail or phone. The library has accumulated the most complete collection of Montana related material anywhere and holds over 100,000 books and other printed material such as newspapers and several thousand rolls of microfilm.

6. The State Historic Preservation Office is authorized by the State Antiquities Act and serves the Society's obligation to preserve and protect historic resources including historical places, sites and monuments. The office is responsible for identifying significant historical and archeological sites in Montana, administering grants-in-aid for preservation projects, certifying rehabilitation of historic buildings for tax advantages under the Tax Reform Act, and reviewing all federal projects in the state for compliance with the National Historic Preservation Act of 1966.
7. The Society's enabling legislation states that "it may produce, reproduce, sell, or exchange art objects, film, books, photographs, magazines and museum objects which are appropriate and will bring credit to the Society and to Montana". The Society operates a merchandising program which sells to the public items reflective of our history and heritage and produces revenue which supports the Historical Society Museum.
8. The Society is an educational institution which, unlike schools, serves all Montanans with opportunities for life long learning. The Society's Education program was developed to make the Society's resources and programs available to all regions of the state. It accomplishes this through traveling exhibitions, workshops and school programs. Traveling exhibitions are designed for use in civic centers, senior citizen centers, schools, museums and any public space which can be protected and secured. Thousands of Montanans who do not regularly come to Helena have had an opportunity to participate in our programs.
9. The enabling act for the Society authorizes acquisition, maintenance and operation of historic sites. The original governor's mansion was leased by the state of Montana to the City of Helena for use as a museum. As of August 1, 1965, the City relinquished its

lease and responsibility for the property reverted to the State of Montana. The Historical Society assumed administration of the mansion on August 1, 1980 as an historic site for the enjoyment of all Montanans and visitors.

The Society has made some noteworthy accomplishments over the past two years. What follows represents only highlights:

1. Business and accounting procedures have been improved to accurately reflect the Society's financial position.
2. The Society has more than quadrupled revenue from federal and private grants which has gone to produce special exhibitions, conservation work and other educational activities not properly paid for from the general fund.
3. The Merchandising Program has gone from a deficit in the last biennium to a substantial net profit which has been used to offset museum expenses as appropriated by the last legislature.
4. The Society has initiated an educational program which provides Historical Society services to communities and schools scattered across the state which have been paid for by private donations and grants given for such programs.
5. The Archives has nearly completed processing of the 23,000 photographs in the Haynes photographic collection which documents in visual form the development of the Northwest. As of July 1, the collection will be open to the public. With help from the Montana Committee for the Humanities and private donors a selection of Haynes photographs will travel the state after July 1 and this coming fall the Society will publish a book featuring F. Jay Haynes and his work with support from private and corporate sources.
6. Measures have been taken to minimize costs and maximize revenues associated with Montana the Magazine of Western History by reducing printing costs, increasing numbers of subscribers and raising subscription rates.
7. The availability of a professional conservator has given us access to professional advice on care of our collections.

8. The Society has received major donations including early records of the Anaconda Company, several C. M. Russell paintings and a fine collection of contemporary photography.
9. Thirteen murals in the capitol building have been conserved with the services of the conservator attached to the Society.

The Society's goals for the next biennium include:

1. Increased fund raising activities to support educational programs, purchase of paper conservation equipment, renovation of the Haynes Gallery and formal museum, special publications and acquisition of collections.
2. Development of an oral history program which will collect, preserve and make available to the public the fragile portion of our heritage preserved only in the memories of our people.
3. To make the Society's resources more widely available by developing additional traveling programs.
4. To pursue ways in which an endowment can be developed to support acquisition of significant collections.
5. Improved public accessibility of library and archival materials through publication of guides.

To accomplish its legal and ethical responsibilities the Society requests the following modifications to its current level budget:

1. The Museum program confronts a situation in which funding has increased 3.74% per year since 1971. Close to 70% of museum collections are incompletely cataloged and the formal museum is now outdated since it has not been renovated since the 1950's. Renovation should be an ongoing function of the museum since planning and development of exhibitions is a five year process. The Society proposes the following modifications to address cataloging and renovation which we have long neglected:

- 1. Addition of a curator responsible for exhibit planning and development.
2. A cataloger responsible for processing of existing and incoming materials.
- 3. \$75,000 per year in funds for planning and development of exhibit renovation. This

request represents approximately one half of the amount necessary. The balance will be raised from private, corporate and grant sources.

Total biennial cost is \$362,660.

2. Since 1951 the Historical Society has published Montana, the Magazine of Western History. The Society has carefully reviewed revenue and expenses over the biennium. We have raised subscription rates, conducted membership drives and have reduced costs to a bare minimum. The magazine has not, is not and never will be self supporting. Yet it provides a vital educational function, covers a greater percentage of costs than most comparable journals and promotes the State of Montana. Without increased general fund support continued publication will be in serious question. The Society requests a general fund appropriation of \$17,280 in FY 1982 and \$18,446 in FY 1983 with a biennium total of \$36,151. In 1980, general fund as a percentage of total revenue was 18.5%.

3. The Montana Historical Society has the most complete collection of serial/periodical/newspaper literature relating to Montana history in existence. The collection contains 95% of the newspapers ever published in Montana. It also contains rare newsletters printed on poor quality paper by Montana businesses and organizations. While most newspapers have been microfilmed, over 50 have not been completely microfilmed and are rapidly deteriorating and some will become unusable. In addition many important periodicals are unbound and are being damaged by use. Unfilmed newspapers cannot be loaned via interlibrary loan, thereby reducing their public accessibility. Much microfilm is now held only in negative copy. This represents the only existing microfilm and if lost or damaged, can only be replaced with considerable time and expense.

The Society requests a one time appropriation of \$49,910 with which approximately 1,600 inches of newspaper and newsprint serials will be filmed, 440 full reels and 100 partial reels of microfilm duplicated, and 1,075 volumes of periodicals bound. With this assistance, the Society will be able to both preserve these valuable portions of its research collections from loss by deterioration and make a larger portion of the collection available to researchers.

4. The Historical Society's photoarchives serves 1,500 to 1,750 patrons each year. In this past year 851 photographs were duplicated for patrons. Copy work is currently done by a commercial studio in Helena with long delays and a product of questionable quality which results in poor service to our patrons.

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We propose to provide efficient and lower cost service with the addition of an in-house photographer.

In order to insure preservation of the 100,000 photographs in our care we must produce copy negatives and/or archival prints to protect the originals. In the Society's collection are 22,000 original prints for which there are no security negatives and 9,500 original negatives for which we have no copy print. Additionally, there are 5,500 fragile glass plate negatives which must be copied for they are susceptible to moisture, heat and breakage. The collection contains 3,400 nitrate film negatives which must be copied for they are sensitive and pose a serious fire hazard under certain conditions. The nitrate negatives pose a severe risk to the remainder of the photographic collections and to the Society's other valuable holdings. We propose to duplicate the nitrate negatives and destroy the dangerous originals. Our present use of a commercial photographer means that we can only afford to copy 150 items per year. These problems could be resolved with the services of an in-house photographer.

The photographic technician would also provide services to other programs including illustrations for publications, photographs for museum exhibitions and traveling programs. All of this work is presently done commercially at a high cost.

The Society already has the necessary equipment to support this position including water filtration, counters, sinks, copy cameras, enlargers, safelights, lenses and filters.

We propose to add a photographic technician with necessary support monies with a biennium cost of \$32,000 in general fund and \$11,600 in revolving fund.

5. Section 22-3-105 MCA provides:

"Each member of the board of trustees is entitled to be paid \$25 for each day in which he is actually and necessarily engaged in the performance of board duties, and he is also entitled to be reimbursed for travel expenses...incurred while in the performance of board duties".

The Montana Historical Society budget currently includes only travel expenses reimbursed in past years. Because many board members never claimed travel expenses, these costs were not used to develop the current budget. In the past the board has never received honoraria payments. Because the above mentioned section provides for these payments, board members are requesting reimbursement. These funds were not considered in the current budget.

The Society requests \$1,875 each year for honoraria payments and \$4,901 for travel expenses related to official board activities. Annual cost is \$6,776, biennial cost is \$12,552. Without this modification the Society will be unable to compensate board members for official services. With the funding, compensation as provided for in law would be disbursed for legitimate board activities.

6. As of June 30, 1981 the Montana Historical Society will cease operation of the Libby Dam Visitor Center under contract with the Army Corps of Engineers. The Corps has found it increasingly difficult to justify financing the Visitor Center because of low visitor count. The Corps insists that the Visitor Center deal more specifically with Libby Dam and the history of the Corps of Engineers. For these reasons the Society and Corps decided not to renew the contract.

The Corps of Engineers currently funds .75 F.T.E. in the Administration Program of the Society. This is a portion of the Director's, Administrative Assistant's, Business Manager's and Accountant's salaries. Each of these positions is an integral part of Society activities. We request that they be given general fund support to replace salaries paid with federal funds through the Corps of Engineers. Cost for the biennium is \$28,840.00.

7. Since 1978 the Society has contracted with Mr. Rick Trela, an art conservator, to restore the irreplaceable murals in the capitol building. These murals were appraised at \$1,612,000 in 1979. Thirteen murals have been completed. Remaining murals include those in the law library, and in the Senate chambers and final completion of those in the House lobby. It is anticipated that an additional year and a half will be required for completion.

The urgent need for conservation services in Montana goes beyond the capitol. The state art collections held by the Montana Historical Society are conservatively appraised at \$15,000,000. Many are in extremely serious need of conservation work. Some are so fragile that they cannot be shown because of loose paint particles and poor stretching and framing. These victims of time and abuse are significant pieces of our heritage. Their preservation is dependent upon conservation services. It is proposed to continue this preservation at current level funding of \$50,000/yr, \$100,000 for the biennium which will permit completion of the capitol mural restoration and conservation of the most fragile and deteriorated works of art in the State of Montana art collections held in trust for the people of Montana

by the Montana Historical Society.

8. For many years the Society has provided statewide services through the library's reference service, interlibrary loan, photographic reference services, Montana, the Magazine of Western History and through the Historic Preservation Office. With the exception of printed materials and personal contact, the availability of the Historical Society's valuable historical resources outside of Helena has been extremely limited. The Society holds information and resources which can be invaluable educational aids for the teaching of Montana's history and development and for allowing all Montanans access to information concerning our extremely rich heritage.

Over the past year and a half the Society has raised over \$70,000 in private donations and grants to support Society educational outreach programs. Prominent among supporters of these programs has been the Montana Committee for the Humanities, the M. J. Murdock Charitable Trust, the Dousman Fund, First Bank System and Exxon, U.S.A. This funding supports traveling exhibitions which have been and will be available to every community in Montana and school programs which will make Society resources available to schools across Montana to enrich and enhance student knowledge of their heritage and tradition. In order to continue this program the Society requests an appropriation of \$150,000, \$75,000 for each year of the biennium to be funded from Federal and private revenues.

One month ago then Governor-elect Schwinden requested the Montana Historical Society to develop a proposal for his consideration which would serve to make Montana's rich and diverse heritage accessible to all citizens. This has been developed with a firm conviction that the past as reflected in art, literature and history comprises the stuff of which both the present and future quality of our lives depend. The Society agrees with the emphasis which Governor Schwinden placed on heritage and tradition in his "State of the State" message and, therefore, presents the following proposal pursuant to his request. This program will be dependent for support services from other Society programs and its success or failure is inextricably connected to the ability of the rest of the Society to substantially contribute to its objectives. This "Montana Heritage Program" will draw heavily upon photo archives for historic photographs, the library and archives for research and the museum for assistance with exhibitions. The Society also views this proposal as

an ideal way in which to begin development of historical programs which will play a prominent role in Montana's statehood centennial in 1989.

The Montana Heritage Program which is a logical adjunct to our existing outreach programs will consist of the following components:

1. Montana Traveling Heritage Exhibit Program will consist of an exhibition, slide sequence and traveling professional museum person/historian. It will be available six months each year to communities throughout Montana. The exhibition will feature artifacts, documents and photographs illustrative of our history. Its purpose will be to discuss the local communities' contribution to the making of Montana and will relate the community's location, people, architecture, economy and history to the development of Montana. That heritage will also be illustrated by slides which will be narrated by the person traveling with the exhibition who will answer questions relating to the preservation of local history. The entire program will be carried in a van and will be available to all Montana communities.
2. The Society proposes development of a roadside history booklet which will be available to citizens of Montana and tourists to our state. This booklet would contain notes on the history and historical sites encountered along major and secondary Montana highways in addition to noting scenic attractions. This booklet will encourage Montanans to explore their own state, its heritage and to promote tourism.
3. A heritage of living traditions will be the theme of a series of traveling exhibitions and regional programs which will focus attention on and create an awareness of traditions expressed in folk music, historic/dramatic presentations, the work of living Montana artists and arts and crafts demonstrations. The following components are included :
 1. An annual traveling exhibition of the paintings of living Montana artists which will be juried and made available statewide. A "Governor's Purchase Award" will be made to the best of show and the piece will be placed in the state's permanent art collection.

2. An annual traveling exhibition of the sculpture, pottery, fiber arts and paints produced by living Montana artists. A "Governor's Purchase Award" will also be made to the "best of show".
3. Five to seven regional programs which will feature performances of traditional Montana music, historic/dramatic performances and arts and crafts demonstrations. These performances will acquaint audiences with the historic traditions of art and folkart in Montana, and will provide an educational and entertaining means of sharing this heritage with communities across the state.
4. Through the Heritage Project the Society proposes to make instructional materials on specific themes in Montana's history available for use in Montana schools. These instructional packets to be called "Jack Daw Packets", will contain reproductions of documents, letters, maps, photographs and possible artifacts which will illustrate specific themes in Montana history.
5. The Society has proposed a statewide oral history project for funding with revenue set aside for cultural and aesthetic projects by H.B. 550. This project will gather and preserve the most fragile portion of our history and tradition which exists only in the minds of people. As a portion of the Heritage Project we intend to use segments of these reminiscences as a basis for radio broadcasts and special publications. Oral history is people's history in that it can emphasize the contributions which those of us who are not so famous have made to the development of our own communities and state. Using this oral history as a basis for public programs creates an awareness of history and tradition by graphically demonstrating the fact that everyone has a history which is significant, important and worth preserving. Public use of oral history will be educational as it acquaints people with episodes of their own past.

The Historical Society general fund request for support of the Heritage

Project is \$129,870 for FY1982 and \$134,045 for FY1983. Total biennium cost is \$263,915.00.

9. On August 1, 1980 the Montana Historical Society assumed responsibility for administration and management of Montana's Original Governor's Mansion which the City of Helena had leased from the State of Montana and operated as an historic house museum for over ten years. The house was restored and furnished by dedicated volunteers financed by their own efforts, the City of Helena, direct legislative appropriation and the Montana Historical Society through the State Historic Preservation Office. The house is now well restored, maintained, open to the public on a regular basis and represents a public historical treasure for the people of Montana. For financial reasons, the City of Helena abrogated its lease of the property this past summer and the Society assumed control under the authority granted in its enabling legislation to acquire, preserve, protect and maintain historical places, sites and monuments. Montana's Original Governor's Mansion is a landmark with long and significant associations with the chief executive of this state. It constitutes a portion of the heritage of all Montanans and is worthy of preservation. The Society requests funding of \$35,008 for FY 1982 and \$35,780 for FY 1983. Total request for operation of the Original Governor's Mansion for the biennium is \$70,788.00.

The Montana Historical Society has also addressed maintenance, fire protection and space problems through the Capitol Construction Program for the 1981-1983 biennium. Problems include:

1. Replacement of existing roof over the oldest portion of the building which is now leaking.
2. Expand an inadequate fire detection system.
3. Seal exposed concrete floors, walls and ceiling in the archives area. Currently dust sluffs off of the exposed concrete creating a situation which can result in deterioration of valuable documents.

Total cost \$148,000.

4. Finally, although not a priority in this Capitol Construction Program, the Society has requested additional storage space for its museum collections which are currently stored in gallery space and rented commercial storage and to relieve increasing cramped space conditions for the state archives.

SUMMARY
1983 BIENNIUM

	<u>Requested 1982</u>			<u>Requested 1983</u>		
	<u>Current Level</u>	<u>Modified</u>	<u>Total</u>	<u>Current Level</u>	<u>Modified</u>	<u>Total</u>
<u>Program Summary:</u>						
Administration	212,774	231,567	444,341	222,680	235,742	458,422
Library	110,315	49,910	160,225	111,393	0	111,393
Museum	105,068	217,874	322,942	105,453	218,646	324,099
Publications	159,985	0	159,985	167,545	0	167,545
Merchandising	255,375	0	255,375	256,578	0	256,578
Historic Preservation	625,200	0	625,200	628,489	0	628,489
Archives	<u>139,177</u>	<u>21,800</u>	<u>160,977</u>	<u>140,058</u>	<u>21,800</u>	<u>161,858</u>
Total by Program	1,607,894	521,151	2,129,045	1,632,196	476,188	2,108,384

Category Summary:

Personal Services	591,160	152,098	743,258	591,305	152,098	743,403
Operating Expenses	497,742	345,053	842,795	525,475	310,890	836,365
Equipment	<u>18,992</u>	<u>14,000</u>	<u>32,992</u>	<u>15,416</u>	<u>3,200</u>	<u>18,616</u>
Total Op. Costs	1,107,894	511,151	1,619,045	1,132,196	466,188	1,598,384
Grants	500,000		500,000	500,000		500,000
Capital Outlay	<u> </u>	<u>10,000</u>	<u>10,000</u>	<u> </u>	<u>10,000</u>	<u>10,000</u>
Total by Category	1,607,894	521,151	2,129,045	1,632,196	476,188	2,108,384

Funding Summary:

General Fund	585,774	365,351	951,125	604,093	320,388	924,481
Earmarked Revenue	73,145	0	73,145	76,280	0	76,280
Fed. & Priv. Revenue	62,600	150,000	212,600	64,245	150,000	214,245
Fed. & Priv. Grant Clr.*	500,000	0	500,000	500,000	0	500,000
Revolving Fund	<u>386,375</u>	<u>5,800</u>	<u>392,175</u>	<u>387,578</u>	<u>5,800</u>	<u>393,378</u>
Total Funding	1,607,894	521,151	2,129,045	1,632,196	476,188	2,108,384

	1982	1983		
Total Request	2,129,045	2,108,384	Biennium Request	4,237,429
General Fund	951,125	924,481	Biennium Request	1,575,606
Other Fund	1,177,920	1,183,903	Biennium Request	2,361,823

ADMINISTRATION PROGRAM
CURRENT LEVEL

	<u>Agency Requested</u>		
	<u>1982</u>	<u>1983</u>	
<u>Personal Services</u> (FTE)	3.65	3.65	
Salaries	66,793	66,808	
Benefits	<u>11,329</u>	<u>11,329</u>	
Total	78,122	78,137	
 <u>Operating Expenses:</u>			
Contracted Services	62,587	70,331	Audit Costs
Supplies & Materials	16,498	17,890	1982 - 2,020
Communications	4,568	4,815	1983 - 6,104
Travel	8,089	9,302	
Rent	36,852	36,914	
Repair & Maintenance	2,232	2,562	
Other Expenses	<u>289</u>	<u>289</u>	
Total	131,115	142,103	
 <u>Equipment:</u>	 <u>3,537</u>	 <u>2,440</u>	
Total	3,537	2,440	
 TOTAL PROGRAM COSTS	 212,774	 222,680	
 01100 General Fund	 159,629	 166,400	
02036 Coal Tax	<u>53,145</u>	<u>56,280</u>	
	212,774	222,680	

ADMINISTRATION PROGRAM
BUDGET MODIFICATIONS

Administrative Salaries

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	0.75	0.75
Salaries	12,445	12,445
Benefits	<u>1,976</u>	<u>1,976</u>
Total	14,421	14,421

Operating Expenses:

Contracted Services
Supplies & Materials
Communications
Travel
Rent
Repair & Maintenance
Other Expenses

Total

Equipment:

Total

TOTAL PROGRAM COSTS	14,421	14,421
General Fund	14,421	14,421

ADMINISTRATION PROGRAM
BUDGET MODIFICATIONS

Board Travel & Honoraria

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)		
Salaries		
Benefits	<u>1,875</u>	<u>1,875</u>
Total	1,875	1,875
<u>Operating Expenses:</u>		
Contracted Services		
Supplies & Materials		
Communications		
Travel	4,901	4,901
Repair & Maintenance		
Other Expenses	<u> </u>	<u> </u>
Total	4,901	4,901
<u>Equipment:</u>		
TOTAL PROGRAM COSTS	6,776	6,776
General Fund	6,776	6,776

EDUCATION OUTREACH/PUBLIC PROGRAM

	<u>Agency Requested</u>		<u>Schwinden Proposal</u>	
	<u>1982</u>	<u>1983</u>	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)				
Salaries	15,542	15,542	41,196	41,196
Benefits	<u>2,707</u>	<u>2,707</u>	<u>8,239</u>	<u>8,239</u>
Total	18,249	18,249	49,435	49,435
<u>Operating Expenses:</u>				
Contracted Services	38,766	38,216	42,500	49,500
Supplies & Materials	10,350	11,300	23,000	20,500
Communications	1,735	1,825	1,735	1,825
Travel	3,400	3,910	5,900	6,410
Rent			300	375
Repair & Maintenance				
Other Expenses	_____	_____	_____	_____
Total	54,251	55,251	73,435	78,610
<u>Equipment:</u>	<u>2,500</u>	<u>1,500</u>	<u>2,500</u>	<u>1,500</u>
Total	2,500	1,500	2,500	1,500
<u>Capital Outlay:</u>			<u>10,000</u>	<u>10,000</u>
Total			10,000	10,000
TOTAL PROGRAM COSTS	75,000	75,000	135,370	139,545

LIBRARY PROGRAM
CURRENT LEVEL

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	5.00	5.00
Salaries	73,978	73,991
Benefits	<u>13,587</u>	<u>13,587</u>
Total	87,565	87,578
 <u>Operating Expenses:</u>		
Contracted Services	9,907	9,907
Supplies & Materials	2,647	2,892
Communications	2,276	2,372
Travel	356	409
Rent	857	926
Repair & Maintenance	1,621	1,861
Other Expenses	<u>1,470</u>	<u>1,470</u>
Total	19,134	19,837
 <u>Equipment:</u>	<u>3,616</u>	<u>3,978</u>
Total	3,616	3,978
 TOTAL PROGRAM COSTS	110,315	111,393
 01100 General Fund	110,315	111,393

LIBRARY PROGRAM
BUDGET MODIFICATIONS

Microfilm Old Newspapers

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)		
Salaries		
Benefits		
<u>Operating Expenses:</u>		
Contracted Services	41,110	
Supplies & Materials		
Communications		
Travel		
Rent		
Repair & Maintenance		
Other Expenses		
Total	41,110	
<u>Equipment:</u>	8,800	
Total	8,800	
TOTAL PROGRAM COSTS	49,910	
01100 General Fund	49,910	

MUSEUM PROGRAM
CURRENT LEVEL

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	4.00	4.00
Salaries	62,483	62,516
Benefits	<u>11,924</u>	<u>11,924</u>
Total	74,407	74,440
 <u>Operating Expenses:</u>		
Contracted Services	871	942
Supplies & Materials	23,370	23,579
Communications	1,377	1,449
Travel	1,244	1,431
Rent	318	346
Repair & Maintenance	300	336
Other Expenses	<u>1,350</u>	<u>1,350</u>
Total	28,830	29,433
 <u>Equipment:</u>	 1,831	 1,580
Total	1,831	1,580
 TOTAL PROGRAM COSTS	 105,068	 105,453
 01100 General Fund	 85,068	 85,453
02182 Hist. Soc. ERA	20,000	20,000

MUSEUM PROGRAM
BUDGET MODIFICATIONS

Upgrade Museum

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	2.00	2.00
Salaries	27,735	27,735
Benefits	<u>5,131</u>	<u>5,131</u>
Total	32,866	32,866
 <u>Operating Expenses:</u>		
Contracted Services	100,000	100,000
Supplies & Materials	50,000	50,000
Communications		
Travel		
Rent		
Repair & Maintenance		
Other Expenses	<u> </u>	<u> </u>
Total	150,000	150,000
 <u>Equipment:</u>	<u> 0</u>	<u> 0</u>
Total	0	0
 TOTAL PROGRAM COSTS	182,866	182,866
 01100 General Fund	107,866	107,866
04011 FPRA	75,000	75,000

MUSEUM PROGRAM
BUDGET MODIFICATIONS

Original Governor's Mansion

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	1.00	1.00
Salaries	15,597	15,597
Benefits	<u>2,808</u>	<u>2,808</u>
Total	18,405	18,405
 <u>Operating Expenses:</u>		
Contracted Services	13,803	14,363
Supplies & Materials	200	216
Communications	1,500	1,621
Travel	500	575
Rent		
Repair & Maintenance		
Other Expenses	<u>600</u>	<u>600</u>
Total	16,603	17,375
 <u>Equipment:</u>	<u>0</u>	<u>0</u>
Total	0	0
 Capital Outlay	<u>0</u>	<u>0</u>
 TOTAL PROGRAM COSTS	35,008	35,780
 01100 General Fund	35,008	35,780

MAGAZINE PROGRAM
CURRENT LEVEL

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	3.00	3.00
Salaries	47,777	47,777
Benefits	<u>8,455</u>	<u>8,455</u>
Total	56,232	56,232
 <u>Operating Expenses:</u>		
Contracted Services	21,157	22,303
Supplies & Materials	1,061	1,162
Communications	6,950	7,081
Travel	1,814	2,088
Rent	3,285	3,631
Repair & Maintenance	503	577
Other Expenses	394	394
Goods Pur. for Resale	<u>68,589</u>	<u>74,077</u>
Total	103,753	111,313
 <u>Equipment:</u>	<u>0</u>	<u>0</u>
Total	0	0
 TOTAL PROGRAM COSTS	159,985	167,545
 01100 General Fund	28,985	36,545
07110 Magazine Sales	131,000	131,000

MERCHANDISING PROGRAM
CURRENT LEVEL

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	6.85	6.85
Salaries	74,440	74,467
Benefits	<u>5,673</u>	<u>5,673</u>
Total	80,113	80,140
 <u>Operating Expenses:</u>		
Contracted Services	1,812	1,958
Supplies & Materials	1,253	1,370
Communications	6,700	6,955
Travel	1,860	2,139
Rent	9,123	10,063
Repair & Maintenance	937	1,076
Other Expenses	677	677
Goods Pur. for Resale	<u>150,000</u>	<u>152,000</u>
Total	172,362	176,238
 <u>Equipment:</u>		
Total	<u>2,900</u>	<u>200</u>
Total	2,900	200
 TOTAL PROGRAM COSTS		
	255,375	256,578
07076 RA	255,375	256,578

HISTORIC PRESERVATION
CURRENT LEVEL

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	5.00	5.00
Salaries	74,989	74,989
Benefits	<u>13,160</u>	<u>13,160</u>
Total	88,149	88,149
 <u>Operating Expenses:</u>		
Contracted Services	5,489	5,932
Supplies & Materials	5,631	6,153
Communications	7,551	8,113
Travel	11,379	13,086
Rent	2,500	2,500
Repair & Maintenance	387	442
Other Expenses	<u>1,206</u>	<u>1,206</u>
Total	34,143	37,432
 <u>Equipment:</u>	 <u>2,908</u>	 <u>2,908</u>
Total	2,908	2,908
 TOTAL PROGRAM COSTS	 125,200	 128,489
 01100 General Fund	 62,600	 64,244
04672 Historic Sites FPRA	62,600	64,245

ARCHIVES PROGRAM
CURRENT LEVEL

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	7.00	7.00
Salaries	107,019	107,076
Benefits	<u>19,553</u>	<u>19,553</u>
Total	126,572	126,629
 <u>Operating Expenses:</u>		
Contracted Services	750	750
Supplies & Materials	3,581	3,915
Communications	1,680	1,787
Travel	1,369	1,574
Rent	53	57
Repair & Maintenance	434	498
Other Expenses	<u>538</u>	<u>538</u>
Total	8,405	9,119
 <u>Equipment:</u>	<u>4,200</u>	<u>4,310</u>
Total	4,200	4,310
 TOTAL PROGRAM COSTS	139,177	140,058
 01100 General Fund	139,177	140,058

ARCHIVES PROGRAM
BUDGET MODIFICATIONS

Photo Technician

	<u>Agency Requested</u>	
	<u>1982</u>	<u>1983</u>
<u>Personal Services:</u> (FTE)	1.00	1.00
Salaries	14,338	14,338
Benefits	<u>2,509</u>	<u>2,509</u>
Total	16,847	16,847
 <u>Operating Expenses:</u>		
Contracted Services	300	300
Supplies & Materials	4,353	4,353
Communications		
Travel	100	100
Rent		
Repair & Maintenance		
Other Expenses	_____	_____
Total	4,753	4,753
 <u>Equipment:</u>	 <u>200</u>	 <u>200</u>
Total	200	200
 TOTAL PROGRAM COSTS	 21,800	 21,800
 01100 General Fund	 16,000	 16,000
07075 Photograph RA	5,800	5,800

"MONTANA HERITAGE: PEOPLE AND THE ARTS"

This project is an outreach program sponsored by the Montana Historical Society intended to broaden the access of all Montanans to the arts within the state and to heighten an awareness of Montana's heritage through the three related programs outlined below. Montana will celebrate its statehood Centennial in 1989. These programs will begin to focus attention on our heritage in preparation for that event.

Montana Traditions and the Arts

"Contemporary Montana Arts" - This will be a juried traveling exhibition of the paintings of living Montana artists. A "Governors Purchase Award" will be given to the best of the show and the piece will be placed in the state's permanent art collection.

"Mixed Media" - Like the contemporary art exhibition, this too will be a juried traveling exhibition of sculpture, pottery, fiber arts and prints by living Montana artists. A "Governor's Purchase Award" will be given to the best of the show and the piece will be placed in the state's permanent art collection.

"School Assembly and Public Programs" - Five to seven regional performances of traditional Montana music, historic/dramatic presentations, and arts and crafts demonstrations. These performances are intended to acquaint audiences with the historic tradition of the arts in Montana, and to provide an entertaining and educational means of sharing this heritage with smaller and more remote communities. Local participation is encouraged.

History

"Montana Traveling Heritage Exhibit and Program" - This program, consisting of an exhibit, slide sequence, and traveling professional, will be available six months per year to communities throughout Montana. The exhibit will feature artifacts, documents and photographs illustrative of Montana's history. Its purpose will be to discuss the local communities' contribution to the making of Montana and will relate the communities location, people, architecture and history to the development of Montana. That heritage will also be illustrated in a slide format narrated by the traveling museum professional who will be available to install the exhibit, to assist with and to answer questions concerning the preservation of local history. The entire program will be carried in a van.

"Roadside History Booklet" - This booklet, available to tourists and Montanans at a minimal fee, would contain notes on the history and historic sites encountered along major and secondary Montana highway systems. Certain scenic attractions would also be mentioned. The intent of the booklet would be to encourage Montanans to explore their own state and its heritage, and to encourage the promotion of tourism.

Education

"Jack Daw Packets" - These packets are collections of instructional materials focusing on specific Montana history themes. Each of the packets would use facsimiles or reproductions of documents found in each of the Society's departments: Archives, Publications, Historic Preservation, and Museum. The packets are intended for school use, and can be used to augment the teaching of Montana history.

"Oral History Outreach" - The Montana Historical Society is presently active in planning for the collection of oral history tapes or reminiscences of individuals who can recall significant events in the development of Montana. The outreach program is intended to disseminate those oral traditions through radio segments and through publications. Each of these media can also be used effectively in reminding all Montanans of the nearness of valuable resources. Reminders of the state's Centennial can easily be added and related to the radio programs in an effort to get communities to think about and plan for the upcoming celebration.

PUBLIC OUTREACH PROGRAM

		<u>FY 82</u>	<u>FY 83</u>
F.T.E.		2.50	2.50
1100	Salaries	41,196	41,196
1400	Emp. Benefits	<u>8,239</u>	<u>8,239</u>
	Total Personal Services	49,435	49,435
2100	Contracted Services	42,500 37,000	49,500 44,000
2200	Supplies & Materials	23,000	20,500
2300	Comm. & Transportation	1,725	1,825
2400	Travel	5,900	6,410
2500	Rent	<u>300</u>	<u>375</u>
	Total Operating Expenses	73,425 67,935	78,610 73,110
3100	Equipment	<u>2,500</u>	<u>1,500</u>
	Total Operating Costs	125,370 119,870	129,545 124,045
4000	Capital Outlay	<u>10,000</u>	<u>10,000</u>
	TOTAL PROGRAM COST	135,370 129,870	139,545 134,045

Handwritten notes and signatures:
 Approved by: [Signature]
 Date: [Signature]

PUBLIC OUTREACH PROGRAMS

		<u>FY 82</u>	<u>FY 83</u>
<u>STAFF</u>			
1.00	Curator - Grade 15	20,197	20,197
1.00	Curator/writer - Grade 13	14,763	14,763
<u>.50</u>	Preparator - Grade 11	<u>6,236</u>	<u>6,236</u>
2.50		41,196	41,196
	Benefits @ 20%	<u>8,239</u>	<u>8,239</u>
	Total Personal Services	49,435	49,435
	Staff Travel	3,400	3,910
<u>PROJECT BUDGETS</u>			
(1)	<u>Traveling Exhibits and Purchase Award</u>		
	Printing	3,000	3,000
	Supplies & Materials	17,000	17,000
	Capital Outlay	<u>10,000</u>	<u>10,000</u>
	Total	30,000	30,000
(2)	<u>Montana Heritage Exhibit and Program</u>		
	Consulting & Prof. Serv.	9,000 3,500	9,000 3,500
	Printing	2,000	2,000
	Slide Repro.	500	-0-
	Supplies & Materials	2,500	-0-
	Travel	<u>2,500</u>	<u>2,500</u>
	Total	16,500	16,500
(3)	<u>Roadside History Booklet</u>		
	Consulting & Prof. Serv.	5,500	
	Printing		12,000
	Travel	<u>2,500</u>	<u> </u>
	Total	8,000	12,000
(4)	<u>Jack Daw Packets</u>		
	Printing	3,000	-- 3,000
	Supplies & Materials	<u>3,000</u>	<u>3,000</u>
	Total	6,000	6,000
(5)	<u>Oral History Outreach</u>		
	Contracted Services	2,000	2,000
	Printing	2,500	2,500
	Supplies & Materials	<u>500</u>	<u>500</u>
	Total	5,000	5,000



Jan 14

CITY OF BILLINGS

January 13, 1981

220 NORTH 27TH STREET
P. O. BOX 1178
BILLINGS, MONTANA 59103
PHONE (406) 248-7511

Mr. Gene Donaldson
Chairman
House Subcommittee on Education
State of Montana
Helena, Montana 59620

Dear Mr. Donaldson:

As the State of Montana, and the City of Billings continue to prosper and to grow, it becomes increasingly more important to preserve our heritage, our precious links to our past, for ourselves, and for the future generation of Montanans. The continuous activity and immediate pressures connected with growth related concerns too often result in the destruction of irreplaceable buildings, archeological sites, folkway artifacts and skills and other historical memorabilia prior to the realization that these items possess historical significance. We live so closely to our past that we often tend to overlook the uniqueness of our physical and cultural environment which is contributed to the special quality which is Montana. Through the continued efforts and programs of the Montana State Historic Preservation Office, Montanans are encouraged and assisted in recognizing and preserving the significant and unique artifacts of our past heritage.

In the past two years, the City of Billings' Community Development Department has received extensive cooperation and support from the Montana State Historic Preservation Office in advancing our local historic preservation efforts. As a direct result of the State historic preservation office's technical and financial assistance, the City of Billings is involved in two significant projects: the Billings Historic Resource Survey, and the Rehabilitation of the Old Southside Fire Station. Both projects are significant for two reasons:

- (1) the projects have expanded interest in and support for continued historic preservation efforts; and
- (2) the success of both projects is directly proportionate to the efforts of local volunteers. The major portion of actual work for each project is being completed by the citizens of Billings on a volunteer basis.

The Billings Historic Resource Survey is an initial attempt to systematically locate and document all structures in the Billings area which are historically

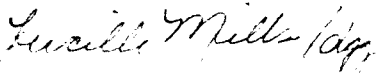
Mr. Gene Donaldson
House Subcommittee on Education
January 13, 1981

- 2 -

significant. Due to the size of the City of Billings, upon completion of this first survey effort, all structures have been inventoried and catalogued. The resulting document will be extremely useful in the future decision making process regarding the choice between new construction versus rehabilitation and reuse of existing buildings. The Rehabilitation of the Old Southside Fire Station is one of the few, if not the only, historic construction projects in the State, being accomplished predominantly through the efforts of volunteers. This building housed Billings' first fire station, The Maverick Hose Company, and is listed on the National Register of Historic Places. The building stood empty for many years. Upon completion of this project, The Maverick Hose Company will again become an integral contribution to the community as a children's theatre and community meeting and programs facility.

The City of Billings has only recently become actively involved in historic preservation. Widespread citizen interest and support continues to grow for additional efforts in the historic preservation area. The encouragement, technical assistance and program opportunities have been instrumental in the current success of Billings' efforts. We support the State Historic Preservation's continued operation, and look forward to continuing the excellent professional relationship established in the past two years between the City of Billings and the Montana State Historic Preservation Office.

Sincerely,



Lucille Mills
Council Person
City of Billings



Cooperative Extension Service

MONTANA STATE UNIVERSITY U.S. DEPARTMENT OF AGRICULTURE AND MONTANA COUNTIES COOPERATING

MONTANA STATE UNIVERSITY
BELLEVILLE, MONTANA 59717

January 12, 1981

TO: Representative Gene Donaldson, Chairman
Education Sub-Committee--Appropriations

FROM: Carl J. Hoffman
Vice President for Extension
Montana State University

RE: Supplemental Budget Request

The attached supplemental budget request details the need for the additional funds. The Committee's serious consideration of this request is urgently sought.

CJH:eh

Attachment

cc: Commissioner John A. Richardson
President William J. Tietz

COOPERATIVE EXTENSION SERVICE
SUPPLEMENTAL BUDGET REQUEST

Utilities	\$ 10,535
In-State Travel	5,000
Out-of-State Travel	3,600
Publications	20,000
Civil Service Retirement	59,622
Federal Health Insurance	<u>5,537</u>
Total	\$104,344

Summary Explanation of Request

Supplemental funding in the amount indicated above is requested to offset the devastating impact the following developments have had on Extension's Biennium Budget:

1. Energy Recharges

University recharges to Extension for utilities increased 147% from FY'79 to FY'80, and another 25% from FY'80 to FY'81.

2. Staff Turnover

Since July 1, 1979, Extension has experienced a 23.1% turnover in professional positions. This is more than double the average of previous years. Low salaries have been the major cause of the high turnover.

Replacing staff is expensive because every time a county vacancy occurs, an Extension supervisor must meet with the county commissioners to review, update and modify the position description before the position can be advertised and filled. Administrative travel is also involved in screening applications, placing new agents in counties, and training them in Extension procedures.

Because most new agents have been trained in a single subject matter field, it is also necessary for specialists to travel to counties to provide training to new agents in fields in which they have little or no academic training or expertise.

Filling state specialist positions also requires extra travel. Involved is travel to search committee meetings, travel of applicants to interviews, and travel of new specialists to meet with the agents and clientele groups they are expected to serve.

3. Unanticipated Developments

The PCB catastrophe, the eruption of Mount St. Helens, the drought in eastern Montana, and the demand for information on estate planning as a result of changes in state and federal laws were unanticipated developments that severely impacted on Extension's budget.

These developments required additional travel to meetings and the printing and distribution of additional information to help local citizens deal with the problems at hand. Publication costs of estate planning educational materials alone totalled approximately \$13,000.

4. Civil Service Retirement

Civil Service Retirement expenditures exceeded the federal amount appropriated by \$26,851 in FY'80 and \$32,771 in FY'81.

5. Federal Health Insurance Rates

The employer's contribution toward federal health insurance was increased on January 1, 1981.

NOTE: When the impact of the factors described above became apparent, Extension requested and received authority from the Board of Regents to borrow \$76,565 from its FY'81 budget to cover costs incurred in FY'80. As of December 31, 1980, Extension spent \$40,665 of this amount.



COLLEGE OF AGRICULTURE

AGRICULTURAL EXPERIMENT STATION

DIRECTOR'S OFFICE

MONTANA STATE UNIVERSITY, BOZEMAN 59717

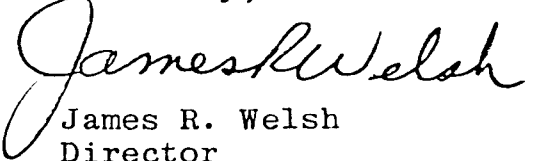
January 12, 1981

Rep. Gene Donaldson, Chairman
House Appropriations/Senate Finance and
Claims Joint Education Subcommittee
State Capitol
Helena, MT 59601

Dear Rep. Donaldson:

Attached is the 1980-81 budget supplement request for the Montana Agricultural Experiment Station. I would be happy to supply any additional information needed.

Sincerely,


James R. Welsh
Director

JRW:dw

enc.

cc: Wm. Tietz
Jack Noble
Curt Nichols



Montana Agricultural Experiment Station

The following items are unusual and unavoidable cost increases experienced by the Experiment Station during the 1980-81 biennium. The supplemental request is based on the fact that the program level assumed by the legislature was not increased, and in some cases was actually decreased to accommodate part of the unusual cost increases. The areas cited for the supplemental request are primarily program operations and represent those supplies and activities essential to reasonable program performance and maintenance. They have been covered to date by contingency use approval of Hatch and Regional funds and interest on the Station ERA by the Board of Regents. In addition to the supplemental funds requested, the Station has absorbed unanticipated additional personal service costs such as increased benefits and Workman's compensation premiums, and vacancy levels lower than the assumed 3% average. These have resulted in total personal service expenditures above levels assumed in the Station appropriations. With the reversion of ERA interest and indicated federal funds to the General Fund, the appropriation of income funds at much higher levels than expected or achieved, and the approval of this supplemental request, the Experiment Station, exclusive of the Miles City Livestock and Range Research Station, will have a zero balance in all accounts at the close of FY1981.

The attachments to this request are the actual budget and cost justifications for each category.

Operations Budget Data

	<u>Budget</u>	<u>Actual/estimated Expenditures</u>	<u>Deficit</u>
1980	1,174,667	1,270,235	95,568
1981	1,256,893 ¹	1,553,007 ²	296,114 ³
			391,682 ³

¹Based on 7% increase for inflation. Actual budget of \$1,374,384 included contingency amendment of \$127,633 for use of federal funds.

²Based on actual expenditures YTD and historical spending pattern.

³Deficiencies in the following expenditure categories:

Contracted services	\$ 33,852
Supplies	240,434
Communications	13,132
Utilitites	104,264
Total	\$391,682

Justification statements based on increases in the 1980-81 period:

1. Contracted Services:

- a. Printing and publication - page costs, photography and other reproduction work up an average of 50%.
- b. Hay baling - price rise of \$4.35 per ton (25%).
- c. Trucking costs up 60% (primarily based on energy and equipment).

2. Supplies:

- a. Bulk gasoline and diesel fuel up 68%.
- b. Livestock feed prices per ton:

	<u>1980</u>	<u>1981</u>
alfalfa	\$73	\$75
grass hay	61	80
barley	94	126
corn	107	138
soybean meal	238	310

- c. Lab supplies up 20%

3. Communications:

Telephone, postage, and position advertisements up 25%.

4. Energy:

Natural gas up 60%
Heating fuel up 74%

Additional energy costs are reflected in higher recharges by Montana State University and through direct purchase at the off-campus units and three on-campus labs.

Cooperative Extension Service

FY80

128,124	Added Smith-Lever Snowt in FY80
14,364	New Federal Restricted Programs
113,760	
	Public Health \$6800
	Coyote Air hunt <u>7520</u>
	\$14364

113,760 Added Smith-Lever Funds in FY80 that should have caused a reversion

FY81

113,760	Reversion From FY81
104,300	FY81 supplemental (CES Request)
9,460	Net reduction in FY81 general fund approval
\$15,500	Increased Smith-Lever-Funds for FY81 related to new restricted programs

Points for discussion

- (1) Is supplemental necessary, just right, or insufficient?
- (2) How much Smith-Lever authority should be added in FY81 reducing reversion?

Department Station

③

Operating Appropriation
Less: Unavailable
Operating Income
Net Operating Expenses
Short Fall

1193.54
13.00
1174.37
1270.25
95.52

unavailable
paid

1980
60000
to be received

Operating Appropriation
Less: Unavailable
Operating Income
Net Operating Expenses
Short Fall

1263.54
4.00
1259.54
1543.00
293.46

paid

Total Project Short Fall

391,332

VISITORS' REGISTER

HOUSE APPROPRIATION
ON EDUCATION

SUBCOMMITTEE

BILL Historical Society

Date January 14 1981

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOS
Monte Spalding	Helena	Mont. Hist. Soc.	X	
James Ambler	Helena	Historical Society	X	
Bruce Lockhill	Helena	Mont. Hist. Soc.	X	
Mike McQuest	Helena	Mont. Hist. Soc.	X	
Bill Long	Clancy	" " "	X	
ERIC MYHRE	Helena	" " " Trusts	X	
Traveler Sleepy	Helena	" " "	X	
James J. Higgins	Helena		X	
Robert M. Clark	Helena	Montana Historical Soc.	X	
Dave Coon	Billings	Billings Chamber of Commerce and the City of Billings	X	
Bob Stevens	Helena	Hist. Soc.	X	
John J. ...	Helena	Historical Society	X	
Mr. James W. Higgins	Helena	Mont. Hist. Soc. Trusts	X	
Thomas P. Turner	Great Falls	Mont. Hist. Soc. Trusts	X	
Mr. ...	Helena	Stacy McBride Institute of the ARTS Foundation	X	
J. D. ...	Helena		X	
...	Great Falls	...		
Carl Hoffmann	Mont. Hist. Union	Cong. ... Services	X	
Randy ...			X	
...	MSU	Exp. Station	X	
James ...	MSU	" " "	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.