



TO: Montana Shared Catalog Members Council

FROM: Montana Shared Catalog Lead, Amy Marchwick

SUBJECT: Fiscal Year 2026 (July 1, 2025 – June 30, 2026) budget and cost share formula

DATE: April 15, 2025

General Info

This proposed budget and cost share breakdown have been created with the assumption that IMLS/LSTA funding will be made available to the Montana State Library to allow members and the MSC to move forward with our Spring Meeting and budgeting processes. If changes occur, you will be notified as soon as possible.

Budget Format Change

In previous years the MSC has provided an itemized budget built using best estimates for several areas. This has not always been as accurate as we would prefer, and it is extremely difficult to do in a fashion that is timely enough to be taken into account as you build your own budgets. After consultation with MSL's Central Services/Accounting team, we are using a slightly different format this year; starting from a base budget built from the current year's expenses and projecting increases from that.

This new format makes the overall cost of operating the Montana Shared Catalog more apparent, as it includes portions that MSL funds cover which weren't always indicated on the MSC budget presented to the members. It also provides the full breakdown of the member cost sharing and the MSL funds allocated to help offset the cost. That is not a fixed ratio and gets regularly reassessed as the MSC works through the budgeting process each year. Explanations of each category are included below.

Members Cost Share

Starting from a base budget using our FY25 numbers, and taking estimated increases into account, Montana State Library and MSC staff are proposing a 4% flat increase to the membership shared costs fees. This will cover part of the expected increases and MSL's other revenue sources will cover the remaining increases.

Additional SirsiDynix Products

MSC staff are asking the members to consider purchasing two new SirsiDynix products: Unlimited Web Services Connectors and SIP License and the BLUEcloud Analytics Private Suite Add-on. The total cost of adding these two services would be around \$47,000. If the membership chooses a 6% flat increase to the membership shared cost fees instead of the proposed 4%, that would cover a portion of the new

product costs and MSL would cover the remainder. More information about those products is included in the meeting materials.

Budget Details

Revenue Sources

Member libraries – shared costs: The amount to be collected from MSC member libraries, per the proposed cost share formula. The FY 2025 MSC member contributions amount was \$504,628.

State General Fund/Coal Severance Tax subsidy: As established in the Administrative Rules of Montana (ARM) 10.102.4001, half of the state funds allocated for Resource Sharing are provided for offsetting costs to the Montana Shared Catalog consortium.

Institute of Museum and Library Services: Library Services and Technology Act – Grants to States: MSL allocates part of the federal funds received through these grants to the MSC to help offset costs.

Expense Categories

Personal Services: This includes salaries and benefits for MSC staff as well as a small portion for other MSL staff time that is spent supporting Montana Shared Catalog operations

Operating Costs: This covers a variety of expenses, including:

- staff travel
- equipment, hardware, and software for MSC staff operations
- MSC's SWCAP portion: As an agency of the State of Montana, the Montana State Library is required to pay indirect costs incurred through the operation of state government and allocated to agencies according to the Statewide Cost Allocation Plan (SWCAP). Montana Code Annotated 17-1-106 requires that *an agency receiving nongeneral funds* [ie, MSC member funds collected through MSL's business office] *shall, in accordance with all applicable regulations, guidelines, or grant rules governing those funds, negotiate indirect cost reimbursement amounts and methodologies so that the agency may recover indirect costs.*
- COSUGI (Customers of SirsiDynix Users Group, Inc.) annual fee: This is the annual institutional membership fee for COSUGI, which insures against the potential loss of software and provides professional development for MSC staff

Software Costs: This is the cost of the SirsiDynix contract for the Symphony Integrated Library System and associated products like BLUEcloud Analytics, Enterprise discovery tool, etc.