

December 21, 2019

The Montana State Library Commission

Ms. Anne Kish, *Chair*

Mr. Ken Wall, *Vice Chair*

Dr. Kenning Arlitsch, *Commissioner of Higher Education Appointee*

Ms. Elsie Arntzen, *Commissioner and Superintendent of Public Instruction*

Ms. Jamie Doggett, *Commissioner*

Ms. Aaron LaFromboise, *Commissioner*

Mr. Bruce Newell, *Commissioner*

Ms. Jennie Stapp, *State Librarian*

Dear Commissioners and Ms. Stapp:

Thank you for accepting our comments regarding the contents of the administrative study and the proposal for MSL administration of MTNHP at the recent Commissioners meeting. We (the undersigned MTNHP managers and senior staff) wish to take a more direct and open role in this process. We acknowledge that all involved feel some frustration, but in the spirit of collaboration, we would like to move forward in this process in a productive manner through effective communication. This document is meant to be our respectful contribution to the process and our attempt to harness our individual strengths to support you in your decision-making process.

We feel strongly that an accelerated timeline will inevitably result in negative impacts to the Program. Thus, MTNHP Managers have completed an initial evaluation of the four alternative options for future program administration presented by Dr. Bryce Maxell, specifically focusing on how each option would impact individual program areas. Attached to this cover letter is a short summary of these evaluations for the Information Services, Ecology, Spatial Analysis Lab and Zoology Programs (Botany will comment separately), in addition to a report containing detailed evaluations for each program area. Each manager has indicated his or her preference to allow you to gauge our individual level of support for alternative scenarios. It is extremely important to note, these analyses are a first draft: A more robust evaluation will require more time and more information (e.g., detailed feedback from Partners regarding funding; a thorough fiscal analysis of each option). Although we present these findings by individual program area, we do not exist in isolation and impacts to one area will affect all others, not just in the Core work that we do but also in staff time and morale.

Decisions of this magnitude are difficult, both intellectually and emotionally. We know that the intent of everyone involved in this decision is to strengthen MTNHP and guarantee its long-term success. It is our hope that this information will help the commission evaluate how the proposed changes will impact the Montana Natural Heritage Program and provide a basis for a decision that will maintain a robust and successful program. Please do contact us soon so that we can provide additional information. Thank you for considering our contribution.

Sincerely,

Mr. Dan Bachen, *Senior Zoologist*

Mr. Scott Blum, *Biologist/Information Specialist*

Mr. Braden Burkholder, *Biologist/Biological Data Analyst*

Ms. Karen Coleman, *Biological Data System Coordinator*

Dr. Karyn (Kay) Hajek, *Ecologist/Project Manager*

Ms. Alexis McEwan, *Assistant Zoologist*

Dr. Jessica Mitchell, *Spatial Analysis Lab Director*

Ms. Sara Owen, *Wetland Mapping Coordinator*

Ms. Darlene Patzer, *Finance/Grants Administrator*

Mr. Dave Ratz, *Web Projects Manager*

Dr. Linda Vance, *Senior Ecologist*

Cc: Dr. Bryce Maxell, *Program Coordinator, Montana Natural Heritage Program*

Dr. Scott Whittenburg, *Vice President for Research and Creative Scholarship, University of Montana*

Attachments (2):

Summary Impacts Matrix

Program Managers' Evaluation of Administrative Options

Preferred Option

 Least Preferred

Comparison of Impacts by Options

	INFORMATICS	ECOLOGY	ZOOLOGY	SPATIAL ANALYSIS LAB
OPTION 1 Retain UM Contract Administration, Leverage Partnership	<p>Beneficial: potential to increase Core funding; avoid split of program</p> <p>Negative: lack of success in suggested measures to increase Core funds would lead to continued loss of purchasing power</p>	<p>Beneficial: current contracts and indirect rates maintained; SAL collaborations supported; flexible seasonal staffing</p> <p>Negative: funding needed to support new Core initiatives and Senior Ecologist recruitment</p>	<p>Beneficial: current contract and indirect rates maintained; flexible seasonal staffing</p> <p>Negative: loss in purchasing power and less Core work if funding issue not addressed</p>	<p>Beneficial: space is most secured; current contracts and indirects maintained; Core missions related to MSL remain</p> <p>Negative: could be less support for Core work if funding issue not addressed</p>
OPTION 2 Informatics / Science Split	<p>Beneficial: PLA issue potentially solved for certain positions</p> <p>Negative: lack of success in getting PLA for FTE would lead to continued loss of purchasing power, split in program may lead to a variety of challenges</p>	<p>Beneficial: same as Option 1</p> <p>Negative: uncertain office space for Ecology staff in MSL; uncertain costs/flows of data transfer to Informatics; uncertain impacts on grants/contracts</p>	<p>Beneficial: same as Option 1</p> <p>Negative: same as Option 1</p>	<p>Beneficial: continued connection to Core missions related to MSL</p> <p>Negative: uncertain indirect rates; potential loss in supplemental Core</p>
OPTION 3 MSL Transfer except Ecology and SAL	<p>Beneficial: same as Option 2</p> <p>Negative: same as Option 2, plus potential loss in supplemental Core and project dollars</p>	<p>Beneficial: same as Option 1</p> <p>Negative: same as Option 1 and 2</p>	<p>Beneficial: minor increase in Core funding</p> <p>Negative: loss of federal agreements would seriously impact the Zoology budget for 2020-2021; comp time requirements seriously impact project budgets</p>	<p>Beneficial & Negative impacts related to risk and uncertainty are greater than Option 2 but less than Option 4</p>
OPTION 4 MSL Transfer except SAL	<p>Beneficial: same as Option 2</p> <p>Negative: same as Option 2, plus greater potential loss in supplemental Core and project dollars</p>	<p>Beneficial:</p> <p>Negative: loss of all Ecology staff if current contracts do not transfer; less flexibility in contracting, hiring, purchasing; uncertainty if MSL can qualify for national IDIQs; loss of seamless collaboration with SAL; uncertain if Ecology staff can work at SAL without rent costs</p>	<p>Beneficial: same as Option 3</p> <p>Negative: same as Option 3</p>	<p>Beneficial:</p> <p>Negative: Core work with MSL and project business is jeopardized; uncertain indirects and loss of contracts; greater reliance on funding from academic sponsors (riskier)</p>

MTNHP Program Managers' Evaluation of Administrative Options

Need: Address Core Funding Declines

Decision: Which Option “does the least harm” to MTNHP while still addressing the need to solve the problem of funding for Core services.

OPTION 1 Retain UM Administration and Leverage Partnership

Option 1: Retain the current relationship with the University of Montana (UM) and first focus on fixing program funding issues in partnership, before pursuing alternative Options. Work with UM and other partners to lobby on our behalf with the Governor’s Office and Legislators; leverage University and OCHE lobbying power and other resources to a greater extent than what currently exists. Leverage another \$50,000 a year from UM through a request to the Vice President for Research and Creative Scholarship for retention of indirects on supplemental Core agreements. Execute a legislative analysis to determine how present law adjustments could be incorporated into a contract with University. Consider a timeline that delays a decision until the results are known for funding the Digital Library Services account under HB633 in the 2021 Legislature since it would hopefully be the scale of funding fix that is truly needed.

Impacts of Option 1 on:

Information Services Program: Option 1 is the preferred option for Information Services unless or until clear and tangible benefits for other options can be demonstrated. Administration of MTNHP by UM in partnership with Montana State Library (MSL) has been characterized in Information Services by advances in information collection, management, and services to our partners and other users. Success in the implementation of Option 1 will maintain that partnership, continue that progress, and insure the integrity of the Program as a whole. Information Services support all program areas and working under separate administrations could introduce barriers to efficient working relationships. Option 1 assumes a more active UM role, engaging in cooperative efforts with MSL to stabilize and increase Core funding which could benefit Information Services in terms of staffing shortages and resource allocation. Option 1 considers a prevention of or delay in administrative change which would lower staff stress levels and promote deliberate actions that can garner support for any future administrative changes from as many stakeholders as possible. **Potential negative impacts** arise if the proposed funding pursuits are unsuccessful and Core funding is not stabilized or increased. Option 1 proposes no change to the current administration except to encourage enhanced investment and participation by UM.

Ecology: Option 1 is the preferred alternative for the Ecology Program. All current agreements are maintained. The Principle Investigator’s roles and responsibilities at UM are well-defined and familiar. Contracting with partner agencies follows well-established policies and practices, and is handled by several UM staff who understand all aspects of the pre- and post- award process with multiple partners. Academic credibility is a given. Projects requiring special

compliance considerations (e.g., animal use, human subjects, chemical handling, etc.) can be executed. HR functions are streamlined and efficient, and seasonal staff can be onboarded in less than two days if necessary. Proposal submission is similarly streamlined and can be achieved with less than a one-week turnaround. Ecology staff can work on campus in the Spatial Analysis Lab (if space is available). The Senior Ecologist and Spatial Analysis Lab Director can collaborate on contracts and grants without needing interagency MOUs. Purchasing is not subject to restrictions and does not need prior approval or routing through preferred vendors. University credit cards are available to all permanent staff (e.g., Letter of Appointment and Contract Professional). Staff with appropriate credentials are able to become affiliates within University programs. All permanent staff who are 0.75 FTE or greater are able to take courses or pursue degrees in the Montana University System (MUS) with no tuition. Dependents of such staff are able to take courses or pursue degrees at a 50% tuition discount. Staff are entitled to an immediate vesting of UM's contribution to their pension plans. Staff who retire from UM are entitled to a range of benefits, including a Medicare Advantage Plan. Staff can also contribute to two supplemental retirement plans, a 403(b) plan through UM and a 457 Plan for state employees, which collectively allow for up to \$38,000 in salary deferral in 2019, or \$48,000 for employees 50 and over. **Potential negative impacts** are that the Ecology Program leadership is burdened with the responsibility of raising and managing all Program funds, while still being expected to turn out Core products. The lack of Core funding and the extra fundraising responsibility may have a negative impact on recruitment of a new Senior Ecologist when the current one retires. No new Core initiatives can be pursued.

Spatial Analysis Lab (SAL): Option 1 is the preferred alternative for SAL. Under this scenario, the lab is still part of a larger financial ROI from the MTNHP contract to UM and therefore retains secure space on campus, which may be more financially viable than a lease option, depending on lease terms. The lab retains close connections to the MTNHP mission related to biological communities and continues to work closely with MSL through Land Cover MSDI stewardship and other collaborative initiatives between MSL and UM, such as Cyberinfrastructure and High Performance Computing. Project business is not anticipated to be adversely impacted by this Option, as the lab would still be able to pass along off-campus indirect rates (%25-26%) to partners and bring in 45% indirects from academic sponsors such as NSF and NASA. **Potential negative impacts** would be related to any Core funding issues that could not be addressed under this Option 1, and the subsequent pursuit of an alternative option.

Zoology: Option 1 is preferred coequally with option 2. Indirect rates are currently known under UM administration (BLM and US FWS 26%, USFS 16%, FWP 0% and other sources of funding 26%). Hiring of seasonal/hourly employees is extremely flexible, as is workflow for permanent employees. Field work typically requires 9-12 days for 5 days a week; UM does not require employees to accrue comp time, allowing a flexible, efficient and affordable work flow during the field season. UM administration does provide demonstrated ability to meet federal grant and contract requirements and all current agreements, which contribute to the majority of the 2020 Zoology Program budget. All current agreements are maintained. **Potential negative impacts** are that continuing with UM administration of the Zoology Program would not solve the ongoing depreciation of Core funds if lobbying measures and additional UM resources are not provided.

However, as very little Core funds are currently used to support this program area the impacts of this depreciation would be minimal.

OPTION 2 Information Services/Science Split

Option 2: Bring in Information Services staff and all or a portion of the Program Coordinator position (4-5 permanent positions that use the majority of the current legislatively funded FTE...i.e., all present law adjustments possible at current funding levels could be gained) under direct MSL Administration and contract with UM for Botany, Zoology, and Ecology Science Programs and SAL. All staff could be brought in at the same time by June of 2020 in order to be in the next legislative snapshot. It would still be up to the 2021 Legislature to approve incorporation of these FTE, but if they did, present law adjustments could stop the loss in purchasing power that has been going on since FY08 for the entire current personnel budget for the Program (i.e., Core funding only covers the equivalent of 4 FTEs, even though it is shared among many of the 33 FTEs in the Program.). It is possible this could be done with little to no change in the MSL Financial Services Office.

Impacts of Option 2 on:

Information Services Program: If Option 1 is NOT pursued, or if the funding proposals in Option 1 are unsuccessful, Option 2 is the preferred alternative for Information Services. Option 2 provides the possibility of present law adjustments, which would increase potential for retention of Information Services positions. Option 2 results in the least disruption to Science Program projects and if a split is necessary, that stability may have minimal impairment on the functions between Information Services and Science Programs. Option 2 assumes MSL management of Information Services will provide Core fund stability and potential increases which could benefit Information Services in terms of staffing shortages and resource allocation. **Potential negative impacts:** Re-hiring of current staff is not guaranteed and program knowledge may be lost. Present law adjustment of Information Services positions is not guaranteed. If Option 2 does not result in present law adjusted positions or is not accompanied by increased Core funding, Core products development may stagnate and personnel workloads cannot be mitigated through staffing increases. There may be a loss of flexibility and financial feasibility to hire temporary staff to support Core work in Information Services. Without access to MTNHP's flexible funding pool across all programs (e.g. SPBA), there may be limited funds for this type of short-term work. If MTNHP administrative staff and/or leadership are retained at UM, there could be additional budgeting/management inefficiencies. Information Services staff do assist directly with projects, and transfer of funds (often in very small dollars) between programs situated at different institutions may be challenging. Managing and coordinating staff across MTNHP may be less effective if leadership does not have direct oversight of all aspects of the Program. To maintain oversight and vision for the Program, a split leadership position may be optimal if MTNHP staff are split between institutions. Proposed timeline of hiring of Information Services staff into MSL could result in a more challenging recruitment of an imminently vacant Data Systems Coordinator position.

Ecology: If Option 1 is NOT pursued, Option 2 is the preferred alternative for the Ecology Program. **Beneficial impacts** of Option 2 are identical to Option 1 (see above). **Potential negative impacts** are identical to Option 1, above, but we would also require a Memorandum of Understanding (MOU) to allow Ecology staff currently working in the MSL building to continue to work there and use Library IT resources. Some modification to cost match requirements would be necessary under certain grants. Some modifications to current contracts might be required to clarify how data collected under the contract would be incorporated into MSL-MTNHP databases. Additional MOUs could be necessary to transfer Ecology project funds to MSL-MTNHP staff for database or webpage services. It is unclear what role an MSL-MTNHP Program Coordinator would be able to carry out in terms of approving proposals, full-time hires, salary adjustments, etc. if he/she were not a UM employee.

SAL: If Option 1 is NOT pursued, Option 2 is the preferred alternative for SAL. Under this scenario, the **beneficial impacts** are the same as Option 1 except that lab space would be less secure if the MTNHP contract to UM decreases and indirect rates would be somewhat uncertain if the lab cannot continue to pass along off-campus indirect rates (%25-26%) to partners, in which case the business portfolio would shift to focusing on higher risk, lower funding rate academic proposals. The lab would retain close connections to the MTNHP mission related to biological communities and continues to work closely with MSL through Land Cover MSDI stewardship and other collaborative initiatives between MSL and UM, such as Cyberinfrastructure and High Performance Computing. **Potential negative impacts** would be related to any Core funding issues that could not be addressed under this Option 2, including the possible loss of Core support for the SAL Director's position, and the subsequent pursuit of an alternative option.

Zoology: Option 2 is preferred coequally with Option 1. **Benefits and potential negative impacts** to the Zoology Program are identical to Option 1. Use of project funds for Information Services staff time will be more difficult due to differences in administration, but as long as the working relationship between this program area and Zoology is unchanged impacts to Zoology are minimal.

OPTION 3 MSL Transfer except Ecology and SAL

Option 3: Bring in Information Services staff, all or a portion of the Program Coordinator position, and Botany and Zoology (~10 positions with only an additional 0.6 FTE in funding from the Legislature beyond Option 2), but leave the entire Ecology Program and SAL with UM for the foreseeable future (see discussion below on this). Botany and Zoology only have a handful of externally funded projects at this point, so this is feasible with small changes to MSL Financial Services Office. This has the same legislative snapshot and potential present law adjustment benefits as described in Option 2, but it also would allow MSL to test the waters in running two small science program areas and demonstrate to partners that MSL can indeed run science programs. This option could maintain a very strong working relationship with UM.

Impacts of Option 3 on:

Information Services Program: Benefits and potential negative impacts to the Information Services Program are similar to Option 2 (see above). Option 3 would likely have no impact on the movement of data between Zoology/Botany and Information Services. **Potential negative impacts:** This option introduces potential negative impacts to project funding to the Botany and Zoology Program, which would indirectly impact Information Services due to our mutually supportive roles. Furthermore, if relationships with Partners are weakened by cancelling or changing projects or agreements, supplemental Core contributions by those Partners may also decline, more directly impacting funding for Information Services positions.

Ecology: If neither Option 1 nor Option 2 is selected, Option 3 is the preferred alternative for the Ecology Program. **Benefits** are identical to Option 1 (above). **Potential negative impacts** are identical to Option 1, with the same caveats listed under Option 2. It should be noted that if it were not possible to execute an MOU which would allow some Ecology staff to work from the MSL, a loss of 6-7 staff could occur unless space could be found for them in an MUS locale. It is also unclear if Ecology would lose the \$10,000 in funding currently allocated for Wetland Mapping by the Library, and whether Supplemental Core funds would be available to the Program should a need arise in the future.

SAL: The **beneficial and negative impacts** of Option 3 are relative, in that some sort of connection with MSL and presumably Core funding would be maintained, although increasingly greater levels of risk and uncertainty are encountered as you move from Option 1 to Option 2 and then Option 3.

Zoology: If Option 1 or 2 is NOT pursued, Option 3 is preferred over Option 4. Overall, this proposed change will have few tangible benefits and one significant cost to Zoology, and the transition is likely to use significant amounts of time and funds allocated toward Core work over the next few years. If the amount of Core funds were higher, addressing the depreciation of these funds would begin to outweigh costs and make the disruption to Core activities easier to justify. Minimal Core funds are currently used to support this program area so the impacts of this depreciation are minimal (estimated at < 1% total budget). Indirect rates may change, with reductions allowing more funds for work and increases requiring more project funds for overhead. Assuming an indirect rate of 18% under MSL administration, BLM and US Fish and Wildlife Service would decrease from 26% to 18%, USFS would increase from 16% to 18%, and Fish Wildlife Parks would increase from 0% (through the CO-OP unit) to 18%. Other sources of funding would generally decrease in indirect rate. Assuming no changes are made to any Information Services positions, we do not anticipate any changes in workflow associated with ownership, adding, maintaining or disseminating data regardless of whether Zoology is administered by UM or MSL. Personnel impacts are variable, with no change to benefits or length of service; the five-year vestment for retirement may result in loss of state match if staff leave within the next five years, but the State makes greater contributions than UM. **Potential negative impacts** are associated with any transfer of Zoology to MSL prior to summer 2021. This timeline would likely result in the loss of a BLM agreement that cannot transfer to another entity. This agreement funds the majority of the Zoology Program budget for summer and fall of 2020 with a final report due in 2021. Therefore, the earliest a transfer of any zoology staff that

could happen without impacts to our partnerships would be late spring 2021. We are continuing to work with partners to understand how other agreements will be impacted. Additionally, a shift to direct administration by MSL would have large negative impacts to collaborative field-based projects due to the issue of comp time. Current field work performed by salaried employees typically requires 9-12 hour days for 5 days a week. For exempt staff earning comp time 1:1 (worked:earned), this would either cause an increase of 12-50% in personnel costs for Partners to perform the same work we currently do, or decrease the amount of work we can perform with our partners by the same amount. For nonexempt permanent employees earning 1:1.5 (worked: earned), costs would increase or work would decrease between 19-75%. Using accrued comp time would require staff to be absent from the office for months at a time, which would be extremely disruptive to work flow. Additionally, it would be difficult to avoid violating MSL policy that recommends against accruing > 40 hours of comp time.

OPTION 4 MSL Transfer except SAL

Option 4: Bring in all Heritage staff except the Spatial Analysis Lab Director (~43 staff and 32 FTE) as advocated in State Librarian's Administrative Study Summary.

Impacts of Option 4 on:

Information Services Program: Option 4 is the least preferred alternative for Information Services. **Benefits and potential negative impacts** to the Information Services Program are nearly identical to Option 3 (see above), with greater potential impacts to project and supplemental Core funds due to the larger volume and dollar amount of Ecology and SAL agreements.

Ecology: Option 4 is the least preferred alternative for the Ecology Program. The only **benefit** of Option 4 is the possibility of Core funding in the future, because no Core funding is available to Ecology under the proposed transfer. **Potential negative impacts** include the loss of all Ecology staff currently supported by project dollars (i.e., all Ecology staff) if contracts do not transfer due to UM resistance, sponsor constraints on awardee substitution, or the election of current Ecology project and program leads to remain with UM. Even assuming all contracts and staff could and did transfer, we would lose valuable partnerships with other Heritage Programs (notably the Colorado Natural Heritage Program and the Oregon Biodiversity Information Center at Oregon State and Portland State) if subawards managed by UM cannot be continued by the MSL. The Program will lose credibility among partners if projects are delayed or not completed, or if the administrative change results in loss of expertise should staff not transfer. Again, even with transferred contracts and staff, the Ecology Program will lose regional stature if there are limitations on out-of-state collaborations. There is a risk that MSL partners and/or the Legislature will object to MSL resources (e.g., computers and space) being allocated to staff doing out-of-state work. There is a risk to MSL in being associated with some of the Ecology Program's largest funders, notably the EPA. Adapting to new contracting, hiring, compensation, purchasing and reporting requirements will interfere with workflow. There will be extreme

challenges associated with meeting comp time requirements and limits (see Zoology, Option 3 above). There are uncertain costs associated with SAL overhead and consequent impacts on contracts requiring participation of SAL Director and Staff, in addition to uncertain cost of Ecology staff working from SAL offices. There is potential to lose eligibility for contract and grant funding because MSL does not have the ability to furnish required assurances under FAR for all contracts. Staff may be unable to procure and process chemicals necessary for field sampling and will face challenges associated with field staff not having UM credit cards. We will face loss of eligibility for funding geared towards Public Institutions of Higher Education. Staff who do not meet the 5 year threshold (including the Senior Ecologist) will face loss of employer contribution to pension plans, and loss of tuition benefits for employees and their dependents. Finally, the Program would lose the credibility associated with working for a research University.

SAL: Option 4 is the least preferred alternative for SAL. Under this scenario, there could be significant adverse impacts to project business, as contracts with BLM Partners would be cancelled and other Partners may not be able to contract with MSL. Currently, SAL stands to lose \$1 to \$1.5M in business with the BLM until the proposed administrative change is settled. It is likely that off-campus indirect rates would increase and put SAL in a less competitive position to secure project funding. Consequently, the funding portfolio would shift to an emphasis on securing funds from high-risk, low funding rate programs that have a 45% return on indirects in order to justify remaining on campus, even if a lease is in place. This Option 4 could push SAL in the direction of seeking Core funding with UM rather than MSL and would risk losing the bridge that currently exists to MTNHP through habitat mapping and ranking.

Zoology: Option 4 is the least preferred. Direct **benefits and potential negative impacts** for Zoology are identical to Option 3 (above). Impacts to Ecology and SAL may result in impacts to Core products used by Zoology to perform Core work.