



**TO:** Montana Shared Catalog Members Council

**FROM:** Montana Shared Catalog Lead, Amy Marchwick

**SUBJECT:** Fiscal Year 2027 (July 1, 2026 – June 30, 2027) budget and cost share formula

**DATE:** April 17, 2026

## General Info

This proposed budget and cost share breakdown has been created with current estimates of this year's expenses. We are still awaiting the final numbers to determine the exact amount for the cost share calculation, so we are including two estimated percentage increases with our budgeting draft. When we get the final numbers or if changes occur, you will be notified as soon as possible.

## Budget Format

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 began using a slightly different format in 2025; starting from a base budget built from the current year's expenses and projecting increases from that.

This 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 FY26 numbers, and taking estimated increases into account, Montana State Library and MSC staff are proposing a 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.

## 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 2026 MSC member contributions amount was \$ 531,365

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.