

MINUTES OF THE MEETING
LEGISLATIVE SUBCOMMITTEE ON APPROPRIATIONS FOR EDUCATION

February 5, 1979
8:15 A.M.
Room 436
State Capitol Building
Subject: Work Session
(Library Commission,
Historical Society,
Commissioner of
Higher Education)

The meeting was called to order by Chairman Carroll South, with the following members being present:

Senator Larry Fasbender
Senator Harold Nelson
Representative Oscar Kvaalen
Representative Jack Moore
Representative Esther Bengtson

Also in attendance were Judy Rippingale and Miral Gamradt, Legislative Fiscal Analysts; and Tom Crosser and Glen Leavitt, Office of Budget and Program Planning.

With regard to the Library Commission, there was discussion of how the pay increases were to be financed.

Representative Bengtson inquired whether, if pay raises were 54% of the general fund, that would necessitate more appropriations to the Library Commission. Chairman South explained that the 54% portion of the salaries would go directly in the pay plan bill and it would be allocated to the budget office. The \$317,000 would still be the general fund appropriation; general fund would be taken out of the pay plan money to pay 54% of the pay increases.

Senator Fasbender moved that 54% of the funding for pay increases for the Library Commission be made out of the general fund and 46% be made from federal funds. LSCA Title I and Title III funds received in excess of other funds appropriated and in excess of federal funds needed to meet 46 percent of employee pay raises shall be passed through as grants to local libraries. Roll call vote is as follows:

Senator Nelson-----No
Senator Fasbender-----Yes
Chairman South-----Yes
Representative Moore--No
Representative Kvaalen--No
Representative Bengtson-Yes

The motion failed.

Representative Moore left the meeting.

Senator Fasbender inquired why there was so much opposition to using state funds. He feels the Commission is running out of

grant money and if the federal funds are not utilized, there won't be any left. Tom Crosser of the Executive Budget Office stated that Senator Baucus' office told him earlier this year that federal funding may be written.

Other state agencies' personal service pay increases are based upon the ratio between general fund and other funds. Mr. Crosser further stated that the head of the LSCA money in Washington, Elizabeth Hughey, has conveyed to Senator Baucus' staff that in the Library Commission is singled out again as the only agency, the federal funding for the Commission will be in jeopardy.

Representative Bengtson expressed her feeling that since the Library Commission had wanted to spend all of the federal money in grants, this was a compromise.

Senator Nelson inquired what the grants were used for.

Representative Bentson stated they were used for services which were related to library utilization.

Chairman South feels the main consideration is whether the Library Commission is to be singled out again as the only agency in state government that has general fund and federal dollars in it, that uses the federal funds entirely for pay increases. It could jeopardize the federal funds, and he stated the consequences if no federal funds were obtained.

Judy Rippingale asked if she should contact Washington to see how serious the possibility of not getting any federal funds was.

Mr. Crosser stated another option was that if there is not language in the appropriation bill restricting the Library Commission to only federal funds for pay increases, then they could go ahead and split 54%-46%. Chairman South felt that with the motion's failure, legislative intent would not allow that.

It was agreed Mrs. Rippingale would try to get a written statement from Washington in this regard.

Chairman South stated he would like to make a decision on the Library Commission this week.

On the Historical Society in the area of the Libby Dam project, the LFA recommendation is to eliminate the full-time accountant position paid by the federal government and have the Society take care of the accounting with its existing staff. The Historical Society would then receive indirect costs from the federal program. Mrs. Rippingale gave an explanation of the indirect costs; the Director, Administrative Secretary, Business Manager and Accountant from the Society would be providing services to the Libby Dam Project. Portions of their salaries

would be paid by the federal government in addition to \$200 per month for supplies, giving \$15,902 and \$16,646 for indirect costs for FY's 80 and 81 respectively.

The LFA recommendation is that the Society needs a business manager just to run the business of the Historical Society and that he can spend 20% of his time allocated to the Libby Dam project. Mrs. Rippingale feels that the state will benefit by approximately \$32,000 using the LFA recommendation.

Representative Kvaalen moved that the federally employed accountant position be eliminated at the Libby Dam Project and that his duties be incorporated into other staff positions at the Historical Society; indirect costs in the amount of \$15,902 in FY 1980 and \$16,646 in 1981 should be charged to the federal government for services of Historical Society administrators and supplies. Roll call vote is as follows:

Senator Fasbender-----Yes
Senator Nelson-----Yes
Chairman South-----Yes
Representative Kvaalen---Yes
Representative Bengtson--Yes

The motion prevailed. Representative Moore was not present for the voting. A copy of the Indirect Costs which the Historical Society would receive is attached to these minutes as Exhibit A.

The magazine program of the Society was discussed. Chairman South felt a determination would have to be made as to whether the magazine is worthwhile enough to keep and if the state will subsidize funding.

Senator Fasbender stated he felt that the state should fund the portion of the Magazine Program that would come out as a deficit. Mrs. Rippingale feels this is the most cost-effective method without running a negative balance for the magazine. If the revenue does exceed the costs of operation, the general fund would not be used.

Mr. Crosser stated that subscription rates will be raised, but the increase will not offset the increased costs.

Senator Nelson moved that the Magazine Program continue and that enough state general fund monies be appropriated to keep the Magazine Program from running with a negative balance. The motion carried unanimously, with Representative Moore being absent. A copy of the modified budget for the Magazine Program is attached as Exhibit E.

Representative Kvaalen moved that the modified benefits in the Library Program and the Archives Program of the Historical Society be adopted. The motion carried unanimously, with Representative Moore not being present to vote. Copies of the

modified budgets for the Library Program and the Archives Program are attached as Exhibits C and D respectively.

The Merchandising Program of the Historical Society was discussed by Judy Rippingale; the revenue from this program will have to go towards making up a present deficit. Any additional profits will go towards the Museum Program.

Senator Fasbender moved that the recommendations set forth in the modified for the Merchandising Program of the Historical Society be adopted; a copy of the modified recommendations are included as an attachment to these minutes as Exhibit E. This would involve separating the Merchandising Program into a separate revolving account from the publications. The motion passed unanimously, with Representative Moore not being present.

Representative Bengtson moved the modified figures dealing with the Museum Program of the Historical Society be adopted; a copy of these recommendations are attached to the minutes as Exhibit F. The motion passed unanimously, with Representative Moore being absent.

Handouts on up-dated enrollment data from the six university units were given out and discussed. Chairman South stated that he would like to make a decision on which enrollment they are going to use before the units begin to come in.

The supplemental for MSU was discussed. Judy Rippingale presented figures for MSU using the guidelines in House Bill 145 and related them to MSU's present enrollment and revenue.

Chairman South stated \$344,421 could be appropriated. He further commented that system-wide, House Bill 145 appropriated money for 424 more students than were actually in the system, and the Regents did not take the opportunity to transfer money between units. MSU is asking for additional funding for 200+ students, when 424 more have been funded system-wide.

Senator Fasbender feels it should be pointed out that MSU was out of line in what they did administratively, but that some money will have to be appropriated. There was further discussion on the situation at MSU.

Representative Moore proposed that President Tietz, as well as the Regents, discuss with the committee the prospective faculty lay-offs. The committee would like documentation from Montana State University in this regard.

The committee recessed for ten minutes.

COMMISSIONER OF HIGHER EDUCATION

Chairman South expressed his concern that the Commissioner of Higher Education office had not published enrollment guidelines for five years.

Representative Bengtson inquired about the number of out-of-state trips taken over the past year and the recommendation for fiscal year 1980. Mrs. Rippingale stated that 10 trips were budgeted for 1980 and 32 had been taken during fiscal year 1978 and briefed the committee on the LFA recommendations in terms of travel, operations and capital.

Operating Expenses:

Contracted services - Reduction has been recommended.

Supplies and materials - Books budget was reduced by half.

Communications - Corresponding with the staff reduction, they recommended a reduction in the number of phones. There was a one-time charge taken out.

Travel - Reduced out-of-state travel to 10 trips at \$400 per trip. It was recommended the Commissioner not have a state motor pool car checked out all of the time and this reduced the travel funds. They left current level for travel at state motor pool rate.

Rent - Office rent, mag card equipment, and postage meter.

Utilities - funded

Dues and subscriptions - Cut by one-fourth down to \$1,947.

Registration fees for training conference - included in the \$400 per trip under travel.

Equipment - none funded

Judy Rippingale stated that the office receives approximately \$40,000 per year federal administrative money.

Judy went over the various items in the Commissioner's budget.

	1980	1981
Contracted Services	\$24,830	\$26,320
Supplies and materials	5,518	5,349
Communications	19,753	20,839
Travel (in-state)	19,108	19,108
Travel (out-of-state)	4,000	4,000
Rent		
Building	60,396	60,396
Mag Card	5,959	6,287
Postage meter	167	176
Utilities	3,480	3,793
(There is a 9% inflation factor per year.)		
Repair and maintenance	644	702
Other expenses	2,245	2,379
(Dues and subscriptions decreased 25%.)		

There was discussion on the number and utilization of the phones in the Commissioner's office.

Personal Services

Judy presented the following salaries:

Commissioner	\$42,000
Deputy of Finance	34,000
Deputy of Academic	40,500
Chief Legal	28,141
Staff Attorney	19,950
Labor Chief	24,000
Labor Negotiator	18,000
Director of Community	
College and Planning	30,000
Director of Special Projects	30,000
Systems Director	24,000
Financial Auditor	19,318
Research Associate	11,724
Board Secretary	15,225
Two Secretaries	10,642
Receptionist	8,946
Hourly	6,000

There is a total of 16 FTE which is an increase of .3% in professional and a 2.32% decrease in clerical staff.

Judy Rippingale stated that the Commissioner's salary of \$42,000 follows the pay plan.

Representative Moore moved that the operating budget in the amount of \$146,100 for FY 1980 and \$149,849 for FY 1981 be adopted. The utilities would be subject to change. The motion was approved unanimously.

Representative Moore moved that the personal services budget figures of \$387,688 for 1980 and \$390,851 in 1981, including benefits of \$44,600 in 1980 and \$47,763 in 1981, be adopted to fund 16 FTE. The motion passed unanimously.

The meeting adjourned at 11:05 a.m.

Carroll South 3/23/79
CARROLL SOUTH, CHAIRMAN

Transcribed by Linda Berg

Yvonne Borgmann
Yvonne Borgmann, Acting Secretary