

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION  
January 22, 1983

The House Appropriations Subcommittee on Education met at 7:00 a.m. on Saturday, January 22, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present. Executive Action was taken on the State Library budget.

Discussion took place regarding the Office of Public Instruction's separate budget proposal for the Vo-Tech Centers, which Mr. Gene Christiaansen had distributed to the Committee members the night before. Pam Joehler (LFA) stated that Mr. Christiaansen had made her aware about a week and a half earlier, by way of the Helena Vo-Tech Director, that OPI would have another budget. Francis Olson (OBPP) said that his office had had no idea that this budget would be submitted. The Chairman wanted to know why a third budget had been considered necessary by OPI. Discussion took place regarding how the Committee would deal with the issue, etc.

The State Library budget was taken up. Mr. Olson gave a brief summary of OBPP's approach to the State Library budget. FY 1982's actual costs are adjusted by the agency; this can only be done in Operations and Equipment. The adjustments reflect what the agency's request was in additional equipment, including books, and for rent, travel, and telephone communications. The adjustment is made before an inflation factor is added. The base in Program 1 has been increased by \$5,781. They adjusted their base downward from their present current level, total budget, by \$10,230. OBPP then cut more out of their current level, by \$17,071; therefore, the total base adjustment was downward \$27,000 for all programs. Then OBPP added rent, telephone, and audit costs back in, for a net increase of \$63,721, before any inflation factors are applied.

Program 01 - General Library Services. Personal Services.

The OBPP figures were moved; motion carried unanimously.

Operating Expenses. Ms. Joehler explained the variance. The LFA used different bases for the rate per square foot on rent than what OBPP used. LFA used the base plus inflation, which amounts to less than what OBPP used. She felt the actual figure would come closer to what OBPP had estimated. In response to Rep. Donaldson, Ms. Joehler said the rent had amounted to a little more than \$25,000 for 1982 in the Library's old headquarters. Mr. Olson stated that the Department of Administration had told OBPP that 37,883 square feet at \$3.28 per square foot was what the charges would be in the new quarters.

Communications. OBPP's addition to the budget provides for the telephone for local service. The new Justice building is not impacted by the reduction of the new telephone system; therefore, the projected 1983 costs were used. That is a 15 - 20% increase.

Rent. In response to Sen. Haffey, Ms. Joehler explained that \$3.28 per square foot was the standard rate on rental of state office space imposed by the Department of Administration for 1984. This figure has to be approved by the Legislature, but for the present they are using it.

Travel. Ms. Joehler said that the OBPP allowed approximately a \$950 base increase which the LFA didn't.

Sen. Haffey moved the OBPP figures for Operating Expenses for both years. Motion carried unanimously.

Equipment. Ms. Joehler said that the LFA allowed \$70,000 in 1984 for books, and \$74,200 in 1985 for books. The remainder is to enhance their microcomputer system. In 1982 they spent \$62,300 on books. Mr. Olson said that the Agency requested \$76,553 in 1984 and \$85,892 in 1985. They lowered their operating costs to cover this increase. OBPP cut this to \$74,000 in 1984 and \$80,700 for 1985, which is still a 9% per year increase over 1982. The agency did submit to OBPP an adequate amount of information that indicated that the inflation factors for books were much higher than that. Probably they are about 24%.

Sen. Haffey moved the LFA budget for Equipment; motion carried unanimously.

State Library Fund Account. Ms. Joehler explained that these funds were the coal tax funds that were used for grants to local federations. The Library Commission Fund Account is the federal LSCA money; this money is used in all five programs. OBPP and LFA had two different approaches as to how much money should be put in each program. The LFA took what the agency had budgeted in 1983 and applied an inflation factor. Mr. Olson explained that when the agency originally submitted their budget, they didn't submit a revenue estimate for the LSCA grant because they weren't sure what the federal funding level would be. In addition, they felt that the LSCA grants should more or less pass through to the network libraries, and the state should replace that grant with general fund for operations of the

Library. OBPP feels that they should retain the types of funding that are provided by the LSCA grant. OBPP used the lower figure of LSCA grant money that was appropriated in 1983 or spent in FY82. Ms. Joehler stated that there were no federal money grants to the federations.

Chairman Bengtson rose in support of directing more money out to the federations. She stated that LSCA money used to go out to the federations, but in the recent past, more of it has been going toward operating the State Library. Networking was included in 1981, so that part of the coal tax money could be used for networking. This again took more money from those monies that were going out to the federations. Mr. Olson said that the total LSCA money amounted to \$382,981. They used a revenue figure of \$342,883 in 1984 and 1985; apparently the OBPP anticipated a shortfall in the LSCA grant. Rep. Bengtson wanted to know, historically, how much of that money had been used to administer the State Library. Ms. Joehler said that in 1984 and 1985 all of the money would be used for this. In the past there has been some leftover, and it has flown through.

Ms. Joehler then presented the information regarding the increase in coal tax money submitted by the LFA. In the 1983 biennium they budgeted for \$980,935, for both flow-through grants and for use in the State Library for the networking operation. In the 1985 biennium, the combination of those two adds up to \$1,010,212, a 2% increase. In response to Sen. Haffey, Ms. Joehler said that the LFA expected an increase overall in LSCA funds of 6% for each year of the biennium. OBPP expects a decrease, as does the agency. Regarding the coal tax funds for which pass-through authority will be given, operating expenses supported by general fund will not be affected by this. Therefore, if coal tax revenue comes in more than the Committee-approved spending authority, the agency will have to come in for a budget amendment. Sen. Haffey wanted to know if spending authority was granted at the higher level on coal tax money and LSCA money, if this would be doing anything to overstate general fund requirements. Ms. Joehler said that if the LSCA money came in higher than the spending authority was at, and the agency passed LSCA money through which was supposed to be used for administration, then the general fund requirement would be overstated. Sen. Haffey submitted that if the Committee overstated what the LSCA money would be, then the agency would be getting less general fund money. Rep. Bengtson wanted to know how much additional general fund would be needed

if it were designated that the LSCA money go out for grants. She was told that it would amount to about \$700,000 in the biennium.

Sen. Haffey moved the LFA estimates for coal tax for both years: \$389,000 in 1984 and \$495,000 in 1985; motion carried unani-  
mously.

Library Commission Fund Account. Sen. Haffey then moved that the OBPP figures for both years be approved; motion carried un-

Program 02 - Library Networks Program. Personal Services.

Sen. Haffey moved the OBPP recommendations: \$94,824 in 1984 and \$95,758 in 1985. Motion carried unanimously.

Operating Expenses. Sen. Haffey moved the OBPP figures; motion carried unanimously.

Equipment. Rep. Donaldson moved the OBPP figures; motion carried unanimously.

State Library Fund Account. Sen. Haffey moved the LFA figures for both years. Motion carried unanimously.

Library Commission Fund Account. Sen. Haffey moved the OBPP figures for both years; motion carried unanimously.

Program 03 - Institutional Library Services. Personal Ser-  
vices. Rep. Donaldson moved the OBPP figures; motion carried unanimously.

Operating Expenses. Rep. Donaldson moved the OBPP figures; motion carried unanimously.

Equipment. Rep. Ernst moved the LFA budget; motion carried unanimously.

Library Commission Fund Account. Sen. Haffey moved the OBPP estimates; motion carried unanimously.

Program 04 - Library Services for Physically Handicapped. Personal Services. The OBPP figures were moved; motion carried unanimously.

Operating Expenses. Ms. Joehler explained that rent was allocated in two programs, and the LFA's allocation was

different from the OBPP's. Rep. Donaldson moved the OBPP figures; motion carried unanimously.

Library Commission Fund Account. Rep. Ernst moved the OBPP figures; motion carried unanimously.

Program 05 - Administration. Personal Services. Sen. Haffey moved the OBPP figures; motion carried unanimously.

Operating Expenses. Sen. Jacobson moved the OBPP estimates; motion carried unanimously.

Library Commission Fund Account. Sen. Jacobson moved the OBPP figures; motion carried unanimously.

The Modification requests were then considered for the Library Commission. Exhibit "A" from the January 20, 1983 hearing was referred to. Ms. Joehler explained that the agency's request for two clerical-level FTE's was apparently in lieu of what had been submitted to the OBPP.

It was generally agreed that items No. I and II (Exhibit "A:" January 20, 1983) had been addressed by the Committee when the OBPP budget had been accepted. Item III had been addressed by neither OBPP nor the LFA.

The Committee took a five-minute recess.

Upon reconvening, the Committee took up the issue of the upgrading of personnel. Rep. Donaldson submitted that the Committee had no choice but to provide funding to accommodate upgrades; he so moved \$9,016 for each year of the biennium. Motion failed. It was pointed out that this wasn't addressed in the modified requests. Ms. Joehler said that at the time the budgets were prepared, the upgrades hadn't been approved; since then they had been approved.

Item IV (Exhibit "A" January 20). No motion was made.

Item V - operating funds for Montana State Library Commission to fulfill its statutory and governance role - \$1,480 in 1984 and \$1,480 in 1985. Rep. Donaldson rose in support of paying the lay people. It was explained that at present the Commission met quarterly, and with approval of the request, there would be six meetings per year. Chairman Bengtson asked Ms. Sara Parker (State Librarian) what the justification was for meeting more than four times per year.

She replied that they were expecting to be needing to meet more often, because of the increased role that the State Library was playing. Rep. Peck moved acceptance of Proposal V; motion carried with Rep. Donaldson opposed.

Item VI - funds necessary to revise library laws and administrative rules. Sen. Jacobson moved \$1,750 in each year. These are monies to pay the Attorney General's office. The question was called for; motion carried with Reps. Bengtson and Ernst opposed.

Executive Action on the State Library Commission was completed.

Chairman Bengtson announced that she had met the previous day with Curt Nichols (LFA) and members of MSU President Tietz's staff regarding the item which Mr. Jack Noble (Commissioner of Higher Education's office) and President Tietz had wanted to bring before the Committee: operating one of the fund balances in the red. She said that perhaps for one time only purposes, language would have to be put in the Supplemental. The language would allow MSU to transfer some of the unanticipated revenue in other funds to cover the fund balance in the red. If this is the case, the caps will have to be kept on the University of Montana and Western Montana College. Tom Nopper, the fiscal officer at MSU, and Jack Noble went over the matter, and there was no intention of covering up anything, Chairman Bengtson stated. The Land Grant monies did not come in at the level they were expected to. The money was spent in anticipation of the revenue coming in at the estimated level. Utilities monies were reverted.

Mr. Tom Crosser (OBPP) stated that he had discussed the matter of capping with U of M, and they said there was no problem with placing caps on them. Chairman Bengtson said that all the Legislature would have to do would be provide for a one-time-only provision in the supplemental that would allow MSU to transfer some overages in the other units to cover the balance. There would be no money involved; it would be strictly bookkeeping. The Regents would be handling it. Rep. Donaldson stressed that the revenue estimates had been too low in 1981, but this hadn't been anyone's fault. Chairman Bengtson stressed that it hadn't been a case of mismanagement on anyone's part.

Regarding the budget request which had been submitted to the Committee by the Office of Public Instruction for the

Vo-Tech. centers, Sen. Haffey suggested that the Committee go through its presentations as planned, before the third budget was considered. Chairman Bengtson said that this would be the format the Committee would follow.

The meeting was adjourned at 8:30 a.m.

  

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Rep. Esther G. Bengtson - Chairman