

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION
COMMITTEE ON STATE ADMINISTRATION

Call to Order: By CHAIRMAN ETHEL HARDING, on February 1, 1995,
at 10:00 AM.

ROLL CALL

Members Present:

Sen. Ethel M. Harding, Chairman (R)
Sen. Kenneth "Ken" Mesaros, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Mike Foster (R)
Sen. Don Hargrove (R)
Sen. Vivian M. Brooke (D)
Sen. Bob Pipinich (D)
Sen. Jeff Weldon (D)

Members Excused: N/A

Members Absent: N/A

Staff Present: David Niss, Legislative Council
Gail Moser, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB154 SB190 HB106
Executive Action: HB106 BE CONCURRED IN
SB190 TABLED

{Tape: 1; Side: A; Approx. Counter: 63.6}

HEARING ON SB154

Opening Statement by Sponsor:

SEN. MIKE FOSTER, Senate District 20, Townsend, stated SB154 resulted from contact with a constituent in his district, Mary Doggett. SEN. FOSTER said Ms. Doggett is a member of the Montana Library Commission. The Commission has only limited authority when dealing with the allocation of funds or the plans of service for the Library Federations. In the past, the State Library Commission has had what might be interpreted as implied

authority regarding the Federations. SB154 would give the Commission *explicit* rather than *implied* authority.

Proponents' Testimony:

Mary Doggett, member of the State Library Commission, handed out her written testimony which she read verbatim. Attached to her testimony is a letter from Meagher County Attorney, John Potter, that she said would provide an interesting legislative history on what lawmakers intended when the Library Funding bill was passed in 1989 (EXHIBIT 1).

Henry McClernan, citizen, said he was on a local public library board in Butte for many years and also on the State Library Commission for three terms, nine years. **Mr. McClernan** said he Chaired the Commission during the early days of Library Federations, so his primary purpose today was to put this situation in context for the Committee. **Mr. McClernan** explained that the Library Federations originated in the early 1950's from Colorado law. **Mr. McClernan** said in the early days of Federations, the librarians did not squabble and the Commission didn't pay much attention to the law because there was no money. Then came the Library Services Construction Act money and, later, one half of one percent of the coal tax revenue was allocated for use by the Library Federations. At that point, the Commission started to develop administrative rules. **Mr. McClernan** explained there are six or seven Federations in the state and they center around a major library with the concept that resources will be shared. **Mr. McClernan** stated there are a couple of parts of the law the Commission adhered to carefully: 22-1-402 that insured local control; and 22-1-103 that lists what the Library Commission is supposed to do. One of the things it is supposed to do is serve as the agency of the state to accept and administer various monies appropriated or granted to foster library service. At that time, there was no question who was responsible for oversight of the money - the Library Commission. **Mr. McClernan** stated the Library Commission sent some service plans back for correction because they did not adhere to the contract between local libraries and the headquarters. **Mr. McClernan** stated SB154 may be redundant as he believes the Commission *already* has the necessary authority, but he said, however, if there is a problem, SB154 will correct it.

Lloyd Wallin, citizen, Deer Lodge, stated he is a former member and Chair of the Montana Library Commission. **Mr. Wallin** said he believes it is difficult to be on the Library Commission having the authority and responsibility for the funds, yet not have authority over the distribution of those funds. The Commission was given this authority initially, but it has degenerated to the point it is now causing problems. **Mr. Wallin** said he believes it is in the best interest of the Commission as well as the State Library that control of the funds be centered in the Library Commission.

Myrna Lundy, citizen, Fort Benton, stated she is a member of the State Library Commission, but is representing only herself.

Ms. Lundy said she believes accusations that the Commission is ineffective or inefficient stem from the fact the Commission does not have clear direction as to their level of authority. If the Library Commission is supposed to administer the funds and needs to approve the plans of service, it needs to have full authority to disburse the funds. **Ms. Lundy** said she does not believe that is the intent of the law or the legislature, and the Commission spends time and taxpayer money reviewing the plans of service when it makes no difference if the Commission approves the plan or not. **Ms. Lundy** said clarification is needed one way or the other.

Opponents' Testimony:

Mary Hudspeth, Lincoln County Superintendent of Schools in Libby, testifying as a private citizen. **Ms. Hudspeth** said she served on the State Library Commission for three terms, and five years as Chair. She believes there is an advantage in local people making local decisions, and the Advisory Board provides each Federation with the services its members need most. The growth and development of library services in the Federation must meet the diverse needs of libraries throughout the state. Federations enable area librarians and trustees to establish and enlarge the library community through technical advice, encouragement, and mutual support. **Ms. Hudspeth** believes decisions regarding Federation Library services should be left to the majority vote of its own members.

Nora Verporten, Public Library Trustee of the Plains Public Library, member of the Tamarack Federation Board of Advisors, Chair-elect of the Tamarack Federation, member of the Montana Library Association, the American Library Association, and the American Library Trustees Association, stated she is representing her own views as reflected through her experience with the Tamarack Federation. **Ms. Verporten** said her testimony would center around basic premises incorporated in the Montana Library Laws: the people of the state do not wish to advocate their sovereignty to the agencies which serve them. Also, it is the policy of the Legislature to encourage the most efficient delivery of library services to the people of Montana.

Ms. Verporten said she believes the most efficient delivery is on a local basis, and Federation coordinators are trained, well-informed professionals who are aware of the needs of the libraries in their respective jurisdictions. The Advisory Boards, who are the voting members of Federations, are comprised of Public Library Trustees and mandated by law to uphold the public trust and abide by ethical standards set forth in the Montana Constitution of Montana Library Laws. Accountability is provided for in the current Federation structure, in that plans of service are developed by professionals in the field and then referred to Advisory Boards. The Advisory Boards are charged by

law with overseeing the public interest and use of funds. In practical application, the Montana Public Library Services Council is charged with making the determination as to the needs of individual libraries. This Council communicates with the Montana Library Commission. **Ms. Verporten** briefly explained the work of trustees regarding budget preparation and the importance of the Federation funds to the budgeting process. **Ms. Verporten** added that, at a time when Montanans are strongly pursuing grass-roots participation, it is ill-advised for a government entity to try to wrest more control from the people.

Jim Heckel, Director of the Great Falls Public Library, and Coordinator for the Pathfinder Federation of Libraries, stated he was asked to speak on behalf of **Bill Cochran, Director of the Parmly Billings Library,** following his own testimony. **Mr. Heckel** explained that the Pathfinder Federation is located in North Central Montana and is composed of 14 libraries in that area. He said he polled most members of their Federation, and they are unanimously opposed to SB154. **Mr. Heckel** stated that the required plan of service is developed on a local level within the Federation itself. The plan is formulated by an Advisory Group which is elected by the Federation and composed of lay people who are interested in libraries, and they have served well over the past years by responding locally to local problems. **Mr. Heckel** also said there are strict accountability standards regarding the use of Federation funds, and reporting is submitted to the State Library and the State Library Commission. The trend toward local control provides the opportunity for many small, under-funded libraries to pursue projects such as continuing education for librarians, automation, and other projects to better serve their communities. All projects are approved by the State Library and State Library Commission. **Mr. Heckel** said he believes the current system works, so why fix something that's not broken.

Mr. Heckel, speaking for Bill Cochran, Director of the Parmly Billings Library and Chairman of the South Central Federation of Libraries: "First, I would like to note that I enthusiastically endorse any legislation to ensure that public funding is expended appropriately and fully accounted for. I am supportive of any reasonable reporting and review requirements beyond current processes of review by the Federation and by their Advisory Boards, the Headquarter Libraries, the Boards of Trustees that are involved, and the auditors of the Headquarters Libraries done by the State Library staff and the State Library Commission. However, on behalf of the librarians of my Federation who held their regular meeting last Thursday, I must express their unanimous opposition to this bill as currently written. They oppose the bill because it poses the possibility the State Library Commission requiring changes in the services provided by the Parmly Billings Library as Federation Headquarters, services currently determined by the member libraries themselves. Lewistown Public Library Director, Janice Bradley; Red Lodge-Carnegie Library Director, Bill Moran; Petroleum County Community Library Director, Nancy Freeburg, asked me to convey to

you their concerns regarding this bill: "We are unsure, unclear as to why changes are needed to the current law when it is currently working. The process allows local libraries to work together within the Federation structure to develop a plan of service, a plan designated to meet our needs. Why fix something that is not broken?" Laurel Public Library Director, Peggy Arnold submits that "I am concerned that SB154 may hold up or slow down the process that allows local libraries to get state funds and resources to their local users." That's what this is all about, delivering library services to local people. Finally, Roundup Community Librarian, Elizabeth Kocab and Lauren Thompson, simply want you to know that "we would not like this bill enacted, but would like to keep things the way they are." On behalf of the Federation's member libraries, they ask that you not pass the bill to take away their long-standing and current ability to determine for themselves what services they would like their Federation to provide."

Greta Chapman, Director of Lincoln County Public Libraries in Eureka, Troy and Libby, a Tamarack Federation member, and Chair of the Montana Library Association Government Affairs Committee. Ms. Chapman handed out written testimony which she essentially read verbatim (EXHIBIT 2).

Jim Kembel, representing the City of Billings, stated support for their librarian's concerns and emphasized they strongly support local control.

SEN. VIVIAN BROOKE stated she was asked by her constituent, **John Fletcher, President of the Tamarack Federation of Libraries,** to submit his written testimony (EXHIBIT 3). **SEN. BROOKE** read the last two paragraphs of Mr. Fletcher's written testimony verbatim.

Questions From Committee Members and Responses:

SEN. DON HARGROVE commented to Nora Verporten that SB154 says it is "an act requiring approval of the Public Library Federation's Grant Proposal by the Montana State Library Commission."

SEN. HARGROVE then asked, if the concern is losing local control, doesn't SB154 seem as though it could in fact enhance local control. **Ms. Verporten** stated that local control and accountability are currently in place through the use of the Montana Library Services Advisory Council who communicates with the library, the Federation, and the Montana Library Commission.

SEN. HARGROVE then asked, if the Advisory Council is the principle contact group, is the Commission necessary.

Ms. Verporten said she would not address that issue.

SEN. JEFF WELDON asked Senator Foster if a statement of intent is needed if SB154 provides the Commission rule-making authority to create grant approval criteria. **SEN. FOSTER** asked David Niss to respond to the question. **Mr. Niss** stated the Legislative History

Act in the Joint Rules only requires Statements of Intent for new rule-making authority. **SEN. FOSTER** suggested this concern could be addressed in executive session.

SEN. WELDON asked Senator Foster if SB154 will create any additional costs through the Commission for the State Library by adding the responsibility of approving the plans. **SEN. FOSTER** said he did not believe it would create additional costs since the Library Commission already reviews the plans. SB154 adds a level of authority regarding the approval of the plans.

SEN. WELDON asked Senator Foster if the State Library now charges an administrative fee to the Federations for administering these monies. **SEN. FOSTER** said many people in the room were indicating "no." **SEN. WELDON** asked if somebody in the room could confirm that. **Richard Miller, State Librarian**, said that is true, there is no administrative fee charged to the Federations.

Closing by Sponsor:

SEN. FOSTER said there are obviously some problems in our libraries, and because libraries are so important to everyone, he hopes the problems can be resolved. **SEN. FOSTER** commented in response to Mr. McClernan's statement that SB154 is redundant, that that is actually the purpose of SB154 because, historically, the Library Commission was clearly intended to have the authority that SB154 will make explicit. One reason the authority was initially granted, or was implied, for this Commission was to insure that fairness and equity would be maintained for all the members of the Federation. **SEN. FOSTER** said that there are some Federations using their money very judiciously and fairly, but that may not be the case in other Federations, and some oversight is necessary. **SEN. FOSTER** said SB154 is not an attack on local control, and where Federations extend fairness and equity to their members, the Commission poses no cause for worry. SB154 will provide the Commission with the explicit authority that was originally intended. **SEN. FOSTER** added that the role of the Advisory Council is a narrow one and they only possess advisory authority on matters dealing with federal funds; therefore, they cannot take the place of the Commission.

CHAIRMAN HARDING closed the Hearing on SB154.

HEARING ON SB190

Opening Statement by Sponsor:

SEN. TERRY KLAMPE, Senate District 31, Florence, handed out information for discussion (**EXHIBIT 4**). **SEN. KLAMPE** said SB190 is not about being greedy politicians, and he considers four main

points as the purpose for SB190. **SEN. KLAMPE** said legislators should not have to pay the state's expenses during the interim, and he used examples of telephone calls to constituents or to others on behalf of constituents as unreimbursed expenses. **SEN. KLAMPE** then reviewed the information on the third page of his handout which outlines the salaries and reimbursement rates for legislators in other states while in session and during the interim. **SEN. KLAMPE** said the third point is that a common Montanan could not become a legislator due to the expense involved. **SEN. KLAMPE** stated the fourth good reason for SB190 is it would help make our Legislature more representative of the people. **SEN. KLAMPE** said these are the issues he will discuss with the press, and he warned Committee members if they vote against SB190, he will cast them as people voting against having a Legislature that represents the people of Montana. **SEN. KLAMPE** also said he will tell the press that legislators are under-paid and over-worked. **SEN. KLAMPE** added that, generally, people will produce based on how much they are compensated no matter what it is.

Proponents' Testimony: None

Opponents' Testimony: None

Questions From Committee Members and Responses:

SEN. WELDON asked Senator Klampe to clarify that we are employees of the state. **SEN. KLAMPE** answered that is correct.

SEN. WELDON said that state and federal tax laws allow employees who are not reimbursed for expenses to recover expenses, for tax purposes, by deducting them from their taxable income.

SEN. WELDON asked if those expense are then recovered, essentially, when they are used as a deduction when filing a tax return. **SEN. KLAMPE** said even if all benefits, including insurance, are added up, the salary still comes up a pittance.

SEN. KLAMPE said SB190 provides that the \$100 would not be taxable at the state level, but it would be taxable at the federal level. He said SB190 could be amended so the \$100 be taxable for both state and federal, but it was the consensus of Legislative Council that it be set up as it reads now.

SEN. KLAMPE said to avoid any double-dipping, an amendment may be needed to clarify that you can't deduct those telephone expenses on the state tax filing because you are not being taxed on them.

SEN. WELDON restated his question explaining that reimbursement occurs at least through the tax system as a deduction by reducing the amount of taxable income. **SEN. KLAMPE** stated that while he is not a tax lawyer, the basic contention is that even if doing those little things (tax deductions, for example), the salary still adds up to a pittance.

SEN. BOB PIPINICH stated that some legislators have credit cards for telephone calls, and SB190 would eliminate use of those credit cards and instead provide legislators \$100 per month.

SEN. PIPINICH said he considers that to be fair.

SEN. KEN MESAROS asked Senator Klampe to clarify the Code sections 2-18-501 and 2-18-502 referred to on page 1, line 22.

SEN. KLAMPE said he would prefer to have the Legislative Council staff answer this question.

{Tape: 1; Side: B; Approx. Counter: 46.2}

SEN. BROOKE asked Senator Klampe to clarify that on page 1, line 18 the language "is entitled to \$100"... provides that a legislator is not *required* to take the \$100. **SEN. KLAMPE** stated that question has not been asked before, but he believes that is correct, it would not be *required* that the \$100 be accepted.

SEN. BROOKE asked Senator Klampe if he considered having his bill address *actual* expenses rather than a flat amount. **SEN. KLAMPE** said he would argue that approach as it would add another layer of bureaucracy. He believes \$100 is not actually a sufficient amount; therefore, there shouldn't be accusations of cheating and this also eliminates the need for additional bureaucracy.

SEN. FOSTER referred to Senator Klampe's statement that current legislators are not representative of the people. **SEN. FOSTER** asked Senator Klampe to clarify how SB190 relates to who runs for legislature and who people choose to vote into legislative positions. **SEN. KLAMPE** said he believes current legislators do a good job in *representing* the people, but added they are not a composite of Montanans, they are ranchers, college graduates, teachers. **SEN. KLAMPE** said, statistically speaking, they are not representing the people. He also added that SB190 will not solve that problem by enabling some poor person to run for a legislative position, but it will address that problem.

SEN. FOSTER described an analogy heard in a House Taxation Committee meeting, where a member of the Democrat party compared state government to being a very large corporation and the Legislature to being a board of directors. **SEN. FOSTER** asked Senator Klampe if he had a corporation the size of the State of Montana, would the current legislators not be qualified to serve on the board of directors. **SEN. KLAMPE** stated he believes a good job is being done by legislators *representing* the people, but statistically, they are not *representative* of the people, they are an "elite" group. **SEN. KLAMPE** said if he were the CEO of a large corporation, he probably would select people like Senator Foster, Senator Weldon, etc., college educated people, but this is not that large corporation and he did not make that analogy originally.

SEN. FOSTER asked Senator Klampe if he could make the assumption that income from his dental practice is somewhat above the average for Montanans. **SEN. KLAMPE** stated yes, he could assume that. **SEN. FOSTER** then asked Senator Klampe if SB190 would move his level of income closer to level he earns in his dental practice while he is away from his practice to work as a legislator. **SEN. KLAMPE** said, statistically speaking, it would not move him *significantly* closer to the level of income he earns as a dentist.

SEN. FOSTER clearly stated that he serves as a legislator not for the money, but for public service, and SB190 appears to be shifting from public service and aiming towards serving in the legislature to make a buck. **SEN. KLAMPE** said he expects that response from some people, but the intention of SB190 is to enable people other than the elite people to serve the public.

SEN. MACK COLE stated he believes he is representative of the people in the area he comes from which is highly agricultural. **SEN. COLE** said he probably earns less money than the average person, and he serves as a legislator for the public interest. **SEN. COLE** said he does not believe \$300,000 from the General Fund should be used for SB190. **SEN. KLAMPE** said Senator Cole is an "anecdote" and perhaps does make less than \$19,000 per year, but **SEN. KLAMPE** said he cannot address every Senator's and Representative's case.

SEN. MESAROS asked Senator Klampe to clarify exactly what he considers to be "elite" in relation to the makeup of Montana's citizen legislature. **SEN. KLAMPE** said, again statistically, the legislature makes more money than the average Montanan, has a finer car, more and better clothes; but he doesn't want to use the term "elite." He stated SB190 is an attempt to cover expenses.

Closing by Sponsor:

SEN. KLAMPE stated that the information on page three of his handout is on "citizen legislatures", and an additional \$100 per month provided to Montana's legislators would not even compare to the other states listed in the handout.

CHAIRMAN HARDING closed the Hearing on SB190.

HEARING ON HB106

Opening Statement by Sponsor:

REP. WILLIAM "RED" MENAHAN, House District 57, Anaconda, said HB106 comes from a request by OPI and the budget office and will

equalize the retirement window for everyone. **REP. MENAHAN** explained that if a teacher belonged to the Public Employees Retirement System, they were covered under the window of opportunity to retire, but if they belonged to the Teachers Retirement System, they were eliminated.

Proponents' Testimony:

Gregg Groepper, Office of Public Instruction, explained that some people in their bargaining unit were missed through an oversight in HB517 last session. HB517 started out as an early termination incentive for PERS members. When HB517 got to the Senate, TRS members were included. **Mr. Groepper** said HB106 involves no cost to the TRS and there is no cost to the State of Montana. For any employee who takes the early termination incentive, OPI absorbs that within their budget. HB106 doesn't apply to the university system because they had their opportunity last session, and it doesn't apply to teachers who are under contract with public school districts because they get covered under laws of the school districts who can offer their own retirement system.

Pat Haffey, Senior Policy Advisor for Education in the Governor's office, spoke on behalf of the Governor in support of HB106. The Governor's budget office worked with OPI to ensure there are no costs to the state and that the retirement incentive is covered through vacancy savings, early terminations, and reduction in force efforts.

Lori Clark, representing the members of the Office of Public Instruction chapter of the Montana Public Employees Association, handed out written testimony which she read verbatim (EXHIBIT 5).

John Malee, representing the Montana Federation of Teachers and the Montana Education Association, stated support for HB106.

Tom Schneider, representing the Montana Public Employees Association, stated he had drafted the bill in the 1993 session and explained that the oversight occurred because the school districts don't need this type of legislation, so the TRS was not considered except in the area of the university system.

Mr. Schneider said the oversight was that there were teachers covered by the TRS that worked for the State of Montana.

Mr. Schneider explained there are currently 39 people eligible for the early retirement incentive, and when the bill passed in 1993, about 38% of those eligible persons took advantage of the incentive (about 950 of 2,500 eligibles). **Mr. Schneider** added that when the bill passed in 1993, at least half of the positions were never filled after the people retired, so the government made money by offering the incentive, and he believes the same thing will happen now.

David Senn, Executive Director of the Teachers Retirement System, stated HB106 does not impact the funding or benefits of the TRS.

Opponents' Testimony: None

Questions From Committee Members and Responses:

SEN. BROOKE asked Representative Menahan how the Mountain View teachers would be covered under this bill. **REP. MENAHAN** stated he visited Mountain View, and due to reorganization, a lot of people are working half time. **REP. MENAHAN** said the people he met with were generally young and probably would not want to take a retirement.

CHAIRMAN HARDING closed the Hearing on HB106.

EXECUTIVE ACTION ON HB106

Motion/Vote: **SEN. FOSTER** moved that HB106 BE CONCURRED IN. The MOTION CARRIED UNANIMOUSLY on oral vote. Senator Lynch will carry the bill on the Senate floor.

EXECUTIVE ACTION ON SB190

Motion: **SEN. BROOKE** moved that SB190 DO PASS.

Discussion: **SEN. BROOKE** commented that while some of the discussion held during the hearing did not set well with some members of the Committee, she believes the heart of the bill is to provide that a wide range of citizens could serve as part of the citizen legislature. **SEN. BROOKE** said she knows of small business owners who would like to serve as legislators, but cannot afford to leave their businesses. **SEN. BROOKE** added that the makeup of the population in Montana is changing and we want to have the legislature reflect that change as much as possible. **SEN. BROOKE** said, while she doesn't think the \$100 per month will bring a lot of people out of the woodwork to run for legislature, she believes it would help show people that expenses from the demands during the interim would be covered. **SEN. BROOKE** described a couple of situations she handled on behalf of constituents that are in no way reimbursed. **SEN. BROOKE** said she believes the Legislative Branch is just as important as the Executive and Judiciary branches of the government, and SB190 will help reflect that importance.

SEN. PIPINICH stated his support for SB190. He said all of his constituents are long distance telephone charges, and mileage

adds up quickly. The \$100 per month would not even cover his expenses.

SEN. MESAROS stated his offense at Senator Klampe's attempt to intimidate Committee members using negative press as well his accusations that legislators are an "elite" group. **SEN. MESAROS** said that expenses incurred in the interim are essentially expected as public servants. In an attempt to streamline government and be responsive to the taxpayers, he cannot support the \$300,000 fiscal note attached to SB190.

SEN. HARGROVE agreed with comments regarding the level of expenses incurred, but added that regardless what your position, you always want 20% more -- more money, more responsibility, etc., because you are a competitive type of person.

SEN. HARGROVE said he's not sure all the expenses are actually *required* by the job of being a legislator, but in some way could be considered campaigning, and it's just good public service.

SEN. HARGROVE also said he believes much of the money would be spent in the same manner "whether we're a legislator or not, because that's just the kind of people we are."

SEN. HARDING commented briefly on the commitment of elected officials to act as public servants. She agreed with Senator Hargrove that some of the expenses would be incurred whether or not she was a Senator.

Vote: The MOTION FAILED 5-3 on roll call vote.

Motion: **SEN. WELDON** moved that SB190 DO NOT PASS.

SEN. FOSTER made a SUBSTITUTE MOTION that SB190 BE TABLED.

Vote: The SUBSTITUTE MOTION CARRIED 5-3 with COMMITTEE MEMBERS agreeing that the previous roll call vote be reversed.

ADJOURNMENT

Adjournment: 11:50 AM



ETHEL M. HARDING, Chairman



GAIL MOSER, Secretary

EMH/gem

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 2, 1995

MR. PRESIDENT:

We, your committee on State Administration having had under consideration HB 106 (third reading copy -- blue), respectfully report that HB 106 be concurred in.

Signed: Ethel M. Harding
Senator Ethel M. Harding, Chair

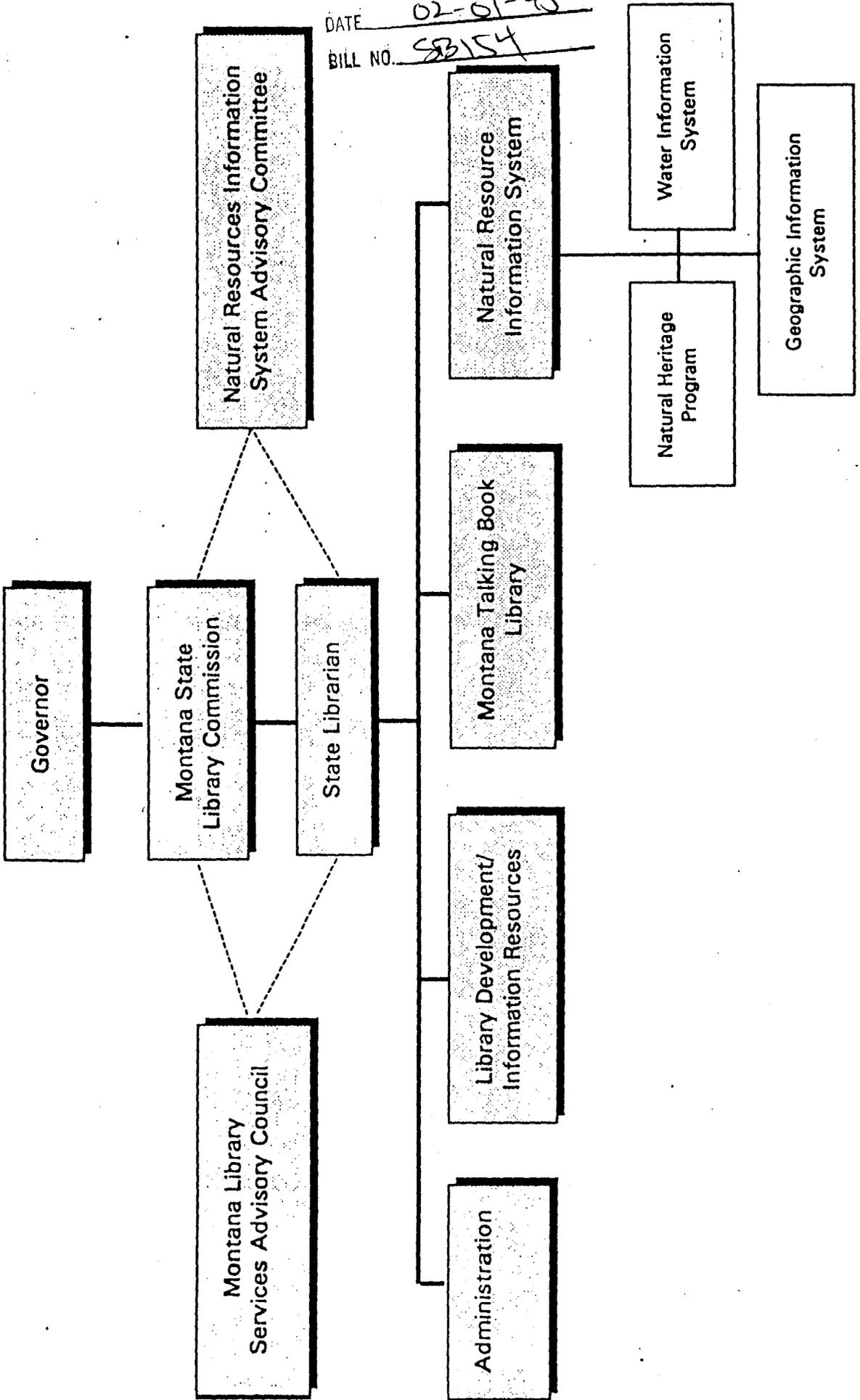
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Sec. of Senate

L. G. Smith
Senator Carrying Bill

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**MONTANA STATE LIBRARY
ORGANIZATION CHART**

SENATE STATE ADMIN.
EXHIBIT NO. _____
DATE 02-01-95
BILL NO. SB154



TESTIMONY in support of SB 154
Senate State Administration Committee
by Mary Doggett
Address: RR 1, White Sulphur Springs, MT 59645
February 1, 1995

Madam Chairman, and members of the committee for the record my name is Mary Doggett from White Sulphur Springs. I am the person who requested Senator Foster introduce this measure to clarify the role of the State Library Commission when it comes to fiscal oversight of revenue that is transferred to state's various library federations. My interest here today is that of a private citizen who has had the good fortune to serve as a member of the State Library Commission since 1989.

The issue at hand is this; the State Library Commission is charged by law with the duty of receiving and administering the appropriations for state funding to public library federations. Specifically the State Library Commission receives money from the Coal Severance Tax, state aid, and base grants, which are then divided between the six library federations using a population based formula. Last year these funds exceeded \$260,000.

The problem is that the State Library Commission is in reality a nothing more than a "Clearinghouse" for the funds and the money is automatically remitted with out any type of state oversight. Yes, the federations do appear before the Library Commission each June to explain their programs, but the commission does not have any final oversight or administrative authority to regulate federation expenditures.

You will likely hear criticism regarding this bill, but my past experience in serving on a local school board, a local library board, and on a university foundation, is that fiscal oversight of public funding is the standard. Local library federations are fortunate to receive funding and this bill ensures that some type of logically oversight is provided by a qualified State Library Commission.

In conclusion I would like to submit a letter from Meagher County Attorney John Potter which provides an interesting legislative history on what lawmakers intended when they passed a library funding bill in 1989. Thank you for your consideration and I urge you to give a do pass recommendation to Senate Bill 154.



'The County With a Castle'

JOHN V. POTTER, JR.
COUNTY ATTORNEY

MEAGHER COUNTY
P.O. BOX 629
WHITE SULPHUR SPRINGS, MONTANA 59645

PHONE: (406) 547-3347
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EXHIBIT 1
DATE 2-1-95
SB 154

January 31, 1995

Senator Mike Foster
Montana Senate District No. 20
Helena, MT 59620

I have been asked to comment on Senate Bill No. 154 with regard to the authority of the Montana State Library Commission over state funding directed to library federations.

As County Attorney of Meagher County for over some 30 years, I have had the frequent occasion to be concerned with and provide advice on library matters.

My understanding is that the purpose of this bill is to clarify and make definite the Legislative intent that the Library Commission have clearly defined authority and supervision over funding to library federations--just as it does over funding to other tax supported or public libraries in the state. I understand the Commission's authority over library federations' funding requests was recently questioned because of the wording of present §22-1-413. This bill should resolve that conflict in favor of Commission authority.

It is my recommendation that Senate Bill No. 154 be adopted.

Thank you for letting me express my views in this matter.

Yours very truly,

John V. Potter, Jr.
MEAGHER COUNTY ATTORNEY

JVP/kj

NOTE: The 1989 Legislature in an act providing state aid to public libraries, Chapter 670, set forth in a Statement of Intent that it intended the rule making authority of the Library Commission should include criteria and procedures for "...generally administering the funds appropriated for this program." The act included an appropriation to provide support for federation libraries.

When charged with the responsibility of "administering" funds, it is difficult to understand how that responsibility could be carried out unless the Commission has clear authority to approve or disapprove funding to federations as well as other tax-supported or public library units.

Submitted by: Greta J. Chapman

February 1, 1995
State Capitol
Helena, Montana
Senate State Administration Committee Hearing

Madam Chairman and members of the Committee, thank you for the opportunity to provide testimony regarding Senate Bill 154. For the record, my name is Greta Chapman. I am the Director of Lincoln County Public Libraries in Eureka, Libby and Troy, a Tamarack Federation member and Chair of the Montana Library Association Government Affairs Committee.

Each federation adopts a grant program that has indentified local needs and is accountable to the federation advisory boards, headquarter library board of trustees, auditors of the headquarters libraries, State Library staff and the State Library Commission.

I have provided a map of the federation boundaries. you can identify the federation that serves you. Tamarack Federation is in Northwest Montana.

The 1994/95 Tamarack Federation Grant Program adopted by the State Library Commission is distributing funding for local collections, professional consulting services and technology.

Local collections include a variety of formats and funding has helped to develop audio, video and large print collections.

I recently traveled two and half hours to Plains Library to discuss with local library staff and trustee about sharing resources and services county wide. The type of consulting services provided by Tamarack Federation funding uses the local membership expertise at minimum expense.

Equipment for technology is being purchased for Lasercat. Lasercat is a resource sharing database of over six million entries. This provides a person in Anaconda access to over six million sources of information without having to leave town.

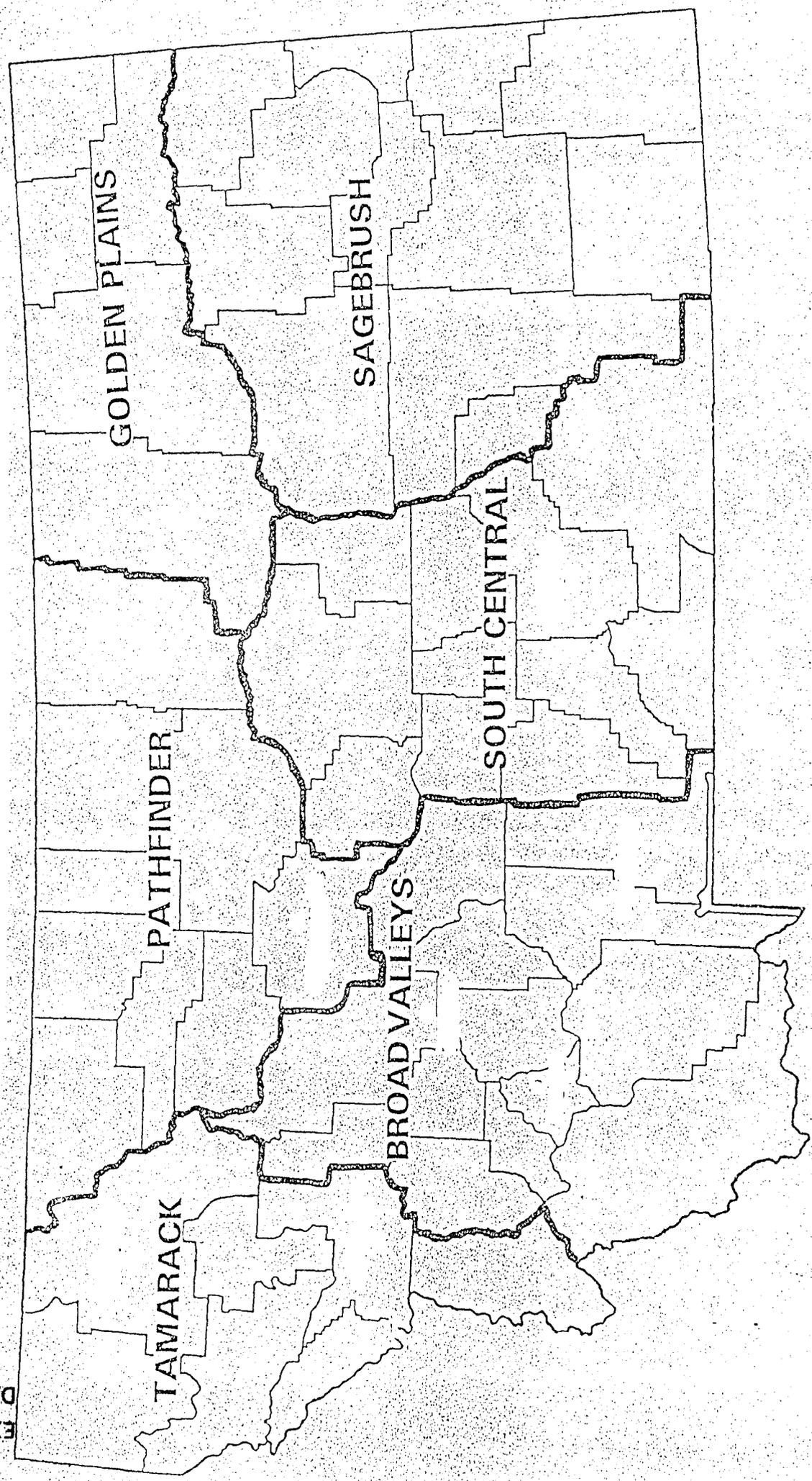
Tamarack Federation grants program may be quite different from Sagebrush Federation, just as other Northwest Montana government services are different from Central Montana government services.

My other reason for speaking to you today is representing the Montana Library Association as the Chair of Government Affairs. The Montana Library Association is made up of over 400 members representing school, academic, state agencies, special and public libraries.

The MLA Government Affairs Committee voted to oppose Senate Bill 154.

As Chair of the Montana Library Association Government Affairs Committee, Tamarack Federation member, and Director of Lincoln County Public Libraries, I ask that you not pass a bill which would take away the federation membership's ability to provide local services that meet local needs and is accountable by the adopted grants program.

EXHIBIT 2
DATE 2-1-95
SR154



SENATE STATE ADMIN.

EXHIBIT NO. 3

DATE 02-01-95

BILL NO. SB154

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Written Testimony
presented for inclusion in the Record
of the Montana Senate's
State Administration Committee
at its 2/1/95 hearing on
SB 154

I testify as the current President of the Tamarack Federation of Libraries, the largest of the federations of public libraries in Montana.

SB 154 proposes the addition of language to the statute regulating federations, MCA 22-1-413. This language would increase the role of the State Library Commission regarding the annual disbursement of state funds among the six federations.

Presently each federation's representative members (composed of a designated trustee from each library) agree on a plan of service to be drawn up by its director and filed with the State Library Commission. SB 154 would increase the State Library Commission's involvement in this process, requiring each submitted plan of service to pass through the additional stages of review and approval by the Commission. [One interpretation of the proposed language would have each federation's "grants program" approved by the Commission—implying oversight not only of particular submitted proposals but also of the general process by which a federation agrees on its members' needs and on the plan of service which would meet these needs.]

I suggest that the current process is working well—with the notable exception that a federation actually receives a check for implementing its plan of service so late in the fiscal year that budgeting becomes difficult. I can recall no substantive criticism or advice from the Commission concerning any particular plan of service submitted by the Tamarack Federation during my three years' association with it. Because of the delays in processing federation disbursements, I would suggest the Commission might wish to review its in-house operations before taking on additional involvements.

My understanding of the current political will being expressed by Montana's citizens is a desire for more local control and less centralized government operations. The language proposed in SB 154 seems to oppose these views.

John Fletcher, President,
Tamarack Federation of Libraries



Testimony written and submitted January 30, 1995.

SENATE STATE ADMIN.

EXHIBIT NO. 4

DATE 02-01-95

BILL NO. SB 190

DRAFT- SENATE BILL 190

1. First of all, the intention of this bill is not to increase our salaries.
2. This is a bill to provide legislators with a portion of the money that they spend on behalf of their constituents. i.e. to reimburse our out-of-pocket expenses.
3. This \$100.00/per month is only for the time that legislators are not in Helena, i.e. 20 out of the 24 month biennium.
4. It is meant to remunerate legislators for money spent on such things as phone calls, gas, stamps, stationery, secretarial time, copying documents, etc.
5. Montana state legislators are not paid for any of these expenses. Currently, these expenses are paid for out of the legislators' personal funds. This is wrong. Legislators should not have to pay to be legislators.
6. Montana is fortunate in having a citizens legislature. A person's income should not preclude him or her from running for public office.
7. A typical Montana Legislator is a white, college educated, 52 year old man who makes his living farming or ranching. In fact, 40 of our 150 legislators are farmers or ranchers. Sixteen legislators are retired and 20 are either teachers or retired teachers. 9 are lawyers. This is not a good cross-section of the Montana population.
8. The salaries and per diem expenses earned by legislators while in Helena for the regular and special sessions rank 46th in the nation. They are received while in session between January and May every other year, during special sessions, and for some committee work in the interim. It is not enough to cover interim expenses incurred by legislators.
9. I fully expect many legislators to vote against this bill out of fear that they will be cast as greedy politicians. This is what typically happens.
10. What we need to do to eliminate the problem of employees voting for or against their own pay increase is set up a commission to set our salaries at a fair rate. This rate could possibly then be adjusted up or down based on the CPI or another reliable index.
11. In the early eighties, there was a commission which had the power to recommend salary levels. In 1984, they recommended a salary commensurate with a Grade 16, Step 2, plus \$50.00

per day for expenses. In 1984, Grade 16, Step 2 was \$97.37 per day. In 1995 Grade 16 entry level is \$111.10 per day.

Our salary is currently \$57.06 per day while in Helena. This is equivalent to a Grade 8, entry level worker. Grade 8, entry level workers, however, receive time-and-1/2 for overtime; legislators do not.

12. The issue with SENATE BILL 190 is not salary. It is compensation to legislators who are currently paying the state's expenses out of their own pockets. It is asking the state to pay state expenses, so that low income people, as well as middle or high income people may serve as legislators.

CITIZEN LEGISLATOR'S BENEFITS AND SALARIES

STATE	LENGTH OF SESSION	SALARY	WHILE IN SESSION				DURING INTERIM			
			OFFICE EXPENSES	PER DIEM (LIVING EXPENSES)	MILEAGE	EXPENSES	COMMITTEE MEETINGS	MILEAGE		
ARKANSAS	60/DAYS	12,500/YEAR X2 25,000/BIEN	7,200/YEAR (9,000 IF A CHAIR)	82.00	.29	600.00/MON.	82/DAY	.29		
KENTUCKY	60/DAYS	100.00/DAY	950/MON.	74.80	.25	950/MON. (DOCUMENTED)	100/DAY PLUS ACTUAL EXP.	.25		
MONTANA	90/DAYS	57.62/DAY	NONE	50.00	.28	NONE	57.62/DAY	.28		
OREGON	~6 MON.	13,104/YEAR X2 26,208/BIEN	3465/MON (STAFF) 15.50/DAY (SUPPLIES)	75.00	.22	400-550/MON. (EXPENSES) 1100.00/MON. (STAFF)	75/DAY	.22		
NEVADA	60/DAYS	130.00/DAY	NONE	66.00	.28	NONE	66/DAY	.28		
NORTH DAKOTA	80/DAYS	2,160/YEAR X2 4,220/BIEN	NONE	35.00	.20	NONE	35/DAY	.20		
TEXAS	140/DAYS	7,200/YEAR X2 14,400/BIEN	HOUSE 7,500/MON. (STAFF + EXPENSES) SENATE 25,000/MON. (STAFF + EXPENSES) 31 SENATORS 150 REPRESENTATIVES	90.00	.275	SENATE 25,000/MON. HOUSE 7,500/MON. (STAFF+EXP.)	90/DAY	.275		

SENATE STATE ADMIN.

EXHIBIT NO. 5

DATE 02-01-95

BILL NO. HB 106

Madam Chair
Members of the Committee

My name is Lori Clark and I am representing the members of the Office of Public Instruction chapter of the Montana Public Employees Association (MPEA). We are proponents of HB 106 and we support this bill which ensures fairness to all members of our unit, some of which are Public Employee Retirement Division members and some of which are Teacher's Retirement System members as required by law [MCA 19-20-302 (c)].

In the early termination incentive offered last session, the TRS members of our unit were overlooked while the PERD members received the incentive. We would like to have this oversight rectified. HB 106 accomplishes that task. This bill is at no cost to the State of Montana.

Thank you for your consideration.



Lori Clark, President
OPI Unit
Montana Public Employees Association

DATE 2-01-95

SENATE COMMITTEE ON Administration

BILLS BEING HEARD, TODAY: SB 154 - SB 190 -
H. B. 106

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
MARY B. DEFFETT	self	154	✓	
Maryna Lundy	self	154	✓	
Tom Schneider	IMPEA	^{HB} 106	✓	
Greta Chapman	MLA/Lincoln County Libraries	154		✓
Mary Hudspeck	Self	154		✓
Mona Deporter	TAMI FED	154		✓
JIM HECKER	PATFINDER FEDERATION	154		✓
Mike Lehr	MLA	154		✓
Lori Clark	OPI- (union)	106	✓	
Lloyd WALKIN	Self	154	✓	
W James Kembel	City of Billings	154		✓
Pat Haffey	GOVERNOR'S OFFICE	^{HB} 106	✓	
John M. ...	M.F.T./M.E.A.	^{HB} 106	✗	
David Soren	TRS	^{HB} 106	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

