

VISITORS' REGISTER

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

BILL NO. _____

DATE February 22, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Sheila Cates	Helena - State Library Commission	✓	
DEBORAH SCHLESINGER	MONT. LIB ASSOC.	✓	
Martha Davis	Dillon - State Lib. Com.	✓	
BRENDA SEHUE	MONT. ARTS ADVOCACY	✓	
Robert Archibald	MONTANA Hist. Soc.	✓	
Brian Cockhill	Mont. Hist. Soc.	✓	
Diane Durban	Mont. Univ. System		
Lois A. Fitzpatrick	Carroll College Library	✓	
SHARON CROMEENES	HELENA, MT.	✓	
JIM HAUBEN	DOF I		
GAIL BRIESE	"		

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MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
February 22, 1985

Tape 41, Side A

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Chairman Steve Waldron on February 22, 1985, at 7:00 a.m. after a tour of Montana State Library. The hearing was held in the State Library conference room.

ROLL CALL: Rep. Menahan was absent. All other members were present. Also present were Bill Sykes of the Legislative Fiscal Analyst's Office (LFA), Francis Olson of the Office of Budget and Program Planning, Sara Parker, State Librarian, and Bob Archibald, Executive Director of the Montana Historical Society.

MONTANA STATE LIBRARY

Mr. Sykes explained the budget issues for this agency (Exhibit 1). The general fund decreased by 4.8% from FY 85 due to several factors. One is the 4% vacancy savings factor. Secondly, they didn't spend all of the appropriation for operating expenses. They had to decrease operating expenses by about 6% to fund the pay plan. Also, federal Library Services and Construction Act (LSCA) funds and coal tax funds increase with inflation in the budget. That means expenditures funded from those accounts in FY 84 were inflated using LFA rates in the LFA budget to FY 86 and FY 87. This is another reason for the general fund decrease.

One major difference between the OBPP and the LFA is the OBPP's replacement of LSCA funds used for library operations in the Blind and Physically Handicapped Program the first year of the biennium with general fund and the federal funds would be used to automate the cataloging service. The total amount of general fund increase is \$122,270 for the biennium.

Another major difference between the OBPP and the LFA is the OBPP is under the LFA in federal LSCA funds used for operations in each program because the OBPP did not allow for any inflation. The OBPP used more for grants and the LFA used more for operations. Also, the OBPP requested a modified for the Technical Services Program for the Washington Library Network at a cost of about \$61,000 for the biennium (Exhibit 2). The network is converting to IBM PCs and the computer system used by the library would not be compatible. Also included in this modified is an increase in telecommunications.

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(127) Mr. Olson went over the OBPP budget request (Exhibit 3). He noted the OBPP budget maintains current level expenditures, maybe a little bit shy. In the Library Services for the Blind and Physically Handicapped Program and the Technical Services Program, they are requesting the additional general fund to support linking Montana with the national system for information retrieval.

(214) Ms. Parker handed out the agency's concerns for this budget (Exhibit 4). She wanted the committee to note there was only \$1,000 for legislative audit costs in contracted services paid out in FY 84. She felt that would have made that fiscal year unrealistic in setting the base. Ms. Parker also noted the 4% vacancy savings, which was applied during the 84-85 biennium, was taken out of operating expenses to fund the pay plan (page 12 of Exhibit 4). Mr. Olson said the audit costs were taken into account when this budget request was prepared. Mr. Sykes noted, on page 739 of Exhibit 1, the agency underspent their operating budget by approximately 6% excluding audit costs.

Ms. Parker went over Exhibit 4 and the issues which she feels need to be addressed. Ms. Parker asked that the committee consider making the LSCA funds a biennial appropriation. She also asked that the Title II funds be appropriated as a continuing appropriation. A continuing appropriation allows the agency to carry forward any unspent authority. Mr. Sykes said an alternative would be to include language that the agency can transfer any unspent authority from one year into the other.

EXECUTIVE ACTION: (650)

Mr. Sykes presented the different budget breakdowns for the State Library (Exhibit 5).

Side B

The OBPP budget difference from last biennium to this is \$10,159 under in general fund. The LFA is about \$30,000-40,000 under in general fund. Sen. Bengtson said she did not want to cut back general fund any more than the OBPP recommendation. Otherwise, the agency would have to use their grant money for operating expenses.

There was some confusion regarding the differences in the amount of federal money. The agency figures do not

include all of the money in this area. Sen. Bengtson said the agency book presented by Ms. Parker just confuses the matter and we should concentrate on the OBPP and LFA budget figures.

This committee does not have control over where the LSCA grants go. That is determined by the Library Commission.

(234) The committee made motions based on Exhibit 5.

Reference and Information Program:

Sen. BENGTON moved to include the OBPP recommendation to fund the upgrades in the Reference and Information Program and to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Equipment.

The motion PASSED unanimously.

The OBPP estimate for coal tax funds was higher than the LFA. Chairman Waldron said the LFA figures would be more realistic.

Sen. BENGTON moved to accept the LFA current level for coal tax funding.

The motion PASSED unanimously.

If we accept the LFA current level on federal revenue, we can save general fund.

Rep. MILLER moved to accept the LFA current level for LSCA funds.

Chairman Waldron requested a roll call vote be taken. Sen. BENGTON opposed the motion. All other members approved the motion. The motion PASSED.

Library Development: (331)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. AKLESTAD moved to accept the LFA current level for coal tax revenue.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for LSCA revenue.

There was some discussion regarding the ramifications of this motion. The LFA figure is lower because they used more for operating expenses and less for grants. This saves general fund.

Sen. BENGTON withdrew her motion.

Sen. AKLESTAD moved to accept the LFA current level for LSCA revenue.

Chairman Waldron requested a roll call vote be taken. Sen. AKLESTAD and Rep. WALDRON approved the motion. All other members opposed the motion. The motion FAILED.

Sen. BENGTON moved to accept the OBPP recommendation for LSCA revenues.

The roll call vote was reversed. The motion PASSED.

The result of this motion is that more money goes out in grants and general fund is needed for operations.

If we are to keep the LFA funds correct, we have to add \$10,287 in FY 86 and \$11,549 in FY 87 for funding of the Reference and Information Program (Issue #6, Exhibit 5).

Sen. BENGTON moved to add \$10,287 in FY 86 and \$11,549 in FY 87 general fund money for the Reference and Information Program and accept the OBPP's estimates of LSCA funds.

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Sen. AKLESTAD and Rep. WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

The coal tax revenue figures are just an estimate at this point. The LFA used more coal tax for operations. If the revenue doesn't come in, the agency will have to cut back on grants.

Sen. AKLESTAD moved to accept the LFA current level for coal tax revenue.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the OBPP recommendation for LSCA revenue.

Rep. WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

Institutional Library Services: (554)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for books.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the OBPP recommendation for LSCA funds.

Rep. WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

Tape 42, Side A

Administration: (000)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

Sens. AKLESTAD and HIMSL and Rep. MILLER opposed the motion. Sen. BENGTON and Rep. WALDRON approved the motion. The motion FAILED.

Sen. BENGTON moved to accept the OBPP recommendation for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Equipment.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the OBPP recommendation for LSCA funds.

Rep. WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

Technical Services: (023)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept Issue #18, the modified for the Washington Library Network.

Mr. Sykes said there are more costs involved in Issue #18 than just the purchase of the IBM PCs.

Sen. BENGTON withdrew her motion.

Sen. BENGTON moved to include \$1,173 in FY 86 and \$1,247 in FY 87 in the Operating Expenses portion of the budget for increased telecommunications costs for the Washington Library Network as a modified.

The motion PASSED unanimously.

Sen. BENGTON moved to appropriate \$8,910 for the purchase of the IBM PCs as a modified for the Washington Library Network.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for coal tax revenue.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the OBPP recommendation for LSCA funds.

Rep. WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

Sen. BENGTON moved to put boiler plate language in the Appropriations bill to allow the transfer of LSCA funds and Title II federal funds between fiscal years.

This makes this a continuous or biennial appropriation.

The motion PASSED unanimously.

Sen. BENGTON moved to require a 2% vacancy savings for the State Library.

The motion PASSED unanimously.

MONTANA HISTORICAL SOCIETY

(136) The committee reviewed the budget differences for this agency (Exhibit 6). Also, there were modifications which do not require general fund that were outlined at the hearing on this agency (Exhibit 7).

Sen. BENGTON moved to accept all of the modifications outlined on Exhibit 7 from non-general fund sources and adjust the current level funding accordingly.

The motion PASSED unanimously.

These modifieds will not affect general fund. #29 and #8 are federal funds. All others are funded through donations or earned funds.

Administration Program: (196)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to include funds for the position upgrade outlined as Issue #2 on Exhibit 6.

The motion PASSED unanimously.

Rep. MILLER moved to include the modified for 1 FTE accountant and a .5 FTE clerk outlined as Issue #1 on Exhibit 6 in the Personal Services portion of the budget.

Chairman Waldron requested a roll call vote be taken. Sens. BENGTON and AKLESTAD opposed the motion. All other members approved the motion. The motion PASSED.

The LFA neglected to include rent for the warehouse space for 10 months of FY 87 for a cost of \$14,200.

Sen. AKLESTAD moved to accept the LFA current level plus \$14,200 in FY 87 for warehouse rent.

The motion PASSED unanimously.

Sen. BENGTON moved to include \$1,286 in FY 86 and \$1,415 in FY 87 for a maintenance contract on the computer.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Equipment.

The motion PASSED unanimously.

Library Program: (282)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. Bengtson moved to include funding for the position upgrade outlined as Issue #5 on Exhibit 6 in the Personal Services portion of the budget.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Equipment.

The motion PASSED unanimously.

Sen. BENGTON moved to include funds for Issue #10, a modified for 3 microform reader/printers.

The motion PASSED unanimously.

Museum Program: (360)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to include funding for the position upgrade outlined as Issue #14 on Exhibit 6.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Magazine Program: (392)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to include funding for the position upgrades outlined as Issue #20 on Exhibit 6.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for proprietary funding plus \$2,214 in FY 86 and \$190 in FY 87 for an increase in magazine sales; the general fund to be adjusted with the increase in magazine sales.

The motion PASSED unanimously.

Historic Sites Preservation Program: (458)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to include funding for the position upgrades outlined as Issue #26 of Exhibit 6.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to include funds for a maintenance contract for the computer of \$1,286 in FY 86 and \$1,415 in FY 87.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for federal Historic Preservation funds.

The motion PASSED unanimously.

Archives Program: (492)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to exclude funds for the position downgrade outlined as Issue #32 of Exhibit 6.

The motion PASSED unanimously.

Sen. BENGTON moved to include funds for three position upgrades outlined as Issue #33 of Exhibit 6.

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The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Equipment.

The motion PASSED unanimously.

Sen. BENGTON moved to accept Issue #37 by decreasing earned revenues from the sale of photographs in the current level to \$4,906 in FY 86 and \$5,151 in FY 87 and increase current level general fund by \$5,819 in FY 86 and \$6,110 in FY 87.

The motion PASSED unanimously.

Education Program: (552)

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

Sen. BENGTON moved to include funds for the position upgrade outlined as Issue #38 of Exhibit 6.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the OBPP recommendation for donated funds and to authorize the agency to spend those funds.

The motion PASSED unanimously.

Sen. BENGTON moved to increase contracted services for additional printing and tour guides of \$10,033 in FY 86 and \$13,033 in FY 87.

The motion PASSED unanimously.

Sen. BENGTON moved to require a 2% vacancy savings for the Historical Society.

Sen. AKLESTAD and Rep. WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

For the record, the committee considered the position upgrades and downgrades as current level. Also, the increase in contracted services for additional printing and tour guides is considered current level because the use of FY 84 as a base did not reflect costs incurred during legislative sessions.

DEPARTMENT OF INSTITUTIONS

(630) Keith Wolcott of the Legislative Fiscal Analyst's Office handed out a breakdown of agencies which we did not include authority to spend donations. Also, additional funds were included in canteens for some agencies due to a Legislative Auditor's recommendation (Exhibit 8).

Sen. BENGTON moved to authorize the expenditures outlined on Exhibit 8 for donated funds and canteens.

The motion PASSED unanimously.

VETERANS' HOME: (672)

The committee made adjustments during executive session on the Vets' Home on Operating Expenses but they neglected to accept a figure for Operating Expenses (Exhibit 9).

Sen. BENGTON moved to accept the LFA current level for Operating Expenses with the adjustments of Issues #1, 3, 4, and 5 previously approved.

The motion PASSED unanimously.

Tape 42, Side B

WORKERS' COMPENSATION RATES: (000)

The workers' compensation rates for the Department of Institutions increased by 15% as of November 1983 (Exhibit 10). This is in addition to the increase that went into affect July 1 of 1983. There are two Senate bills, SB 218 and SB 281, which deal with the same issue. If those bills pass, we won't need to worry about the added increase.

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Chairman Waldron worried that it would be difficult to add this money after we present the budget to the full Appropriations Committee. If SB 218 passes, we will need a lot more than 15%. If SB 281 passes, we need the 15% increase anyway for the coming biennium. Sen. Aklestad noted that SB 281 has been amended and, by the time it hits the floor, it should have a 0%. There will be a payout until July of 1985.

Sen. BENGTON moved to put language in the bill to put any additional workers' compensation costs in the current level over and above the amount already approved by the committee.

So far, there is about \$1.4 million for workers' compensation rates for the department.

The motion PASSED unanimously.

HB 667: (094)

House Bill 667 (Exhibit 11) has amendments from second reading which includes details on how the figures were arrived at (Exhibit 12). The cost for detention at Mountain View School are outlined on Exhibit 13.

With this language, the counties will only have to pay the additional incremental costs to this institution. The bill has a sunset provision of two years.

Sen. BENGTON moved to recommend the amendments to the full committee.

The motion PASSED unanimously.

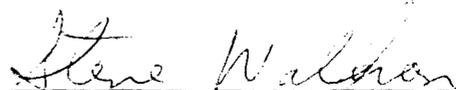
Rep. MILLER moved to recommend HB 667 do not pass as amended.

Rep. Miller opposed the construction costs to remodel the infirmary at Mountain View. Sen. Aklestad felt the counties were strapped for money as it is and he did not feel they could afford to pay for youth detention.

Rep. WALDRON and Sen. BENGTON opposed the motion. All other members approved the motion. The motion PASSED.

Being no further business to come before this committee, the meeting was adjourned at 10:30 a.m.

Respectfully Submitted:



Steve Waldron, Chairman

STATE LIBRARY COMMISSION

	<u>FTE</u> <u>FY '87</u>	- - - - 1987 Biennium - - - - <u>General Fund</u>	<u>Total Funds</u>
Executive Budget	25.50	\$1,251,149	\$3,939,049
LFA Current Level	<u>25.50</u>	<u>1,026,204</u>	<u>3,071,816</u>
Executive Over (Under) LFA	<u>0.00</u>	<u>\$ 244,945</u>	<u>\$ 867,233</u>

The executive budget exceeds the LFA current level in general fund and total funds by \$244,945 and \$867,233, respectively. The following issues reflect the major differences between the executive and LFA current level.

Issue 1: Grants

The executive budget exceeds the current level analysis in grants by approximately \$713,000 in the 1987 biennium--coal tax grants by \$114,000 and federal LSCA grants by \$599,000. The difference in federal grants occurs as the executive requests duplicate authority for fiscal 1984 and 1985 grants in the 1987 biennium. This results in a double counting of federal grants in the executive budget. The LFA current level includes only the unexpended balance of fiscal 1984 and 1985 federal grants.

Issue 2: Modified Requests

The executive budget provided general fund replacement of federal LSCA funds in the Physically Handicapped Program at a cost of \$122,270 in the 1987 biennium. The library requested general fund replacement so federal funds could be used to automate a catalog system in the first year of the biennium. In the second year of the 1987 biennium, the released federal funds would be used for grants to public libraries. The current level analysis does not provide general fund replacement of federal LSCA funds in the Physically Handicapped Program. Grants are estimated to increase by 11.5 percent from the 1985 to 1987 biennium in the current level analysis.

The executive budget provided \$60,721 in general fund for the Washington Library Network (WLN). The library requested the funds to (1) add an additional telephone line to provide more prompt service to patrons, (2) replace the current Hazeltine computer with an IBM-PC, and (3) subscribe to new bibliographic services WLN will be offering. The current level analysis discusses the library's request as an issue.

Issue 3: Funding

Excluding modified requests, the current level analysis is under the executive in general fund by \$45,000 in the 1987 biennium. The difference occurs as federal LSCA and coal tax funds used for state library operations increase with inflation in the current level analysis.

MONTANA STATE LIBRARY COMMISSION

Budget Item	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	25.50	25.50	25.50	25.50	0.00
Personal Service	\$ 549,014	\$ 536,723	\$ 560,307	\$ 561,361	3.3
Operating Expense	300,679	355,061	313,382	303,886	(5.8)
Equipment	97,853	86,856	88,381	88,449	(2.2)
Inflation	<u>-0-</u>	<u>-0-</u>	<u>13,230</u>	<u>31,251</u>	--
Total Operating Costs	\$ 947,546	\$ 978,640	\$ 975,300	\$ 984,947	1.7
Non-Operating Costs	<u>501,313</u>	<u>495,000</u>	<u>567,298</u>	<u>544,271</u>	<u>11.5</u>
Total Expenditures	<u>\$1,448,859</u>	<u>\$1,473,640</u>	<u>\$1,542,598</u>	<u>\$1,529,218</u>	<u>5.1</u>
Fund Sources					
General Fund	\$ 527,185	\$ 551,136	\$ 519,670	\$ 506,534	(4.8)
State Special	414,026	559,944	448,104	446,175	(8.1)
Federal Revenue	<u>507,648</u>	<u>362,560</u>	<u>574,824</u>	<u>576,509</u>	<u>32.3</u>
Total Funds	<u>\$1,448,859</u>	<u>\$1,473,640</u>	<u>\$1,542,598</u>	<u>\$1,529,218</u>	<u>5.1</u>

The Montana State Library provides direct library services to state government agencies, to persons residing in the state institutions, and to the blind and physically handicapped public of Montana. Indirect services are provided to all public libraries by providing grants to six regional library federations. The state library serves as a partial federal depository and also collects state government publications.

Funding support for the library is provided from general fund, an earmarked portion of the coal severance tax (.5 percent) and federal funding available under the Library Services and Construction Act (LSCA). Total funding increases by 5.1 percent. The decrease in general fund of 4.8 percent from the 1985 to the 1987 biennium results as LSCA funds and coal tax funds used for state library operations increase with inflation in the budget. The 1983 legislature provided \$49,461 in general fund for an anticipated decrease in LSCA and coal tax funds used for operating costs. The decrease in federal funding did not occur.

The library reorganized in the 1985 biennium. Functions changed within four existing programs and one new program was started. Current programs include Reference and Information Services, Library Development, Institutional

Library Services, Blind and Physically Handicapped, Administration, and Technical Services. The last program was created from the reorganization. The Reference and Information Program was previously known as the General Services Program. Each program is discussed in the following sections. The following table presents FTE changes by program. The Blind and Physically Handicapped Program is not included in the table as no FTE changes occurred from the reorganization. The library reorganized to better account for costs associated with services provided. No new services or FTE were added from the reorganization.

Table 1
FTE Changes Resulting from Reorganization
1985 Biennium

<u>Reference and Information:</u>	<u>FTE</u>
Authorized by 1983 Legislature	7.00
Increase:	
Library Clerk II from Library Development	3.00
Librarian I from Library Development	.40
Librarian II from Administration*	.16
Library Technician I from Institutional Services	.60
Decrease:	
Manager I to Library Development	(1.00)
Library Clerk I to Administration	(.16)
Library Technician I to Technical Services	(1.00)
Library Clerk II to Technical Services	(2.00)
Librarian II to Technical Services	(.50)
Requested Fiscal 1986 and 1987	6.50
	=====
<u>Library Development:</u>	
Authorized by 1983 Legislature	4.50
Increase:	
Manager I from Reference and Information	1.00
Manager I from Institutional Services	.50
Library Technician I from Institutional Services	.40
Decrease:	
Librarian III to Reference and Information	(.40)
Library Clerk II to Reference and Information	(3.00)
Requested Fiscal 1986 and 1987	3.00
	=====
<u>Institutional Services:</u>	
Authorized by 1983 legislature	4.00
Decrease:	
Library Technician I to Reference and Information	(.60)
Library Technician I to Library Development	(.40)

Table 1 - Continued
FTE Changes Resulting from Reorganization
1985 Biennium

	<u>FTE</u>
Manager I to Library Development	(.50)
Librarian II to Technical Services	(.50)
Requested Fiscal 1986 and 1987	2.00 =====
<u>Administration:</u> Authorized by 1983 Legislature	5.00
Increase:	
Library Clerk I from Reference and Information	.16
Reallocate from Accounting Specialist to Library Clerk I*	.34
Decrease:	
Accounting Specialist I*	(.50)
File Clerk IV to Technical Services	(1.00)
Requested Fiscal 1986 and 1987	4.00 =====
<u>Technical Services:</u> New Program	0.00
Increase:	
Library Technician I from Reference and Information	1.00
Library Clerk II from Reference and Information	2.00
Librarian II from Reference and Information	.50
Librarian II from Institutional Services	.50
File Clerk IV from Administration	1.00
Requested Fiscal 1986 and 1987	5.00 =====

*An accounting specialist position in the Administration Program was decreased by .50 FTE-- .34 FTE reallocated within the same program to a library clerk position and .16 FTE to a librarian position in reference and information.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table presents a comparison of actual fiscal 1984 expenditures to those anticipated by the 1983 legislature in the appropriation. As indicated in

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the table, total operating costs were \$20,511 less than anticipated by the legislature. According to House Bill 902, unspent appropriation balances can be transferred into fiscal 1985 to be used in funding pay increases. The difference in personal services results as the budgeted amount of \$537,906 did not include funding for pay increases. The library transferred a portion of the savings in operating expenses to fund pay increases. The difference in operating expenses occurs primarily in contracted services (\$15,544) and communications (\$11,587) with the balance distributed through several items. The library transferred \$8,885 from operating expenses to buy additional equipment not budgeted. The difference in non-operating costs of \$27,775 represents a decrease in grants to library federations funded from the coal severance tax. The library received additional federal funds of \$146,442 in fiscal 1984, the majority of which is made up of \$92,299 in Title II construction and remodeling grants. Of the \$146,442 received, the library spent \$140,088 in grants to public libraries. Total grants to public libraries funded from state and federal revenues was \$501,313 in fiscal 1984, an increase of 29 percent over the anticipated level of \$389,000.

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	25.50	25.50	0.00
Personal Services	\$ 537,906	\$ 549,014	\$ (11,108)
Operating Expenses	341,183	300,679	40,504
Equipment	88,968	97,853	(8,885)
Total Operating Costs	\$ 968,057	\$ 947,546	\$ 20,511
Non-Operating Costs	389,000	361,225	27,775
Total Expenditures	<u>\$1,357,057</u>	<u>\$1,308,771</u>	<u>\$ 48,286</u>
<u>Funding</u>			
General Fund	\$ 539,229	\$ 527,185	\$ 12,044
State Special	450,268	414,026	36,242
Federal Revenue	367,560	367,560	-0-
Total Funds	<u>\$1,357,057</u>	<u>\$1,308,771</u>	<u>\$ 48,286</u>
<u>Additions:</u>			
Statutory Appropriations	<u>-0-</u>	<u>\$ 140,088</u>	<u>\$(140,088)</u>

REFERENCE AND INFORMATION

Budget Item	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	6.34	6.50	6.50	6.50	1.2
Personal Service	\$138,817	\$136,895	\$141,986	\$142,290	3.1
Operating Expense	147,777	172,089	154,045	154,045	(3.6)
Equipment	77,664	74,200	77,664	77,664	2.2
Inflation	-0-	-0-	5,081	15,886	--
Total Expenditures	<u>\$364,258</u>	<u>\$383,184</u>	<u>\$378,776</u>	<u>\$389,885</u>	<u>2.8</u>
Fund Sources					
General Fund	\$254,266	\$275,502	\$257,454	\$262,646	(1.8)
State Special	19,173	13,403	20,832	21,874	31.0
Federal Revenue	<u>90,819</u>	<u>94,279</u>	<u>100,490</u>	<u>105,365</u>	<u>11.2</u>
Total Funds	<u>\$364,258</u>	<u>\$383,184</u>	<u>\$378,776</u>	<u>\$389,885</u>	<u>2.8</u>

This program provides (1) housing for Montana State Library collections other than materials for blind and physically handicapped patrons and those collections housed in state institutions, (2) identification and lending of library materials owned by the state library, (3) answers to general reference questions for specific subject areas, (4) bibliographies of materials available in specific subject areas, and (5) interlibrary loan services. Funding is provided from the general fund, coal severance tax, and federal LSCA funds. The latter two fund sources are used to support operating expenses related to service to public libraries.

Current Level Adjustments

The level of FTE increases by 1.2 percent from the 1985 to the 1987 biennium as a result of the reorganization. The library transferred .16 FTE from the Administration Program in fiscal 1985 (refer to Table 1). The increase in personal services of 3.1 percent results as the fiscal 1985 amount did not include funding for pay increases. Rent expense was increased from \$93,334 to \$101,222 to reflect actual fiscal 1985 cost. The equipment budget allows for the purchase of books and reference materials in the 1987 biennium.

MONTANA STATE LIBRARY COMMISSION

Page 6

LIBRARY DEVELOPMENT PROGRAM

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	3.00	3.00	3.00	3.00	0.00
Personal Service	\$ 86,087	\$ 86,007	\$ 90,247	\$ 90,371	4.9
Operating Expense	42,310	44,567	37,840	37,340	(13.4)
Equipment	2,458	-0-	-0-	-0-	--
Inflation	<u>-0-</u>	<u>-0-</u>	<u>2,832</u>	<u>4,602</u>	<u>--</u>
Total Operating Costs	\$130,855	\$130,574	\$130,919	\$132,313	0.6
Non-Operating Costs	<u>501,313</u>	<u>495,000</u>	<u>567,298</u>	<u>544,271</u>	<u>11.5</u>
Total Expenditures	<u>\$632,168</u>	<u>\$625,574</u>	<u>\$698,217</u>	<u>\$676,584</u>	<u>9.3</u>
<u>Fund Sources</u>					
General Fund	\$ 42,753	\$ 40,538	\$ 38,169	\$ 34,775	(12.4)
State Special	360,157	518,552	389,565	384,709	(11.8)
Federal Revenue	<u>229,258</u>	<u>66,484</u>	<u>270,483</u>	<u>257,100</u>	<u>78.3</u>
Total Funds	<u>\$632,168</u>	<u>\$625,574</u>	<u>\$698,217</u>	<u>\$676,584</u>	<u>9.3</u>

The Library Development Program provides for administration of state and federal pass-through grants and for consultation, advice and public information services to public libraries. Funding is provided from the general fund, coal severance tax, and federal LSCA funds.

Current Level Adjustments

Personal services increase by 4.9 percent from the 1985 to the 1987 biennium. The increase results from the fiscal 1985 amount not including funding for pay increases. The decrease in operating expenses results as the agency transferred a \$3,000 contract with a non-profit organization to the Administration Program.

The decrease in general fund of 12.4 percent results from the decrease in operating expenses mentioned above and from an increase in federal funds used in support of operations of 4.5 percent from fiscal 1985 to 1986 and 5 percent from fiscal 1986 to 1987. The following table presents the amount of coal severance tax and federal LSCA funds used for operations of the state library and grants to public libraries in fiscal 1984 and projected amounts for fiscal 1986 and 1987. Grants are projected to increase by 11.5 percent from the 1985 to the 1987 biennium. Grants funded from the coal severance tax are projected to increase by

8.1 percent from fiscal 1984 to 1986 and then decrease by 1.4 percent from fiscal 1986 to 1987. Grants funded from federal LSCA funds are projected to increase by 25.1 percent from fiscal 1984 to 1986 and then decrease by 9.6 percent from fiscal 1986 to 1987. The increase in federal grants results from an increase in federal LSCA Title I and II funds of 8.2 percent from fiscal 1984 to 1986.

Table 2
Operating Expenses and Grants Funded from the
Coal Severance Tax and LSCA Funds
1987 Biennium

Year	-----Coal Severance Tax-----			-----LSCA Funds-----		
	Operations	Grants	Total	Operations	Grants	Total
1984	\$61,170	\$352,849	\$414,019	\$358,071	\$148,464	\$506,535
1986	66,480	381,624	448,104	389,150	185,674	574,824
1987	69,804	376,371	446,175	408,609	167,900	576,509

INSTITUTIONAL LIBRARY SERVICES

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	2.00	2.00	2.00	2.00	0.00
Personal Service	\$45,377	\$41,811	\$46,103	\$46,122	5.7
Operating Expense	8,275	15,608	8,525	8,525	(28.6)
Equipment	9,855	11,000	9,855	9,855	(5.4)
Inflation	-0-	-0-	1,321	2,301	--
Total Expenditures	<u>\$63,507</u>	<u>\$68,419</u>	<u>\$65,804</u>	<u>\$66,803</u>	<u>0.5</u>
Fund Sources					
General Fund	\$18,031	\$18,831	\$16,381	\$14,909	(15.1)
Federal Revenue	<u>45,476</u>	<u>49,588</u>	<u>49,423</u>	<u>51,894</u>	<u>6.5</u>
Total Funds	<u>\$63,507</u>	<u>\$68,419</u>	<u>\$65,804</u>	<u>\$66,803</u>	<u>0.5</u>

This program provides library services to residents of state institutions by contract through the nearest public library or directly from the Montana State Library. Funding is provided from the general fund and from federal LSCA funds.

Current Level Adjustments

Personal services increase by 5.7 percent. The increase results as the fiscal 1985 amount of \$41,811 does not include funding for pay increases. Operating expenses were increased \$250 in each year of the 1987 biennium for printing a brochure to be distributed to new residents of Montana's institutions informing them of the library's services. The equipment budget allows for the purchase of library materials for Galen, Montana State Prison, Women's Correctional Facility, Warm Springs State Hospital, Mountain View School, Boulder River School and Hospital, and the Pine Hills School. The decrease in general fund of 16 percent results as federal funds increase with inflation, while program expenditures remain level in the 1987 biennium.

SERVICES FOR PHYSICALLY HANDICAPPED

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	5.00	5.00	5.00	5.00	0.00
Personal Service	\$ 90,993	\$ 90,289	\$ 95,640	\$ 95,991	5.7
Operating Expense	39,501	49,807	40,157	40,157	(10.0)
Inflation	-0-	-0-	(826)	667	--
Total Expenditures	<u>\$130,494</u>	<u>\$140,096</u>	<u>\$134,971</u>	<u>\$136,815</u>	<u>0.4</u>
<u>Fund Sources</u>					
General Fund	\$ 52,190	\$ 53,563	\$ 49,868	\$ 47,457	(7.9)
Federal Revenue	<u>78,304</u>	<u>86,533</u>	<u>85,103</u>	<u>89,358</u>	<u>5.8</u>
Total Funds	<u>\$130,494</u>	<u>\$140,096</u>	<u>\$134,971</u>	<u>\$136,815</u>	<u>0.4</u>

This program provides direct library service to blind and physically handicapped citizens through selection of recorded materials and provision of machines on which to play talking books. Funding is provided from the general fund and federal LSCA funds.

Current Level Adjustments

The increase in personal services of 5.7 percent results as the fiscal 1985 amount does not include funding for pay and there were vacancy savings in fiscal 1984. The negative inflation in fiscal 1986 results from an anticipated decrease in rent charged by the Department of Administration.

ADMINISTRATION

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	4.16	4.00	4.00	4.00	(2.0)
Personal Service	\$ 96,887	\$ 93,727	\$ 99,165	\$ 99,206	4.0
Operating Expense	31,854	40,144	41,853	32,857	3.7
Equipment	626	1,656	862	930	(21.4)
Inflation	-0-	-0-	2,060	3,342	--
Total Expenditures	<u>\$129,367</u>	<u>\$135,527</u>	<u>\$143,940</u>	<u>\$136,335</u>	<u>5.8</u>
Fund Sources					
General Fund	\$ 94,651	\$ 99,819	\$106,210	\$ 96,718	4.3
Federal Revenue	<u>34,716</u>	<u>35,708</u>	<u>37,730</u>	<u>39,617</u>	<u>9.8</u>
Total Funds	<u>\$129,367</u>	<u>\$135,527</u>	<u>\$143,940</u>	<u>\$136,335</u>	<u>5.8</u>

Functions within this program include: (1) administration of all library programs, (2) mail processing, (3) budgeting and accounting, (4) personnel administration, and (5) administration of state and federal policies and regulations. Funding is provided from the general fund and federal LSCA funds.

Current Level Adjustments

The level of FTE decreases by 2 percent from the 1985 to the 1987 biennium as the library transferred .16 FTE to the Reference and Information Program in fiscal 1985 (refer to Table 1). The increase in personal services of 4 percent results as the fiscal 1985 amount does not include funding for pay increases. The increase in operating expenses results primarily from \$9,000 in audit costs being included in fiscal 1986. In fiscal 1984, the library spent only \$1,143 for audit costs out of an \$8,000 appropriation. The balance of the appropriation will be expended in fiscal 1985. Additionally, \$3,000 in expenditures relating to a contract with the Western Council of State Libraries was transferred into this program from the Library Development Program. The budget provides \$3,000 in each year of the 1987 biennium for continuance of the contract. The council is engaged in developing a western regional networking system to provide bibliographic services to state libraries in the western states. The equipment budget provides for the purchase of one replacement typewriter in each year.

MONTANA STATE LIBRARY COMMISSION

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TECHNICAL SERVICES

Budget Item	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	5.00	5.00	5.00	5.00	0.00
Personal Service	\$ 90,853	\$ 87,994	\$ 87,166	\$ 87,381	(2.4)
Operating Expense	30,962	32,846	30,962	30,962	(2.9)
Equipment	7,250	-0-	-0-	-0-	--
Inflation	-0-	-0-	2,762	4,453	--
Total Expenditures	<u>\$129,065</u>	<u>\$120,840</u>	<u>\$120,890</u>	<u>\$122,796</u>	<u>(2.4)</u>
<u>Fund Sources</u>					
General Fund	\$ 65,294	\$ 62,883	\$ 51,588	\$ 50,029	(20.7)
State Special	34,696	27,989	37,707	39,592	23.3
Federal Revenue	<u>29,075</u>	<u>29,968</u>	<u>31,595</u>	<u>33,175</u>	<u>9.6</u>
Total Funds	<u>\$129,065</u>	<u>\$120,840</u>	<u>\$120,890</u>	<u>\$122,796</u>	<u>(2.4)</u>

ISSUE: Cost (Savings)	-----Fiscal 1986-----		-----Fiscal 1987-----	
	General Fund	Other Funds	General Fund	Other Funds
1. Washington Library Network	\$10,083	\$-0-	\$1,247	\$-0-

Technical services is a new program established during reorganization in fiscal 1984. Functions of this program include distribution of state publications, acquisition, cataloging and technical processing of Montana State Library and institutional library collections, and development and maintenance of the state library's participation in the Washington Library Network. Funding is provided from the general fund and from federal LSCA funds.

Current Level Adjustments

The decrease in personal services of 2.4 percent results from 4 percent vacancy savings being applied and funding for pay increases is not included. The decrease in total expenditures of 2.4 percent results as no equipment was requested in fiscal 1986 and 1987.

The decrease in general fund of 20.7 percent results from the adjustments discussed above and from federal funds increasing with inflation in the budget.

Issue 1: Washington Library Network (WLN)

The library is requesting \$29,052 in fiscal 1986 and \$29,530 in fiscal 1987 for (1) a projected increase in telecommunication costs of 30 percent in fiscal 1985,

(2) replacement of the current Hazeltine computer with an IBM personal computer, and (3) access to a new interlibrary loan feature of the network which will be operational in fiscal 1985, according to WLN. The Washington Library Network is replacing their existing Hazeltine computers with IBM PC's. According to the state library, they will need to convert over to an IBM PC by December of 1986 in order to maintain access to the network as their present computer will be incompatible with WLN's IBM PC. The following table indicates the minimum costs necessary to provide continued access to the Washington Library Network. According to the library, a minimum of \$11,330 is needed in the 1987 biennium to maintain access to WLN.

Table 3
Additional Costs of Maintaining Access to WLN
Fiscal 1986 and 1987

<u>Item</u>	<u>Fiscal 1986</u>	<u>Fiscal 1987</u>
Increased Communications Cost	\$ 1,173	\$1,247
Cost of Replacing Hazeltine with IBM PC	<u>8,910</u>	<u>-0-</u>
Total Costs	<u>\$10,083</u>	<u>\$1,247</u>

Option 1: Increase operating expenses by \$1,173 in fiscal 1986 and \$1,247 in fiscal 1987 and equipment by \$8,910 in fiscal 1986 to provide continued access to the Washington Library Network. This option will increase the general fund by \$10,083 in fiscal 1986 and \$1,247 in fiscal 1987.

Option 2: Do not add this item to the budget.

Network Bulletin

EXHIBIT 2
February 22, 1985



*National Library Service
for the Blind and
Physically Handicapped*

The Library of Congress

No. 809

Date September 3, 1981

Subject Estimates of the Eligible Population for NLS Program

To Regional and Subregional Libraries
Multistate Centers
Machine Lending Agencies
State Library Agencies
Library Program Officers, ED

NLS frequently receives inquiries from network libraries about what percentage to use to determine the number of persons who are eligible for our program. NLS has carefully reviewed data from the Nonuser Survey and checked with other sources to determine which statistics will be most useful to network libraries in this matter.

✓ We recommend that the following percentages be used to estimate eligible persons: 1.4 percent (14 per 1,000) of the total household population six years and older, plus 25 percent of the institutionalized population (specifically, long-term care nursing homes, hospitals, and schools for blind and physically handicapped individuals). These percentages are not expected to change in the near future. ✓

Questions about the report's detailed analyses and findings should be directed to Richard H. Evensen, Project Coordinator.

For further information, contact: Frank Kurt Cylke
Director, NLS/BPH

Index Statistics

(E)

FUTURE CHANGES IN DEMAND FOR SERVICE WITH SOME DOCUMENTATION

Montana State Library for the Blind and Physically Handicapped has not maintained an extensive public relations program in the past because of budgetary constraints and lack of a staff person to use as a public relations contact. Almost all of our publicity has been through contact with other agencies serving the handicapped and blind and with the public libraries in Montana. However, with the addition of the Volunteer Coordinator position, I feel that this picture will change drastically. Since the Coordinator arrived, October 5, we have already felt the impact of her contacts with nursing homes and hospitals in an increase in the service to the institutions that she has come in contact with. For example, one nursing home called to inform us that since Linda's initial visit the interest in reading has more than doubled. We do not have any hard statistics to present at this time to support this because she has been with us such a short time.

According to the National Library Service the percentage of eligible persons is 1.4 (14 per 1,000) of the total household population six years and older, plus 25 percent of the institutionalized population (specifically, long-term care nursing home, hospitals and schools for blind and handicapped individuals). See attached document for our source.

689,296 = approximate total population age six years and older(1980)

1.4% of 689,296 = 9650 eligible persons*

*Note: This figure is for total population we made no separation between household and institution population.

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL -- BUDGET DETAIL COMPARISONS

REPORT EBSR99
DATE : 12/05/84
TIME : 18/29/51

AGENCY : 5115 LIBRARY COMMISSION
PROGRAM : 01 REFERENCE & INFORMATION SER.
CONTROL : 00000

EXECUTIVE RECOMMENDATIONS

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
0000	FULL TIME EQUIVALENT (FTE)	6.34	7.00	6.50	6.50	6.50	6.50	6.50	6.50
1100	SALARIES	115,169.60	123,415	125,804	125,804	125,804	126,019	126,019	126,019
1400	EMPLOYEE BENEFITS	23,647.43	18,080	18,402	18,402	18,402	18,496	18,496	18,496
1500	HEALTH INSURANCE		6,720	8,400	8,400	8,400	8,400	8,400	8,400
1600	VACANCY SAVINGS			-6,104	-6,104	-6,104	-6,117	-6,117	-6,117
	TOTAL LEVEL	138,817.03	148,215	146,502	146,502	146,502	146,798	146,798	146,798
2100	CONTRACTED SERVICES	36,349.42	14,733	37,800	37,800	37,800	37,800	37,800	37,800
2200	SUPPLIES & MATERIALS	4,295.03	4,650	4,468	4,468	4,468	4,468	4,468	4,468
2300	COMMUNICATIONS	2,178.77	12,065	6,514	6,514	6,514	6,923	6,923	6,923
2400	TRAVEL	3,082.68	3,013	2,767	2,767	2,767	2,767	2,767	2,767
2500	RENT	99,533.38	114,331	95,358	95,358	95,358	96,275	96,275	96,275
2700	REPAIR & MAINTENANCE	770.18	1,849	1,248	1,248	1,248	1,248	1,248	1,248
2800	OTHER EXPENSES	1,558.80	3,331	1,621	1,621	1,621	1,621	1,621	1,621
	TOTAL LEVEL	147,768.26	153,972	149,776	149,776	149,776	151,102	151,102	151,102
3100	EQUIPMENT	77,664.56	74,200	80,800	80,800	80,800	80,800	80,800	80,800
6100	FROM STATE SOURCES	77,664.56	74,200	80,800	80,800	80,800	80,800	80,800	80,800
	TOTAL LEVEL	155,429.12	148,400	161,600	161,600	161,600	161,600	161,600	161,600
	TOTAL PROGRAM	364,249.85	871,387	377,078	377,078	377,078	378,700	378,700	378,700
01100	GENERAL FUND	254,263.30	243,387	263,881	263,881	263,881	261,289	261,289	261,289
02405	STATE LIBRARY	19,167.92	495,000	22,994	22,994	22,994	23,595	23,595	23,595
03018	LIBRARY COMMISSION	89,702.51	133,000	87,203	87,203	87,203	90,816	90,816	90,816
03086	MISCELLANEOUS REIMBURSEMENT	1,116.12		3,000	3,000	3,000	3,000	3,000	3,000
	TOTAL PROGRAM	364,249.85	871,387	377,078	377,078	377,078	378,700	378,700	378,700

AGENCY : 5115 LIBRARY COMMISSION
 PROGRAM : 02 LIBRARY DEVELOPMENT
 CONTROL : 00000

EXECUTIVE RECOMMENDATIONS

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
0000	FULL TIME EQUIVALENT (FTE)	3.00	4.50	3.00		3.00	3.00		3.00
1100	SALARIES	72,213.85	78,643	78,709		78,709	78,785		78,785
1400	EMPLOYEE BENEFITS	13,873.76	11,655	11,670		11,670	11,720		11,720
1500	HEALTH INSURANCE		4,320	3,600		3,600	3,600		3,600
1600	VACANCY SAVINGS			-3,759		-3,759	-3,764		-3,764
	TOTAL LEVEL	86,087.61	94,618	90,220		90,220	90,341		90,341
2100	CONTRACTED SERVICES	25,299.14	95,725	21,677		21,677	21,157		21,157
2200	SUPPLIES & MATERIALS	1,643.33	1,467	1,830		1,830	1,830		1,830
2300	COMMUNICATIONS	6,448.06	32,025	7,222		7,222	7,674		7,674
2400	TRAVEL	8,826.13	2,577	9,099		9,099	9,099		9,099
2500	RENT		1,682						
2700	REPAIR & MAINTENANCE		1,032	140		140	140		140
2800	OTHER EXPENSES	93.67		133		133	133		133
	TOTAL LEVEL	42,310.33	134,508	40,101		40,101	40,033		40,033
3100	EQUIPMENT	2,457.85	1,656	500		500			
	TOTAL LEVEL	2,457.85	1,656	500		500			
6100	FROM STATE SOURCES	356,849.14		453,259		453,259	418,552		418,552
6200	FROM FEDERAL SOURCES	144,463.80		545,511		545,511	407,033		407,033
	TOTAL LEVEL	501,312.94		998,770		998,770	825,585		825,585
	TOTAL PROGRAM	632,168.73	230,782	1,129,591		1,129,591	955,959		955,959
01100	GENERAL FUND	42,752.74	99,478	42,284		42,284	41,861		41,861
02405	STATE LIBRARY	360,156.09	64,944	461,000		461,000	426,269		426,269
03018	LIBRARY COMMISSION	229,259.90	66,360	626,307		626,307	487,829		487,829
	TOTAL PROGRAM	632,168.73	230,782	1,129,591		1,129,591	955,959		955,959

REPORT EBSR99
 DATE : 12/05/84
 TIME : 18/29/51

OFFICE OF BUDGET & PROGRAM PLANNING
 EXECUTIVE BUDGET SYSTEM
 AGENCY/PROGRAM/CONTROL -- BUDGET DETAIL COMPARISONS

AGENCY : 5115 LIBRARY COMMISSION
 PROGRAM : 03 INSTITUTIONAL LIB SER PROGRAM
 CONTROL : 00000

EXECUTIVE RECOMMENDATIONS

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
0000	FULL TIME EQUIVALENT (FTE)	2.00	4.00	2.00		2.00	2.00		2.00
1100	SALARIES	37,730.76	77,624	39,795		39,795	39,795		39,795
1400	EMPLOYEE BENEFITS	7,646.99	11,465	5,809		5,809	5,829		5,829
1500	HEALTH INSURANCE		3,840	2,400		2,400	2,400		2,400
1600	VACANCY SAVINGS			-1,920		-1,920	-1,921		-1,921
	TOTAL LEVEL	45,377.75	92,929	46,084		46,084	46,103		46,103
2100	CONTRACTED SERVICES	7,035.00	10,144	7,540		7,540	7,540		7,540
2200	SUPPLIES & MATERIALS	35.50	265						
2400	TRAVEL	558.17	686	2,519		2,519	2,519		2,519
2700	REPAIR & MAINTENANCE		163						
2800	OTHER EXPENSES	646.00	629	672		672	672		672
	TOTAL LEVEL	8,274.67	11,887	10,731		10,731	10,731		10,731
3100	EQUIPMENT	9,854.69	11,000	10,000		10,000	10,000		10,000
	TOTAL LEVEL	9,854.69	11,000	10,000		10,000	10,000		10,000
	TOTAL PROGRAM	63,507.11	115,816	66,815		66,815	66,834		66,834
01100	GENERAL FUND	18,030.95	57,100	19,701		19,701	19,720		19,720
03018	LIBRARY COMMISSION	45,476.16	58,716	47,114		47,114	47,114		47,114
	TOTAL PROGRAM	63,507.11	115,816	66,815		66,815	66,834		66,834

OFFICE OF BUDGET & PROGRAM PLANNING
 EXECUTIVE BUDGET SYSTEM
 AGENCY/PROGRAM/CONTROL -- BUDGET DETAIL COMPARISONS

REPORT EBSR99
 DATE : 12/04/84
 TIME : 17/30/40

AGENCY : 5115 LIBRARY COMMISSION
 PROGRAM : 04 LIB SER FOR PHYS HANDI PGM
 CONTROL : 00000

EXECUTIVE RECOMMENDATIONS

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
0000	FULL TIME EQUIVALENT (FTE)	5.00	5.00	5.00		5.00	5.00		5.00
1100	SALARIES	75,098.12	74,761	81,825		81,825	82,099		82,099
1400	EMPLOYEE BENEFITS	15,895.76	10,728	11,759		11,759	11,839		11,839
1500	HEALTH INSURANCE		4,800	6,000		6,000	6,000		6,000
1600	VACANCY SAVINGS			-3,983		-3,983	-3,998		-3,998
	TOTAL LEVEL	90,994.88	90,289	95,601		95,601	95,940		95,940
2100	CONTRACTED SERVICES	2,517.11	2,914	2,554		2,554	2,554		2,554
2200	SUPPLIES & MATERIALS	2,131.08	3,368	2,286		2,286	2,286		2,286
2300	COMMUNICATIONS	6,555.43	4,277	7,341		7,341	7,800		7,800
2400	TRAVEL	2,753.31	4,628	2,691		2,691	2,691		2,691
2500	RENT	24,495.90	25,623	22,501		22,501	22,730		22,730
2700	REPAIR & MAINTENANCE	619.43	1,852	644		644	644		644
2800	OTHER EXPENSES	428.33		416		416	416		416
	TOTAL LEVEL	39,500.59	42,662	38,433		38,433	39,121		39,121
	TOTAL PROGRAM	130,495.47	132,951	134,034		134,034	135,061		135,061
01100	GENERAL FUND	52,189.92	72,172	51,304		51,304	51,852		51,852
03018	LIBRARY COMMISSION	78,305.55	60,779	82,730		82,730	83,209		83,209
	TOTAL PROGRAM	130,495.47	132,951	134,034		134,034	135,061		135,061

REPORT EBSR99
 DATE : 12/04/84
 TIME : 17/30/40

OFFICE OF BUDGET & PROGRAM PLANNING
 EXECUTIVE BUDGET SYSTEM
 AGENCY/PROGRAM/CONTROL -- BUDGET DETAIL COMPARISONS

AGENCY : 5115 LIBRARY COMMISSION
 PROGRAM : 04 LIB SER FOR PHYS HANDI PCM
 CONTROL : 00401 GENERAL FUND SUPPORT

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
2100	CONTRACTED SERVICES			15,733		15,733		7,867	7,867
2400	TRAVEL			3,120		3,120		1,560	1,560
2700	REPAIR & MAINTENANCE			3,380		3,380		1,690	1,690
2800	OTHER EXPENSES			1,200		1,200		600	600
	TOTAL LEVEL			23,433		23,433		11,717	11,717
3100	EQUIPMENT			58,080		58,080		29,040	29,040
	TOTAL LEVEL			58,080		58,080		29,040	29,040
	TOTAL PROGRAM			81,513		81,513		40,757	40,757
01100	GENERAL FUND			81,513		81,513		40,757	40,757
	TOTAL PROGRAM			81,513		81,513		40,757	40,757

Budget Issues

Modification Requests

Funding Changes

The Montana State Library's Services to the Blind and Physically Handicapped Program is funded partially by federal funds. Funding this program completely with general fund would release federal funds to fund an automated Library of Congress System for the states thus linking Montana to the National system for information retrieval and materials location. National automated records makes transfer easy for the blind and physically handicapped materials. Savings would occur due to less need for personnel as use increases. We request general fund for this purpose.

Cost: FY 1986 - \$ 81,513 FY 1987 - \$ 40,757

REPORT EBSR99
 DATE : 12/05/84
 TIME : 18/29/51

OFFICE OF BUDGET & PROGRAM PLANNING
 EXECUTIVE BUDGET SYSTEM
 AGENCY/PROGRAM/CONTROL -- BUDGET DETAIL COMPARISONS

AGENCY : 5115 LIBRARY COMMISSION
 PROGRAM : 05 ADMINISTRATION
 CONTROL : 00000

EXECUTIVE RECOMMENDATIONS

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
0000	FULL TIME EQUIVALENT (FTE)	4.16	5.00	4.00		4.00	4.00		4.00
1100	SALARIES	80,642.87	92,175	84,902		84,902	84,902		84,902
1400	EMPLOYEE BENEFITS	16,245.13	13,697	12,370		12,370	12,413		12,413
1500	HEALTH INSURANCE		4,800	6,000		6,000	6,000		6,000
1600	VACANCY SAVINGS			-4,131		-4,131	-4,133		-4,133
	TOTAL LEVEL	96,888.00	110,672	99,141		99,141	99,182		99,182
2100	CONTRACTED SERVICES	6,611.27	4,410	14,854		14,854	5,947		5,947
2200	SUPPLIES & MATERIALS	888.77	810	908		908	908		908
2300	COMMUNICATIONS	4,888.90		5,413		5,413	5,753		5,753
2400	TRAVEL	18,201.72	6,383	17,835		17,835	17,835		17,835
2700	REPAIR & MAINTENANCE	571.42	429	614		614	614		614
2800	OTHER EXPENSES	691.85	639	639		639	639		639
	TOTAL LEVEL	31,853.93	12,032	40,263		40,263	31,696		31,696
3100	EQUIPMENT	625.50		1,500		1,500	1,500		1,500
	TOTAL LEVEL	625.50		1,500		1,500	1,500		1,500
	TOTAL PROGRAM	129,367.43	122,704	140,904		140,904	132,378		132,378
01100	GENERAL FUND	94,650.64	78,999	106,187		106,187	97,661		97,661
03018	LIBRARY COMMISSION	34,716.79	43,705	34,717		34,717	34,717		34,717
	TOTAL PROGRAM	129,367.43	122,704	140,904		140,904	132,378		132,378

REPORT EBSR99
 DATE : 12/04/84
 TIME : 17/30/40

OFFICE OF BUDGET & PROGRAM PLANNING
 EXECUTIVE BUDGET SYSTEM
 AGENCY/PROGRAM/CONTROL -- BUDGET DETAIL COMPARISONS

AGENCY : 5115 LIBRARY COMMISSION
 PROGRAM : 06 TECHNICAL SERVICES
 CONTROL : 00000

EXECUTIVE RECOMMENDATIONS

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
0000	FULL TIME EQUIVALENT (FTE)	5.00		5.00		5.00	5.00		5.00
1100	SALARIES	74,919.42		73,954		73,954	74,111		74,111
1400	EMPLOYEE BENEFITS	15,930.91		10,732		10,732	10,793		10,793
1500	HEALTH INSURANCE			6,000		6,000	6,000		6,000
1600	VACANCY SAVINGS			-3,627		-3,627	-3,636		-3,636
	TOTAL LEVEL	90,850.33		87,059		87,059	87,268		87,268
2100	CONTRACTED SERVICES	20,602.59		22,568		22,568	22,568		22,568
2200	SUPPLIES & MATERIALS	2,729.12		2,833		2,833	2,833		2,833
2300	COMMUNICATIONS	7,313.43		4,262		4,262	4,529		4,529
2400	TRAVEL	284.79		1,955		1,955	1,955		1,955
2700	REPAIR & MAINTENANCE			437		437	437		437
2800	OTHER EXPENSES	30.72							
	TOTAL LEVEL	30,960.65		32,055		32,055	32,322		32,322
3100	EQUIPMENT	7,250.00							
	TOTAL LEVEL	7,250.00							
	TOTAL PROGRAM	129,060.98		119,114		119,114	119,590		119,590
01100	GENERAL FUND	65,293.85		56,036		56,036	56,382		56,382
02405	STATE LIBRARY	34,695.03		34,006		34,006	34,136		34,136
03018	LIBRARY COMMISSION	29,072.10		29,072		29,072	29,072		29,072
	TOTAL PROGRAM	129,060.98		119,114		119,114	119,590		119,590

AGENCY : 5115 LIBRARY COMMISSION
 PROGRAM : 06 TECHNICAL SERVICES
 CONTROL : 00602 ADDITIONAL LINE/WLN

EXECUTIVE RECOMMENDATIONS

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
2100	CONTRACTED SERVICES			16,099	16,099	16,099		29,359	29,359
2300	COMMUNICATIONS			1,346	1,346	1,346		1,547	1,547
	TOTAL LEVEL			17,445	17,445	17,445		30,906	30,906
3100	EQUIPMENT			12,370	12,370	12,370			
	TOTAL LEVEL			12,370	12,370	12,370			
	TOTAL PROGRAM			29,815	29,815	29,815		30,906	30,906
01100	GENERAL FUND			29,815	29,815	29,815		30,906	30,906
	TOTAL PROGRAM			29,815	29,815	29,815		30,906	30,906

Budget Issues

Modifications Requests

Workload Increases
 Montana State Library now has a single telephone line providing on-line access to the Washington Library Network. An additional line is needed to promptly serve increasing constituency demand among Montana libraries. As a result of increased number of terminals accessing the present WLN lines telecommunications costs for the State library are projected to increase by 30% per month in FY 1985. Based on this projection, the cost of this service will increase. Phasing out of WLN's Hazeltine modular one computer by December 1986 and replacing with modified IBM-PC microcomputers will further increase costs. We request general fund for this service.

Cost: FY 1986 - \$ 29,815 FY 1987 - \$ 30,906

REPORT EBSR99
 DATE : 12/03/84
 TIME : 17/00/02

OFFICE OF BUDGET & PROGRAM PLANNING
 EXECUTIVE BUDGET SYSTEM
 AGENCY/PROGRAM/CONTROL -- BUDGET DETAIL COMPARISONS

AGENCY : 5115 LIBRARY COMMISSION
 PROGRAM : 00 LIBRARY COMMISSION
 CONTROL : 00000

AE/OE	DESCRIPTION	ACTUAL FY 84	BUDGET FY 85	REC. CUR FY 86	REC. MOD FY 86	TOTAL FY 86	REC. CUR FY 87	REC. MOD FY 87	TOTAL FY 87
0000	FULL TIME EQUIVALENT (FTE)	25.50	25.50	25.50		25.50	25.50		25.50
1100	SALARIES	455,774.62	446,618	484,989		484,989	485,711		485,711
1400	EMPLOYEE BENEFITS	93,240.98	65,625	70,742		70,742	71,090		71,090
1500	HEALTH INSURANCE		24,480	32,400		32,400	32,400		32,400
1600	VACANCY SAVINGS			-23,524		-23,524	-23,569		-23,569
	TOTAL LEVEL	549,015.60	536,723	564,607		564,607	565,632		565,632
2100	CONTRACTED SERVICES	98,414.53	127,926	106,993	31,832	138,825	97,566	37,226	134,792
2200	SUPPLIES & MATERIALS	11,722.83	10,560	12,325		12,325	12,325		12,325
2300	COMMUNICATIONS	27,384.59	48,367	30,752	1,346	32,098	32,679	1,547	34,226
2400	TRAVEL	33,706.80	17,287	36,866	3,120	39,986	36,866	1,560	38,426
2500	RENT	124,029.28	141,636	117,859		117,859	119,005		119,005
2700	REPAIR & MAINTENANCE	1,961.03	5,325	3,083	3,380	6,463	3,083	1,690	4,773
2800	OTHER EXPENSES	3,449.37	3,960	3,481	1,200	4,681	3,481	600	4,081
	TOTAL LEVEL	300,668.43	355,061	311,359	40,878	352,237	305,005	42,623	347,628
3100	EQUIPMENT	97,852.60	86,856	92,800	70,450	163,250	92,300	29,040	121,340
	TOTAL LEVEL	97,852.60	86,856	92,800	70,450	163,250	92,300	29,040	121,340
6100	FROM STATE SOURCES	356,849.14	495,000	453,259		453,259	418,552		418,552
6200	FROM FEDERAL SOURCES	144,463.80		545,511		545,511	407,033		407,033
	TOTAL LEVEL	501,312.94	495,000	998,770		998,770	825,585		825,585
	TOTAL PROGRAM	1,448,849.57	1,473,640	1,967,536	111,328	2,078,864	1,788,522	71,663	1,860,185
01100	GENERAL FUND	527,181.40	551,136	539,393	111,328	650,721	528,765	71,663	600,428
02405	STATE LIBRARY	414,019.04	559,944	518,000		518,000	484,000		484,000
03018	LIBRARY COMMISSION	506,533.01	362,560	907,143		907,143	772,757		772,757
03086	MISCELLANEOUS REIMBURSEMENT	1,116.12		3,000		3,000	3,000		3,000
	TOTAL PROGRAM	1,448,849.57	1,473,640	1,967,536	111,328	2,078,864	1,788,522	71,663	1,860,185

EXECUTIVE RECOMMENDATIONS

EXHIBIT 4
February 22, 1985

INSTITUTIONS AND CULTURAL
EDUCATION SUBCOMMITTEE

HEARING ON

LIBRARY COMMISSION
BUDGET

FEBRUARY 21, 1985

STATE LIBRARY COMMISSION - AUTHORITY

22-1-103. STATE LIBRARY COMMISSION - AUTHORITY. The state library Commission shall have the power to:

(1) give assistance and advice to all tax-supported or public libraries in the state and to all counties, cities, towns, or regions in the state which may propose to establish libraries, as to the best means of establishing and improving such libraries;

(2) maintain and operate the state library and make provisions for its housing;

(3) accept and expend in accordance with the terms thereof any grant of federal funds which may become available to the state for library purposes;

(4) make rules and establish standards for the administration of the state library and for the control, distribution, and lending of books and materials;

(5) serve as the agency of the state to accept and administer any state, federal, or private funds or property appropriated for or granted to it for library service or foster libraries in the state and establish regulations under which funds shall be disbursed;

(6) provide library services for the blind and physically handicapped;

(7) furnish, by contract or otherwise, library assistance and information services to state officials, state departments, and residents of those parts of the state inadequately serviced by libraries;

(8) act as a state board of professional standards and library examiners and develop standards for public libraries and adopt rules for the certification of librarians;

(9) designate areas for the establishment of federations of libraries and designate the headquarters library for such federations.

The State Library Commission serves

- Libraries
 - 131 public libraries
 - 531 other libraries
 - 17 academic libraries
 - 406 school libraries
 - 108 special libraries
 - 6 library federations
- Citizens and local governments establishing and improving libraries
- The Legislature as the agency administering its appropriations for library service
- Montana residents who cannot use printed materials because of blindness or physical handicaps
- State officials and state departments
 - 13,973 state employees
- Residents of 13 state institutions
- 785,864 Montana people through:
 - a statewide interlibrary loan network
 - a statewide reference and information program
 - the State Publications Library Distribution Center
 - a collection of approximately a quarter million pieces of material

**SOME ACCOMPLISHMENTS OF THE STATE LIBRARY COMMISSION
FOR THE BIENNIUM 1984-85**

To strengthen and improve library service throughout the state

- The Montana Library Services Advisory Council became an active, influential voice for citizens and librarians.
- Statewide committees began to work actively on improving interlibrary loan services, automation and library collections of materials.
- A major study of Montana's library federations was completed.
- Long range planning is underway.
- A statewide data base showing the materials owned by many libraries, MonCat, is a reality.
- New Public Library Standards and an update of library laws were published.
- Nine major training programs were conducted for librarians and library trustees.
- Ten libraries were enabled to have building or remodeling projects.
- A public information program provided increased communication to all libraries.
- A stronger partnership and closer working relationship with all types of libraries were combined with Commission leadership to increase service to state residents.

continued...

To increase the effectiveness of the State Library

- The State Library moved into a new building and began new services.
- The agency was reorganized to form stronger departments and to create a new library development unit.
- The budget was reorganized to have operations and grants aligned with the programs and services the agency provides.
- Major emphasis on staff development included an agency-wide performance appraisal system, rewritten job descriptions, orientation, staff meetings, and continuing education.
- Uniform personnel procedures were incorporated into all hiring, promotion and disciplinary actions.
- The computer capacity of the agency was increased. Some processes were automated and an automation plan was prepared.
- Seven new agency policies were adopted by the Commission.
- The Volunteer Program has expanded. The State Library uses the Green Thumb Program. The agency provided work experience for Helena Industries and Helena High School special education students.
- The Program Review of the State Library, done in 1982, provided an agency workplan. Many of the recommendations have been implemented.

MAJOR ISSUES IN STATE LIBRARY COMMISSION BUDGET

1. Keeping CST and LSCA funds for Federation services and grants to public libraries.

Coal Severance Taxes and Federal library funds (LSCA) appropriated for operations at the State Library to replace General Fund reduce services in Federations and programs maintained through grants to local public libraries.
2. General Fund must be at a level to provide the current services to state government and maintain the existing programs. The OBPP recommendations for current level are \$22,207 less than the 1984-85 biennium; the LFA's figures are \$64,161 less. The amount of Federal money used to support the agency is recommended to increase.
3. There must be adequate funds to cover present expenses. Categories in which the proposed figures are not adequate are contracted services, repair and maintenance and other expenses.
4. Vacancy savings - If required for an agency as small as the State Library (25.5 FTE), vacancy savings are equivalent to 1.1 professional positions or 1.6 clerical positions.
5. Program 4, automation for the Blind and Physically Handicapped Services Program. Procedures are very labor intensive. Automation would improve service to current users and allow service to be provided to those not receiving it. The Governor's recommendation includes this automation.
6. Price increases which affect the State Library Commission budget. Expenditures for some items are rising in price and the inflation allowances recommended are not great enough to cover these.

BUDGET ISSUE NO. 1

GRANTS TO LIBRARIES

Coal severance tax grants to library federations

Actual amount distributed in \$ 383,222
 last four quarters (last quar-
 ter of FY 1984 and first three
 quarters of FY 1985)

Estimated 1986-87 biennium *	<u>FY 1986</u>	<u>FY 1987</u>
OBPP	\$ 453,259	\$ 418,552
LFA	381,624	376,371

	<u>FY 1986</u>	<u>FY 1987</u>
State Library Commission recommends	\$ 388,724	\$ 342,077 **

Library Services and Construction Act (LSCA) grants to libraries

Estimated 1986-87 biennium ***	<u>FY 1986</u>	<u>FY 1987</u>
OBPP	\$ 545,511	\$ 407,033
LFA	185,674	167,900

	<u>FY 1986</u>	<u>FY 1987</u>
State Library Commission recommends ****	\$ 321,099	\$ 235,668

- * Estimates may need to be adjusted if new legislation is passed. HB 19 reduces FY 1986 by 12%; SB 270 reduces both years by 8%.
- ** Reduced by 12% as the Department of Highways amount affects the earmarked account.
- *** Estimates will have to be adjusted if LSCA appropriated for operating expenses of the State Library is substantially increased or decreased.
- **** Calculations on back of this sheet.

STATE LIBRARY ESTIMATES FOR LSCA GRANTS

1986-87 Biennium

	<u>FY 1986</u>	<u>FY 1987</u>	<u>Total</u>
1984 Title I	\$ 12,496	\$ 0	\$ 12,496
1985 Title I	36,190	4,784	40,974
1985 Title II	82,828	82,828	165,656
1985 Title III	43,086	5,649	48,735
1986 Title I	53,461	0	53,461
1986 Title III	93,038	0	93,038
1987 Title I	0	49,369	49,369
1987 Title III	<u>0</u>	<u>93,038</u>	<u>93,038</u>
Totals	321,099	235,668	556,767

"....1% to the state special revenue fund to the credit of the State Library Commission for the purpose of providing basic library services for the residents of all counties through library federations...."

LIBRARY FEDERATIONS AND THE COAL SEVERANCE TAX

Since 1956, Montana has had libraries join together in federations "to pool resources and information and avoid duplication of effort" (MCA 22-1-401). In 1979 the Legislature allotted coal severance taxes to enable federations to aid local libraries in providing basic service.

Last year (FY 1984) federations received \$352,849, or the equivalent of 45 cents per capita. The allocation ranged from \$33,311 in Golden Plains Federation (Northeastern Montana) to \$76,880 in Tamarack Federation (western part of the State).

These funds support several key services which are important to everyone who lives in Montana:

- interlibrary loan of materials - the ability to get a book or piece of material which the local library doesn't have - usually from another library in the State or Pacific Northwest
- reference and information services - being able to go into a community library and have it be part of an information system that is regional and nationwide
- collection of books and other materials - at one's own library and at the headquarters library
- a better local library - through staff training, joint planning, participation in automation, help in serving children; a support system that helps in many ways.

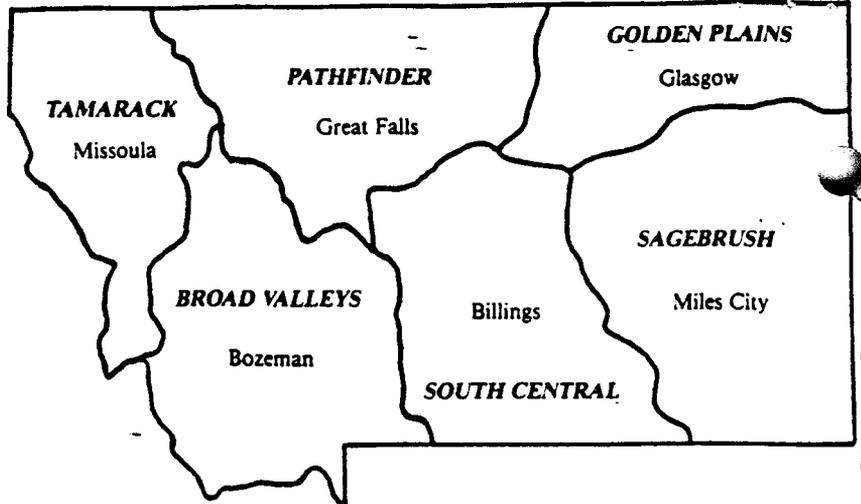
The \$352,849 was used for 44,424 interlibrary loan requests for materials, 35 library meetings and workshops, and approximately 3,000 hours of assistance to local libraries by the staff of the Federations. \$69,477 was used to purchase books and materials.

Coal Severance Tax Revenues are used each year for services and operation of the Federations. They are not accumulated as a growth fund.

FEDERATION	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984
Broad Valleys	\$ 78,022	\$ 73,121	\$ 73,175	\$ 67,205	\$ 73,001
Golden Plains	41,879	33,579	33,365	31,524	33,311
Pathfinder	71,668	62,776	62,228	57,394	62,087
Sagebrush	47,687	41,096	41,152	38,504	41,075
South Central	69,714	66,027	66,649	61,357	66,495
Tamarack	74,598	75,435	77,065	70,692	76,880
State Library *			77,300	73,549	61,268
TOTALS	\$383,568	\$352,033	\$430,934	\$400,225	\$414,117

* used to provide book and information location services

FEDERATIONS AND HEADQUARTERS LIBRARY LOCATIONS



BROAD VALLEYS FEDERATION OF LIBRARIES

- Beaverhead County
Dillon City
- Broadwater County
Townsend, Broadwater Co.
- Deer Lodge County
Anaconda, Hearst Free
- Gallatin County
Belgrade Public
Bozeman Public****
Manhattan Community
Three Forks Community
West Yellowstone Public
- Granite County
Drummond Public
Phillipsburg Public
- Jefferson County
Boulder Community
Whitehall, John Gregory
- Lewis & Clark County
Helena, Lewis & Clark
- Madison County
Ennis, Clancy Memorial
Sheridan Public
Twin Bridges Public
Virginia City, Thompson
Hickman
- Meagher County
White Sulpher Springs
Meagher County
- Park County
Livingston Public
- Powell County
Deer Lodge, Kohrs
Memorial
- Silver Bow County
Butte-Silver Bow Public

GOLDEN PLAINS FEDERATION OF LIBRARIES

- Daniels County
Scobey, Daniels Co.
- Phillips County
Malta, Phillips Co.
- Roosevelt County
Wolf Point, Roosevelt
- Sheridan County
Plentywood, Sheridan
- Valley County
Glasgow, Silver Co. ****

PATHFINDER FEDERATION OF LIBRARIES

- Blaine County
Chinook, Blaine Co.
Harlem Public
- Cascade County
Belt Public
Cascade, Wedsworth
Memorial
Great Falls Public****
- Chouteau County
Fort Benton, Chouteau Co.
- Glacier County
Cut Bank, Glacier Co.
- Hill County
Havre, Havre-Hill Co.
- Liberty County
Chester, Liberty Co.
- Pondera County
Conrad Public
Valier Public
- Teton County
Choteau Public
Dutton Public
Fairfield Public
- Toole County
Shelby, Toole Co.

SAGEBRUSH FEDERATION OF LIBRARIES

- Carter County
Ekalaka, Carter Co.
- Custer County
Miles City Public****
- Dawson County
Glendive Public
- Fallon County
Baker, Fallon Co.
- Garfield County
Jordan, Garfield Co.
- McCone County
Circle, McCone Co.

- Powder River County
Broadus, Malley Memorial
- Prairie County
Terry, Prairie Co.
- Richland County
Sidney Public
- Rosebud County
Forsyth, Rosebud Co.
- Treasure County
- Wibaux County
Wibaux Public

SOUTH CENTRAL FEDERATION OF LIBRARIES

- Big Horn County
Hardin, Big Horn Co.
- Carbon County
Bridger Public
Red Lodge Carnegie
- Fergus County
Denton Public
Lewistown City
Moore Memorial
- Golden Valley County
- Judith Basin County
Stanford, Judith Basin Co.
- Musselshell County
Roundup Community
- Petroleum County
Winnett, Petroleum Co.
Community
- Stillwater County
Columbus, Stillwater Co.
- Sweet Grass County
Big Timber, Carnegie
- Wheatland County
Harlowton Public
- Yellowstone County
Billings, Parnly****
Laurel Public

TAMARACK FEDERATION OF LIBRARIES

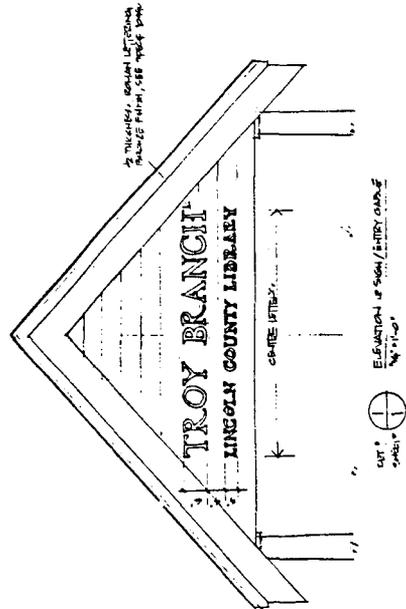
- Flathead County
Kalispell, Flathead Co.
- Lake County
Polson City
St. Ignatius Public
Swan Lake Library
- Lincoln County
Libby, Lincoln Co.
- Mineral County
Superior, Mineral Co.
- Missoula County
Missoula, City-Co.****
- Ravalli County
Darby Public
Hamilton Public
Stevensville Public
- Sanders County
Dixon Public
Hot Springs Public
Plains Public
Thompson Falls Pub.

****Headquarters Library

After ten years absence, LSCA public library construction funds were available in 1984. \$220,523 was awarded for projects in ten communities in areas with high unemployment. Projects were for general construction, energy conservation remodeling, and to improve access for the handicapped.

- o Construction of the Troy branch of the Lincoln County Library
- o Remodeling projects in Plains, Bigfork, Kalispell, and Superior
- o Energy conservation remodeling in St. Ignatius, Missoula, Butte, Great Falls, and Glasgow
- o Remodeling for handicapped access in Butte and Glasgow.

Additional construction projects estimated at \$166,000 will be funded in 1985. All construction projects are matched with 50% local funds.



THE LIBRARY SERVICES AND CONSTRUCTION ACT IN MONTANA



GRANTS TO LIBRARIES 1983 to 1985

Innovative library and information services must meet the challenges of Montana's great distances, sparse population, and needs for up-to-date information in an ever-changing world. Grant funds from the federal Library Services and Construction Act (LSCA) provide the impetus to get such programs in motion.

Since 1956 Montana libraries have benefited from federal library grant programs. These funds helped begin Montana's six public library federations. Grant funds are now used for projects to:

- o build or remodel public library facilities
- o develop a computer data base identifying what materials libraries own
- o train librarians in essential skills for a fast-changing profession
- o bring services to Montanans presently underserved by libraries
- o plan the future of library and information services in Montana.

WHAT IS LSCA?

Federal funds for libraries began in 1956 with the Library Services Act. It provided support to public libraries, primarily in rural areas.

In 1964 library funding was broadened with the Library Services and Construction Act (LSCA). It provides grant funds under three titles:

- o Title I - public library services:
 - extension of library services to citizens without services or inadequately served because of distance, physical handicaps, or other disadvantages.
- o Title II - public library construction:
 - construction of new facilities
 - remodeling existing facilities to improve energy conservation and meet standards, particularly, access for the handicapped.
- o Title III - interlibrary cooperation:
 - coordination of resources of school, public, academic and special libraries
 - the establishment and operation of local, regional and interstate cooperative networks.

AND RESOURCE SHARING

Libraries are participating in the development of Moncat, a shared data base which contains records of materials owned by Montana libraries. Moncat, the Montana union catalog, is being developed through a multi-state computer library system, the Washington Library Network. It is used to streamline library operations as well as to allow libraries to share materials with each other. In 1983 and 1984 libraries received nearly \$190,000 in grant funds to participate in Moncat. These include:

- o Flathead County Library, Kalispell, and nine neighboring college, health science, public and school libraries in northwest Montana
- o City-County Library of Missoula
- o University of Montana Mansfield Library
- o Butte-Silver Bow Public Library
- o Lewis and Clark Library along with two health science and one film library in Helena
- o Montana State University Renne Library.

Funds also supported the Pilot Moncat project to test the use of a shared catalog, the updating of magazine holdings in Moncat, and the production of the first edition of Moncat on microfiche.

In 1985 an additional \$125,000 will support Moncat participation. Local level match is required for all Moncat grants.

Grant funds support library planning and demonstration projects.

- o The Federation Review recommends a change to multi-type library governance for Montana's six federations - participation by public, academic, school, and special libraries.
- o The draft Long Range Plan establishes visions for libraries in 1989, Montana's Centennial year, and charts ways of attaining them.

- o A public information project increases awareness of libraries through radio and television spots.
- o A project to demonstrate how a school library could provide public library services on the Rocky Boy Reservation will be conducted in 1985.

- o Planned for 1986 is a demonstration project on how to develop core collections of materials for public libraries in remote areas.

A variety of training workshops has been provided with LSCA funds.

- o Financial management workshops were held in 5 communities. Topics were the budget process, audits and record keeping, and the political process.
- o Training in the use of Moncat for interlibrary loans was offered in 1984, to be repeated in ten communities in 1985.

- o Librarians serving residents of Montana's institutions attended a workshop designed to increase awareness of services for residents of correctional facilities, mental institutions, and geriatric programs.

- o Trustees and public librarians participated in training to define the roles of trustees in policy making and public relations, held in six communities.

- o Grant writing/fund raising workshops will be offered in spring 1985.

STATE LIBRARY SERVICES

LSCA funds are also used to support services from the State Library, currently 36% of budgeted operating costs. Federally funded operations primarily support statewide library development, reference and interlibrary loans for local libraries, library services to residents of the state's institutions, and services for blind and physically handicapped persons.

LSCA IN MONTANA

Total Grant Award	Appropriated for State Library Services	Grants to Libraries
1983 \$440,909	\$376,445 (85%) ¹	\$126,888
1984 \$469,556 ²	\$364,560 (78%)	\$104,996 ²
1985 \$508,131 ³	\$359,560 (71%)	\$148,571 ³

1) Included \$62,424 carried forward from FY82 grant award. 2) Does not include \$220,523 appropriated under Emergency Jobs Bill for public library construction. 3) Does not include \$165,656 appropriated under LSCA Title II for public library construction.

BUDGET ISSUE NO. 2

ANALYSIS OF CURRENT LEVEL FUNDING
FOR STATE LIBRARY OPERATIONS*

1984/1985 BIENNIUM APPROPRIATION

	<u>FY 1984</u>	<u>FY 1985</u>	<u>TOTAL</u>
General Fund	\$ 539,229	\$ 551,136	\$ 1,090,365
Coal Severance Tax	61,268	64,944	126,212
Federal Special Fund	<u>367,560</u>	<u>362,560</u>	<u>730,120</u>
Totals	968,057	978,640	1,946,697

GOVERNOR'S 1986/1987 RECOMMENDATION

	<u>FY 1986</u>	<u>FY 1987</u>	<u>TOTAL</u>
General Fund	\$ 539,393	\$ 528,765	\$ 1,068,158
Coal Severance Tax	64,741	65,448	130,189
Federal Special Fund	<u>364,632</u>	<u>368,724</u>	<u>733,356</u>
Totals	968,766	962,937	1,931,703

LEGISLATIVE FISCAL ANALYST'S ANALYSIS

	<u>FY 1986</u>	<u>FY 1987</u>	<u>TOTAL</u>
General Fund	\$ 519,670	\$ 506,534	\$ 1,026,204
Coal Severance Tax	66,480	69,804	136,284
Federal Special Fund	<u>389,150</u>	<u>408,609</u>	<u>797,759</u>
Totals	975,300	984,947	1,960,247

* Grant funds and modifications are subtracted to give clear analysis

NARRATIVE

- ° Grants and Modifications complicate the numbers. Once these are taken out, the LFA's figures are closer to current level. The LFA gives a \$13,550 increase over the biennium; OBPP a \$14,994 decrease.

- ° The LFA analysis for General Fund in the agency is \$64,161 less than last biennium; OBPP is \$22,207 less. Either of these would mean service to state government would have to be reduced.

- ° The loss of General Fund is spread through all programs. Analysis is attached.

- ° The amount of General Fund needed by the State Library to maintain current level services is \$1,122,830 distributed through the programs as follows:
 - Program I - \$558,684 - Provides program at FY 85 level
 - Program II - \$84,145 - OBPP recommendation
 - Program III - \$39,421 - OBPP recommendation
 - Program IV - \$109,366 - Provides program at FY 85 level
 - Program V - \$203,848 - OBPP recommendation
 - Program VI - \$127,366 - Provides program at FY 85 level

GENERAL FUND ANALYSIS BY PROGRAMS

	Appropriated for 1984/85 Biennium *	Recommended OBPP 1986/87	Recommended LFA 1986/87	% Change from 84/85 Biennium OBPP	% Change from 84/85 Biennium LFA
Program 1 Reference and Information Services	535,754	525,170	520,100	-2.0	-2.9
Program 2 Library Development	85,659	84,145	72,944	-1.8	-14.8
Program 3 Institutional Library Services	37,693	39,421	31,290	+4.6	-17.0
Program 4 Service to Blind and Handicapped	108,205	103,156	97,325	-4.7	-10.1
Program 5 Administration	193,873	203,848	202,928	+5.1	+4.7
Program 6 Technical Services	129,181	112,418	101,617	-13.0	-21.3
TOTALS	1,090,365	1,068,158	1,026,204	-2.0	-5.9

* After reorganization

**FEDERAL LIBRARY FUNDS:
INCREASING DIFFICULTIES IN THEIR USE BY THE STATE LIBRARY**

Each year it becomes harder to satisfy the U.S. Department of Education on how Library Services and Construction Act (LSCA) money is used internally within the agency. These directives have required compliance and are now in effect:

- Funds cannot be used to fund any activity which serves state officials or employees.
- Personnel positions cannot be funded with 100% of LSCA when only a portion of time is spent on LSCA activities.
- Pay increases cannot be 100% LSCA - only a percent based on the time spent on LSCA activities.
- No funds can be used to pay for any activities or expenses of the State Library Commission.
- Program I, Reference and Information Services, must be funded in a ratio between federal and state funds that is the same ratio of use by state government and public libraries.
- No activity or object of expenditures can be funded 100% with LSCA if statistics show only part of the use is for public libraries.
- Revision of the act will place a ceiling on the amount that can be used for administration.

Text in the Legislative Fiscal Analyst's narrative may indicate all inflation additions are to be funded through LSCA (P. 735, Issue #3, "The difference occurs as federal LSCA and coal tax funds used for state library operations increase with inflation in the current level analysis."/P. 736, Second Paragraph, Line 4). This would not be possible under the way LSCA is regulated by the federal program officers.

TITLE I - LIBRARY SERVICES *

GRANTS TO STATES FOR LIBRARY SERVICES

Sec. 101.

The Secretary shall carry out a program of making grants from sums appropriated pursuant to section 4(a)(1) to States which have approved basic State plans under section 6 and have submitted annual programs under section 103--

- (1) for the extension of public library services to areas and populations without such services and the improvement of such services to areas and populations to ensure that such services are adequate to meet user needs and to make library services accessible to individuals who, by reason of distance, residence, handicap, age, literacy level, or other disadvantage, are unable to receive the benefits of public library services regularly made available to the public;
- (2) for adapting public library services to meet particular needs of individuals within the States;
- (3) for assisting libraries to serve as community information referral centers;
- (4) for assisting libraries in providing literacy programs for adults and school dropouts in cooperation with other agencies and organizations, if appropriate;
- (5) for strengthening State library administrative agencies; and
- (6) for strengthening major urban resource libraries.

* from Library Services and Construction Act, P.L. 98-480, as amended in 1984

BUDGET ISSUE NO. 3

ANALYSIS OF CURRENT LEVEL FUNDING
FOR EXPENDITURES CATEGORIES
IN STATE LIBRARY OPERATING BUDGET

- ° Last biennium the State Library shifted \$42,391 from the operating budget to fund the 4% salary increase for employees. This amounted to a 6% reduction in the operating budget.
- ° Current level services cannot be maintained with the Contracted Services allocated by OBPP. Analysis by program follows. Category is complicated by biennium audit costs.
- ° Rent is difficult to determine. OBPP and LFA use different figures to compute rent for Department of Administration buildings. Department of Administration has not announced a cost per square foot.

FY 1984 actual - \$117,816
DOA cost for FY 1985 - \$126,528

<u>OBPP</u>	<u>LFA</u>
1986 - \$112,503	1986 - \$119,467
1987 - 113,649	1987 - 124,561

° Repair and Maintenance

Montana State Library has some very aged office equipment. The agency's 1986-87 request contained a request for a modest replacement budget - \$4419 for the biennium. OBPP recommended \$3500; LFA \$1792. If the equipment cannot be replaced on a regular basis, good maintenance is vital. In addition, some equipment will require maintenance contracts for the first time. OBPP recommendation of \$3083 each year is approximately \$2000 short of Montana State Library need; LFA is approximately \$3000 short.

° Other

This category includes newspaper subscriptions for both the State Library and the libraries in state institutions. Recommendations are not high enough to cover increases for Independent Record and Great Falls Tribune. Two newspaper subscriptions for the State Prison increased 16%.

This also includes what the State Library pays Personnel Division for staff training. Training emphasizes personnel management to avoid future problems and costs for the state.

ANALYSIS OF CONTRACTED SERVICES

Program 1 - Reference and Information Services

Provides data base searching, printing and interlibrary loan reimbursement to University System.

<u>Actual '84/ Budgeted '85</u>	<u>OBPP 1986-87</u>	<u>LFA 1986-87</u>	<u>NEED</u>
73,376	75,600	80,296	80,296

Program 2 - Library Development

Provides printing of newsletter and library directory and reimbursement for public library film service.

43,615	42,834	45,785	45,785
--------	--------	--------	--------

Program 3 - Institutional Library Services

Provides public library services to residents of state institutions through nearest public library.

16,735	15,080	15,674	17,404
--------	--------	--------	--------

Program 4 - Service to Blind and Physically Handicapped

Provides braille materials to Montana residents through Utah State Library.

5,576	5,108	5,466	5,799
-------	-------	-------	-------

Program 5 - Administration

Provides membership in regional and national networking groups, audit fees, legal fees and state payroll and insurance costs.

With audit	17,388	20,801	25,518	25,518
Without audit	10,531	11,801	16,518	16,518

Program 6 - Technical Services

Provides services from Washington Library Network

45,352	45,136	45,900	47,166
--------	--------	--------	--------

AGENCY

With audit	202,042	204,559	218,639	221,968
Without audit	195,185	195,559	209,639	212,968

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INTERLIBRARY LOAN REIMBURSEMENT

REIMBURSEMENT TO THE UNIVERSITY SYSTEM LIBRARIES FOR PROVIDING MATERIALS TO RESIDENTS OF MONTANA

THE CURRENT SITUATION: Libraries of the University System make their collections of materials available to all Montana citizens. This is done by a request made from a local library. The interlibrary process includes the academic libraries who may eventually receive the request. In FY 1984 the University System libraries handled approximately 6200 interlibrary loan requests from public libraries. They also worked on 1870 requests from State Government forwarded to them from the State Library.

Four of the libraries receive no assistance to cover the costs of this work. The Montana State University and the University of Montana libraries each receive \$3,250 a year for clerical help through the Contracted Services budget of the State Library. They also receive payment for photocopies through the same account (approximately \$5,500 for each year of the biennium).

WHAT HAPPENED IN 1984: Faced with increased costs and a \$36,000 cut in the library budget at the University of Montana, the University System discussed interlibrary loan fees in a series of meetings beginning in Spring, 1984. The State Librarian submitted a budget modification of \$71,400 for the 1986/87 biennium for better reimbursement of costs to all six units and requested that fees not be established. It was agreed not to establish fees now. It was also noted this issue might need to be reconsidered if the modification was not funded.

RELEVANT INFORMATION:

- The University System is not funded for this role. Funding formulas for peer schools do not include these costs.
- The Federations and the libraries in the State do not have large enough budgets to absorb fees.
- The State Library does not have enough funds in current level to pay the University System or to pay for the interlibrary loans needed by State Government if fees are established.
- If the people who use the materials have to pay fees, we will begin a change in Montana from making information available to all people to providing it to those wealthy enough to pay for it.
- Interlibrary loan services are very important to people in Montana where people live great distances from libraries and where many libraries have collections that are small, very general and lacking new materials.
- This importance will grow as people need and use more information, as automation makes information more available and as costs continue to rise.

BUDGET ISSUE NO. 4

VACANCY SAVINGS AND THE STATE LIBRARY

MONTANA STATE LIBRARY

Vacancy savings (FY 1986 - \$23,524; FY 1987 - \$23,569) are 1.10 professional positions or 1.6 clerical positions for each year. Of 27 Montana State Library employees, 63% receive longevity increments; 25 permanent employees have an average of 6.2 years of state service; average age is 43 years; only one employee is within 5 years of retirement age of 65. This represents a long-term, younger work force with a low attrition rate.

PROGRAM 1 - REFERENCE AND INFORMATION SERVICES

Vacancy savings (FY 1986 - \$6,104; FY 1987 - \$6,117) are 41% of one clerical position or 29% of one professional position for each year.

PROGRAM 2 - LIBRARY DEVELOPMENT

Vacancy savings (FY 1986 - \$3,759; FY 1987 - \$3,764) are 25% of one clerical position or 18% of one professional position for each year.

PROGRAM 3 - INSTITUTIONAL LIBRARY SERVICES

Vacancy savings (FY 1986 - \$1,920; FY 1987 - \$1,921) are 9% of one professional position for each year.

PROGRAM 4 - SERVICE TO BLIND AND PHYSICALLY HANDICAPPED

Vacancy savings (FY 1986 - \$3,983; FY 1987 - \$3,998) are 19% of one professional position or 26% of one clerical position for each year.

PROGRAM 5 - ADMINISTRATION

Vacancy savings (FY 1986 - \$4,131; FY 1987 - \$4,133) are 19% of one professional position or 27% of one clerical position for each year.

PROGRAM 6 - TECHNICAL SERVICES

Vacancy savings (FY 1986 - \$3,627; FY 1987 - \$3,636) are 17% of one professional position or 24% of one clerical position for each year.

LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED FACT SHEET

1. Approximately 70% of the people who use this service are 60 years of age and older. Users receive about 1500 items per week from the Library for the Blind and Physically Handicapped (LBPH) - talking books, machines to play them on, form letters, catalogs and other materials. The LBPH is presently reaching about 1800 users, about 20% of the eligible population of Montana.
2. Volunteers contributed 112 hours per week, or a total of 5,884 hours, last fiscal year at a fair market value of \$49,651. A total of 818 cassette and talking book machines were repaired by Telephone Pioneer volunteers at a contributed \$25.00 per unit. It would cost the State \$20,540 for these repairs. The breakup of the Bell System will eventually impact this volunteer service.

Some volunteers come to LBPH five days a week, four hours a day; some have come on a regular basis for twelve years; some are handicapped and on Social Security. The volunteer experience is so important that they pay their own transportation costs. Many of these volunteers are retired professionals who have testified that volunteering to help others has become a most important factor in their lives.

3. All book selection for the LBPH is done at the national level, so each state-level library is responsible for production of materials unique to its region. Through a project coordinated by the LBPH, a sound booth was constructed at the Montana State Prison to record Montana materials. This program not only provides Montana literature to users, but also gives inmates a paid position, "good time", on the job training, plus the satisfaction of providing a much-needed service to Montana's handicapped population. Montana materials are also recorded at the LBPH.
4. The LBPH is part of a team of service providers and civic organizations which strives to provide quality service to the blind and physically handicapped. This team includes: Montana Association for the Blind, Lion's Sight and Hearing Foundation, educators, health care professionals, Green Thumb, Visual Services Division of Social and Rehabilitative Services, Montana State Prison, Retired Senior Volunteer Program, Montana School for the Deaf and Blind, Low Vision Service, and the Coordinator of Handicapped Students at Montana State University. This team has collaborated by giving seminars and training for volunteers, staff, educators and health care professionals.

continued...

5. Letters, telephone calls and postcards from users tell us how much the service means to them to "soften the blow of lost eyesight". This service is the same as all library service because it plays an important part in the lives of the users.

The following quotes from users' letters:

"I used to teach college English. I still preach now and then and do considerable speaking. I don't know what I would do without the talking books."

"It has been so great getting the records and cassette tapes from your library. Thank you again for making my life tolerable. I cannot imagine what I would do if these items were not available."

"Please know how much my husband appreciates your talking books. It has opened up an entire 'new world' for him - given him an independence and enjoyment which he previously was denied; and also given him a great deal to look forward to."

6. A special rapport develops between the user and the staff members who serve them. An important aspect is the communication with the user, such as 6,481 telephone calls and 8,452 pieces of correspondence in FY 1984. Positive feedback from appreciative users helps also with this rapport.
7. Under MCA 22-1-103 the Montana State Library Commission has a mandate to provide library services to residents of Montana who cannot read conventional print because of a physical or visual handicap. As a cooperating regional library in the National Library Service of the Library of Congress, the Montana State Library for the Blind and Physically Handicapped is the only "Talking Book" library in the State.

WHY AUTOMATE?

In an average month*
The Library for the Blind and Physically Handicapped...

- o supplies 5739 recorded materials to users
- o mails 390 form letters
- o processes 258 book selection sheets
- o receives 232 new talking books
- o issues 111 machines to users

and also

- o circulates deposit collections
- o puts books away
- o manages a volunteer program
- o records Montana books
- o publicizes the program

with 5.0 FTE

operating on \$11,768

with 448 volunteer hours
(the equiv. of 2.5 FTE's)

LBPH is NOT able to...

- o reach 80% of potential user group
- o inspect returned books
- o provide in-depth service through
personal contact
- o give reference service

* measured July - December 1984

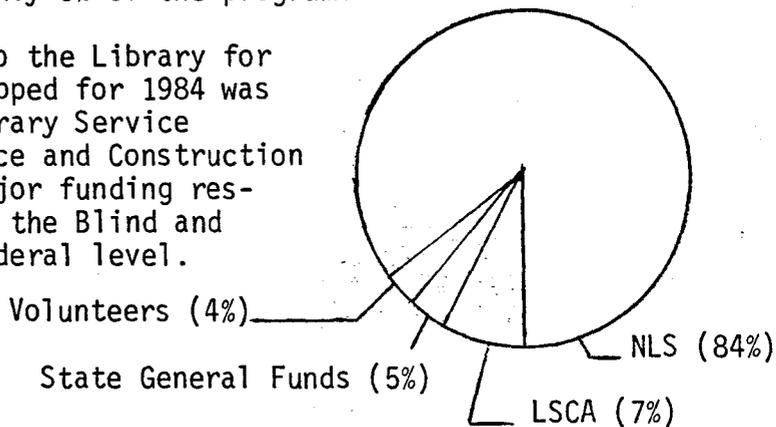
REASONS FOR AUTOMATING THE LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED

1. The Library for the Blind and Physically Handicapped (LBPH) serves 1800 users. This represents just 20% of the estimated 9000 Montana users who would be eligible for the service. The LBPH is increasing its efforts to reach the 80% of the potential users who are not now receiving services. In the last year book circulation increased 25%, the number of readers increased 8.6%, and the deposit collections grew by 70%. For the LBPH to continue to produce a service equivalent to the needs of its users, the increases will require either additional FTE's or automation of the present system.
2. Automation would allow present staff to provide better services to the LBPH users through more personal contact. Most users are unable to select specific titles, so they must rely on staff for selection in their areas of interest. This is presently the area that requires the greatest amount of staff time and is prone to error. Automation would allow more accuracy. It would also free the present staff to do other duties essential to quality service - inspecting the books for damage and proper contents, checking the machines, assisting readers with special needs, preparing bibliographies, outreach services and more personal interaction to insure that the users receive exactly what they want to read.
3. The present system of book selection and circulation is labor intensive, routine, time consuming and slow. It is the type of clerical work which is best suited for automation. Automation would not only provide a more rapid and accurate selection of the books but would also prevent the errors that are inherent in using the present manual numerical system.
4. The LBPH has responsibility for an extensive inventory of over 50,000 books and 4,230 machines. This collection is partially inventoried by a manual system. Computerization would provide for greater inventory control of both machines and books, more accurate statistical reporting and more effective collection management.
5. If the LBPH were to automate, system software would be provided to the State of Montana at no charge by the Library of Congress National Library Service. Arizona recently spent \$45,000 for similar software. The State Library would need to supply the hardware.
6. Automation would keep the LBPH in the mainstream by allowing interaction with other automated libraries in the network. New users who move to the state or Montanans moving other places could have records transferred.
7. The LBPH users are the most technically oriented persons the Montana State Library serves. These users are accustomed to state-of-the-art technology which has provided them with major breakthroughs such as personal computers which read various types of print, and talking watches and calculators. Technology makes their lives more productive and less restrictive. Their library services should be as efficient and accurate as the other technology they rely upon.

**WHY LIBRARY SERVICES FOR THE BLIND AND PHYSICALLY HANDICAPPED
SHOULD BE PROVIDED FROM THE STATE'S GENERAL FUND**

1. The current state effort funds only 5% of the program.

The total federal contribution to the Library for the Blind and Physically Handicapped for 1984 was 91%. This includes National Library Service support of 84% and Library Service and Construction Act funds of 7%. This places major funding responsibility for the Library for the Blind and Physically Handicapped at the federal level.



2. Local public library service could be strengthened through the increase in LSCA funds in the grants program.

Local libraries struggle hard to provide services on limited operational budgets. They often cannot afford additional projects such as automation, specialized training for staff, or outreach and program activities. The re-allocation of the LSCA funds, currently in the Library for the Blind and Physically Handicapped budget, could assist public library programs. This increase would provide a stronger base of funds for special project grants which are needed at the local level.

3. Needs of special users for library services are often not met.

Local public libraries rely on property tax revenues as 80% of their primary funding source. Areas with a higher population of special needs users* may have a lower level of tax support for the public library. LSCA grants could aid local public libraries by funding programs to target, improve and expand services to the under-served and special needs users in the community. The addition of LSCA funding would also allow the public libraries to strengthen the availability of their resources through interlibrary cooperation.

4. More general fund support would provide equity to special Montana taxpayers

Users of the service are taxpayers who contribute to tax-supported local public libraries. These persons, however, are unable to utilize the traditional print library materials their taxes and the coal severance tax finance. These Montana taxpayers should receive equity, therefore, at the state level for their financing of traditional print library materials at the local level.

* Special needs users include the economically disadvantaged, the elderly, the handicapped, the functionally illiterate, rural and Indian reservation populations, the non-English speaking, and persons in group homes and half-way houses.

BUDGET ISSUE NO. 6

PRICE INCREASES WHICH AFFECT THE
STATE LIBRARY COMMISSION BUDGET

Audit costs are 12.5% higher for the 1986/1987 biennium.

Rent increase in FY 85 was 7.4% over FY 84.

Average beginning salary for graduates of library schools is \$17,705; Montana state classification is \$16,250.

The February, 1985, postage increases were:

first class letters	- 10.0%
nonprofit bulk rate	- 14.0%
library rate	- 14.3%

Periodicals and serials subscriptions had a 12% price increase in 1983, the latest year for which we have data.

WLN (Washington Library Network) price increases based on average monthly bills are:

telecommunications	- 14.64%
network service fees	- 25.00%
online inquiry	- 16.67%
catalog cards	- 7.69%

Telecommunications is 25% of the WLN bill.

MAJOR AREAS OF STATE LIBRARY COMMISSION RESPONSIBILITY
WHICH ARE NOT PROVIDED FOR IN CURRENT LEVEL BUDGET

These were submitted as Budget Modifications and not recommended for funding:

- ° State Library Publications Distribution Center (MCA-22-1-211 through 218)

There is no one to work with the agencies to ensure publications reach the State Library or to work with local libraries to set up the collections. Approximately 10,000 publications are not cataloged. There is no index or list published. The state needs a program where publications are microfilmed. This would save space costs for local libraries and might save publications costs to some state agencies.

FY 86 - \$30,957
FY 87 - \$31,033
\$61,990 *

- ° Statewide Library Development

The 18-member Montana Library Services Advisory Council plays an important role in advising the Commission. Four statewide committees representing public, academic, school and special libraries are active. The State Library needs to provide information to the 640 libraries in the state as well as inform the general public about them. Travel reimbursement, printing, telephone and mailing costs are needed. There is need for more staff to support this work.

FY 86 - \$36,126
FY 87 - \$36,975
\$73,101 *

- ° Ongoing operational costs for MonCat, the catalog of materials owned by libraries throughout the state, including work to support the list of periodicals

These projects are now supported by grant funds. They need to be incorporated into the State Library budget.

FY 86 - \$ 52,761
FY 87 - \$ 54,792
\$107,553

* Includes one FTE

STATE LIBRARY COMMISSION

Reference and Information

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	6.50	6.50
LFA Current Level FTE	<u>6.50</u>	<u>6.50</u>
Difference	<u>0.00</u>	<u>0.00</u>
Executive	\$146,502	\$146,798
LFA Current Level	<u>141,986</u>	<u>142,290</u>
Difference	<u>\$ 4,516</u>	<u>\$ 4,508</u>

----- Personal Services Issues -----

1. Position upgrade included in exec. and not in LFA (General Fund).	<u>\$ 4,516</u>	<u>\$ 4,508</u>
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OPERATING EXPENSES

Executive	\$149,776	\$151,102
LFA Current Level	<u>152,385</u>	<u>158,969</u>
Difference	<u>\$ (2,609)</u>	<u>\$ (7,867)</u>

----- Operating Expenses Issues -----

2. LFA higher in rent.	<u>\$(12,270)</u>	<u>\$(11,353)</u>
3. Inflation difference.	<u>\$ 4,374</u>	<u>\$ (1,801)</u>
4. Executive higher in communica- tions	<u>\$ 4,006</u>	<u>\$ 4,006</u>

<u>EQUIPMENT</u>	<u>1986</u>	<u>1987</u>
Executive (books)	\$ 80,800	\$ 80,800
LFA Current Level (books)	<u>84,405</u>	<u>88,626</u>
Difference	<u>\$ (3,605)</u>	<u>\$ (7,826)</u>

FUNDING

5. Coal Tax (state special)

Executive	\$ 22,994	\$ 23,595
LFA Current Level	<u>20,832</u>	<u>21,874</u>
Difference	<u>\$ 2,162</u>	<u>\$ 1,721</u>

6. Federal LSCA Revenue

Executive	\$ 87,203	\$ 90,816
LFA Current Level	<u>97,490</u>	<u>102,365</u>
Difference	<u>\$ (10,287)</u>	<u>\$ (11,549)</u>

Federal LSCA funds (Titles I and III) increase with inflation in the current level budget.

Library Development

PERSONAL SERVICES

Executive FTE	3.00	3.00
LFA Current Level FTE	<u>3.00</u>	<u>3.00</u>
Difference	<u>0.00</u>	<u>0.00</u>
Executive	\$ 90,220	\$ 90,341
LFA Current Level	<u>90,247</u>	<u>90,371</u>
Difference	<u>\$ (27)</u>	<u>\$ (30)</u>

OPERATING EXPENSES

	<u>1986</u>	<u>1987</u>
Executive	\$ 40,101	\$ 40,033
LFA Current Level	<u>40,672</u>	<u>41,942</u>
Difference	<u>\$ (571)</u>	<u>\$ (1,909)</u>

<u>NON-OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
7. Coal Tax Grants		
Executive	\$453,259	\$418,552
LFA Current Level	<u>381,624</u>	<u>376,371</u>
Difference	<u>\$ 71,635</u>	<u>\$ 42,181</u>
8. Federal LSCA Grants		
Executive	\$321,099	\$235,668
LFA Current Level	<u>185,674</u>	<u>167,900</u>
Difference	<u>\$135,425</u>	<u>\$ 67,768</u>

The difference occurs as federal LSCA funds used in support of library operations increases with inflation in the current level budget. Total grants to local libraries and federations are projected to increase in the current level budget by 11.5 percent from the 1985 to the 1987 biennium. Grants funded from the coal severance tax are projected to increase from fiscal 1984 to 1986 by 3.1 percent and federal LSCA grants are projected to increase by 25.1 percent over the same time period.

FUNDING

9. Coal Tax.		
Executive	\$461,000	\$462,269
LFA Current Level	<u>389,565</u>	<u>384,709</u>
Difference	<u>\$ 71,435</u>	<u>\$ 77,560</u>
10. Federal LSCA funds.		
Executive	\$401,895	\$316,464
LFA Current Level	<u>270,483</u>	<u>257,100</u>
Difference	<u>\$131,412</u>	<u>\$ 59,364</u>

Institutional Library Services

<u>PERSONAL SERVICES</u>		
Executive FTE	2.00	2.00
LFA Current Level FTE	<u>2.00</u>	<u>2.00</u>
Difference	<u>0.00</u>	<u>0.00</u>

	<u>1986</u>	<u>1987</u>
Executive	\$ 46,084	\$ 46,103
LFA Current Level	<u>46,103</u>	<u>46,122</u>
Difference	<u>\$ (19)</u>	<u>\$ (19)</u>

OPERATING EXPENSES

Executive	\$ 10,731	\$ 10,731
LFA Current Level	<u>8,991</u>	<u>9,436</u>
Difference	<u>\$ 1,740</u>	<u>\$ 1,295</u>

----- Operating Expenses Issues -----

11., Executive higher in travel.	<u>\$ 1,896</u>	<u>\$ 1,896</u>
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EQUIPMENT

Executive (books)	\$ 10,000	\$ 10,000
LFA Current Level (books)	<u>10,710</u>	<u>11,245</u>
Difference	<u>\$ (710)</u>	<u>\$ (1,245)</u>

FUNDING

12. Federal LSCA Funds.

Executive	\$ 47,114	\$ 47,114
LFA Current Level	<u>49,423</u>	<u>51,894</u>
Difference	<u>\$ (2,309)</u>	<u>\$ (4,780)</u>

Federal LSCA funds increase with inflation in the current level budget.

Services to Blind and Physically Handicapped

PERSONAL SERVICES

Executive FTE	5.00	5.00
LFA Current Level FTE	<u>5.00</u>	<u>5.00</u>
Difference	<u>0.00</u>	<u>0.00</u>

	<u>1986</u>	<u>1987</u>
Executive	\$ 95,601	\$ 95,940
LFA Current Level	<u>95,640</u>	<u>95,991</u>
Difference	<u>\$ (39)</u>	<u>\$ (51)</u>

OPERATING EXPENSES

Executive	\$ 61,866	\$ 50,838
LFA Current Level	<u>39,331</u>	<u>40,824</u>
Difference	<u>\$ 22,535</u>	<u>\$ 10,014</u>

13. Modified request included in exec. for general fund replacement of federal LSCA funds used for operations of the program.	<u>\$ 23,433</u>	<u>\$ 11,717</u>
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EQUIPMENT

14. Modified request included in exec. for automation of cataloging service (Gen. Fund)	<u>\$ 58,080</u>	<u>\$ 29,040</u>
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FUNDING

15. Federal LSCA funds.		
Executive	\$ 82,730	\$ 83,209
LFA Current Level	<u>85,103</u>	<u>89,358</u>
Difference	<u>\$ (2,373)</u>	<u>\$ (6,149)</u>

Federal LSCA funds increase with inflation in the current level budget.

Administration

PERSONAL SERVICES

Executive FTE	4.00	4.00
LFA Current Level FTE	<u>4.00</u>	<u>4.00</u>
Difference	<u>0.00</u>	<u>0.00</u>
Executive	\$ 99,141	\$ 99,182
LFA Current Level	<u>99,165</u>	<u>99,206</u>
Difference	<u>\$ (24)</u>	<u>\$ (24)</u>

OPERATING COSTS

	<u>1986</u>	<u>1987</u>
Executive	\$ 40,263	\$ 31,696
LFA Current Level	<u>43,913</u>	<u>36,199</u>
Difference	<u>\$ (3,650)</u>	<u>\$ (4,503)</u>

----- Operating Expenses Issues -----

16. LFA higher in contract services. \$ (2,148) \$ (2,062)

EQUIPMENT

Executive	\$ 1,500	\$ 1,500
LFA Current Level	<u>862</u>	<u>930</u>
Difference	<u>\$ 638</u>	<u>\$ 570</u>

The current level budget allows for the purchase of a replacement typewriter in each year. The executive exceeds the current level by \$638 in 1986 and \$570 in 1987 for miscellaneous office furniture and equipment.

FUNDING

17. Federal LSCA funds.

Executive	\$ 34,717	\$ 34,717
LFA Current Level	<u>37,730</u>	<u>39,617</u>
Difference	<u>\$ (3,013)</u>	<u>\$ (4,900)</u>

Federal LSCA funds increase with inflation in the current level budget.

Technical Services

PERSONAL SERVICES

Executive FTE	5.00	5.00
LFA Current Level FTE	<u>5.00</u>	<u>5.00</u>
Difference	<u>0.00</u>	<u>0.00</u>
Executive	\$ 87,059	\$ 87,268
LFA Current Level	<u>87,166</u>	<u>87,381</u>
Difference	<u>\$ (107)</u>	<u>\$ (113)</u>

OPERATING EXPENSES

1986

1987

Executive	\$ 49,500	\$ 63,228
LFA Current Level	<u>33,724</u>	<u>35,415</u>
Difference	<u>\$ 15,776</u>	<u>\$ 27,813</u>

----- Operating Expenses Issues -----

18. Modified request included in exec. for the Washington Library Network (primarily contract serv.) funded from the general fund.	<u>\$ 17,445</u>	<u>\$ 30,906</u>
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The current level analysis presents the library's request for WLN as an issue on page 746. The library indicated a minimum of \$1,173 in fiscal 1986 and \$1,247 in fiscal 1987 in needed for increased communications cost to maintain current access to WLN.

19. LFA higher in current level communications costs for WLN.	<u>\$ (3,508)</u>	<u>\$ (3,508)</u>
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EQUIPMENT

20. Modified request included in exec. for the Washington Library Network funded from the general fund.	<u>\$ 12,370</u>	<u>\$ -0-</u>
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The library will have to convert to IBM PC's from the current Hazeltine computer in order to maintain access to the Washington Library Network as WLN is replacing their current Hazeltine's with IBM PC's. The library indicated a minimum of \$8,910 is needed in 1986 to replace their current Hazeltine.

FUNDING

21. Coal Tax

Executive	\$ 34,006	\$ 34,136
LFA Current Level	<u>37,707</u>	<u>39,592</u>
Difference	<u>\$ (3,701)</u>	<u>\$ (5,456)</u>

22. Federal LSCA funds.

Executive	\$ 29,072	\$ 29,072
LFA Current Level	<u>31,595</u>	<u>33,175</u>
Difference	<u>\$ (2,523)</u>	<u>\$ (4,103)</u>

Current level coal tax and federal LSCA funds used for operations increase with inflation in the budget.

HISTORICAL SOCIETY

Administration Program

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	12.50	12.50
LFA Current Level FTE	<u>11.00</u>	<u>11.00</u>
Difference	<u><u>1.50</u></u>	<u><u>1.50</u></u>
Executive	\$278,856	\$279,237
LFA Current Level	<u>242,616</u>	<u>242,991</u>
Difference	<u><u>\$ 36,240</u></u>	<u><u>\$ 36,246</u></u>

----- Personal Services Issues -----

1. General Fund modified request for accountant and clerk in exec.	<u>\$29,953</u>	<u>\$29,964</u>
2. Position upgrade not included in LFA (general fund).	<u>\$ 6,287</u>	<u>\$ 6,282</u>

OPERATING EXPENSES

Executive	\$152,669	\$166,030
LFA Current Level	<u>137,119</u>	<u>144,561</u>
Difference	<u><u>\$ 15,550</u></u>	<u><u>\$ 21,469</u></u>

----- Operating Expenses Issues -----

3. Executive higher in rent.	<u>\$ 14,862</u>	<u>\$ 24,945</u>
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The difference in fiscal 1986 results from the executive providing a base adjustment for rent on the new addition. The current level provided a base adjustment for 10 months of fiscal 1987. The LFA did not provide a base adjustment for \$12,000 square feet of warehouse space which the Historical Society will be charged by the Department of Administration.

The added cost to current level for 10 months of fiscal 1987 is \$14,200 (general fund). As the occupancy date is uncertain, the subcommittee may want to consider a line item appropriation for rent on the new addition.

	<u>1986</u>	<u>1987</u>
4. Maintenance contract on computer not included in current level.	<u>\$ 1,286</u>	<u>\$ 1,415</u>

EQUIPMENT

Executive	\$ 4,615	\$ 4,615
LFA Current Level	<u>3,524</u>	<u>-0-</u>
Difference	<u>\$ 1,091</u>	<u>\$ 4,615</u>

The current level equipment budget provides for the purchase in fiscal 1986 of two calculators at a cost of \$350, a replacement typewriter at a cost of \$862, and four hand-held radios for security personnel at a cost of \$2,312. The executive exceeds the current level by \$1,091 in fiscal 1986 for miscellaneous office furniture and equipment items.

Library Program

PERSONAL SERVICES

Executive FTE	5.00	5.00
LFA Current Level FTE	<u>5.00</u>	<u>5.00</u>
Difference	<u>0.00</u>	<u>0.00</u>
Executive	\$117,151	\$117,200
LFA Current Level	<u>114,657</u>	<u>114,705</u>
Difference	<u>\$ 2,494</u>	<u>\$ 2,495</u>

----- Personal Services Issues -----

5. Position upgrade funded in exec.	<u>\$ 2,494</u>	<u>\$ 2,495</u>
6. Modified request for two clerical FTE not included in executive and LFA from the general fund.	<u>\$ 28,561</u>	<u>\$ 28,577</u>

<u>OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
Executive	\$40,266	\$40,595
LFA Current Level	<u>32,359</u>	<u>33,811</u>
Difference	<u>\$ 7,905</u>	<u>\$ 6,784</u>

----- Operating Expenses Issues -----

7. Modified request for photocopy service included in exec. from earned revenues.	<u>\$10,400</u>	<u>\$10,400</u>
8. Modified request not included in executive and LFA for newspaper cataloging (federal funds).	<u>\$49,000</u>	<u>\$ -0-</u>
9. General fund modified not included in exec. and LFA for general increase in operating exp.	<u>\$ 5,000</u>	<u>\$ 5,000</u>

EQUIPMENT

Executive	\$ 9,200	\$ 8,200
LFA Current Level	<u>8,783</u>	<u>9,222</u>
Difference	<u>\$ 417</u>	<u>\$ (22)</u>

----- Equipment Issues -----

10. General fund modified not included in exec. and LFA for reader/printers.	<u>\$ 6,000</u>	<u>\$12,000</u>
11. General fund modified not included in exec. and LFA. No equipment items are specified.	<u>\$ 2,000</u>	<u>\$ 2,000</u>

FUNDING

12. Earned revenues from photocopy service.		
Executive	\$20,400	\$20,400
LFA Current Level	<u>10,698</u>	<u>11,233</u>
Difference	<u>\$ 9,702</u>	<u>\$ 9,167</u>

Difference occurs primarily as a result of issue 7.

Museum Program

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	9.50	9.50
LFA Current Level FTE	<u>7.00</u>	<u>7.00</u>
Difference	<u><u>2.50</u></u>	<u><u>2.50</u></u>
Executive	\$210,447	\$210,987
LFA Current Level	<u>159,287</u>	<u>159,823</u>
Difference	<u><u>\$ 51,160</u></u>	<u><u>\$ 51,164</u></u>

----- Personal Services Issues -----

13. Modified included in exec. for renovation of museum from donations.	<u><u>\$ 51,160</u></u>	<u><u>\$ 51,164</u></u>
14. Position upgrade not included in exec. and LFA (Gen. Fund)	<u><u>\$ 2,209</u></u>	<u><u>\$ 2,307</u></u>

OPERATING EXPENSES

Executive	\$102,434	\$102,605
LFA Current Level	<u>54,491</u>	<u>57,340</u>
Difference	<u><u>\$ 47,943</u></u>	<u><u>\$ 42,265</u></u>

----- Operating Expenses Issues -----

15. Modified request included in exec. for renovation of Museum from donations.	<u><u>\$ 47,915</u></u>	<u><u>\$ 47,893</u></u>
16. Modified request not included in the LFA and exec. for restoration of Governor's Mansion from donations.	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>

FUNDING

1986

1987

17. Donations.

Executive	\$ 99,093	\$99,092
LFA Current Level	<u>-0-</u>	<u>-0-</u>
Difference	<u>\$ 99,093</u>	<u>\$ 99,092</u>

Magazine Program

PERSONAL SERVICES

Executive FTE	6.00	6.00
LFA Current Level FTE	<u>4.00</u>	<u>4.00</u>
Difference	<u>2.00</u>	<u>2.00</u>

Executive	\$126,284	\$126,433
LFA Current Level	<u>95,622</u>	<u>95,763</u>
Difference	<u>\$ 30,662</u>	<u>\$ 30,670</u>

- - - - - Personal Services Issues - - - - -

18. LFA higher in salaries (paid over-time).	<u>\$(2,749)</u>	<u>\$(2,755)</u>
19. Modified request funded in exec. to add 2 FTE to the society's press operation (earned revenues).	<u>\$33,411</u>	<u>\$33,425</u>
20. Position upgrades not included in exec. and LFA from earned revenues.	<u>\$ 3,928</u>	<u>\$ 3,944</u>

OPERATING EXPENSES

	<u>1986</u>	<u>1987</u>
Executive	\$270,268	\$284,054
LFA Current Level	<u>219,052</u>	<u>227,167</u>
Difference	<u>\$ 51,216</u>	<u>\$ 56,887</u>

----- Operating Expenses Issues -----

21. Modified included in exec. funded from earned revenues for goods to be purchased for resale.	<u>\$ 42,120</u>	<u>\$ 42,120</u>
22. Executive higher in contract services.	<u>\$ 6,947</u>	<u>\$ 17,255</u>

FUNDING

23. Earned Revenues		
Executive	\$356,993	\$370,375
LFA Current Level	<u>279,391</u>	<u>283,722</u>
Difference	<u>\$ 77,602</u>	<u>\$ 86,653</u>
24. Requested increase in magazine sales included in issue 22 over current level and commensurate increase in general fund.		
Magazine sales	<u>\$ 2,214</u>	<u>\$ 190</u>
General Fund	<u>\$ 4,276</u>	<u>\$ 904</u>

Historic Sites Preservation Program

PERSONAL SERVICES

Executive FTE	7.00	7.00
LFA Current Level	<u>5.00</u>	<u>5.00</u>
Difference	<u>2.00</u>	<u>2.00</u>

PERSONAL SERVICES

1986

1987

Executive
LFA Current Level

\$160,930
116,572

\$161,103
116,729

Difference

\$ 44,358

\$ 44,374

- - - - - Personal Services Issues - - - - -

25. Modified request funded from federal revenues in exec. for Anthiologist and Historian.

\$ 44,358

\$ 44,374

26. Position upgrades not included in executive and LFA to be funded 50/50 from federal and general fund revenues.

\$ 1,046

\$ 1,054

OPFFATING EXPENSES

Executive
LFA Current Level

\$ 61,416
28,046

\$ 59,654
26,005

Difference

\$ 33,370

\$ 33,649

27. Modified request funded from federal funds included in exec.

\$ 30,118

\$ 30,295

28. Maintenance contract for computer equipment not included in current level. Funding is 50% from federal and 50% from state.

\$ 1,286

\$ 1,415

29. Federal pass through grants not included in exec. and LFA.

\$595,000

\$610,000

FUNDING

30. Federal Historic Preservation Funds.

Executive
LFA Current Level

\$149,209
72,309

\$148,479
71,367

Difference

\$ 76,900

\$ 77,112

Archives Program

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	8.50	8.50
LFA Current Level FTE	<u>8.00</u>	<u>8.00</u>
Difference	<u><u>.50</u></u>	<u><u>.50</u></u>
Executive	\$196,867	\$197,315
LFA Current Level	<u>191,938</u>	<u>192,336</u>
Difference	<u><u>\$ 4,929</u></u>	<u><u>\$ 4,979</u></u>

----- Personal Services Issues -----

31. Modified request funded from earned revenues in exec. for administrative assistant.	<u><u>\$ 9,389</u></u>	<u><u>\$ 9,451</u></u>
32. Position downgrade included in exec. but not LFA.	<u><u>\$(4,460)</u></u>	<u><u>\$(4,472)</u></u>
33. Three position upgrades not included in exec. and LFA, funded from the general fund.	<u><u>\$ 4,503</u></u>	<u><u>\$ 4,527</u></u>

OPERATING EXPENSES

Executive	\$18,244	\$18,172
LFA Current Level	<u>13,574</u>	<u>14,239</u>
Difference	<u><u>\$ 4,670</u></u>	<u><u>\$ 3,933</u></u>

----- Operating Expenses Issues -----

34. Modified request funded in executive from earned revenues for supplies and materials.	<u><u>\$ 3,167</u></u>	<u><u>\$ 3,162</u></u>
35. Modified request not included in exec. and LFA on assessing local government records (fed. grant).	<u><u>\$20,000</u></u>	<u><u>\$ -0-</u></u>

	<u>1986</u>	<u>1987</u>
36. Modified request not included in exec. and LFA to process Holter collection (private donations).	<u>\$25,000</u>	<u>\$ -0-</u>

EQUIPMENT

Executive	\$ 3,253	\$ 5,800
LFA Current Level	<u>500</u>	<u>1,391</u>
Difference	<u>\$ 2,753</u>	<u>\$ 4,409</u>

FUNDING

37. Earned revenues from photograph service.

The current level contains an error in that earned revenues from the sale of photographs was used to supplant general fund used for operations. To correct the error, earned revenues would decrease in the current level to \$4,906 in fiscal 1986 and \$5,151 in fiscal 1987. Current level general fund would be increased by \$5,819 in fiscal 1986 and by \$6,110 in fiscal 1987.

Education Program

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	2.50	2.50
LFA Current Level FTE	<u>2.50</u>	<u>2.50</u>
Difference	<u>0.00</u>	<u>0.00</u>
Executive	\$47,920	\$48,151
LFA Current Level	<u>47,930</u>	<u>48,168</u>
Difference	<u>\$ (10)</u>	<u>\$ (17)</u>
38. Position upgrade not included in executive and LFA (general fund).	<u>\$ 1,127</u>	<u>\$ 1,135</u>

OPERATING EXPENSES

Executive	\$37,625	\$40,878
LFA Current level	<u>28,475</u>	<u>29,875</u>
Difference	<u>\$ 9,150</u>	<u>\$11,003</u>

	<u>1986</u>	<u>1987</u>
----- Operating Expenses Issues -----		
39. Executive higher in contracted services.	<u>\$10,033</u>	<u>\$13,033</u>

FUNDING

40. Donations.		
Executive	\$64,707	\$65,042
LFA Current Level	<u>55,664</u>	<u>58,448</u>
Difference	<u>\$ 9,043</u>	<u>\$ 6,594</u>

Historical Society
Modifieds Funded from Non-General Fund Sources

<u>Issue #</u>	<u>Description</u>	- - - - - Amount - - - - -	
		<u>1986</u>	<u>1987</u>
7	Photocopy Service	\$ 10,400	\$ 10,400
8	Newspaper Cataloging	49,000	-0-
13	Renovation of Museum	51,160	51,164
15	Renovation of Museum	47,915	47,893
16	Restoration of Governor's Mansion	10,000	10,000
19	Press Operation	33,411	33,425
21	Press Operation	42,120	42,120
25	Historic Pres. FTE	44,358	44,374
27	Historic Pres.	30,118	30,295
29	Fed. Pass Through Grants	595,000	610,000
31	Photograph Admin. Assist.	9,389	9,451
34	Photograph Supplies	3,167	3,162
35	Assess. Local Gov't. Records	20,000	-0-
36	Holter Collection	<u>25,000</u>	<u>-0-</u>
	Total	<u>\$971,038</u>	<u>\$892,284</u>

2/12/85

	<u>Donations</u>	<u>Canteen</u>
Central Office	\$ 250	\$ -0-
Mountain View School	1,000	1,000
Pine Hills School	4,000	10,000
Swan River Youth Camp	1,000	20,000
Veterans Home	-0-	20,764

The Legislative Auditor's Office has recommended the Donation and Canteen funds be recorded in SBAS in the Special Revenue fund.

Since the appropriation bill cannot supercede the Budget Amendment Statute, we will need authorization in the above institutions' budget for 86-87.

VETERAN'S HOME

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	74.50	74.50
LFA Current Level FTE	<u>74.00</u>	<u>74.00</u>
Difference	<u><u>.50</u></u>	<u><u>.50</u></u>

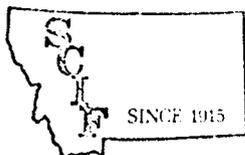
Executive	\$1,360,111	\$1,364,645
LFA Current Level	<u>1,334,417</u>	<u>1,338,600</u>
Difference	<u><u>\$ 25,694</u></u>	<u><u>\$ 26,045</u></u>

<u>OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
Executive	\$491,601	\$484,217
LFA Current Level	<u>439,870</u>	<u>455,165</u>
Difference	<u><u>\$ 51,731</u></u>	<u><u>\$ 29,052</u></u>

- - - - - Operating Expenses Issues - - - - -

1. Assumption of Drug, Medical and pharmacists	\$54,328	\$54,328
2. Drugs and Medical Supplies Only	\$67,771	\$67,771
3. Increase ADP to 136	\$10,373	\$10,373
4. Increase in Attends	\$ 8,000	\$ 8,000
5. Utilities	\$12,793	\$12,793

<u>EQUIPMENT</u>	<u>1986</u>	<u>1987</u>
Executive	\$ -0-	\$ 8,520
LFA Current Level	<u>-0-</u>	<u>12,000</u>
Difference	<u><u>\$ -0-</u></u>	<u><u>\$(3,480)</u></u>



STATE COMPENSATION INSURANCE FUND
DIVISION OF WORKERS' COMPENSATION
P.O. BOX 4759
HELENA, MONTANA 59604-4759

POLICY SERVICES: (406) 444-6440

November 19, 1984

CLAIMS: (406) 444-6500

MEDICAL PAYMENTS: (406) 444-6460

STATE COMPENSATION INSURANCE FUND NOTICE OF RATE INCREASE

All employers who purchase workers' compensation insurance from the State Compensation Insurance Fund will have their rates increased by 15% on January 1, 1985. This increase is necessary because a recent Montana Supreme Court decision interpreted the law to require the State Fund to pay certain benefits in a manner more costly than before.

On November 1, 1984, the case of Willis v. State Compensation Insurance Fund was decided by the Court. The issue in the case involved a lump sum payment of compensation benefits. Compensation benefits are normally paid every two weeks as they become due. Under certain circumstances benefits quite certain to be due in the future can be paid earlier, in a lump sum. Prior to this decision, whenever future benefits were converted to a lump sum, the benefits were reduced to "present value". "Present value" simply means that the investment earnings potential lost to the insurer and gained by the injured worker is taken into consideration. For example, in this case a sum of \$68,800 invested presently and paid out in biweekly compensation benefits would have eventually yielded a total payment to the injured worker of \$331,184 over his expected lifetime. The \$68,800 would have been the "present value", and the amount the claimant would have received if he requested a lump sum payout prior to this decision.

The Supreme Court ruled that the Workers' Compensation Act does not permit reducing future benefits to present value. In Willis's case, for example, he may be entitled to the full \$331,184 (plus 40% attorney's fees) instead of the \$68,800.

The premium rates in the State Fund have been based on the assumption that payments for lifetime benefit cases would either be spread over the injured workers' remaining lifetime or paid in lump sums converted to present value. Now with the prospect of having to pay the entire estimated lifetime benefits all at once, premium rates must increase accordingly. Our actuarial consultant has advised us that this rate increase is required to keep the Fund actuarially sound. A further increase in July may be necessary.

The State Fund is taking every step available to attempt to mitigate the effect of this development, including going back to the Workers' Compensation Court in the Willis case to argue against granting the full amount in lump sum. Additionally, the Workers' Compensation Division is preparing legislation that would allow insurers to use a present value calculation for conversion of future payments to lump sums. Unfortunately, since we are able to change premium rates only in January and July, we cannot afford to wait for the outcome of these efforts before making some premium change. If any of these efforts are successful, we may be able to reduce the impact of this decision on your rates in the future.

The current and January 1, 1985 rates are both shown on the Classification and Code Schedules attached to the enclosed policy. A more detailed explanation of the factors taken into consideration when the necessity of a 15% increase was determined is available upon request by writing to Policy Services at the address shown above, or calling (406) 444-6440.

This Notice is produced under the authority of and in compliance with 39-71-2304, Montana Codes Annotated.

APPROVED BY COMMITTEE
ON JUDICIARY

HOUSE BILL NO. 667
James Fuller
Tom H. H. H. H.

1 INTRODUCED BY
2 BY REQUEST OF THE BOARD OF CRIME CONTROL
3
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A YOUTH
6 ALLEGED TO BE A DELINQUENT YOUTH TO BE DETAINED AT MOUNTAIN
7 VIEW SCHOOL; REQUIRING THE COUNTY OF THE YOUTH'S RESIDENCE
8 TO PAY CERTAIN EXPENSES RESULTING FROM THE DETENTION;
9 APPROPRIATING FUNDS TO THE DEPARTMENT OF INSTITUTIONS;
10 AMENDING SECTIONS 41-5-207, 41-5-306, AND 53-30-202, MCA;
11 PROVIDING A TERMINATION DATE; AND PROVIDING EFFECTIVE
12 DATES."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
15 Section 1. Section 41-5-207, MCA, is amended to read:
16 "41-5-207. Court costs and expenses. The following
17 expenses shall be a charge upon the funds of the court or
18 other appropriate agency when applicable, upon their
19 certification by the court:
20 (1) the costs of medical and other examinations and
21 treatment of a youth ordered by the court;
22 (2) reasonable compensation for services and related
23 expenses for counsel appointed by the court for a party;
24 (3) the expenses of service of summons, notices,
25 subpoenas, traveling expenses of witnesses, and other like

1 expenses incurred in any proceeding under the Montana Youth
2 Court Act as provided for by law;
3 (4) reasonable compensation of a guardian ad litem
4 appointed by the court; and
5 (5) cost of transcripts and printing briefs on appeal;
6 and
7 (6) cost of detention as provided for in 41-5-306(4)."
8 Section 2. Section 41-5-306, MCA, is amended to read:
9 "41-5-306. Place of shelter care or detention. (1) A
10 youth alleged to be a delinquent youth or youth in need of
11 supervision may be sheltered only in:
12 (a) a licensed youth foster home as defined in
13 41-3-1102;
14 (b) a facility operated by a licensed child welfare
15 agency; or
16 (c) a licensed youth group home as defined in
17 41-3-1102.

18 (2) ~~the~~ A youth alleged to be a delinquent youth may
19 be detained in a jail or other facility for the detention of
20 adults only if:
21 (a) the facilities in subsection (1) are not available
22 or do not provide adequate security;
23 (b) the detention is in an area physically and
24 visually separate and removed from those of adults;
25 (c) it appears to the satisfaction of the court that

EXHIBIT 11
February 22, 1985

SECOND READING 85
HB 667



1 public safety and protection reasonably require detention;
2 and

3 (d) the court so orders.

4 (3) The official in charge of a jail or other facility
5 for the detention of adult offenders or persons charged with
6 crime shall inform the court immediately if a person who is
7 or appears to be under the age of 18 years is received at
8 the facility. Such official shall bring the person before
9 the court upon request or deliver him to a detention
10 facility designated by the court.

11 (4) (a) A youth alleged to be a delinquent youth may
12 be detained at Mountain View school as provided in
13 53-30-202. The superintendent of the school must be notified
14 before a youth is transported to the school for detention.
15 The county of the youth's residence shall:

16 (i) pay the cost of transporting the youth to and from
17 the school;

18 (ii) pay medical costs incurred by the youth during
19 detention; and

20 (iii) reimburse the state general fund for 50% of the
21 per diem cost of detention. The department of institutions
22 shall determine the per diem rates according to 53-1-401(7)
23 and 53-1-404.

24 (b) The county shall pay the costs provided for in
25 subsection (4)(a) from the county's district court fund.

1 (4)(5) A youth alleged to be in need of care shall be
2 placed only in the facilities stated in subsection (1) of
3 this section and shall not be detained in a jail or other
4 facility intended or used for the detention of adults
5 charged with criminal offenses."

6 Section 3. Section 53-30-202, MCA, is amended to read:
7 "53-30-202. Establishment of juvenile correctional
8 facilities -- use of Mountain View school to include
9 detention. (1) The department of institutions, within the
10 annual or biennial budgetary appropriation, may establish,
11 maintain, and operate facilities to properly diagnose, care
12 for, train, educate, and rehabilitate children in need of
13 these services. The children must be 10 years of age or
14 older and under 21 years of age. The facilities include but
15 are not limited to the Mountain View school, the Pine Hills
16 school, and the youth forest camp.

17 (2) Mountain View school may be used at any one time
18 for the detention of no more than five male and three female
19 youths under the age of 18 who are alleged to be delinquent
20 youths. The superintendent shall establish a procedure to
21 assure that this capacity for detention is not exceeded.
22 Youths detained at the school are entitled to the
23 educational and ancillary services normally provided to
24 students at the school, subject to security provisions."

25 NEW SECTION. Section 4. Appropriation. (1) There is

1 appropriated \$63,200 from the general fund to the Department
2 of Institutions for the fiscal years ending July 1, 1985,
3 and July 1, 1986, for the building modifications at Mountain
4 View School required to implement this act.

5 (2) There is appropriated \$187,777 from the general
6 fund to the Department of Institutions for the biennium
7 ending July 1, 1987, for the operational expenses to
8 implement this act.

9 NEW SECTION. Section 5. Termination date. This act
10 terminates July 1, 1987.

11 NEW SECTION. Section 6. Effective dates. (1) Section
12 4(1) and this section are effective on passage and approval.

13 (2) Section 4(2) is effective July 1, 1985.

14 (3) Sections 1 through 3 and 5 are effective October
15 1, 1985.

-End-

Amendments to House Bill 667, Second Reading Copy

Page 3, Line 20. After the words: "general fund for"

Strike: "50% of"

Page 3, Line 22 and 23.

Strike: "shall determine the per diem rates according to 53-1-401(7) and 53-1-404."

Insert: at the beginning of each fiscal year, shall determine the per diem rate by dividing the additional budgeted daily cost of providing detention services by the anticipated average daily detention population.

Page 3, following Line 23.

Insert new sub-subsection (b):

(b) Counties receiving detention services will be billed monthly for services provided the preceding month, and may be refused further services if bills are not paid within 60 days of receipt of statement."

Page 3, Line 24.

Strike: (b)

Insert: (c)

MOUNTAIN VIEW SCHOOL

Cost for Detention of Youth HB 667

	1986	1987
Personal Services	\$ 80,826	\$ 97,016
Operating Expenses	5,889	7,067
Depreciation	<u>5,317</u>	<u>6,380</u>
Totals	\$ 92,032	\$110,463
Cost Per Day	\$60.75/day	\$60.53/day
Appopr. Needed	87,315	104,083
Biennium		\$191,398

Operating

	<u>Actual 84</u>
2203 - Clothing and Personal	2,257
2205 - Grocery	
Meal	1,448
Dairy	8,778
Bakery	1,089
Grocery	22,898
Poultry	1,353
Red Meat	5,015
Pork	3,208
2800 - Allowance	<u>6,954</u>
TOTAL	53,000 ÷ *39ADP = \$1,359/yr/student

FY 86 = \$1,359 X *1.04% inflation X 5ADP X 10 Mo. = \$5,889

FY 87 = \$1,413.36 X 5 ADP = \$7,067

* Using variable cost per day calculated for the YEP closure proposal.

* Using Executive Budget inflation factors.

Depreciation

Building Renovation	\$63,200
Hot Food Cart	<u>600</u>
	\$63,800

63,800 ÷ 10 years = \$6,380/yr

FY 86 = \$6,380 X .8333 (10 mo) = \$5,317

FY 87 = \$6,380

<u>Cost Per Day</u>	<u>FY 86</u>	<u>FY 87</u>
Personal Ser.	80,826	97,016
Operating	5,889	7,067
Depreciation	<u>5,317</u>	<u>6,380</u>
Total	92,032	110,463

Personal Serv. & Operating = \$86,715 ÷ 1515 days (10 mo.) = 57.24/day
 Depreciation = \$5,317 ÷ 1515 days (10 mo.) = 3.51/day

FY 86 = 60.75/day

Personal Ser. + Operating = 104,083 - 365 days - 5 ADP = 57.03/day
 Depreciation = \$6,380 ÷ 365 ÷ 5 ADP = 3.50/day

FY 87 = 60.53/day

Fiscal Year 1986

Personal Services - 10 months.

5.16 F.T.E.

4.8 Cottage Life Attendant

1 CLA III Grade 9, Step 2	\$11,893
3.8 CLA II Grade 8, Step 2	42,003
.36 Teacher (9 Months)	7,740

5.16 X .8333 (10 months) = 4.30 FTE	
Total Base	61,636

*Benefits 21.4%	13,190
Insurance @ \$100/mo/Employee	6,000
Total Per Serv.	80,826

Fiscal Year 1987

Personal Services

5.16 F.T.E.

4.8 Cottage Life Attendant

1 CLA III Grade 9, Step 2	14,556
3.8 CLA II, Grade 8, Step 2	51,411
.36 Teacher Grade 8, Step 2	7,895
Total Base	73,862
*Benefits 21.6%	15,954
Insurance @ 100/mo/Employee	7,200
Total Per Serv.	97,016

*Benefits calculated from the 86-87 Executive Budget