

# Memo

**To:** Montana State Library Commission

**From:** Jennie Stapp, State Librarian

**Date:** March 27, 2017

**Re: Legislative update**

## **Budget:**

The House passed **House Bill 2**, the state budget bill, and Senate Finance and Claims is holding hearings on the bill and will take Executive Action tomorrow. Then the bill will go to the Senate Floor. Our HB 2 budget includes the following:

- The 5% reduction in operating expenditures and IT Convergence savings as proposed by the Governor. The Commission considered how to address this reduction at your December 2016 meeting.
- An additional 2% vacancy savings applied to all agencies that are subject to vacancy savings. This vacancy savings totals approximately \$47,000 annually and is in addition to the 4% vacancy savings included in the Governor's budget. MSL currently has one position vacant.
- A very small inflationary increase for some software maintenance and other operating costs. This increase totals \$8,500 per year and, if included in our final budget will help to offset some of 5% reduction.
- Our federal funding authority to spend our Library Services Technology Act monies.
- Our fixed costs budget including appropriations for rent and information technology costs. HB 2 also includes language that restricts these appropriations for these purposes.
- An additional appropriation of coal severance tax (CST) monies totaling \$75,000 in FY 18 and \$88,000 in FY 19 tied to HB 648.

**HB 648** is the companion bill that changes statute tied to our CST appropriation contained in HB 2. If passed, this bill would eliminate the existing CST Shared Account. Instead, MSL, the Department of Natural Resources and Conservation, and the Department of Agriculture, would each have our own percentage of the CST set in statute. For the State Library, that percentage is .93%. This amount is based on the past eight-year average of appropriations from the Shared Account, and is about 2% higher than our share of the funding in this account over the current biennium. The total new appropriation would be about \$1.036M for the biennium and is about \$92,000 for the biennium higher than what was appropriated last biennium and about \$305,000 more than actual FY 16/17 expenditures.

### **Agency Bill:**

**HB 261** – The bill extends the sunset date for the statutory appropriation contained in 22-1-327, Montana Code Annotated until July 1, 2023. The appropriation of state general fund monies is made to Montana public libraries based on a per capita/per square mile formula found in Administrative Rules of Montana. The total annual appropriation is \$395,766. This amount is the equivalent of \$.40/capita of the population of Montana at the time the statutory appropriation was created in 2013. The statutory appropriation is tied to the decennial census. If passed, the amount of \$.40/capita will be applied to the population of Montana as determined by the official 2020 census. The appropriation passes through the budget of the Montana State Library. The State Library retains none of the funding for administrative purposes. The bill was passed unanimously by the House Appropriations Committee and was passed on the House Floor by a vote of 91 to 7 (two legislators were absent). Senate Finance and Claims heard the bill in early February. The Committee has yet to take action on the bill.

A significant part of our outreach effort for this legislation has been the use of local “state aid stories” that staff prepared with input from local libraries. In addition to using these stories in print form and on social media, the stories can now be found through a new story map: <http://arcg.is/2m0g1Xo>

### **Proponents:**

**HB 390** – This bill is largely an educational funding clean-up bill but it also contains the Governor’s proposed fund transfer of \$1M per year of the biennium from the school and technology account to be given to schools to use as a state match for broadband expansion for schools under the E-rate modernization order. Though libraries are not

eligible for this funding, improved broadband access benefits Montana communities and we often see opportunities for schools and libraries to collaborate to support broadband. The House passed HB 390. It will be heard next by the Senate Education Committee.

### **Informational Witnesses:**

**[HB 61](#)** – If passed this bill would mandate the development of a Next Generation 911 system for Montana. As proposed, the state would use 911 monies to fund network upgrades, to create a 911 plan for Montana and, through MSL, to conduct a GIS data assessment. The assessment would determine data gaps that exist across Montana and would help to prioritize the collection of GIS data to support Next Generation 911. Note that the Legislature significantly amended [SB 95](#), which would have authorized the transfer of 911 monies to the General Fund. SB 95 no longer includes the transfer of 911 funds.

**[HB 360](#)** – This bill creates a Surface water assessment and monitoring program and steering committee that, if passed, will be administered by the Montana Bureau of Mines and Geology (MBMG). The State Library would have a statutory seat on this committee. MSL already sits on MBMG's ground water assessment program. House Appropriations tabled HB 107, a similar bill that contains an appropriation for this work.

### **Additional legislative updates:**

**[HB 13](#)** – The state pay plan bill includes a 1% state employee pay increase in each year of the biennium. House Appropriations heard the bill and the bill awaits action. The House must approve the bill by March 31 or it will die.

**[SB 152](#)** – This bill clarifies language pertaining to state employee definitions and contains the state employee insurance credits that are normally contained in the pay plan bill. The Legislature passed the bill and it awaits the Governor's action.

**[HB 439](#)** – This bill would restrict supervisory pay to only those state employees who supervise six or more employees. Currently this authority is granted in our Broadband Pay Plan Policy that the Commission adopts. House State Administration passed this bill. House Appropriations heard the bill and the bill awaits action. The House must approve the bill by March 31 or it will die.

**SB 294** – This bill would revise laws related to the state broadband pay plan, it would create occupational wage ranges to determine compensation and it would require the Governor’s Office of Budget and Program Planning to review and approve changes to an agency’s classification of an occupation. As written, it appears as though these changes would reduce agencies’ roles in determining pay adjustments for employees. The Senate passed this bill and House State Administration heard the bill on Friday. The committee has not yet voted on the bill.

**HB 81** – This bill, which has passed the Legislature and been signed by the Governor, grants the Secretary of State’s Office the authority to produce the Administrative Rules of Montana (ARM) in printable, electronic format only. MSL evaluated the bill and found that it was in keeping with our state publications management plan. MSL will plan an outreach effort in order to ensure that libraries are aware of this change and have the tools necessary to provide access to the online version of ARM.

**HB 364** – This bill expressly grants authority to representatives of places or accommodations to ask about the use of service animals and provides a process whereby those representatives may make claims against individuals if the representatives suspect the fraudulent use of service animals.

For more information or to track bills of interest visit:

[http://laws.leg.mt.gov/legprd/LAW0217W\\$BAIV.return\\_all\\_bills?P\\_SESS=20151](http://laws.leg.mt.gov/legprd/LAW0217W$BAIV.return_all_bills?P_SESS=20151).