

**Montana State Library Commission
Minutes for July 15, 2002 Teleconference Call
Helena, MT**

Attendees:

Commissioners

(Via phone): Ralph Atchley, Rosie Garvey, Linda McCulloch, Bruce Morton, Al Randall, and Gail Staffanson

Staff: Karen Strege, Kris Schmitz, Jim Hill, Darlene Staffeldt, Barbara Duke, Suzy Holt, Bob Cooper and Bruce Newell

Guest: Lois Fitzpatrick

Introductions

Rosemary Garvey called the meeting to order at 3:00 pm. Garvey welcomed Gail Staffanson to her first meeting as a commissioner. Karen Strege introduced Lois Fitzpatrick, who is the Montana Library Association's Government Affairs Committee Chairperson.

Budget Cuts

Karen Strege explained that on July 11 the Governor's office announced further budget cut proposals in addition to the ones that took effect on July 1. The appropriations subcommittee will meet beginning on July 24 and then a special legislative session will convene on August 4 to consider the proposals.

The following cuts were proposed for all state agencies:

- Personnel services – a 20% decrease of pay plan increases for FY03. This means the 4% raise approved by the last legislature is still valid, but the funding for the raises has been cut and agencies will have to find a way to come up with the funding from other sources. For the Library, the cut amounts to about \$14,511 above the vacancy savings, or a total of about \$50,000 per year.
- A four-day furlough for all state employees regardless of their funding source. This will affect even those employees paid with federal funds as a symbolic gesture that indicates we're all in this together.
- Hiring freeze. The Library currently has three vacancies. The screening for the Public Information Officer has been completed. The Water Information position has been reopened and applications are being accepted. Advertising was planned for the Data Coordinator position in the Library Development Department. All positions have now been put on hold until program managers can meet to prioritize vacancies. No other personnel action is being considered at this time.

The question was raised about where the Library intended to find funding for the raises. Strege answered that managers have not yet come up with a plan of action, but possible courses of action could include RIFing employees, extending the furlough or not filling vacancies.

The other cut that affects the State Library is a cut in the Coal Severance Tax fund that the Library shares with several other entities. The Governor's proposal is to revert 50% of this

account to the general fund, which cuts the Library's allocation from \$280,000 to \$140,000. The Library supports three activities with the coal severance tax - materials and memberships, federations and the InfoTrac subscription. The Library's recommendation to the Commission is to eliminate federation funding, reduce the membership and materials budget by \$43,000 and keep the Gale contract, which runs through September 2003. The legal costs involved with breaking the contract and the administrative expenses to refund subscription money to libraries make the option of cutting Gale funding prohibitive.

Strege and MSL staff held a telephone conference call with Federation Coordinators prior to the Commission conference call. While the coordinators were not happy with federation budgets being eliminated, they did not have any suggestions for other ways to distribute the cuts. They encouraged Strege and her staff to work hard to make sure cuts aren't necessary. Strege assured the Federation Coordinators and the Commission that she will be working with MLA to let legislators know the impact of these cuts. Lois Fitzpatrick will be letting MLA members know what they are needed to do once she and Strege come up with a plan of action.

Bruce Morton said that a 60% reduction in the materials and membership budget has to impact personnel and wondered if there would be a corresponding reduction.

Strege replied that it will definitely have an impact and that could be an area where some of the personnel savings may be implemented, but no plans have been finalized at this time.

Al Randall commented that this will have a major impact on small libraries and the federations should be making their feelings known to their local representatives.

Darlene Staffeldt said that she and Karen had met with the Library's lobbyist last week to come up with a strategy. The lobbyist recommended against having all librarians contact the appropriations subcommittee at this time. A strategy is being devised and the library community will be notified when it is finalized.

Randall wondered how the Big Bill fit into all of this.

Strege replied that the reductions do include some items in the Big Bill, one of which is a reduction in county growth percentages. It's hard to say what that means to the local counties, but if they take a hit they'll likely pass some of that on to libraries.

Ralph Atchley asked how far the materials budget could be cut before it is no longer viable.

Strege said that's a good question and will have to be carefully considered. The number of staff needed will need to be evaluated. Strege added that things are expected to get worse in January when the legislature convenes for its regular session and agencies are likely to see further cuts at that time. The legislature has some options available, such as an increased cigarette tax, so we'll have to see which direction they go.

Action Items

Morton moved that the Commission direct Strege to speak to the legislature of the likely consequences of the cuts proposed by the Governor's office. Atchley seconded the motion and the motion passed unanimously. The Commission members asked Strege to make it clear to the appropriations subcommittee that they do not approve of these cuts.

The meeting adjourned at 3:45.