

**Commission Meeting
Minutes for May 3, 2002 Teleconference Call
Helena, MT**

Attendees:

Commissioners

(Via phone):

Rosie Garvey, Dorothy Laird, Ralph Atchley, Bruce Morton, David Johnson, Linda McCulloch, and Al Randall

Staff:

Suzy Holt, Karen Strege, Kris Schmitz, Jim Hill, Darlene Staffeldt, Bruce Newell, Barbara Duke

Introductions

Rosemary Garvey called the meeting to order at 10:17 am.

Strege received a letter from Lois Fitzpatrick, the director of the Jack & Sallie Corette Library at Carroll College. Fitzpatrick commiserated with library staff and commissioners as they faced possible budget cuts and she supports the proposals made.

Information Technology Plan

A new statute effective in July 2001 required all agencies to submit a technology plan to the Information Technology Services Department (ITSD). Because this is a new process, it is not clear what ITSD expects. The long-range plan will be sent with the Technology Plan, which is due to ITSD on May 10. Strege recommended that the Commission give its approval of the Technology Plan. Al Randall voiced his approval of the plan, but recommended the order of the five paragraphs in 3(b) be changed to start with the agency in general and then move to the specifics.

Budget Reductions for FY03

All executive agencies are required to draw up proposals for a 3% and a 10% cut to the general fund appropriations. The Governor's office prescribed the format for the proposals. The Library's proposed 3% cut includes a reduction of about \$40,000 in the materials and online budget in the Library and Information Services Division. The cut is about 27% of LISD's total materials budget. The 2nd cut under the 3% reduction is 6%, or almost \$18,000, of the ILL reimbursement program. The 3% plan does not contain any reductions for NRIS because they receive little general fund money.

David Johnson questioned why there was no reduction in the Talking Books budget. Strege explained that 70% of TBL funding is federal money, and only 30% is funded through the general fund and most all of this funding is for personnel. The program managers did look at an across the board cut, but rejected it as not being a good management tool. The Governor's office has disallowed making cuts in fixed costs such as rent, maintenance, and ITSD fees.

For the 10% reduction, Strege made the decision to spread the cuts to NRIS, as well as Program 1. LISD cuts will again be in the materials and online budget and the ILL program. NRIS cuts will be divided between the contract with the Natural Heritage Program and a 75% reduction in the equipment budget. The 3% and 10% proposals are

due on May 10 for the Governor's consideration. The legislative finance committee will consider the proposals in June. Laird voiced her concern that others might suggest a cut in personnel if services are reduced. Strege said that even though services might be reduced in one area; personnel are needed in other service areas. Garvey asked if cuts are a certainty. Strege believes there will be a cut, but predicts the cut will be 3% or lower for FY03. Income tax collections have decreased nationally.

Budget Reductions for FY04 & 05

The 5% cut was mandated at the last legislative session and all agencies are required to present their proposed reductions at the next session. These reductions affect general funds and all 02 accounts, but no federal funds. The proposed reductions are to LISD's materials and online budget, the ILL program, the Natural Heritage Program Contract and the NRIS equipment budget. The 10% reduction hits NRIS' equipment budget harder than the 5% cut does.

Johnson suggested that when the reductions are adopted, a summary be added that gives each of the three reductions and the total amount of each cut to make it easier to understand what the bottom line is.

Schmitz pointed out that the numbers used for the cuts might change slightly because they are based on estimates and the final expenditures will not be available until after the end of this fiscal year.

Action Items

Laird made a motion to approve the Information Technology Plan with the recommended changes. McCulloch seconded the motion and it passed unanimously.

Randall made a motion to accept the budget reductions for FY03 - the 3% and the 10% cuts. Johnson seconded the motion and it passed unanimously.

Randall made a motion to accept the budget reductions for FY04/05 - the 5% cuts. Laird seconded the motion and it passed unanimously.

Strege thanked the commission for their consideration of these difficult recommendations. She also thanked staff members who worked on the proposals and in particular Suzy Holt who provided much of the language for the consequences of the cuts.

Meeting adjourned at 10:55.