

# Memo

**To:** Montana State Library Commission

**From:** Jennie Stapp, State Librarian

**Date:** May 8, 2017

**Re: Legislative update**

## **Budget bills:**

**House Bill 2** was passed by the Senate and House without going to Free Conference. **It awaits the Governor's signature.** The budget includes:

- 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 however, we will have to reconsider some of these decisions in light of [Administrative Rule 10.102.4001](#). This rule governs how we may use certain general fund monies which I failed to take into account when the budget plan was considered in December.
- An additional 2% vacancy savings applied to all agencies that are subject to vacancy savings. Total vacancy savings included in HB 2 is 6% or \$142,000. 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 offsets some of 5% reduction.
- Federal funding authority to spend Library Services Technology Act monies.
- A 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 \$34,000 in FY 18 and \$59,500 in FY 19 tied to HB 648.

**HB 648 was passed by the Legislature and signed by the Governor.** This HB2 companion bill changes statute tied to our CST appropriation. This bill eliminates the existing CST Shared Account. Instead, MSL, the Department of Natural Resources and Conservation, and the Department of Agriculture, will each have our own accounts funded through a statutory percentage of the CST. Funding for the Basic library services account is set at 0.85% for FY 18 and gradually increases over the next for years to 0.93%. The final percentage is approximately MSL's 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 will be about \$966,000 for the biennium and is about \$22,000 for the biennium higher than what was appropriated last biennium and about \$235,000 more than actual FY 16/17 expenditures. While the long-term CST revenues remain uncertain and this account creates new cash management responsibilities for our Central Services office, having our own fixed percentage of funding that is not tied to other agencies removes some of the political uncertainty that came with having a shared account.

**SB 261 was passed by the Legislature. It is awaiting signature from the Speaker of the House before being transmitted to the Governor.** According to this bill, on August 15 the state treasurer will report the unaudited state general fund revenue and transfers into the general fund received at the end of FY 17. On that date, if that amount is more than \$2.216B, all will be well. Any lower amount triggers fund transfers and cuts in different tiers outlined in the bill. If the amount is between \$2.204B and \$2.192B then we will face an additional 0.5% across the board General Fund cut. If that amount is \$2.192B or less then we will see a 25% General Fund reduction or over \$666,000. To put these trigger amounts into perspective, the Legislature's revenue projection, as found in HJ 2 (which was not adopted during the session) is \$2.212B.

## **Agency bill:**

**HB 261 was passed by the Legislature and signed by the Governor.** 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. As 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 amended in Senate Finance and Claims to include triggers similar to those found in SB 261 for the first two years of the six year appropriation. In 2018 the trigger is \$2.213B and in 2019 the trigger is \$2.360B.

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 was passed by the Legislature and signed by the Governor.** This bill is largely an educational funding clean-up bill but it also authorizes a 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. Libraries are not eligible for this funding, however, improved broadband access benefits Montana communities and we often see opportunities for schools and libraries to collaborate to support broadband.

## **Informational Witnesses:**

**[HB 61](#) awaits the Governor's signature.** If signed, this bill would mandate the development of a Next Generation 9-1-1 system for Montana. As proposed, the bill creates a 9-1-1 infrastructure account, a 9-1-1 planning account and a GIS mapping account. The first two accounts are to be administered by the Department of Administration (DOA) and monies are to be used to fund network upgrades and to create a 9-1-1 plan for Montana. The GIS mapping account is to be administered by MSL. The bill authorizes the transfer of \$80,000 of 9-1-1 monies to the account 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 9-1-1. Unfortunately, since passage, we have learned that, while the bill authorizes the creation of the funds and transfer funds for the purposes outlined in the bill, the bill does not give DOA or MSL the authority to expend the funds. At this time, it appears as though we will be unable to conduct the required assessment.

**[HB 360](#) awaits the Governor's signature.** This bill creates a Surface water assessment and monitoring program and steering committee that, if signed, 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. HB 107, which died in standing committee, was a similar bill that contained an appropriation for this work.

## **Additional legislative updates:**

**[HB 13](#) was tabled in Committee.** This bill was the state pay plan bill. The pay increases contained in HB 13 are now included in SB 294 and employee insurance credits are included in SB 152. What was included in HB 13 that is not included in any legislation is the contingency fund to assist agencies that cannot meet vacancy savings requirements.

**[HB 81](#) was passed by the Legislature and signed by the Governor.** It 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 was tabled in Committee.** If passed, this bill would have expressly granted authority to representatives of places or accommodations to ask about the use of service animals and would have provided a process whereby those representatives could have made claims against individuals if the representatives suspect the fraudulent use of service animals. Though addressed in current law, this issue is a common concern in public libraries.

**HB 370 was passed by the Legislature and signed by the Governor.** This law modernizes open meeting laws to allow anyone to photograph and/or stream open meetings so long as doing so does not disrupt the conduct of the meeting.

**HB 439 did not meet transmittal deadlines.** This bill would have restricted 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.

**SB 152 was passed by the Legislature and signed by the Governor.** 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.

**SB 294 was passed by the Legislature. It is awaiting signature from the Speaker of the House before being transmitted to the Governor.** This bill generally revises laws related to state government pay plans. It eliminates pay bands, requires an employee's compensation to fall with the occupation wage range of an employee's occupation. It provides definitions related to compensation and requires the Office of Budget and Program Planning to review and approve changes to an agency's classification of an occupation or its related job evaluation factors, allowing implementation of a pay plan to be a negotiable term for a collective bargaining unit. Additionally, this bill includes 1% pay raises for state employees in February of 2018 and 2019. This pay raises are contingent on revenue triggers found in SB 261. Any needed changes to the State Library's Broadband Pay Plan Policy that may result from this legislation will be brought to the Commission at a later date.

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).