MINUTES

MONTANA HOUSE OF REPRESENTATIVES
57th LEGISLATURE - REGULAR SESSION
JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN JOHN WITT**, on January 15, 2001 at 10:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:
Rep. John Witt, Chairman (R)
Sen. Ken Miller, Vice Chairman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. Greg Jergeson (D)
Sen. Royal Johnson (R)
Rep. Greg Peterson (R)

Members Excused: None.

Members Absent: None.

Staff Present: Becky Beckert-Graham, OBPP
David Brown, Legislative Branch
Amy Carlson, OBPP
Pam Joehler, Legislative Branch
Cayenna Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing(s) & Date(s) Posted: MSL 1/15/01, 1/16/01
Executive Action: 1/17/01

HEARING ON MONTANA STATE LIBRARY

Agency Overview:

{Tape : 1; Side : A; Approx. Time Counter : 1.8}

Karen Strege, Director, Montana State Library, presented an overview of MSL with supplementary material:

EXHIBIT(jeh11a01)

Montana State Library contains two programs: Statewide Library
Resources and Natural Resource Information System(NRIS).
Of the Statewide Library Resources, the three programs are the
Talking Book Library, Library Fund and Library Information
Services. Part of the Library Information Systems is the
Periodicals Database [DP 5], an existing program funded as one-
time-only. When Montana librarians, who pay 20% of the cost were
asked if they'd like to continue the program or receive equal
funding for new books, only four of 604 libraries declined the
Periodicals Database.

NRIS has three components: User services and support, GIS and
Information Systems Development, and the Natural Heritage
Program. NRIS has two types of funding. Core funding comes from
the General Fund, RIT and source agency; contracts are funded
from state, federal and other users. NRIS provides a service at
great cost efficiency to the taxpayer and has an estimated four-
to-one cost savings. While contract users remains relatively
stable, core use is growing exponentially and there is increasing
dependance on contract funding which is inherently unstable. Two
new proposals seek to increase the core funding from 30% core
funding to 60% core funding and to increase NRIS FTE from 5.4 to
6.0 so NRIS can recruit at market rate.

*{Tape : 1; Side : A; Approx. Time Counter : 30.2; Time: 10:30
a.m.}*

Proponent Testimony:

Diane Caroll, from Twin Bridges, spoke about the benefits of
InfoTrac for Madison County. The materials budget last year for
this service was $5,800 and many people benefit from this service
that would otherwise cost $23,000. InfoTrac provides quick
access to materials that would be difficult to find when
searching on the web. InfoTrac is a vital resource, "closing the
gap between the big town and small libraries".

{Tape : 1; Side : B; Approx. Time Counter : 0.4}

Kelsy Nugent, from Broadwater High School in Townsend
representing Montana High School Students, testified about the
importance of InfoTrac for small schools with limited resources.
InfoTrac is used by people with various computer skills, is
available from home and puts all sources in one area.

EXHIBIT(jeh11a02)

{Tape : 1; Side : B; Approx. Time Counter : 4.4; Time: 10:40 a.m.}
Toni Hagner, past Hill County Commissioner and Representative from Haver, testified in support of the Periodical Database. InfoTrac assists distant learning and home school learning. It is an extremely efficient tool for student and teacher. It's a good program with continually expanding usage.

EXHIBIT(jeh11a03)

Stan Meyer, former Chair of Fish, Wildlife and Parks and resident of Great Falls, testified in support of Governor-elect Martz to stabilizing the budget for NRIS and Heritage Program. This is a widely used program by both the private and public sector. They are not advocates. Montana must have development and the NRIS is a ready source of data available. In the past NRIS has had heavy reliance on grants and contracts. This is simply unreliable and should be changed.

EXHIBIT(jeh11a04)

Stewart Blundale, resident of Helena, Information Technology Specialist, with national expertise. **Mr. Blundale** testified that federal and state agencies are greatly reliant on the NRIS. He encourages support of NRIS. NRIS is the crown jewels of Montana Information Technology.

Dave Puyira, Executive Director, Montana Rural Education Association(MREA), spoke in favor of InfoTrac. InfoTrac has three main benefits. First, InfoTrac offers a service a variety of students can use simultaneously; second, InfoTrac offers a dramatic shift in resources so money saved from InfoTrac can be channeled in other directions; third, InfoTrac saves space that is directly used for students rather than storage space.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 13.4; Time: 10:50 a.m.}

SEN. ROYAL JOHNSON asked **Kris Schultz, MSL Accountant**, to clarify the total NRIS budget was approximately $939,000 of that $579,000 was core funded. The rest of the NRIS budget is made of up contracts which various agencies hire NRIS to perform.

REP. ROSALIE BUZZAS asked whether the contracts had increased. **Ms. Schultz** replied that contracts are always bid upon and vary

depending on services required. Contracts have not increased but core-use has increased exponentially.

SEN. JOHNSON asked **Mr. Blundale**, if he increase the wages of the core NRIS expertise or increase the continual expansion of tools and equipment. **Mr. Blundale** responded that it is important to retain a core expertise as well as invest hardware & support. The efficiency of NRIS may be hard to measure but in cost benefits there are two types of benefits which are first, efficiency and second, effectiveness. Montana Geographic Information Counsel found that for every dollar spent on geographic information, NRIS gave a $4-$13 return.

SEN. PETERSON asked why the amount of base funding was not sufficient. **Ms. Strege** responded that while Racicot approved an addition $60,000 for the base amount, the present request was $40,000 as Governor-elect Martz requested.

V. CHAIR KEN MILLER and **CHAIRMAN JOHN WITT** asked **Mr. Meyer** whether any other agencies were duplicating the NRIS services and what Montana Legislation could do about it. **Mr. Meyer** responded that the Department of Transportation and Fish, Wildlife and Parks use NRIS widely and to his knowledge he has not seen much duplication. T the continued request or **V. CHAIR MILLER** and **CHAIRMAN WITT, Jim Hill, Director NRIS**, explained GIS exists only with a lot of expensive hardware, software, highly trained personnel and massive amounts of data. Individuals can't collect their own data so "users groups" have formed. The Montana Interagency GIS Technical Working Group meets regularly to tackle GIS problems such as: how best to store, use and collect data with the lowest costs and without duplication. GIS should be done in all agencies. GIS used to be expensive but now can be accessed via the NRIS website on a home PC. Montana Geographic Information Council(MGIC) is a agency management users-group. Both groups have written in support of NRIS and these can be found in Exhibit (1).

{Tape : 2; Side : A; Approx. Time Counter : 0.8}

Another storehouse of data is the Census and Economic Information Counsel(CEIC) operated by the Department of Commerce. They are federally mandated to store date and recently agreed to store and integrate their data on the NRIS server/website. This increased the pathways to both sets of data. The Department of Administrative Services Division operated the Cadastral Project to keep track of all the ownership property data. NRIS will also be collaborating with the Cadastral Project. At the University level or Department of Natural Resources and Conservation, there

is a great deal of GIS work being done. NRIS encourages use of
GIS but is concentrating on *storage* of GIS data.

CHAIRMAN WITT asked the time difference between collection of
data and the access of that data on the NRIS database. **Mr. Hill**
explained that this "lag time" depends on the type of data. This
time is determined with the agency during the contract and is
updated anywhere from annually or in "real time". NRIS also uses
federal data and has recently integrated the State of Montana
Army Corps of Engineers 404D permits since 1990. During the fire
season NRIS was updating their data daily.

{Tape : 2; Side : A; Approx. Time Counter : 7.7; Time: 11:15 am}

Dave Brown, Legislative Fiscal Division(LFD), passed out a budget
comparing the recommendations from both Governor Racicot's
Executive budget and Governor-elect Martz's executive budget to
see changes during this process.

EXHIBIT(jeh11a05)

Mr. Brown emphasized in Program 01-State Library Operations DP 5-
Periodical Database, which Martz recommends reductions in General
Fund and DP 6-New State Aid Program, which Martz recommends
elimination from General Fund.   Present Law Adjustments, DP 7-
Base Adjustments for Grants and DP 8-Base Adjustment to Program
01 are not requesting any deviations in comparison with other
agencies. **Mr. Brown** noted that Martz's reductions in DP 5 would
eliminate of the InfoTrac users in the state. MSL has also
requested an 8% inflation factor which **Mr. Brown** explained is
normal for library type-function.

SEN. PETERSON clarified DP 7 is more than the base. **SEN.
JERGESON** explained that DP 7 was allocated as one-time-only in
the last biennium and is now a new proposal. Adoption of DP 7 is
still a reduction in General Fund depending on whether Racicot or
Martz's Executive Budget recommendations are followed. DP 6-New
State Aid Program has intent to provide funds to poor and rural
libraries. This would support a base level of library services
for the state. 19 public libraries in Montana would qualify.

EXHIBIT(jeh11a06)

{Tape : 2; Side : A; Approx. Time Counter : 21.8; Time: 11:30 am}

Mr. Brown led discussion about Program 07-Natural Resource
Information System and their general move toward more reliance on
the General Fund. **Mr. Brown** presented a chart on page 15
[Exhibit 1] in an LFD report showing changes from 1994-2002.

There have been substantial rises in personnel costs and operating expenses. In addition, federal funding is unpredictable ranging from $822,600 to $22,600 in any given year. **SEN. JERGESON** reminded the committee that a 28% rise in personnel services, for example, in a small agency of 4 FTE to 5.4 FTE is not large. In 2002 a 22% increase is .6 FTE.

Mr. Brown is interested in solidifying the performance process as the NRIS has "no external 'performance based assessment' of organizational cost effectiveness of what NRIS produces." He asks whether the average taxpayer should pickup more of the burden of this program because what goes into a mediated request is an intangible number and it makes it hard to take that number and apply it to the actual cost benefit of that organization. **V. CHAIR MILLER** suggested user fees are a solution. **SEN. JERGESON** reminded the committee this was part of the library.

REP. BUZZAS asked whether the MSL has this sort of information. **Ms. Strege** informed the committee that MSL would be happy to work with **Mr. Brown** and find what the value of the information users are getting from their mediated requests.

Mr. Brown emphasized that NRIS employees are getting paid more than the average state employee. 3 of 5 positions are filled. DP 4-PS Adjustment to NRIS Positions is that NRIS can't recruit employees at entry level; rather NRIS must recruit at market rate.

SEN. JOHNSON asked **SEN. JERGESON** whether he also recalled that in 1994 when this program was initially funded it would be fully funded by contract. **SEN. JOHNSON** indicated that he valued user fees. **SEN. JERGESON** said the rising number of core users shows the increasing expectations of NRIS and that user fees aren't appropriate for a library.

CHAIRMAN WITT asked **Ms. Strege** of the three positions NRIS had filled, how many had come from with in the agency. **Ms. Schultz** indicated all three recruitments took 18 months and except the new NRIS executive director, **Mr. Hill**, were out of state. **Mr. Brown** indicated he had followed this process and could verify the difficulty of hiring NRIS vacant positions below market rate.

Becky Beckert-Graham also supplied this addition sheet on language recommendations for NRIS.

EXHIBIT(jeh11a07)

ADJOURNMENT

Adjournment: 12:00 P.M.

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REP. JOHN WITT, Chairman

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CAYENNA JOHNSON, Secretary

JW/CJ

EXHIBIT(jeh11aad)