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COMMITTEE REPORT

HOUSE

HEALTH, EDUCATION
AND SOCIAL SERVICES

(7)

FURTHER:

2/9/84

Date: 2-9-84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 508

"An Act deleting the COLA provision in the library assistance grant program; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Bob Miller

Walter Miller, DO PASS

John Miller

Mr. Miller

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Mr. Miller

CHAIRMAN



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

144 598

February 9, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would eliminate the cost-of-living-adjustment (COLA) requirement in the library assistance grant program. This change was requested by the Department of Education, the state library, and several community libraries. Due to the uncertainty of revenues, public library funding entities are experiencing difficulty in maintaining local funding for library services. Requiring an annual cost-of-living increase in local funding jeopardizes continuation of local library support and handicaps the purpose of the Library Assistance Grant Program to help local libraries provide service.

Usually communities that can increase local support of their public libraries do so. The COLA requirement implies that all communities need to be motivated by a legal requirement when that might be needed for only a few.

Section 1 amends the first sentence of AS 14.56.330(b) to remove the COLA requirement and to make clear that, if a library did not exist in fiscal year 1980, the amount to which the prohibition on using the state money to supplant the local money applies is the amount equal to local expenditures in the first year a matching grant is awarded. Section 2 would make this change effective immediately.

The legislation creating this program in 1981 passed both houses unanimously, and I urge early passage of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 1/31/84

Page 1 of 2,598
HB 488

I. REQUEST

Bill/Resolution No.: AG #377-118-84
Title: An Act deleting the COLA provision
Sponsor: Governor
Requestor: Education
Date of Request:

II. FISCAL DETAIL

Agency Affected: Education
Program Category Affected: Educ. Info. Cult
BRU, Program of Subprogram(s) Affected:
State Library & Museums-Library Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						
TOTAL						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

This bill would remove the cost of living increase requirement for local expenditures for library operations. There is no fiscal impact requiring additional funds for the change. Remaining provisions for eligibility for grants under the library assistance grant program are unchanged.

IV. ANALYSIS: Attach a separate page for any Analysis See attached

Prepared By: Richard B. Engen *Richard B. Engen* Phone: 465-2910
Division: State Libraries and Museums Date: Jan 31 1984
Approved by Commissioner: Harold Reynolds *Harold Reynolds* Date: February 1, 1984
Department: Education

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

IV. Analysis

This bill would remove from the library assistance grant program a requirement for a cost of living increase in local operating expenditures of libraries seeking grants. The requirement for COLA creates a hardship for some communities and endangers continuation of the local library service. The COLA requirement has an effect contrary to the intent to strengthen local library services with the grant program.

Increases in local expenditures for local libraries are better determined by local needs and capabilities.

class city of over 2,000 population. (§ 1 ch 42 SLA 1970; am § 27 ch. 53 SLA 1973)

Legislative history reports. — For report on ch. 53, SLA 1973 (CSHB 382), see 1973 House Journal, pp. 793, 885.

Article 5. Library Assistance Grants.

<p>Section 300. Library assistance grant fund 310. Eligibility 320. Applications</p>	<p>Section 330. Limitations 340. Regulations</p>
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Sec. 14.56.300. Library assistance grant fund. There is established in the department a library assistance grant fund. From legislative appropriations to the fund, the department shall make grants to eligible libraries for public library operations or for interlibrary cooperation or for both. (§ 1 ch 36 SLA 1981)

Sec. 14.56.310. Eligibility. (a) Libraries eligible for grants under AS 14.56.300 are:

(1) public libraries operated by municipalities or by public library nonprofit corporations; and

(2) libraries sharing resources or providing services to other libraries.

(b) A library described in (a) (1) of this section is eligible for a public library assistance grant. A library described in either (a) (1) or (2) of this section is eligible for an interlibrary cooperation assistance grant. (§ 1 ch 36 SLA 1981)

Sec. 14.56.320. Applications. An eligible library may apply to the department for a grant under AS 14.56.300 — 14.56.340 in accordance with regulations adopted by the board. (§ 1 ch 36 SLA 1981)

Sec. 14.56.330. Limitations. (a) A public library assistance grant under AS 14.56.300 — 14.56.340 may not exceed \$10,000 for each local public library service outlet in any one fiscal year. However, no amount over \$5,000 may be granted unless it is equally matched by local money.

(b) State money granted to a library under AS 14.56.300 — 14.56.340 may not be used to supplant local money equal to local expenditures for that library in fiscal year 1980, as adjusted annually by the commissioner to conform approximately to changes in the United States Department of Labor Bureau of Labor Statistics consumer price index for Anchorage, Alaska. A library that uses state money to supplant local money forfeits eligibility for grants under AS 14.56.300 — 14.56.340 for two years. (§ 1 ch 36 SLA 1981)

Sec. 14.56.340. Regulations. The board shall adopt regulations necessary to carry out the purposes of AS 14.56.300 — 14.56.330. (§ 1 ch 36 SLA 1981)

Editor's notes. — Section 3, ch. 36, SLA 1981, provides: "Administrative regulations adopted under a provision repealed by sec. 2 of this Act remain in effect until amended or repealed by the state Board of Education."

Article 6. Public Library Construction Grants.

Section

350. Public library construction grants

Sec. 14.56.350. Public library construction grants. (a) The director of the division of state libraries shall administer a program providing for grants to municipalities in the state for the construction and equipping of libraries. To be eligible for a grant under this section a municipality shall provide not less than 40 per cent of the total cost of the project for which funds are granted. The department shall administer the funds under this section and shall adopt regulations necessary to carry out the purposes of this section.

(b) In this section "municipality" means a city or organized borough of any class. (§ 1 ch 100 SLA 1979; AS 14.56.065)

Revisor's notes. — This section derived from AS 14.56.065 and was renumbered by the revisor of statutes under AS 01.05.031.

Cross references. — As to grants for constructing and equipping libraries in rural communities, see AS 14.56.200.

Chapter 57. The State Museum.

Section

- 10. The state museum
- 20. Museum Collections Advisory Committee
- 30. Officers; meetings, rules of procedure, quorum
- 40. Compensation; per diem, travel expenses

Section

- 50. Collections management; acquisitions and dispositions
- 60. Advisory duties
- 70. Conflict of interest
- 80. Definitions

Collateral references — 81A C.J.S. States, § 147.

Sec. 14.57.010. The state museum. (a) The Department shall manage and have complete charge of all of the property contained in the institution known as the state museum. The museum shall be maintained in the state capital. Branch museums may be established and maintained in other localities in the state.

MEMORANDUM

State of Alaska

TO: The Honorable
Mike W. Miller, Chairman
Community and Regional Affairs
Alaska House of Representatives

DATE: March 2, 1984

FILE NO:

TELEPHONE NO:

FROM: Richard B. Engen, Director
Division of State Libraries
and Museums
Department of Education

SUBJECT: HB 598

Richard B. Engen

The Cost of Living Allowance or inflation percentage requirement applied to local support of the local public library as a provision for receiving a Library Assistance Grant from the State was intended to assure that local governments would increase local support of local libraries at least at the rate of inflation.

There are two main problems with the COLA provision. They are:

1. Inflexibility- even though local support were increased, it might not be increased enough to meet a fixed percentage; and,
2. Indirect control of local decision - local support beyond maintenance of local expenditures in the base year should be decided by the local community, not by a fixed grant program.

By FY 1984, the COLA provision has become a potential liability to the local libraries. In some of the smaller communities there may not be any more money available for offsetting inflation. This currently would mean loss of the grant and deterioration of the library service. Since matching grants for Public Library Assistance had to be prorated this year at 73%, the State moved into a position of requiring local governments to spend more to receive less.

This position is not supportive of the purpose of the Library Assistance Grant Program or of the local libraries. Local libraries are part of their communities. The grant program is meant to assist public libraries with their operating costs and to be part of the Alaska Library Network. In addition annual reports from the majority of libraries indicate increases in local support since 1980. The increase in the number of eligible library outlets from 64 in FY 1982 to 89 in FY 1984 shows that both the communities and grants are working positively to improve library service in Alaska.

Removal of the COLA provision represents removal of a built-in conflict which creates a negative result for library service.

Two sample letters are attached.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF EDUCATION

DIVISION OF STATE LIBRARIES AND MUSEUMS

Richard B. Engen, Director

Pouch G, Juneau, Alaska 99811
(907)-465-2910

October 26, 1983

Elva R. Scott
Eagle Public Library
P.O. Box 45
Eagle, Alaska 99738

Dear Mrs Scott:

Your Basic Public Library Assistance grant is being processed for FY 1984. I am pleased to see your plan to purchase a microfiche reader. It should be very useful to you and your library users.

Please start keeping circulation records and train volunteers to keep them, too. We use circulation statistics frequently as a measure of library activity and it is necessary to include Eagle.

I am concerned about your grant application for FY84 in that you request matching funds. Probably this is a repeated warning but if you start having matching for local funds, you must continue the amount plus cost of living increases or forfeit your grant for at least two years. Some libraries are running into this problem already. Since what you plan to do with your local money may relate to repairs and maintenance, I wonder if you will be able to have local money in the future. I really just want to be sure you understand the commitment you are making.

Sincerely,

Margaret

Margaret Leibowitz
Deputy Director

cc: Audrey Kolb

Margaret - Elva is gone for the winter. From your 3rd paragraph, it sounds like we should not apply for the matching funds. So, if possible, please cancel that part of the grant.

Patty Berg, Sec

November 14, 1983

Margaret Leibowitz, Dep. Director
St. of Alaska/Dept. of Educ.
Alaska State Library
Pouch G
Juneau, Alaska 99811-0571

Dear Ms. Leibowitz:

The following information is what was requested on October 24th for our 1983 State Library Grant.

The library is kept open fifty weeks out of the year. We have \$1101.94 left from the 1982 grant. The following orders are outstanding: World Book Encyclopedia @ \$473.00; and Story House Corp. @ \$310.00. That leaves about \$319.00 to cover continues cataloging (card kits and labor) until the new grant arrives.

The library use statistics show the following community patron use: from November, 1980 to June, 1981 was 95 items - Cantwell started receiving television that year. July, 1981 to June, 1982 was 150 items. July, 1982 to June, 1983 was 300 items. July, 1983 to November, 1983 was 233 items. The library has one entire wall physically open to the main entrance hallway of the building with about only 35' of hallway reaching to the main doors. I had tried some evening hours in 1981, but haven't tried since then as I had had very little response. I'll be glad to approach the community about hiring someone as I as taking night classes. I do check books out for people any time I am in the building for classes or meetings. The school is still the major center for 95% of the meetings that are held in the community, and all of the adult education classes.

A Community of Cantwell, Inc. meeting was held November 9, 1983. It was decided that I should not apply for the matching grant monies even though the library has been designated to receive monies from them again. I was asked to get the complete procedures for the library grant and the matching grants. Margaret, this is the first time I have ever been told about the community being obligated forever and ever with cost of living increases. I would appreciate receiving ALL the information possible regarding this matter. Thank you.

Sincerely yours,

Armeda A. Bulard
Armeda A. Bulard, Librarian
Cantwell School/Community Library
P. O. Box 29
Cantwell, Alaska 99729

CC:Audrey Kolb
Cantwell Education Association
Community of Cantwell, Inc.
Cantwell School