

DRAFT

NDLA Third General Session
September 26, 2008 – 3:30 pm
Pier 7 Room – Best Western Seven Seas Inn – Mandan, ND

President Donna James called the session to order at 3:31 pm on Friday September 28, 2008.

President Donna James remarked that per the bylaws the resolutions do not need to be read again. Paulette Nelson moved and Bonnie Krenz seconded approving the resolutions in their entirety as read at the Second General Session. Motion carried.

Kelly Steckler, Legislative Chair, said on November 4 we would be voting on Measure 1 and Measure 2 and introduced Kirsten Baesler to speak to the membership regarding these measures. Kirsten Baesler said she would try to be brief; we will be voting on two initiated measures on November 4. Measure one would amend the State Constitution, which requires a 2/3 vote of the people. Measure 2 has to do with our state income tax and it is proposed by Duane Sand. There are some really "big guns" that have banded together in opposition to this. Kirsten said that anybody that works for any organization or any entity supported by public funds, or anybody that uses services provided by public funds, should be very, very, very concerned about these two measures. Measure 1 (oil revenue trust) will take \$400 million from our general fund every biennium and Measure 2 (cut state income tax) will take \$400 million from our general fund. This means \$800 million will be removed from our general fund that legislators use to fund programs. Organizations that have formed a coalition against these measures include: ND League of Cities, ND Association of Counties, ND Education Association, ND School Board Association, and ND Council of Education Leaders. It was too late to pass a resolution that was supported by all of NDLA, but it is an important enough issue that it is expected that the Executive Board will go on record as NDLA opposing this. Kirsten provided some brief facts and more information. The talking points used by the opposing organizations are: "Measure 1 is an empty promise. In recent years, state government has gotten into the practice of piling money up and doing nothing with it. Measure 1 would take this practice to a new level and lock it into our state's constitution. None of the money from the savings is allocated to any specific programs or services. Other states with oil trust funds specifically allocate money to education, infrastructure and public services such as libraries. Why shouldn't North Dakota? If they don't tell you what the money is for then it's just an empty promise." Kirsten further stated that our legislators have the right to put money away, however much they choose, each and every biennium they meet; they do not need to amend the state constitution to do so. They simply have to be able to explain it to their constituents. With this law they would not need to explain it. "Measure 1 will hurt essential services you depend on. Measure 1 would mean less funding for local police, fire departments, emergency response teams, local libraries and other essential services that you depend on. As the state would lock the money away, local aid would be cut. Local governments would have to cut services or raise local taxes to make up for the shortfall. The result would be reduced ability to respond to emergencies or higher local sales taxes and more property taxes. Measure 1 would lock

flawed policy into our state's constitution. Measure 1 would lock an inflexible and impractical spending formula into North Dakota's constitution. The measure would also impose a supermajority; we've seen nothing like this before, 75% approval from both the house and the senate before any of that money could be touched. Even with that supermajority approval, only 20% of that money could be taken out. The result will be a reduced ability to respond to state emergencies and an even greater financial burden being placed on local governments." Kirsten elaborated that this would mean that 26% of our legislators could band together to prevent this money being spent. 26% could decide for 74%. "Measure 1 is the wrong way to save money. There is a right way to save money and a wrong way to save money. Every one agrees that we should save for a rainy day. That's North Dakota. But even rainy day funds can be used when you need the money the most. Measure 1 is not a rainy day fun. It's not a "savings account." It's not a "piggy bank." Measure 1 simply allows the state to hoard money away so politicians can pat themselves on the back about how much the state is "saving." Meanwhile, our property taxes will go up, state fees will increase and important services would be crippled. Let's be smart, rewrite this legislation and save money the right way. So that's Measure 1 and there was something else; real property tax relief. Measure 2 is the one that would cut our state income tax and that's interesting because it was proposed by a group of people who don't even really live in ND, as a special interest group. Measure 2 would push more of the burden to property taxes; we really don't have a problem with income tax. Cutting state income tax would push even more of the burden to down local governments and only compound the high property taxes. If passed, Measure 2 could result in higher property taxes and sales taxes to pay for services that are already funded with the state's income tax. Again this would remove about \$400 million from our general fund. North Dakotans enjoy one of the lowest state income tax rates in the nation but we pay some of the highest property taxes anywhere. Not everyone pays income taxes, but everyone does pay property taxes. If you are a home or land owner, you pay directly; if you are a renter, the cost of property taxes is included in your monthly rent. North Dakotans desperately need property tax relief and that relief will be impossible if Measure 2 passes. There would be less money from income tax, the services would still need to be provided, and so local property tax would be the only way to do it. Measure 2 is unfair. More than 70% of the estimated savings from the proposed income tax cut would go directly to the top 20% of North Dakota wage-earners. However, if the state would properly fund the services and education needed then real property tax relief would go into effect and all North Dakotans would benefit. Measure 2 is being pushed by out-of-state anti-government extremists. That's kind of an extreme position the coalition is taking, but here are the facts. Measure 2 is part of a larger plan by out-of-state government extremists. These extremist groups have targeted North Dakota because they regard the state as a "guinea pig" where they can experiment with different measures that will severely cripple state government. These groups are receiving financial support from a vast network of out-of-state special interest groups who don't have the best interests of North Dakota in mind – their goal is to do this state by state by state - to provide tax relief state by state by state. Measure 2 is a trojan horse. What the supporters of Measure 2 fail to realize is that state government still has to function: roads and bridges need to be maintained, children need to be taught, seniors need to be cared for. In order for state government to work effectively, money has to be available. If Measure 2 is passed, the

state will be losing more revenue and you, the taxpayer, will have to make up the difference. You won't pay it in your state income taxes but you will certainly pay for it in higher property taxes, sales taxes and state fees. For more information go to the web sites: www.nomeasure1nd.com and www.nomeasure2nd.com. President Donna James thanked Kirsten and reminded the members that we need to advocate here. She asked us to remember her speech on advocacy.

In Mark Holman's absence President James announced the Book Cart winners. Gold Book Cart Award: Arlene Gunderson, Viking Media Center, Viking Elementary School; Silver Book Cart Award: Doris Ott and the North Dakota State Library Staff; Bronze Book Cart Award: Christine Kujawa and Zack Packineau, Bismarck Public Library.

President James asked us to give a round of applause for our auctioneer, Al Peterson. It was noted that the auction proceeds from the auction totaled approximately \$1400. President James reminded members if they need money for professional development, please tap this fund; that is what it is there for. Applications are on the NDLA web site.

President Donna James offered closing remarks thanking the members for allowing her to be a representative for the organization as she has truly enjoyed the experience; she also thanked the board for being the backbone of the association. Phyllis thanked her for doing a wonderful, wonderful job for us this past year. Phyllis then presented Donna with a plaque in appreciation of her dedicated service to the NDLA. And well deserved, said Phyllis. President James then passed the gavel to Phyllis Bratton.

President Phyllis Bratton thanked everyone for the opportunity to be President-Elect this last year. She encouraged everyone to build on what we have done at this conference. Go out and learn something; figure out how you can develop your career, yourself, your library, but primarily yourself. Remember we are always working for libraries, but we also need to concentrate on the librarians. This is the message of the whole conference. Take what you've learned, go back and use it; tell us if it was helpful and tell us if it was not helpful. Fill out those evaluation forms. President Bratton dispensed with introductions of the Board as Johanna McClay had done such a good job of this at the second general session. She did ask the Board to stand and be recognized. She added to just remember if the nomination committee should ask you if you want to run, the right answer is, "why yes, I would be delighted because it is such a wonderful organization and I want to be more involved in it." "That's what I expect to hear from each of you at the other end of that phone", said Phyllis. Next year the conference will be in Dickinson, we don't have a theme yet, but we will soon. So come prepared to have fun.

President Bratton adjourned the meeting at 3:51 pm.