# State Library Board

*Ann Braam, Budget Analyst*

- The State Library's planned staffing level for this biennium represents an approximate 12% decrease from FY 2002 levels

- The enacted budget earmarks $100,000 per year in the OPLIN program to be used for Internet filtering technology

## OVERVIEW

### *Duties and Responsibilities*

The State Library Board was established in 1817 by the General Assembly to provide information and reading materials to legislators and state officials. Throughout the years, the mission of the State Library has expanded to include the following goals: collect, disseminate, and provide access to information for Ohio's state government; be an advocate for all libraries in Ohio; be a leader and partner in the development of library services throughout Ohio; promote resource sharing among libraries and library networks; and to provide specialized services to Ohio's citizens. A five-member board that is appointed by the State Board of Education for a five-year term governs the State Library.

The State Library is a reference library as well as the depository for the publications of state and federal agencies. To carry out its mission, the State Library Board operates a service program with two major program series: State Library Services and Library Grants. All State Library staff positions are funded through the State Library Services program series. Funding within the Library Grants program series supports grants to libraries.

### *Enacted Budget by Fund Group*

The following chart display the enacted FYs 2006-2007 budget by fund group. Fifty-four percent of the State Library's budget consists of General Revenue Fund (GRF) dollars. An additional 46% of funding is derived from federal and General Service Fund (GSF) moneys generated from fees paid by state agencies using the State Library's services, other libraries and units of local governments using the State Library's services, and E-rate reimbursements.

**Total Enacted FYs 2006-2007
Budget by Fund Group**

GRF
54%

GSF
23%

FED
23%
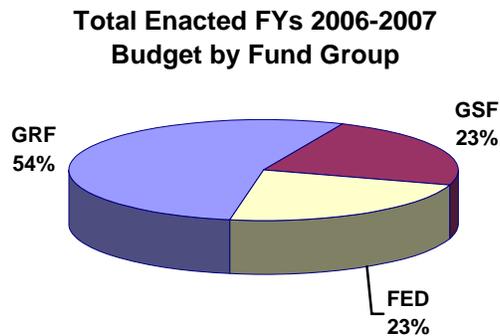
## *Agency in Brief*

| Agency In Brief | | | | |
|---|---|---|---|---|
| **Number of Employees\*** | **Total Appropriations-All Funds** | | **GRF Appropriations** | | **Appropriation Bill(s)** |
| | **2006** | **2007** | **2006** | **2007** | |
| 91 | $24,228,021 | $24,466,188 | $13,105,191 | $13,105,191 | Am. Sub. H.B. 66 |

\* Employee count obtained from the Department of Administrative Services  (DAS) payroll reports as of June 2005.

## *Vetoed Provisions*

There are no vetoed provisions affecting the State Library.

# ANALYSIS OF THE ENACTED BUDGET

**Program Series 1**             **State Library Services**

*Purpose:* To provide access to information for Ohio state government employees, Ohio libraries, and Ohio citizens; to lead and partner in the development of library services throughout Ohio; and to enable and facilitate resource sharing among libraries and library networks throughout the state.

The following table shows the line items that are used to fund State Library Services.

| Fund | ALI | Title | FY 2006 | FY 2007 |
|---|---|---|---|---|
| **General Revenue Fund** | | | | |
| GRF | 350-321 | Operating Expenses | $6,298,677 | $6,298,677 |
| GRF | 350-400 | Ohio Public Library Information Network | $4,330,000 | $4,330,000 |
| GRF | 350-401 | Ohioana Rental Payments | $124,816 | $124,816 |
| | | **General Revenue Fund Subtotal** | **$10,753,493** | **$10,753,493** |
| **Federal Special Revenue Fund** | | | | |
| 313 | 350-601 | LSTA Federal | $2,418,588 | $2,403,644 |
| | | **Federal Special Revenue Fund Subtotal** | **$2,418,588\*** | **$2,403,644\*** |
| **General Services Fund** | | | | |
| 139 | 350-602 | Intra-Agency Service Charges | $9,000 | $9,000 |
| 459 | 350-602 | Interlibrary Service Charges | $2,469,925 | $2,708,092 |
| 4S4 | 350-604 | OPLIN Technology | $3,000,000 | $3,000,000 |
| | | **General Services Fund Subtotal** | **$5,478,925** | **$5,717,092** |
| **Total Funding:  State Library Services** | | | **$18,651,006** | **$18,874,229** |

\* Amount does not reflect total funding.  Line item is also used to fund the LSTA Grants program in Program Series 2.

Included in the program series are five specific programs:

- ■ *State Library Services*
- ■ *Ohio Public Library Information Network (OPLIN)*
- ■ *Southeast Ohio Consortium*
- ■ *Statewide Resource Sharing*
- ■ *Ohioana Library Lease*

## *State Library Services*

*Program Description:* State Library Services develops and provides information and library materials and services for Ohio's state government and its citizens. This program also provides research, information, and consulting services to the legislative and executive branches of state government. Through this program, access is provided to more than 2 million items on site, more than 300 on-line databases, and almost 8 million unique titles held by OhioLINK libraries.

Staff in the State Library Services program answers reference questions, compiles bibliographies, assists state agencies in developing materials for internal training programs, works with state agencies in researching background information for special projects, and assists state employees in their work-related research. Staff members also provide training on Internet/on-line database usage and provide meeting space for state agencies. The State Library Services program also responds to requests for information or assistance from local library staff or trustees, particularly in the area of library development.

Operation of the Southeast Ohio (SEO) Library Center also falls under the State Library Services program. The SEO Library Center houses a collection of 190,000 items that are loaned to all public libraries in Ohio, state correctional institutions, and state parks. The Center's annual circulation is approximately 200,000. In addition, the mobile computer-training lab runs out of the SEO Library Center.

Catalog Services maintains the book collection and furnishes loan services to state agencies and Ohio libraries. Materials that are needed by state agencies but are not available in the State Library's collection are made available by interlibrary loan. The State Library has special loan relationships and telecommunications agreements with libraries across the state. Through OhioLINK, State Library patrons have access to 79 Ohio universities and college libraries to meet their reference, research, and information needs. As a member of the On-line Computer Library Center (OCLC), a national computerized library network, the State Library also has access to and acquires materials from the collections of libraries throughout the United States. All of these loan services are available free of charge to state agencies for work-related research through the State Library.

State Library Services also administers the federal funds that assist state and local libraries. Funds from the Library Services and Technology Act (LSTA) are used to emphasize technological innovation and outreach services and are distributed via grant to small local libraries and school libraries.

The Library Programs and Development department provides consultant and information services to librarians across the state, including assisting individual libraries in addressing local library development needs and in meeting local library service goals. The department works with all types of libraries in the areas of strategic planning; building community coalitions; and providing specialized services to diverse populations in the community, such as senior citizens and those with disabilities.

*Funding Sources:* GRF, GSF (fee revenue from state agencies that use state library services as well as funds from local libraries and other local units of government), and Federal Special Revenue (LSTA funds)

*Implication of the Enacted Budget:* The enacted budget will allow the State Library to continue its core services at FY 2005 levels. The State Library continually evaluates all purchases that are made in this area. Much of the funding in this area will be used for "library continuations," which are those commitments for subscriptions, etc. that come due on an annual basis. When these items consume a large portion of the budget, limited funds are available for new purchases. While renewing these subscriptions/continuations, the State Library will evaluate their need and usage and cancel some of those items if necessary to free up funds for new purchases.

## Ohio Public Library Information Network (OPLIN)

*Program Description:* The Ohio Public Library Information Network (OPLIN) strives to provide fast, free network access to all Ohio residents through their local libraries at over 700 locations in all 88 counties. OPLIN provides network access to Ohio's 250 public libraries to ensure equity of access to the Internet and electronic information for all Ohio residents; provides in-library and remote access to subscription databases and access to Ohio government services; and provides tools to maintain effective use of the network and subscription databases. Ohio's libraries continue to develop statewide sharing of books and other materials through a variety of consortia and projects using OPLIN. OPLIN collaborates extensively with INFOhio and OhioLINK to strengthen services provided.

Am. Sub. H.B. 117 of the 121st General Assembly appropriated $12.8 million to create OPLIN, an electronic information network that links Ohio's public library systems to the state's SONET network and the Internet. An 11-member board that is responsible for all ongoing policy decisions governs OPLIN, while the State Library acts as OPLIN's fiscal agent.

The largest portion of OPLIN's budget is telecommunications. This part of the budget is more or less fixed, with GRF funds budgeted to meet monthly commitments for circuits, router support, Internet bandwidth, and other associated expenses. Commercial databases make up the second largest part of OPLIN's budget. The smallest portion of the budget is support and training.

The other funding source for OPLIN, the OPLIN Technology Fund (Fund 4S4), consists largely of E-rate reimbursements. E-rate is a federal program that provides discounted telecommunications services to schools and libraries. Historically, revenue from this source has been unpredictable. In addition, timing of reimbursements does not closely match the state accounting cycle, making its availability for specific commitments problematic.

*Funding Sources:* GRF, GSF (E-rate reimbursements and funds from libraries that agree to participate in group contracts for databases managed by OPLIN)

*Implication of the Enacted Budget:* During the current biennium, OPLIN will be hiring a new executive director, evaluating its relationship with the State Library, and determining a plan for spending the $100,000 earmarked in the budget for filtering. At this point, OPLIN does not have a specific plan for the earmark, but has discussed possible grants to public libraries for purchasing filtering software as well as some other uses related to the earmark. If grants would be given to libraries, this would be done in conjunction with the State Library Board.

While the majority of telecommunication costs will be paid from GRF, due to the funding reduction from FY 2005 in GRF appropriation item 350-400, Ohio Public Library Information Network, a larger portion of the Libraries Connect Ohio databases will be funded from the OPLIN Technology Fund (Fund 4S4). All moneys for network upgrades will come from this fund.

A portion of OPLIN comes from annual E-rate reimbursements from the federal government. OPLIN expected to receive approximately $700,000 in both fiscal years of the biennium from E-rate reimbursements; however, the amount to be received in FY 2006 will actually be close to $1 million, while no funds will be received in FY 2007 due to a technicality with the FY 2007 application for these funds. This will result in a total decrease of $400,000 for the biennium, which will result in fewer funds being available for network upgrades. E-rate reimbursements historically have been unpredictable, so this decrease, while limiting the funds available for network upgrades, will not severely impact OPLIN.

Despite the reduced GRF funding level compared to FY 2005 and the reduced revenue from E-rate reimbursements, there is not likely to be a significant loss in services or employment.

***Temporary Law Provisions:   Ohio Public Library Information Network (Section 206.90).*** Temporary language is included that earmarks $100,000 each fiscal year in GRF appropriation item 350-400, Ohio Public Library Information Network, for assisting local libraries in purchasing and maintaining filters to screen out obscene and illegal internet materials. The provision specifies that at least 50% of the funds used for these purposes in each fiscal year must be used for the purchase of filters. In conjunction with this earmark, the State Library received an additional appropriation of $100,000 each fiscal year in appropriation item 350-400, Ohio Public Library Information Network.

## *Southeast Ohio Consortium*

***Program Description:*** The Southeast Ohio Consortium offers a cost-effective program that allows small libraries across the state, which may not otherwise have the technical expertise to automate card catalog and circulation functions, to automate and also join a resource sharing consortium, thus enabling small libraries to offer many of the same services offered in larger suburban and urban libraries. This program is housed at the State Library's Southeast Ohio Library Center in Caldwell. From a consortium of 12 libraries in the early 1990s, the Consortium has grown to 67 library systems providing service to more than 150 library buildings throughout the state. According to the State Library, only 2 of Ohio's 250 public libraries are not automated. The Consortium circulates over 10 million items annually with approximately 650,000 Ohio citizens listed as registered borrowers in the system. The Consortium also provides original cataloging and database maintenance services for its members.

Members of the Consortium borrow materials heavily from each other. If a customer is unable to find a desired item at the local library, a search of the collection of the other members of the Consortium often locates the needed item. There is a statewide delivery service in place that provides the customer with the item by the next business day. The Consortium's operating expenses and upgrades are supported by revenue received from Consortium membership fees paid into the Interlibrary Service Charges Fund (Fund 459).

***Funding Source:***  GSF (Consortium membership fees paid by member libraries)

***Implication of the Enacted Budget:***  Funding provided in the enacted budget will allow the Southeast Ohio Consortium to maintain current service levels. In recent years the Consortium has grown significantly, resulting in greater customer demand for Southeast Ohio Consortium services. The workload associated with the Consortium has more than tripled, while the staffing level has increased

from six positions in FY 2001 to ten positions currently. The Consortium completed a migration from Dynix Classic to Dynix Horizon in June 2005.  Now that the migration has been completed, there are still some items to be addressed in the new system. The State Library expects this fiscal year to be a period of working out any refinements with the vendor and providing additional assistance to the libraries in the Consortium as well as prioritizing items with the libraries.  Funding provided in the budget should allow the State Library to meet the increased customer demand for Consortium services.  At this point, there are no new upgrades planned for the Consortium in the current biennium.

## *Statewide Resource Sharing*

*Program Description:*  Implemented in 2001, the Statewide Resource Sharing program provides library patrons of participating school and public libraries with access to library materials throughout the state of Ohio.  This program coordinates the technology and delivery components of the Moving Ohio Resources Everywhere (MORE) system by enabling patrons to search and request materials from the on-line catalogs of one of the 141 participating public and school libraries in Ohio.  It also provides the delivery mechanism to move library materials throughout Ohio.  The technology costs are supported by a portion of the Library Services and Technology Act (LSTA) funds allocated to the State Library, while the delivery costs are paid for by the libraries that receive the services.

MORE software allows patrons to conduct a search of all participating libraries and request materials in one transaction.  Participants range from very small libraries such as school media centers to large metropolitan libraries with many branch libraries.

*Funding Sources:*  GRF, Federal Special Revenue (LSTA funds), and GSF (funds from local libraries and other local units of government for services provided by the State Library)

*Implication of the Enacted Budget:*  Funding in the enacted budget will allow additional school and public libraries to join the program.  The Statewide Resource Sharing program can continue to support the software, hardware, and staffing costs to provide a statewide requesting and delivery system throughout the state. The program will continue to implement upgrades to the software as they are released by the vendor, which will result in improvements in processing and reduced delivery time for the patrons.

## *Ohioana Library Lease*

*Program Description:* The Ohioana Library Association and the State Library work closely together but have different missions and legal authority.  In order for the Ohioana Library to administer its programs, serve its customers, and house its library collection, the State Library's budget provides for the payment of rental expenses for the Ohioana Library, which is located in the same building as the State Library.  No other costs are associated with this line item.

*Funding Source:*  GRF

*Implication of the Enacted Budget:*  The enacted budget will allow the State Library to cover Ohioana's rental payments, which are $120,972 per year, as well as the additional fee assessed to the State Library for services provided by the Department of Administrative Services (DAS)/Real Estate. This fee of $2,199 was paid in July 2005.

**Program Series 2**                                           **Library Grants**

       ***Purpose:*** To administer LSTA funds through competitive and special grants; to provide support for Ohio's Regional Libraries for the Blind and Physically Handicapped; and to help coordinate resources and services for libraries within specific geographic areas by supporting Regional Library Systems.

       The following table shows the line items that are used to fund the Library Grants program series.

| Fund | ALI | Title | FY 2006 | FY 2007 |
|------|-----|-------|---------|---------|
| **General Revenue Fund** | | | | |
| GRF | 350-501 | Library for the Blind -- Cincinnati | $535,615 | $535,615 |
| GRF | 350-502 | Regional Library Systems | $1,010,441 | $1,010,441 |
| GRF | 350-503 | Library for the Blind -- Cleveland | $805,642 | $805,642 |
| | | **General Revenue Fund Subtotal** | **$2,351,698** | **$2,351,698** |
| **Federal Special Revenue Fund** | | | | |
| 313 | 350-601 | LSTA Federal | $3,225,317 | $3,240,261 |
| | | **Federal Special Revenue Fund Subtotal** | **$3,225,317\*** | **$3,240,261\*** |
| **Total Funding: Library Grants** | | | **$5,577,015** | **$5,591,959** |

\* Amount does not reflect total funding. Line item is also used to fund programs in Program Series 1.

       Included within this program series are the following programs:

- ***Library Services and Technology Act (LSTA) Grants***
- ***Regional Library Systems***
- ***Regional Libraries for the Blind and Physically Handicapped***

## *Library Services and Technology (LSTA) Grants*

       ***Program Description:*** Under federal law there are two broad purposes to LSTA: technological innovation and electronic linkages and services to underserved populations. The State Library receives LSTA funds on an annual basis and reallocates these funds to eligible libraries throughout the state using a competitive grant process.

       In order to receive federal funds, the State Library is subject to matching and maintenance-of-effort (MOE) requirements. For the competitive grant program, the State Library requires a 25% cash match of the total project amount. The State Library provides the remainder of the match through partial expenditures in programs that qualify under LSTA guidelines. The State Library accomplishes this through expenditures in a combination of line items used to fund State Library Services, OPLIN, Regional Libraries for the Blind and Physically Handicapped, and Regional Library Systems.

       Aside from the competitive grant program, the State Library uses some federal LSTA funds for special statewide grants such as core electronic databases and 24/7 reference services. These programs have been identified by the State Library Board and the LSTA Advisory Council as primary needs that will benefit a majority of citizens in Ohio.

       There are no full-time equivalents (FTEs) associated with this program, as staff within the State Library Services program is responsible for the administration and coordination of LSTA grant awards.

*Funding Source:* Federal Special Revenue Fund (LSTA funds)

*Implication of the Enacted Budget:* The enacted budget will allow the State Library to continue to award the same number of grants that have been awarded in the past. Specifically, the State Library expects to continue to award a grant for the Libraries Connect Ohio databases through Wright State University and to grant moneys to 24/7 services through the Cuyahoga County Public Library. The State Library also plans to continue to provide a small amount of federal funds to the Cleveland Public Library and the Public Library of Cincinnati and Hamilton County for the blind and physically handicapped program. Other than those specific grants, the State Library also expects to award grants in categories such as automation, innovative technology, resource sharing, staff development and training, services to targeted populations, and services to youth. The actual number of grants will vary depending on the federal funds available and depending on the amount awarded to a specific library.

## Regional Library Systems

*Program Description:* Ohio's Regional Library Systems (which are separate from both the Southeast Ohio Library Center and the Regional Libraries for the Blind and Physically Handicapped) were created in the early 1970s to assist libraries of all types to improve the quality of services delivered to library users by coordinating resources and services for libraries within a geographic area in the most cost-effective manner. Currently, 316 libraries (including 165 of Ohio's 250 public libraries and 151 school, academic, and special libraries) are members of Regional Library Systems. These libraries serve an estimated 7 million citizens in 64 counties.

Regional Library Systems collaborate with each other to provide training programs with nationally recognized presenters and share expenses, expand regional programs to other portions of the state, and avoid duplication of service. The Regional Library Systems program also delivers continuing education and technology training opportunities for staff at all levels of the library. The Regional Library Systems' funding is comprised primarily of state funding (between 40% to 50% of their budgets) and member dues from the individual libraries.

*Funding Source:* GRF

*Implication of the Enacted Budget:* The state subsidy amount has been reduced 47% between FY 2001 and FY 2006, from approximately $1.9 million to $1 million. Regional Library Systems have responded to the continuing reduction in state subsidy amounts by reducing the number of workshops they provide, eliminating or combining staff positions, renegotiating facility leases and/or relocating to cheaper space, and reducing their equipment budgets for supporting the technology infrastructure that libraries depend upon. Because each Regional Library System receives different amounts of the total state subsidy, reductions are passed on proportionately.

At the appropriated funding levels of $1,010,441 in each year of the FY 2006-2007 biennium, the ability of the Regional Library Systems to continue carrying out their services at currently reduced levels will be threatened. As state funding reductions are passed on proportionately, the seven Regional Library Systems will most likely face additional reductions in personnel and continuing education.

There is a committee currently reviewing services and funding as they relate to the Regional Library Systems. During this fiscal year, the State Library and the Regional Library Systems hope to come up with a new model for funding and to determine the number of Regional Library Systems that will exist and be funded by the state GRF subsidy.

## *Regional Libraries for the Blind and Physically Handicapped*

*Program Description:* Regional Libraries for the Blind and Physically Handicapped in Cincinnati and Cleveland receive a subsidy from the State Library. This program provides the reading and information services (recorded and Braille books and magazines and audio-described videos) to blind, visually impaired, and physically handicapped Ohio citizens in the 55 northern counties via the Cleveland Public Library and the 33 southern counties via the Public Library of Cincinnati and Hamilton County. The State Library serves as the machine-lending agency for the Talking Book Program, working in conjunction with the Regional Libraries for the Blind and Physically Handicapped. No staff members are paid from this program via the State Library payroll system.

*Funding Source:* GRF

*Implication of the Enacted Budget:* This program is flat-funded in the current biennium. Funding will allow the Regional Libraries for the Blind and Physically Handicapped to operate at a maintenance level. According to the State Library, as a result of rising personnel and maintenance expenses along with higher demands from their clientele, the Regional Libraries for the Blind and Physically Handicapped may have to restructure staff in order to continue offering their core services.

It is difficult to predict the specific impact this budget will have on the Regional Libraries for the Blind and Physically Handicapped, but the State Library has indicated that the following actions may need to be taken to reduce expenses: reduction in needed hardware and software purchases; reduction or elimination of the printing of newsletters and other informational documents for users; reduction in the inspection of incoming materials, resulting in possible damaged or unusable cassettes being sent to users; reduction in hours of operation; elimination of local recorded magazine service; and adding no new titles to the audio-described videos.