
Detailed Fiscal Analysis

Temporary law in Am. Sub. H.B. 117 of the 121st General Assembly establishes the Ohio Public Library Information Network (OPLIN – an information network designed to link Ohio’s 250 public library systems). It also establishes the Ohio Public Library Information Network Board, consisting of 11 members, to oversee operations of OPLIN. The State Library is designated as fiscal agent for OPLIN and has fiscal accountability for the expenditures of funds.

The bill establishes in statute OPLIN and its governing board. Among other things, the OPLIN board is empowered to have exclusive control of the expenditures of all moneys held in the OPLIN’s name; to designate positions in the unclassified civil service for which it may employ persons; to purchase or lease vehicles for the operation of the network; and to receive and expend grant and gift moneys on the OPLIN’s behalf. Finally, the bill abolishes OPLIN and its governing board on December 31, 1999 by repealing sections of 3375.64, 3375.65, 3375.66, and 3375.67 of the Revised Code on that date.

OPLIN has kept its administrative costs at about 4% of its total funding by contracting out most of its tasks over the last two years; it currently has two full-time staff members and 20 outstanding contracts. OPLIN’s low administrative costs can partially be explained by in-kind services provided by the State Library. As OPLIN’s fiscal agent, the State Library has devoted about 1.5 FTE equivalent employees handling OPLIN related fiscal activities. The State Library has also devoted other staff resources to support OPLIN. For example, the State Library has devoted a consultant to develop and maintain the web page for OPLIN. In FY 1997, in-kind services provided by the State Library are estimated at \$100,000.

According to both the OPLIN and the State Library spokespersons, current practices are likely to continue regardless the status of OPLIN. OPLIN will continue to contract out most of its tasks and the State Library will continue to provide support to OPLIN. However, when it becomes an independent entity, OPLIN would contract with the State Library for services. Therefore, the State Library would recover costs for services it currently provides for free for approximately \$100,000 per year in FY 1998 and in FY 1999 and for approximately \$50,000 in FY 2000 (the bill abolishes OPLIN and its board on December 31, 1999—the middle of FY 2000). OPLIN would accordingly incur comparable cost increases in these years. The OPLIN spokesperson indicates that OPLIN will not purchase any vehicles. The OPLIN board members and staff currently receive travel mileage reimbursements and this practice will continue.

Since the bill abolishes OPLIN and its board on December 31, 1999, its fiscal impact on OPLIN and the State Library would cease to exist on that date. OPLIN functions would revert to the State Library (such as contracting for database services).

Due to the faster-than-expected growth, OPLIN would experience some other expenditure increases in the upcoming biennium. However, these increases are primarily from the continuing statewide implementation of OPLIN. The magnitude of such increases is more likely dependent on funding it will receive under the FY 1998-FY 1999 biennium budget rather than the status of OPLIN. Funding for OPLIN in the 1996-97 biennium was intended to provide network access to 161 main libraries that are currently automated. The remaining 89 libraries were expected to be connected to OPLIN in its third year of the operation. However, due to delays in implementing the pilot project library connections and the reductions in the state’s telecommunication rates for T1 lines, OPLIN is able to use the same amount of appropriations to

provide T1-level connections for all 250 main public libraries in the 1996-97 biennium. As of January 31, 1997, 198 main public libraries have been connected into the network and are delivering OPLIN information services to Ohioans. The remaining main libraries are expected to be connected into the network by the end of February, 1997. In addition to providing basic network connections and microcomputers, OPLIN has established a World Wide Web gateway to provide access to Internet resources and a variety of reference databases. It has also provided education, training, help desk, and other support services to participating libraries.

Under the executive proposal, funding for OPLIN is increased by 73% in FY 1998 and by 2.5% in FY 1999. However, it should be noted that these increases are primarily targeted toward paying telecommunications costs for 250 main public libraries and maintaining electronic database services. OPLIN has requested two additional staff and the executive proposal has provided funding for one new staff. According to the OPLIN spokesperson, this position is likely to be the contract manager and this person will manage all contracts for OPLIN. The other requested new staff would have been a service manager for OPLIN's web services and other product development. As mentioned before, OPLIN's web page is developed and supported by the State Library. The OPLIN spokesperson states that without additional funding, OPLIN can not hire the service manager even when it becomes an independent entity. OPLIN is likely to contract with the State Library for needed support services.

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