

State Library Board

Senate Finance and Financial Institutions Committee

Ann Braam, Budget Analyst

Legislative Service Commission

April 21, 2005

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LSC Redbook

for the

State Library Board

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Attachments:

Catalog of Budget Line Items

LSC Budget Spreadsheet By Line Item: Executive to House Passed

Compare Document: Permanent to Temporary Law

April 21, 2005

State Library Board

- The State Library's requested staffing level for FYs 2006-2007 represents an approximate 12% decrease from FY 2002 levels
- The Southwest Ohio Library Center closed in FY 2005 to help meet mandated budget reductions

OVERVIEW

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. At the same time that the State Library was moving into its new facility (thus enabling it to better house its collection, including state and federal publications), budget cuts forced it to close the branches in Rhodes Tower and Riffe Center. With the closing at Riffe Center, the media program was eliminated as well. The Southwest Ohio Library Center in Fayetteville (Brown County) closed in FY 2005 to help meet mandated budget cuts; however, the State Library continues to operate the Southeast Ohio Library Center in Caldwell (Noble County). This satellite office provides reference services to area libraries, as well as a variety of other services to libraries throughout Ohio.

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. The table below shows specific programs within each program series.

State Library Board Program Series, FYs 2006-2007	
State Library Services	Library Grants
State Library Services	LSTA Grants
Ohio Public Library Information Network (OPLIN)	Regional Library Systems
Southeast Ohio Consortium	Regional Libraries for the Blind and Physically Handicapped
Statewide Resource Sharing	
Ohioana Library Lease	

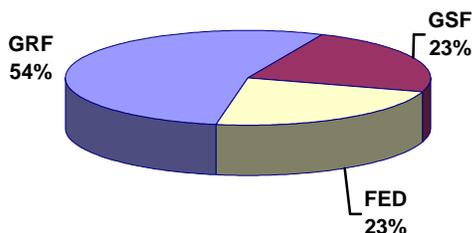
Executive Recommendation for FYs 2006-2007

The overall funding recommendation is for \$24,128,021 in FY 2006, a 4.5% increase over estimated FY 2005 spending of \$23,097,770. The proposed FY 2007 funding level is \$24,366,188, a 1% increase over FY 2006.

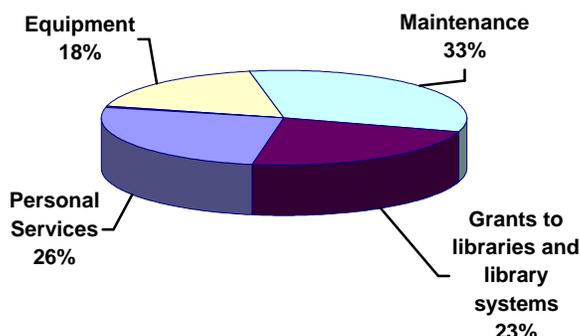
The following charts display the proposed FYs 2006-2007 budget by fund group and by object of expense. Fifty-four per cent of the State Library's budget consists of General Revenue Fund (GRF) dollars. An additional 46% of funding is derived from federal and General Service Fund (GSF) moneys generated 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.

Within the State Library's recommended budget, the largest expenditures are maintenance and personal services. Maintenance includes telecommunications expenses, delivery costs, and rent associated with the State Library's operations.

Total Recommended FYs 2006-2007 Budget by Fund Group



Total Recommended FYs 2006-2007 Budget by Object Code



Budget Issues in FYs 2006-2007

Regional Library Systems – Recommended 10% Funding Reduction

The recommended funding for Regional Library Systems for both fiscal years (\$1,010,441) is 10% below the estimated FY 2005 spending for this program. Regional Library Systems is a subsidy program through which the State Library provides funding to regional library consortia to help them assist libraries to better serve Ohio's citizens. The state subsidy provides approximately 50% of the Regional Library Systems' funding. Member libraries provide the other half of total funding. The state subsidy is allocated via an agreement among the seven Regional Library Systems and the State Library Board. It is difficult to predict the exact impact of this recommended funding reduction, but the State Library predicts that reductions in Regional Library Systems' personnel and cuts in continuing education will occur as a result of these proposed reductions. Please refer to the Analysis of Executive Proposal for further discussion of this issue.

OPLIN – Impact of GRF Funding Reductions

While recommended funding for the Ohio Public Information Network (OPLIN) in both FY 2006 and FY 2007 (\$7,230,000) represents an overall increase of 21% from estimated FY 2005 spending (\$5,700,000), recommended GRF funding is actually decreased 10% in both fiscal years (\$4,230,000) from estimated FY 2005 GRF expenditures for this program (\$4,700,000). The reduction in GRF funding will result in the shifting of expenses within OPLIN's budget. Detailed analysis of the Governor's recommendation for this program is located in the Analysis of Executive Proposal.

LSTA Funding and Matching/Maintenance-of-Effort Requirements

To qualify for federal Library Services and Technology Act (LSTA) funds the State Library must meet matching and maintenance-of-effort (MOE) requirements. The State Library meets these federal requirements through several line items, including two GRF line items in the State Library's budget that the executive proposal would cut by 10% in FY 2006 and FY 2007. According to the State Library, with the funding levels provided in the executive budget, it will become more difficult – although still achievable – to meet federal matching and MOE requirements.

An additional burden on LSTA funding created with reduced state spending is the need to shift staff from GRF funding to LSTA funding. With reduced budgets in the past several years, the State Library has had to rely on LSTA dollars to fund staff who are normally GRF-funded. In FY 2000, eight State Library staff positions were funded with LSTA dollars. In FY 2006 that number will reach 21. The movement of staff funding from GRF to LSTA funding reduces the amount of federal dollars available for the LSTA grant program. The State Library has indicated it is at a point where, after the planned move of one staff position to LSTA funding in FY 2006, it can not move any other positions to LSTA funding in order to comply with the federal guidelines for this program. LSTA funding supports a variety of State Library programs.

Staffing Levels

The following table illustrates the State Library's overall staffing levels for FYs 2002 through 2005, as well as estimated levels for FYs 2006 and 2007. All State Library staff members are housed in the State Library Systems program series. Staff members in Administration and Library Services are located in various programs within State Library Services.

State Library Staffing Levels, by Fiscal Year						
Division	2002	2003	2004	2005	Estimated	
					2006	2007
Administration	27	27	27	25	25	25
Library Services	43	34	33	33	67	67
Planning, Evaluation, & Research	36	36	35	35	0	0
OPLIN	6	7	7	7	7	7
Totals	112	104	102	100	99	99

The Southwest Ohio Library Center, part of Planning, Evaluation, & Research, was closed on 12/31/04. One staff position was eliminated as a result, which is reflected in the estimated staffing for Library Services in FYs 2006-2007.

For FYs 2006-2007, the Library Services Division and the Planning, Evaluation, & Research Division are combined into one division – Library Services.

Administration

The Administration division provides fiscal, information systems and technology, and human resources services. This division includes the State Librarian's Office, Information Systems & Technology, Fiscal Services, Human Resources, and Transport & Facility Services. The State Librarian is responsible for the day-to-day administration of the State Library. The fiscal services department provides accounting, payroll, budgeting, purchasing, and inventory control services to the State Library and the Ohio Public Library Information Network. There is also an IT department responsible for internal and statewide automated services.

Library Services

The Library Services division provides research, circulation, cataloging, and talking book services to library patrons. The division includes: Library Services, Catalog Services, Research Services, Talking Book Program, Library Programs & Development, Southeast Ohio Library Center, and the Southeast Ohio Consortium.

OPLIN

There are seven Columbus-based staff that run OPLIN.

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2006 AND FY 2007

The following table provides a comprehensive presentation of the Executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

State Library of Ohio, Executive Recommendations for FY 2006-2007, By Line Item and Program				
Fund	ALI		FY 2006	FY 2007
General Revenue Fund				
GRF	350-321	Operating Expenses	\$ 6,298,677.00	\$ 6,298,677.00
		Program Series 1: State Library Services	\$ 6,298,677.00	\$ 6,298,677.00
		Program 1.01: State Library Services	\$ 6,289,416.00	\$ 6,289,416.00
		Program 1.04: Statewide Resource Sharing	\$ 9,261.00	\$ 9,261.00
	350-400	Ohio Public Library Information Network	\$ 4,230,000.00	\$ 4,230,000.00
		Program Series 1: State Library Services	\$ 4,230,000.00	\$ 4,230,000.00
		Program 1.02: Ohio Public Library Information Network (OPLIN)	\$ 4,230,000.00	\$ 4,230,000.00
	350-401	Ohioana Rental Payments	\$ 124,816.00	\$ 124,816.00
		Program Series 1: State Library Services	\$ 124,816.00	\$ 124,816.00
		Program 1.05: Ohioana Library Lease	\$ 124,816.00	\$ 124,816.00
	350-501	Library for the Blind - Cincinnati	\$ 535,615.00	\$ 535,615.00
		Program Series 2: Library Grants	\$ 535,615.00	\$ 535,615.00
		Program 2.03: Regional Libraries for the Blind and Physically Handicapped	\$ 535,615.00	\$ 535,615.00
	350-502	Regional Library Systems	\$ 1,010,441.00	\$ 1,010,441.00
		Program Series 2: Library Grants	\$ 1,010,441.00	\$ 1,010,441.00
		Program 2.02: Regional Library Systems	\$ 1,010,441.00	\$ 1,010,441.00
	350-503	Library for the Blind - Cleveland	\$ 805,642.00	\$ 805,642.00
		Program Series 2: Library Grants	\$ 805,642.00	\$ 805,642.00
		Program 2.03: Regional Libraries for the Blind and Physically Handicapped	\$ 805,642.00	\$ 805,642.00
General Revenue Fund Subtotal			\$ 13,005,191.00	\$ 13,005,191.00
General Services Fund Group				
Fund 139	350-602	Intra-Agency Service Charges	\$ 9,000.00	\$ 9,000.00
		Program Series 1: State Library Services	\$ 9,000.00	\$ 9,000.00
		Program 1.01: State Library Services	\$ 9,000.00	\$ 9,000.00
Fund 459	350-602	Interlibrary Service Charges	\$ 2,469,925.00	\$ 2,708,092.00
		Program Series 1: State Library Services	\$ 2,469,925.00	\$ 2,708,092.00
		Program 1.01: State Library Services	\$ 120,300.00	\$ 117,700.00
		Program 1.03: Southeast Ohio Consortium	\$ 1,257,625.00	\$ 1,279,992.00
		Program 1.04: Statewide Resource Sharing	\$ 1,092,000.00	\$ 1,310,400.00
Fund 4S4	350-604	OPLIN Technology	\$ 3,000,000.00	\$ 3,000,000.00
		Program Series 1: State Library Services	\$ 3,000,000.00	\$ 3,000,000.00
		Program 1.02: Ohio Public Library Information Network (OPLIN)	\$ 3,000,000.00	\$ 3,000,000.00
General Services Fund Subtotal			\$ 5,478,925.00	\$ 5,717,092.00
Federal Special Revenue Fund Group				
Fund 313	350-601	LSTA Federal	\$ 5,643,905.00	\$ 5,643,905.00
		Program Series 1: State Library Services	\$ 2,418,588.00	\$ 2,403,644.00
		Program 1.01: State Library Services	\$ 1,835,330.00	\$ 1,816,112.00
		Program 1.04: Statewide Resource Sharing	\$ 583,258.00	\$ 587,532.00
		Program Series 2: Library Grants	\$ 3,225,317.00	\$ 3,240,261.00
		Program 2.01: LSTA Grants	\$ 3,225,317.00	\$ 3,240,261.00
Federal Special Revenue Fund Subtotal			\$ 5,643,905.00	\$ 5,643,905.00
Agency Total Funding			\$ 24,128,021.00	\$ 24,366,188.00

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series 1

State Library Services

Purpose: The mission of State Library Services is 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, as well as the Governor's recommended funding levels.

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	\$4,230,000	\$4,230,000
GRF	350-401	Ohioana Rental Payments	\$124,816	\$124,816
General Revenue Fund Subtotal			\$10,653,493	\$10,653,493
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			\$18,551,006	\$18,774,229

* 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. The lab currently is booked for all of 2005 and into 2006.

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 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 Source: 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)

Line Items: 350-321, Operating Expenses; Fund 139 350-602, Intra-Agency Service Charges; 350-601, LSTA Federal; and Fund 459 350-602, Interlibrary Service Charges

Implication of Executive Recommendation: The executive recommendation provides funding of \$8,254,046 in FY 2006 and \$8,232,228 in FY 2007. This level of funding will allow the State Library to continue its core services at current levels. Over the past several years, as a result of budget reductions, the State Library Services program has had to reduce its materials budget by 27% from approximately \$480,000 in FY 2001 to \$348,000 in FY 2005. New additions to the collection have been limited or nonexistent, and ongoing subscriptions have been reduced or cancelled. Only a minimum of new materials can be purchased at recommended funding levels.

To continue services at the present level, the State Library will shift one staff position from GRF to LSTA funding, eliminate two Deputy State Librarian positions, and create one Associate State Librarian position.

Temporary and Permanent Law Provisions: There are no permanent or temporary law provisions affecting this program.

Ohio Public Information Network (OPLIN)

Program Description: The Ohio Public 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 current and recommended budget (just over 50%) 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.

In FY 2005, OPLIN's funding returned to GRF from the Library and Local Government Support Fund (LLGSF). According to the State Library, the return to GRF funding has been beneficial overall, enabling OPLIN to more effectively distribute services statewide without regard to the size of a library or its share in the LLGSF; however, on returning to GRF funding, OPLIN was subjected to mandatory budget reductions.

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. However, this revenue appears to be becoming more predictable and dependable. During FY 2005, Fund 4S4 will receive approximately \$450,000 in E-rate reimbursements. It is expected that approximately \$1 million in E-rate reimbursements will be received during the FYs 2006-2007 biennium. E-rate moneys are used primarily for telecommunications activities, such as responding to equipment failures and making upgrades and circuit moves. In FYs 2006-2007, OPLIN will use some E-rate reimbursements to assist in meeting obligations to "Libraries Connect Ohio," OPLIN's joint content contracts with OhioLINK and INFOhio.

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

Line Items: 350-400, Ohio Public Library Information Network; and 350-604, OPLIN Technology

Implication of Executive Recommendation: The executive recommendation for OPLIN is \$7,230,000 for both FY 2006 and FY 2007. The GRF share is \$4,230,000 in each fiscal year, some 10% less than requested. The remaining \$3,000,000 is to come from Fund 4S4.

Despite the reduced GRF funding level, there is not likely to be a significant loss in services or employment. At the recommended funding levels, the State Library indicates that OPLIN will shift some

of its costs, including one FTE and some telecommunications expenses, from GRF to Fund 4S4. Offsetting this slightly will be the fact that E-rate reimbursements to Fund 4S4, as mentioned above, are increasing and becoming more reliable. Specifically, the State Library will shift costs within OPLIN by:

- Moving one OPLIN Support Center position from GRF to GSF Fund 4S4 (six staff will continue to be funded in GRF);
- Discontinuing funding for library training;
- Discontinuing funding for the contributing editor for the OPLIN web site;
- Not participating in as many cooperative database purchases on behalf of public libraries;
- Funding a portion of library databases from existing revenue in Fund 4S4 instead of GRF, thus spending down some of the balance in Fund 4S4; and
- Funding some telecommunications expenses from Fund 4S4 using E-rate funds rather than GRF.

Temporary Law Provisions

Ohio Public Library Information Network, (Section 206.90). Temporary language is included that earmarks use of GRF ALI 350-400, Ohio Public Library Information Network, and 4S4 350-604, OPLIN Technology, for the information telecommunications network. It also delineates the authority and responsibilities of the OPLIN Board. The language requires the adoption of policies to limit access to obscene and illegal materials at OPLIN terminals. Finally, it requires OPLIN, INFOhio, and OhioLINK to coordinate and equally contribute to purchases of electronic databases to the extent feasible.

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 1990's, 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). In FY 2005 the State Library received Controlling Board approval for a hardware/software system upgrade costing approximately \$700,000. Revenue for the upgrade exists within Fund 459.

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

Line Items: 350-602, Interlibrary Service Charges

Implication of Executive Recommendation: The Executive's recommended funding is \$1,257,625 for FY 2006 and \$1,279,992 for FY 2007.

At this funding level, the Southeast Ohio Consortium will be able 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.

Temporary and Permanent Law Provisions: There are no permanent or temporary law provisions affecting the Southeast Ohio Consortium.

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 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 Source: 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)

Line Items: 350-321, Operating Expenses; 350-601, LSTA Federal; and 350-602, Interlibrary Service Charges

Implication of Executive Recommendation: The Executive's recommended funding is \$1,684,519 for FY 2006 and \$1,907,193 for FY 2007.

At the recommended funding level, 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. It will allow the number of participants to grow until all public and school libraries have joined the system. 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.

Temporary and Permanent Law Provisions: There are no permanent or temporary law provisions affecting the Statewide Resource Sharing program.

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 their programs, serve their customers, and house their 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

Line Items: 350-401, Ohioana Rental Payments

Implication of Executive Recommendation: The Executive's recommended funding is \$124,816 for both FY 2006 and FY 2007.

The recommended funding will allow the State Library to cover Ohioana's rental payments, which are \$120,972 per year, as well as the additional fees assessed to state agencies for services provided by the Department of Administrative Services (DAS)/Real Estate.

Temporary Law Provisions

Ohioana Rental Payments, (Section 206.90). Temporary language earmarks this line item for Ohioana rental payments.

Program Series 2

Library Grants

Purpose: The mission of the Library Grants program series is 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, as well as the Governor's recommended funding levels.

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.

In FY 2004, a total of 68 grants were awarded at a total allotment of \$5.5 million. Grants were awarded in the following numbers to each of the following grant categories: automation (9), innovative technology (8), resource sharing (2), staff development and training (24), services to targeted populations (16), and services to youth (1). In addition, the State Library uses some LSTA funds to support some of its internal programs (the equivalent of 8 grants).

There are no 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)

Line Items: 350-601, LSTA Federal

Implication of Executive Recommendation: The Executive's recommended funding is \$3,225,317 in FY 2006 and \$3,240,261 in FY 2007.

Recommended funding will allow the State Library to continue to provide grants in approximately the same number as the current biennium. As discussed previously, the LSTA grant program has been stretched in recent years as a result of state budget reductions necessitating shifts in staff funding from GRF to LSTA. At recommended funding levels and with the exception of one planned staff funding move to LSTA in FY 2006, the State Library will be able to shift no additional staff to LSTA funding.

Temporary and Permanent Law Provisions: There are no permanent or temporary law provisions affecting this program.

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. In FY 2004 over 8,200 library staff members attended 502 workshops, including 30 statewide videoconferences, sponsored by the Regional Library Systems. In addition, approximately 4,700 hours of technology support and consulting services were delivered to Ohio's libraries. The Regional Library Systems' funding is comprised primarily of state funding (between 40 to 50% of their budget) and member dues from the individual libraries.

Funding Source: GRF

Line Items: 350-502, Regional Library Systems

Implication of Executive Recommendation: The Executive's recommended funding is \$1,010,441 in both FY 2006 and FY 2007.

The state subsidy amount has been reduced 40% between FY 2001 and FY 2005, from approximately \$1.9 million to \$1.1 million. In both FY 2006 and FY 2007, the executive budget recommendation reduces funding for the program by approximately 10% from estimated FY 2005 spending levels (\$1,122,712). 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. The following table provides a historical look at the funding levels for each of the seven Regional Library Systems for the past six fiscal years:

Funding for Regional Library Systems, FYs 2000-2005						
Library System	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Ohio Valley Area Libraries	\$370,203	\$362,800	\$309,599	\$271,399	\$213,841	\$209,386
Mideastern Ohio Library Organization	\$210,798	\$206,582	\$182,816	\$161,191	\$126,355	\$123,723
NOLA Regional Library System	\$340,856	\$334,039	\$295,610	\$259,192	\$204,209	\$199,955
Northwest Library District	\$233,514	\$232,750	\$205,974	\$181,170	\$142,293	\$139,329
Cleveland Area Metropolitan Library System	\$380,535	\$372,924	\$330,021	\$289,417	\$228,058	\$223,306
Southeastern Ohio Library Association	\$111,473	\$157,651	\$139,515	\$118,081	\$96,429	\$94,420
Greater Cincinnati Library Consortium	\$223,772	\$221,488	\$196,009	\$172,673	\$135,414	\$132,593
Total	\$1,871,151	\$1,888,234	\$1,659,544	\$1,453,123	\$1,146,599	\$1,122,712

At recommended funding levels, the ability of the Regional Library Systems to continue carrying out their services at currently reduced levels will be threatened. As recommended state funding reductions are passed on proportionately, Regional Library Systems will most likely face additional reductions in personnel and continuing education. Additional reductions beyond that of the executive recommendation could potentially result in the closure of certain Regional Library Systems.

Temporary Law Provisions

Regional Library Systems, (Section 206.90). Temporary language earmarking the use of ALI 350-502, Regional Library Systems, to support Regional Library Systems eligible for funding is included.

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

Line Items: 350-501, Library for the Blind – Cincinnati, and 350-503, Library for the Blind – Cleveland

Implication of Executive Recommendation: The Executive's recommended funding is \$1,341,257 in both FY 2006 and FY 2007.

While recommended funding in the coming biennium for this program is flat, the state subsidy provided will allow the Regional Libraries for the Blind and Physically Handicapped to operate only at a maintenance level. According to the State Library, as a result of rising personnel and maintenance expenses, 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 on the Regional Libraries for the Blind and Physically Handicapped, but the State Library indicates 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.

Temporary Law Provisions

Library for the Blind – Cincinnati, (Section 206.90). Temporary language earmarking the use of ALI 350-501, Library for the Blind – Cincinnati, is included.

Library for the Blind – Cleveland, (Section 206.90). Temporary language earmarking the use of ALI 350-503, Library for the Blind – Cleveland, is included.

REQUESTS NOT FUNDED

The following table shows specific line items (both GRF) that received less than the requested amount of funding. Both ALI 350-400, Ohio Public Library Information Network, and ALI 350-502, Regional Library Systems, received recommended funding that is approximately 10% less than the requested amounts. These line items fund the Ohio Public Library Information Network (OPLIN) and the Regional Library Systems programs, respectively.

GRF Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
350-400	\$4,700,000	\$4,230,000	\$470,000	\$4,700,000	\$4,230,000	\$470,000
350-502	\$1,122,712	\$1,010,441	\$112,271	\$1,122,712	\$1,010,441	\$112,271
TOTALS	\$5,822,712	\$5,240,441	\$582,271	\$5,822,712	\$5,240,441	\$582,271

The State Library indicates that the impact of the reduction in 350-400, Ohio Public Library Information Network, can be offset by a greater reliance on the OPLIN Technology Fund (Fund 4S4).

The impact of the reduction in 350-502, Regional Library Systems, appears to be more severe. According to the State Library, these systems are likely to face additional reductions in personnel and services.

General Revenue Fund

GRF 350-321 Operating Expenses

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$7,204,125	\$6,556,287	\$6,408,696	\$6,298,677	\$6,398,677	\$6,398,677
	-9.0%	-2.3%	-1.7%	1.6%	0.0%

Source: GRF

Legal Basis: ORC 3375; Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This line item provides funds for payroll and fringe benefits, maintenance, library materials and equipment for the State Library. This line item replaces 350-100, Personal Services, 350-200, Maintenance, and 350-300, Equipment.

GRF 350-400 Ohio Public Library Information Network

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$686,016	\$0	\$0	\$4,700,000	\$4,230,000	\$4,230,000
	-100.0%	N/A	N/A	-10.0%	0.0%

Source: GRF

Legal Basis: Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Sub. H.B. 715 of the 120th G.A.)

Purpose: Funds from this line item are used to provide telecommunication services for libraries in Ohio, as well as electronic databases, training, and administrative support. With the FY 2002-2003 budget, this line item was eliminated and funding for OPLIN came through line item 350-604, OPLIN Technology. In the first year of the FY 2004-2005 budget, funding for OPLIN remained in 350-604, OPLIN Technology, although at a reduced level from that of FY 2003. In the second year of that biennium, however, funding for OPLIN moved back to this GRF appropriation item.

GRF 350-401 Ohioana Rental Payments

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$120,972	\$120,972	\$120,972	\$124,816	\$124,816	\$124,816
	0.0%	0.0%	3.2%	0.0%	0.0%

Source: GRF

Legal Basis: Section 66 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: This line item pays for the rent for the Ohioana Library Association.

GRF 350-501 Library for the Blind - Cincinnati

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$702,480	\$615,172	\$561,037	\$535,615	\$535,615	\$535,615
	-12.4%	-8.8%	-4.5%	0.0%	0.0%

Source: GRF

Legal Basis: Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 298 of the 119th G.A.)

Purpose: This line item is used to subsidize the Cincinnati Regional Library's Talking Book program which assists the blind and disabled.

GRF 350-502 Regional Library Systems

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$1,659,544	\$1,453,123	\$1,146,599	\$1,122,712	\$1,010,441	\$1,010,441
	-12.4%	-21.1%	-2.1%	-10.0%	0.0%

Source: GRF

Legal Basis: ORC 3375.90; Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: This line item is used to subsidize regional library systems, which coordinate resource sharing efforts between member libraries and assist the State Library Board in meeting the statutory goal of promoting "a statewide program of development and coordination of library services" (ORC 3375.01). Prior to FY 1990 (the time at which this line item was created), the Ohio Valley Area Libraries (OVAL) was the only chartered regional system, and therefore the only system that received funding up through the FY 1994-1995 biennium. Beginning with the FY 1996-1997 biennium, four additional regionals received funding under this appropriation line item. Two additional regionals were chartered and eligible for funding during the FY 2000-2001 biennium. A total of seven regional library systems are funded from this line item.

GRF 350-503 Library for the Blind - Cleveland

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$1,056,668	\$925,307	\$843,880	\$805,642	\$805,642	\$805,642
	-12.4%	-8.8%	-4.5%	0.0%	0.0%

Source: GRF

Legal Basis: Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 298 of the 119th G.A.)

Purpose: This line item is used to subsidize the Cleveland Regional Library's Talking Book program which assists the blind and disabled.

General Services Fund Group

139 350-602 Intra-Agency Service Charges

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$27,949	\$15,070	\$8,538	\$9,000	\$9,000	\$9,000
	-46.1%	-43.3%	5.4%	0.0%	0.0%

Source: GSF: Fee revenue from state agencies that use state library services

Legal Basis: ORC 3375.01; Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A.)

Purpose: This line item receives funds from other state agencies for services provided by the State Library. These services include cataloging, publications, and sale of salvaged equipment.

459 350-602 Interlibrary Service Charges

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$1,409,769	\$1,773,469	\$2,004,893	\$2,959,661	\$2,469,925	\$2,708,092
	25.8%	13.0%	47.6%	-16.5%	9.6%

Source: GSF: Funds from local libraries and other local units of government

Legal Basis: ORC 3375.01; Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Controlling Board on August 8, 1957)

Purpose: This line item receives funds from local libraries and other local units of government for services provided by the State Library. Services include cataloging, statewide resource sharing delivery, automation system consortium, copies, publications, and special projects/grants.

4S4 350-604 OPLIN Technology

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$5,744,793	\$7,001,681	\$5,128,221	\$1,000,000	\$3,000,000	\$3,000,000
	21.9%	-26.8%	-80.5%	200.0%	0.0%

Source: GSF: E-rate reimbursements and fees paid by libraries (via a cost recovery mechanism) that agree to participate in group contracts for databases managed by OPLIN.

Legal Basis: Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item replaced GRF line item 350-400, OPLIN in the FY 2002-2003 budget. In FY 2005, the majority of the funding for OPLIN will move back to GRF line item 350-400, OPLIN.

Funds from this line item are used to provide telecommunication services for libraries in Ohio, as well as electronic databases, training, and administrative support. In FY 2002-2003, the line item began funding technology costs associated with the Statewide Resource Sharing System available to public and school libraries. In FY 2004-2005, that program will be funded from 350-601, LSTA Federal.

Federal Special Revenue Fund Group

313 350-601 LSTA Federal

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$5,590,706	\$5,379,719	\$6,430,899	\$5,541,647	\$5,643,905	\$5,643,905
	-3.8%	19.5%	-13.8%	1.8%	0.0%

Source: FED: CFDA 45.310, LSTA State Library Program

Legal Basis: Section 66 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

Purpose: Federal funds under the Library Services and Technology Act (LSTA) were first awarded in 1998. LSTA supports library technology projects, provides for the extension of library services to under served areas or groups, and supports cooperative library efforts. Moneys are received from the Institute of Museum and Library Services and are distributed in accordance with an approved state plan called the LSTA Five Year Plan. Prior to 1998, this appropriation line item was titled LSCA Federal; it received funds from the Library Services and Construction Act (LSCA), PL 95-123.

LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>Estimated 2005</i>	<i>As Introduced 2006</i>	<i>House Passed 2006</i>	<i>% Change Est. 2005 to House 2006</i>	<i>As Introduced 2007</i>	<i>House Passed 2007</i>	<i>% Change House 2006 to House 2007</i>
<i>LIB Library Board, State</i>									
GRF	350-321	Operating Expenses	\$6,298,677	\$ 6,298,677	\$ 6,398,677	1.6%	\$ 6,298,677	\$ 6,398,677	0.0%
GRF	350-400	Ohio Public Library Information Network	\$4,700,000	\$ 4,230,000	\$ 4,230,000	-10.0%	\$ 4,230,000	\$ 4,230,000	0.0%
GRF	350-401	Ohioana Rental Payments	\$124,816	\$ 124,816	\$ 124,816	0.0%	\$ 124,816	\$ 124,816	0.0%
GRF	350-501	Library for the Blind - Cincinnati	\$535,615	\$ 535,615	\$ 535,615	0.0%	\$ 535,615	\$ 535,615	0.0%
GRF	350-502	Regional Library Systems	\$1,122,712	\$ 1,010,441	\$ 1,010,441	-10.0%	\$ 1,010,441	\$ 1,010,441	0.0%
GRF	350-503	Library for the Blind - Cleveland	\$805,642	\$ 805,642	\$ 805,642	0.0%	\$ 805,642	\$ 805,642	0.0%
General Revenue Fund Total			\$ 13,587,462	\$ 13,005,191	\$ 13,105,191	-3.5%	\$ 13,005,191	\$ 13,105,191	0.0%
139	350-602	Intra-Agency Service Charges	\$9,000	\$ 9,000	\$ 9,000	0.0%	\$ 9,000	\$ 9,000	0.0%
459	350-602	Interlibrary Service Charges	\$2,959,661	\$ 2,469,925	\$ 2,469,925	-16.5%	\$ 2,708,092	\$ 2,708,092	9.6%
4S4	350-604	OPLIN Technology	\$1,000,000	\$ 3,000,000	\$ 3,000,000	200.0%	\$ 3,000,000	\$ 3,000,000	0.0%
General Services Fund Group Total			\$ 3,968,661	\$ 5,478,925	\$ 5,478,925	38.1%	\$ 5,717,092	\$ 5,717,092	4.3%
313	350-601	LSTA Federal	\$5,541,647	\$ 5,643,905	\$ 5,643,905	1.8%	\$ 5,643,905	\$ 5,643,905	0.0%
Federal Special Revenue Fund Group Total			\$ 5,541,647	\$ 5,643,905	\$ 5,643,905	1.8%	\$ 5,643,905	\$ 5,643,905	0.0%
Total All Budget Fund Groups			\$ 23,097,770	\$ 24,128,021	\$ 24,228,021	4.9%	\$ 24,366,188	\$ 24,466,188	1.0%

As Introduced (Executive)**As Passed by the House****(CD-281-LIB) Ohio Public Library Information Network****Section: 206.90**

Earmarks General Revenue Fund (GRF) appropriation item 350-400, Ohio Public Library Information Network, and 350-604, OPLIN Technology, (Fund 4S4) in the general services fund group to support OPLIN; specifies the authority and responsibilities of the OPLIN Board; requires the adoption of policies to limit access to obscene and illegal materials at OPLIN terminals; and requires OPLIN, INFOhio, and OhioLINK to coordinate and equally contribute to purchases of electronic databases to the extent feasible.

Section: 206.90

Same as the Executive.

(CD-265-LIB) Ohioana Rental Payments**Section: 206.90**

Earmarks the entire appropriation of \$124,816 in each fiscal year in GRF appropriation item 350-401, Ohioana Rental Payments, to pay the rental expenses of the Martha Kinney Cooper Ohioana Library Association.

Section: 206.90

Same as the Executive.

(CD-270-LIB) Regional Library Systems**Section: 206.90**

Earmarks the entire appropriation of \$1,010,441 in each fiscal year in GRF appropriation item 350-502, Regional Library Systems, to support the seven regional library systems eligible for funding.

Section: 206.90

Same as the Executive.

As Introduced (Executive)**As Passed by the House****(CD-268-LIB) Libraries for the Blind****Section: 206.90**

Earmarks the entire appropriation of GRF appropriation items 350-501, Library for the Blind - Cincinnati, and 350-503, Library for the Blind - Cleveland, to be used to support the Regional Library for the Blind - Cincinnati and Regional Library for the Blind - Cleveland, respectively, to assist the blind and disabled through the Talking Book program.

Section: 206.90

Same as the Executive.

(CD-898-LIB) Ohioana Library Association Operating Funds

No provision.

Sections: 206.90, 209.27

Increases GRF appropriation item 350-321, Operating Expenses, by \$100,000 in each fiscal year and earmarks that amount for the operating expenses of the Ohioana Library Association.
(See the item entitled "Ohioana Library Consolidation with the State Library" in the Ohioana Library Association's entry for the fiscal effect on that agency)

Fiscal effect: An additional \$100,000 in GRF appropriation item 350-321, Operating Expenses, which will be offset by expenditures to support the Ohioana Library Association.