

State Library Board

House Higher Education Subcommittee

*Deborah Hoffman, Budget Analyst
Legislative Service Commission*

March 27, 2007

*Additional copies are available on our web site at www.lsc.state.oh.us
Click on 'Budget Documents' then 'Redbooks'*

LSC Redbook

for the

State Library Board

House Higher Education Subcommittee

Deborah Hoffman, Budget Analyst

Legislative Service Commission

TABLE OF CONTENTS

OVERVIEW	1
Executive Recommendation for FYs 2008-2009.....	1
Staffing Levels.....	2
MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009	3
ANALYSIS OF EXECUTIVE PROPOSAL	5
1: Library Services to Ohio Government	5
State Library Services to Ohio Government	5
2: State Library Services to Ohio Library Communities	7
State Library Services to Ohio Library Communities.....	7
Ohio Public Library Information Network (OPLIN).....	9
Ohioana Library Lease	10
3: Library Grants	11
Library Services and Technology (LSTA) Grants.....	11
Regional Library Systems	12
Regional Libraries for the Blind and Physically Handicapped	13
Special Grants.....	14
REQUESTS NOT FUNDED	15
ATTACHMENTS:	
Catalog of Budget Line Items	
LSC Budget Spreadsheet By Line Item	

March 27, 2007

State Library Board

- In FY 2007, genealogy services will be permanently transferred to the Columbus Metropolitan Library
- During FYs 2008-2009, building rent for the State Library will represent 26% of the GRF budget

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; lead 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 the Rhodes Tower and the Riffe Center. With the closing at the 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.

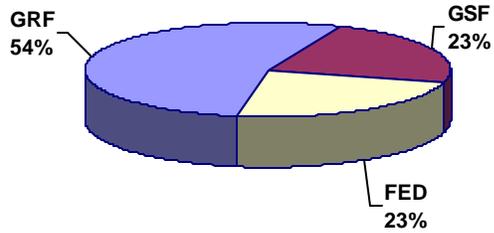
To carry out its mission, the State Library Board operates a service program with three major program series: State Library Services to Ohio Government, State Library Services to Ohio Library Communities, and Library Grants.

Executive Recommendation for FYs 2008-2009

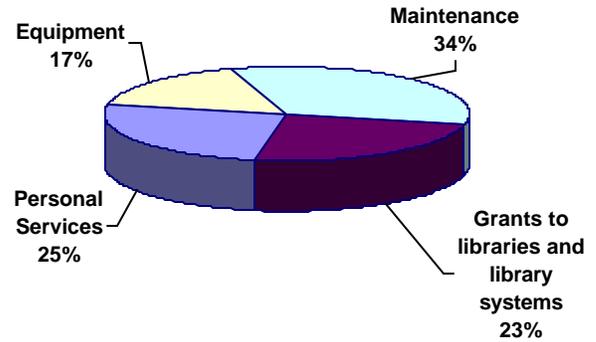
The overall funding recommendation is for \$24,514,075 in both FY 2008 and FY 2009, a 5% increase over estimated FY 2007 spending of \$23,349,785. The following charts display the proposed FY 2008-2009 budget by fund group and by object of expense. Fifty-four percent of the State Library's budget consists 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.

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. As part of its FY 2008-2009 request, the State Library had hoped to hire two additional employees; one to coordinate the digitization process at the State Library and one to coordinate statewide initiatives. The executive's recommendations do not allow for this.

Total Recommended FYs 2008-2009 Budget by Fund Group



Total Recommended FYs 2008-2009 Budget by Object Code



Staffing Levels

The following table illustrates the State Library's overall staffing levels for FYs 2006 and 2007, as well as estimated levels for FYs 2008 and 2009.

Program	2006	2007	2008	2009
State Library Services to Ohio Government	37	37	34	33
State Library Services to Ohio Library Communities	50	50	48	48
OPLIN	7	7	7	7
Totals	94	94	89	88

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

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 2008-2009, By Line Item and Program				
Fund	ALI		FY 2008	FY 2009
General Revenue Fund				
GRF	350-321	Operating Expenses	\$6,298,677	\$6,298,677
		Program Series 1: State Library Services to Ohio Government	\$4,227,232	\$4,300,702
		Program 1.01: State Library Services to Ohio Government	\$4,227,232	\$4,300,702
		Program Series 2: State Library Services to Ohio Library Communities	\$2,071,445	\$1,997,975
		Program 2.01: State Library Services to Ohio Library Communities	\$2,071,445	\$1,997,975
	350-400	Ohio Public Library Information Network	\$4,330,000	\$4,330,000
		Program Series 2: State Library Services to Ohio Library Communities	\$4,330,000	\$4,330,000
		Program 2.02: Ohio Public Library Information Network (OPLIN)	\$4,330,000	\$4,330,000
	350-401	Ohioana Rental Payments	\$124,816	\$124,816
		Program Series 2: State Library Services to Ohio Library Communities	\$124,816	\$124,816
		Program 2.03: Ohioana Library Lease	\$124,816	\$124,816
	350-501	Library for the Blind - Cincinnati	\$535,615	\$535,615
		Program Series 3: Library Grants	\$535,615	\$535,615
		Program 3.03: Regional Libraries for the Blind and Physically Handicapped	\$535,615	\$535,615
	350-502	Regional Library Systems	\$1,010,441	\$1,010,441
		Program Series 3: Library Grants	\$1,010,441	\$1,010,441
		Program 3.02: Regional Library Systems	\$1,010,441	\$1,010,441
	350-503	Library for the Blind - Cleveland	\$805,642	\$805,642
		Program Series 3: Library Grants	\$805,642	\$805,642
		Program 3.03: Regional Libraries for the Blind and Physically Handicapped	\$805,642	\$805,642
General Revenue Fund Subtotal			\$13,105,191	\$13,105,191
General Services Fund Group				
Fund 139	350-602	Intra-Agency Service Charges	\$9,000	\$9,000
		Program Series 1: State Library Services to Ohio Government	\$9,000	\$9,000
		Program 1.01: State Library Services to Ohio Government	\$9,000	\$9,000
Fund 459	350-602	Library Service Charges	\$2,708,092	\$2,708,092
		Program Series 1: State Library Services to Ohio Government	\$62,352	\$7,531
		Program 1.01: State Library Services	\$62,352	\$7,531
		Program Series 2: State Library Services to Ohio Library Communities	\$2,595,740	\$2,650,561
		Program 2.01: State Library Services to Ohio Library Communities	\$2,595,740	\$2,650,561
		Program Series 3: Library Grants	\$50,000	\$50,000
		Program 3.04: Special Grants	\$50,000	\$50,000
Fund 4S4	350-604	OPLIN Technology	\$3,000,000	\$3,000,000
		Program Series 2: State Library Services to Ohio Library Communities	\$3,000,000	\$3,000,000
		Program 2.02: Ohio Public Library Information Network (OPLIN)	\$3,000,000	\$3,000,000
General Services Fund Subtotal			\$5,717,092	\$5,717,092

State Library of Ohio, Executive Recommendations for FY 2008-2009, By Line Item and Program				
Fund	ALI		FY 2008	FY 2009
Federal Special Revenue Fund Group				
Fund 313	350-601	LSTA Federal	\$5,691,792	\$5,691,792
		Program Series 2: State Library Services to Ohio Library Communities	\$2,246,494	\$2,389,116
		Program 2.01: State Library Services to Ohio Library Communities	\$2,246,494	\$2,389,116
		Program Series 3: Library Grants	\$3,445,298	\$3,302,676
		Program 3.01: LSTA Grants	\$3,445,298	\$3,302,676
Federal Special Revenue Fund Subtotal			\$5,691,792	\$5,691,792
Agency Total Funding			\$24,514,075	\$24,514,075

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series

1: Library Services to Ohio Government

Purpose: The mission of State Library Services to Ohio Government is to provide a variety of information and reference services to meet the needs of officers, departments, and agencies of state government. By maintaining a comprehensive collection of official documents and publications of this state, a library collection, and reference services, the State Library provides state employees with the information they need to do their jobs. 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 2008	FY 2009
General Revenue Fund				
GRF	350-321	Operating Expenses	\$4,227,232	\$4,300,702
General Revenue Fund Subtotal			\$4,227,232	\$4,300,702
General Services Fund				
139	350-602	Intra-Agency Service Charges	\$9,000	\$9,000
459	350-602	Library Service Charges	\$62,352	\$7,531
General Services Fund Subtotal			\$71,352	\$16,531
Total Funding: State Library Services			\$4,298,584	\$4,317,233

Funding at the recommended levels will support a total of 34 FTEs in FY 2008 and 33 FTEs in FY 2009. Funding supports a single program:

■ **Program 1.01: State Library Services to Ohio Government**

State Library Services to Ohio Government

Program Description: The State Library provides books, journal articles, government documents, digital media, and other formats to support the research and training needs of Ohio's state government employees, including legislators and their staff. Requests may be submitted online or by email; materials are then delivered to the individuals office. Staff in the State Library Services to Ohio Government program answer reference questions, compile bibliographies, assist state agencies in developing materials for internal training programs, work with state agencies in researching background information for special projects, and assist state employees in their work-related research. Staff members also provide training on Internet/online database usage and provide meeting space for state agencies.

Additionally, the State Library makes meeting and training facilities available for state agency use. Facilities available include: two large conference rooms, three small meeting rooms, and an electronic classroom. Also, the State Library now has wireless capabilities in their main facility. Materials that are needed by state agencies but are not available in the State Library's collection are made available by interlibrary loan. Registered borrowers may request library materials from the OhioLINK Central Catalog. In addition to the central catalog of approximately ten million unique titles, OhioLINK offers more than 300 research databases, a multi-publisher electronic journal center, a digital media center, an e-book collection, and an electronic theses and dissertation center. The State Library also has access to and acquires materials from the collections of libraries worldwide via interlibrary loan. All of these loan services are available free of charge to state agencies for work-related research through the State Library.

Funding Source: GRF and GSF (fee revenue from state agencies that use state library services as well as funds from local libraries and other local units of government (Fund 459), and Federal Special Revenue (LSTA) funds)

Line Items: 350-321, Operating Expenses; 350-602, Library Service Charges; 350-602, Intra-Agency Service Charges

Implication of Executive Recommendation: The executive recommendation provides funding of \$4,298,584 in FY 2008 and \$4,317,233 in FY 2009. This level of funding will allow the State Library to continue its core services for Ohio Government at current levels.

Temporary and Permanent Law Provisions

None

Program Series

2: State Library Services to Ohio Library Communities

Purpose: The State Library provides services to Ohio residents through whatever type of library a resident chooses to use – public, school, or academic. The State Library also offers direct assistance to libraries on a variety of topics. Additionally, this program provides Ohioans access to the Ohio Public Library Information Network (OPLIN), and makes available the resources at Ohioana by making their lease payments possible.

The following table shows the line items that are used to fund the State Library Services to Ohio Library Communities, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
General Revenue Fund				
GRF	350-321	Operating Expenses	\$2,071,445	\$1,997,975
GRF	350-400	Ohio Public Library Info Network	\$4,330,000	\$4,330,000
GRF	350-401	Ohioana Rental Payments	\$124,816	\$124,816
General Revenue Fund Subtotal			\$6,526,261	\$6,452,791
General Services Fund				
459	350-602	Library Service Charges	\$2,595,740	\$2,650,561
4S4	350-604	OPLIN Technology	\$3,000,000	\$3,000,000
General Services Fund Subtotal			\$5,595,740	\$5,650,561
Federal Special Revenue Fund				
313	350-601	LSTA Federal	\$2,246,494	\$2,389,116
Federal Special Revenue Fund Subtotal			\$2,246,494	\$2,389,116
Total Funding: State Library Services to Ohio Library Communities			\$14,368,495	\$14,492,468

Funding at the recommended level will support 55 FTEs for FY 2008 and FY 2009. The analysis provided focuses on the following specific programs within the State Library Services to Ohio Library Communities program series:

- **Program 2.01: State Library Services to Ohio Library Communities**
- **Program 2.02: Ohio Public Library Information Network (OPLIN)**
- **Program 2.03: Ohioana Library Lease**

State Library Services to Ohio Library Communities

Program Description: The State Library offers direct assistance to librarians by providing in-depth research and information, extending training, coordinating statewide projects, bringing together organizations and networks that might otherwise remain isolated, and collecting data and making it accessible to all. The State Library serves all Ohio residents through a consortium purchase of e-Books both audio and text, a library automation consortium for 68 library systems at 150 locations across Ohio that is managed through the Southeast Ohio Consortium Library Center, a Talking Book Program which distributes and maintains talking book machines, and a statewide resource sharing network which allows residents to locate and request material from libraries across the state.

Southeast Ohio Consortium. 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 68 library systems providing service to more than 150 library buildings throughout the state. The Consortium circulates over 12 million items annually with approximately 694,000 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).

Within the State Library Services to Ohio Library Communities program area, the State Library will eliminate one full-time position by the end of FY 2007. That position is assigned to the Southeast Ohio Library Center in Caldwell and is currently vacant.

Statewide Resource Sharing. 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 online catalogs of one of the 130 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 libraries that receive the services pay for the delivery costs.

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. The State Library has continuously added libraries to the delivery system and it now reaches over 360 locations nationwide.

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.

The Talking Book Program. The Talking Book Program distributes and maintains talking book machines for all Ohioans who are unable to read a "traditional" or print book. The National Library Service (NLS) for the Blind and Physically Handicapped Program provides free recorded and Braille books to eligible adults and children. The two regional libraries in Cincinnati and Cleveland (see Program 3.03) serve approximately 20,000 Ohioans with reading materials produced by NLS or locally. As of 2006, the State Library's Talking Book Program provides over 17,000 Ohio residents with the machines necessary to listen to materials. Over 2,000 new customers were loaned machines.

Funding Source: GRF; consortium membership fees paid by member libraries (Fund 459); and LSTA federal funds (Fund 313)

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

Line Item	FY 2008	FY 2009
GRF 350-321, Operating Expenses	\$2,071,445	\$1,99,975
GSF 350-602, Library Service Charges	\$2,595,740	\$2,650,561
FED 350-601, LSTA Federal	\$2,246,494	\$2,389,116
Program Total	\$6,913,679	\$7,037,652

Implication of Executive Recommendation: The executive recommendation for State Library Services to Ohio Library Communities is \$6,913,679 for FY 2008 and \$7,037,652 for FY 2009. At this funding level, the State Library will be able to continue providing current levels of service, with 48 FTEs both years.

Temporary and Permanent Law Provisions

None

Ohio Public Library 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 251 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.

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 2006, Fund 4S4 received approximately \$450,000 in E-rate reimbursements. It is expected that approximately \$1 million in E-rate reimbursements will be received during the FY 2008-2009 biennium. E-rate moneys are used primarily for telecommunications activities, such as responding to equipment failures and making upgrades and circuit moves.

Funding Source: GRF; E-rate reimbursements and funds from libraries that agree to participate in group contracts for databases managed by OPLIN (Fund 4S4)

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

Line Item	FY 2008	FY 2009
GRF 350-400, Ohio Public Library Info Network	\$4,330,000	\$4,330,000
4S4 350-604, Ohio Public Library Info Network Technology	\$3,000,000	\$3,000,000
Program Total	\$7,330,000	\$7,330,000

Implication of Executive Recommendation: The executive recommendation for OPLIN is \$7,330,000 for both FY 2008 and FY 2009. At the recommended funding levels, OPLIN should be able to maintain services at the current level, with seven FTEs both fiscal years.

Temporary and Permanent Law Provisions

Ohio Public Library Information Network (Section 323.10). Temporary language earmarks ALI 350-604, Ohio Public Library Information Network Technology, and 350-400, Ohio Public Library Information Network, for information telecommunications network services to public libraries in Ohio.

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

Line Item: 350-401, Ohioana Rental Payments

Implication of Executive Recommendation: The executive's recommended funding is \$124,816 for both FY 2008 and FY 2009. The recommended funding will allow the State Library to cover Ohioana's rental payment obligations, which are expected to increase during the FY 2008-2009 biennium.

Temporary Law Provisions

Ohioana Rental Payments (Section 323.10). Temporary language earmarks this line item for Ohioana rental payments.

Program Series

3: 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, to help coordinate resources and services for libraries within specific geographic areas by supporting Regional Library Systems, and to administer special grants the State Library has received.

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 2008	FY 2009
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
General Services Fund				
459	350-602	Library Service Charges	\$50,000	\$50,000
General Services Fund Subtotal			\$50,000	\$50,000
Federal Special Revenue Fund				
313	350-601	LSTA Federal	\$3,445,298	\$3,302,676
Federal Special Revenue Fund Subtotal			\$3,445,298	\$3,302,676
Total Funding: Library Grants			\$5,846,996	\$5,704,374

Funding at the recommended level will support the competitive grant program. There is no staff paid from this program. All necessary staff is funded within Program Series 2, State Library Services to Ohio Library Communities. Included within this program series are the following programs:

- **Program 3.01: Library Services and Technology Act (LSTA) Grants**
- **Program 3.02: Regional Library Systems**
- **Program 3.03: Regional Libraries for the Blind and Physically Handicapped**
- **Program 3.04: Special Grants**

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 2006, a total of 38 grants were awarded at a total allotment of \$5.6 million. Grants were awarded in the following numbers to each of the following grant categories: automation (7), innovative technology (3), resource sharing (3), staff development and training (7), and services to targeted populations (9). In addition, the State Library uses some LSTA funds to support some of its internal programs (the equivalent of 9 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: LSTA funds, (Fund 313)

Line Items: 350-601, LSTA Federal

Implication of Executive Recommendation: The executive's recommended funding is \$3,445,298 in FY 2008 and \$3,302,676 in FY 2009. At the current level of funding the described competitive grant programs will remain as they are. The State Library of Ohio will be submitting a new Five-Year Plan in June 2007 for federal fiscal years 2008-2012. Although the type of competitive grants may be revised based on targeted needs, commitment and funding to the competitive grant program will remain. It is anticipated the funding of LSTA by the federal government will remain steady over the biennium.

Temporary and Permanent Law Provisions:

None

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. Before FY 2007, only a portion of public, school, academic, and special libraries were members of regional library systems. Beginning in FY 2007, all types of Ohio libraries in all 88 counties are eligible to receive regional library system services. Some libraries elect to receive additional fee-based services from a regional library system. Each regional library system covers approximately one-fourth of the state of Ohio.

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 2006 over 5,800 library staff members attended 336 workshops sponsored by the Regional Library Systems. In addition, approximately 1,500 hours of technology support and consulting services were delivered to Ohio's libraries. The Regional Library Systems' funding is comprised primarily of state funding (approximately 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 2008 and FY 2009. The table below shows the amounts distributed to the four regional library systems in FY 2007. The amounts are expected to remain the same in both FY 2008 and FY 2009.

Funding for Regional Library Systems, FYs 2007-2009			
Library System	FY 2007	FY 2008*	FY 2009*
Southeast Ohio Regional Library Systems (SERLS)	\$252,610	\$252,610	\$252,610
Northeast Ohio Regional Library Systems (NEO-RLS)	\$252,610	\$252,610	\$252,610
Northwest Library District (NORWELD)	\$252,610	\$252,610	\$252,610
Southwest and Neighboring Libraries (SWON)	\$252,610	\$252,610	\$252,610
	\$1,010,441	\$1,010,441	\$1,010,441

*Estimates for FY 2008 and 2009 are expected to be the same as for FY 2007.

During the FY 2006-2007 biennium, the Regional Library Systems were consolidated from seven entities into four entities, each one serving approximately one-fourth of the state. This has allowed for a better use of resources and a more equitable provision of services throughout the entire state.

Temporary Law Provisions

Regional Library Systems (Section 323.10). The provision earmarks 350-502, Regional Library Systems, to support Regional Library Systems eligible for funding.

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 (within Program Series 2.01), 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

Line Item	FY 2008	FY 2009
GRF 350-501, Library for the Blind - Cincinnati	\$535,615	\$535,615
GRF 350-503, Library for the Blind - Cleveland	\$805,642	\$805,642
Program Total	\$1,341,257	\$1,341,257

Implication of Executive Recommendation: The executive flat funds these programs at FY 2007 levels: \$1,341,257 in both FY 2008 and FY 2009. This will not allow the service to be maintained at its

current level. Cincinnati's Regional Library for the Blind and Physically Handicapped has not been meeting the National Library Service (NLS) standards. 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 core services. In July of 2006, the State Library began offering electronic downloadable audio books, but no statistics are available yet for this service.

Special Grants

Program Description: For the past five years, the State Library has received grants from the Bill and Melinda Gates Foundation. The overall purpose of the Gates Foundation Library Initiative has been to place public computing resources in libraries of low wealth so that economically disadvantaged people can access online resources. Currently, the State Library is administering two Gates grants that are training grants. One is aimed at helping libraries in rural settings sustain their efforts and the other is aimed at assisting libraries that have Spanish-speaking populations provide better information services.

Funding Source: Library service charges (Fund 459)

Line Items: 350-602, Library service charges

Implication of Executive Recommendation: The recommended funding is \$50,000 for FYs 2008 and 2009. No new staff is required to coordinate the responsibilities of managing the grants. Existing staff provides administrative support for grants.

Temporary Law Provisions

Library for the Blind - Cincinnati (Section 323.10). This provision requires ALI 350-501, Library for the Blind - Cincinnati, to be used for the Talking Book Program.

Library for the Blind - Cleveland (Section 323.10). This provision requires ALI 350-503, Library for the Blind - Cleveland, to be used for the Talking Book Program.

REQUESTS NOT FUNDED

If the State Library had received the additional 3% as requested in an extended program budget request, it would have, among other things, hired two more employees in the next biennium. The first, a Digitization/Librarian Cataloger, falls within the State Library Services to Ohio Government program series. This person would be responsible for maintaining a comprehensive collection of official documents and publications of the state. The position, along with upgrades to the OhioLINK system would have required an additional \$106,127 in FY 2008 and \$103,735 in FY 2009.

The second position requested, within the State Library Services to Ohio Library Communities program series, was the Statewide Projects Coordinator, who would work on new and existing statewide initiatives that would benefit the Ohio library community. The position would have required an additional \$80,708 in FY 2008 and \$84,482 in FY 2009.

G:\Budget\Budget.127\Redbooks\HouseRedbooks\LIBlb.doc/lb

General Revenue Fund

GRF 350-321 Operating Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$6,408,696	\$6,203,467	\$6,148,666	\$6,298,677	\$6,298,677	\$6,298,677
	-3.2%	-0.9%	2.4%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3375; Section 206.90 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$4,255,797	\$4,107,784	\$4,330,000	\$4,330,000	\$4,330,000
		-3.5%	5.4%	0.0%	0.0%

Source: GRF

Legal Basis: Section 206.90 of Am. Sub. H.B. 66 of the 126th 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. From FY 1996 through FY 2001, these functions were funded from this line item. From FY 2002 through FY 2004, these functions were funded from line item 350-604, OPLIN Technology. All OPLIN funding for the FY 2002-2003 biennium and the first year of the FY 2004-2005 biennium were funded from line item 350-604. From FY 2005 through FY 2009, funding for OPLIN's primary functions is funded from line item 350-400. Additional funds were also provided for filtering grants for Ohio libraries from FY 2006 through FY 2009.

GRF 350-401 Ohioana Rental Payments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$120,972	\$120,972	\$122,617	\$124,816	\$124,816	\$124,816
	0.0%	1.4%	1.8%	0.0%	0.0%

Source: GRF

Legal Basis: Section 206.90 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item pays for the rent for the Ohioana Library Association, which occupies the space adjoining the State Library.

GRF 350-501 Library for the Blind - Cincinnati

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$561,037	\$535,615	\$535,615	\$535,615	\$535,615	\$535,615
	-4.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 206.90 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,146,599	\$1,122,712	\$1,010,441	\$1,010,441	\$1,010,441	\$1,010,441
	-2.1%	-10.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3375.90; Section 206.90 of Am. Sub. H.B. 66 of the 126th 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. 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 regional library systems (NORWELD, NOLA, MOLO, and CAMLS) received funding under this appropriation line item. Two additional regional library systems (SOLO and GCLC) were chartered and eligible for funding during the FY 2000-2001 biennium. A total of seven regional library systems were funded from this line item through FY 2006. The regional library systems were restructured from seven in FY 2006 to four in FY 2007. Beginning in FY 2007, the entire state of Ohio is served by one of four Regional Library Systems (SERLS, NEO-RLS, NORWELD, and SWON).

GRF 350-503 Library for the Blind - Cleveland

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$843,880	\$805,642	\$805,642	\$805,642	\$805,642	\$805,642
	-4.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 206.90 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$8,538	\$1,068	\$8,710	\$9,000	\$9,000	\$9,000
	-87.5%	715.6%	3.3%	0.0%	0.0%

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

Legal Basis: ORC 3375.01; Section 206.90 of Am. Sub. H.B. 66 of the 126th 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 Library Service Charges

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,004,893	\$2,428,165	\$2,089,155	\$2,708,092	\$2,708,092	\$2,708,092
	21.1%	-14.0%	29.6%	0.0%	0.0%

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

Legal Basis: ORC 3375.01; Section 206.90 of Am. Sub. H.B. 66 of the 126th 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 Ohio Public Library Information Network Technology

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$5,128,221	\$1,123,445	\$1,131,548	\$1,883,597	\$3,000,000	\$3,000,000
	-78.1%	0.7%	66.5%	59.3%	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 206.90 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item replaced OPLIN's primary funding within GRF line item 350-400 during the FY 2002 and 2004 biennium, when it was used for telecommunications, electronic databases, training and administrative support. In FY 2005, the majority of the funding for OPLIN moved back to the GRF.

Funds from this line item (350-604), since FY 2005, are used to provide telecommunication services for Ohio libraries, databases paid for by local libraries, and administrative support.

Federal Special Revenue Fund Group

313 350-601 LSTA Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$6,430,899	\$5,717,460	\$5,172,584	\$5,643,905	\$5,691,792	\$5,691,792
	-11.1%	-9.5%	9.1%	0.8%	0.0%

Source: FED: CFDA 45.310, LSTA State Library Program

Legal Basis: Section 206.90 of Am. Sub. H.B. 66 of the 126th 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 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
LIB Library Board, State								
GRF	350-321	Operating Expenses	\$ 6,148,666	\$6,298,677	\$ 6,298,677	0.0%	\$ 6,298,677	0.0%
GRF	350-400	Ohio Public Library Information Network	\$ 4,107,784	\$4,330,000	\$ 4,330,000	0.0%	\$ 4,330,000	0.0%
GRF	350-401	Ohioana Rental Payments	\$ 122,617	\$124,816	\$ 124,816	0.0%	\$ 124,816	0.0%
GRF	350-501	Library for the Blind - Cincinnati	\$ 535,615	\$535,615	\$ 535,615	0.0%	\$ 535,615	0.0%
GRF	350-502	Regional Library Systems	\$ 1,010,441	\$1,010,441	\$ 1,010,441	0.0%	\$ 1,010,441	0.0%
GRF	350-503	Library for the Blind - Cleveland	\$ 805,642	\$805,642	\$ 805,642	0.0%	\$ 805,642	0.0%
General Revenue Fund Total			\$ 12,730,764	\$ 13,105,191	\$ 13,105,191	0.0%	\$ 13,105,191	0.0%
139	350-602	Intra-Agency Service Charges	\$ 8,710	\$9,000	\$ 9,000	0.0%	\$ 9,000	0.0%
459	350-602	Library Service Charges	\$ 2,089,155	\$2,708,092	\$ 2,708,092	0.0%	\$ 2,708,092	0.0%
4S4	350-604	Ohio Public Library Information Network Technology	\$ 1,131,548	\$1,883,597	\$ 3,000,000	59.3%	\$ 3,000,000	0.0%
General Services Fund Group Total			\$ 3,229,413	\$ 4,600,689	\$ 5,717,092	24.3%	\$ 5,717,092	0.0%
313	350-601	LSTA Federal	\$ 5,172,584	\$5,643,905	\$ 5,691,792	0.8%	\$ 5,691,792	0.0%
Federal Special Revenue Fund Group Total			\$ 5,172,584	\$ 5,643,905	\$ 5,691,792	0.8%	\$ 5,691,792	0.0%
Total All Budget Fund Groups			\$ 21,132,761	\$ 23,349,785	\$ 24,514,075	5.0%	\$ 24,514,075	0.0%