

Redbook

LBO Analysis of Executive Budget Proposal

State Library Board

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Attachment:

Appropriation Spreadsheet

LBO Redbook

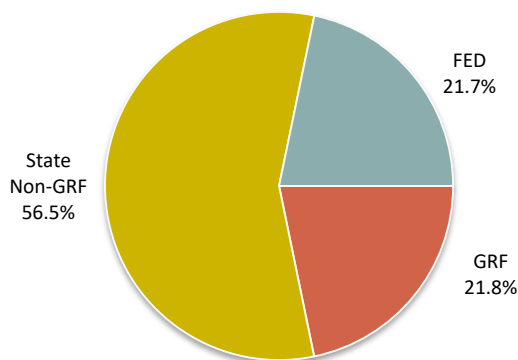
State Library Board

Quick look...

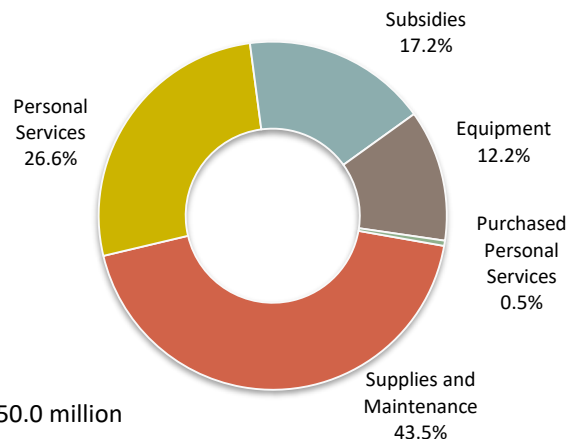
- The State Library Board (LIB) provides library and information services and materials to Ohio's state government, local libraries, educational institutions, and residents; promotes coordination among library systems; and acts as a depository for state and federal government documents. LIB's budget also houses the Ohio Public Library Information Network (OPLIN).
- The State Library Board consists of five members appointed by the State Board of Education. The State Library Board appoints the 11-member OPLIN Board of Trustees.
- The State Librarian oversees the day-to-day operation of the State Library and its 53 staff, as well as OPLIN's five employees. Each of the state's 251 public library systems use State Library and OPLIN services.
- The executive budget recommends \$25.0 million funding in each year of the biennium.
 - Primary sources of the budget: GRF (21.8%), state non-GRF (56.5%), and federal (21.7%).
 - Uses of the budget: supplies and maintenance (43.5%), personal services (26.6%), subsidies (17.2%), equipment (12.2%), and purchased personal services (0.5%).

Fund Group	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
General Revenue	\$5,124,336	\$5,180,060	\$5,439,063	\$5,439,063
State Non-GRF	\$10,622,905	\$13,497,187	\$14,109,775	\$14,109,775
Federal	\$9,277,436	\$7,932,653	\$5,432,653	\$5,432,653
Total	\$25,024,677	\$26,609,900	\$24,981,491	\$24,981,491
% change	--	6.3%	-6.1%	0.0%
GRF % change	--	1.1%	5.0%	0.0%

**Chart 1: LIB Budget by Fund Group
FY 2024-FY 2025 Biennium**



**Chart 2: LIB Budget by Expense Category
FY 2024-FY 2025 Biennium**



Biennial total: \$50.0 million

Analysis of FY 2024-FY 2025 budget proposal

Summary of executive recommendations

The State Library Board's (LIB) budget consists of eight appropriation line items (ALIs). Of those, three are supported by the GRF, four are supported by state non-GRF appropriations in the Dedicated Purpose Fund (DPF) and Internal Service Activity (ISA) fund groups, and one is supported by federal grants. The proposed budget provides overall funding of just under \$25.0 million each fiscal year, a decrease of 6.1% from FY 2023 estimated expenditures. The overall decrease for the upcoming biennium results from the expected expiration of temporary federal coronavirus relief funding received from the American Rescue Plan Act (ARPA), which LIB mainly used to provide grants to assist libraries with their COVID-19 pandemic response and to support existing and new statewide library initiatives.

LIB's recommended GRF appropriations are \$5.4 million each fiscal year, an increase of 5.0% from FY 2023 estimated expenditures. The majority (56.5%) of LIB's proposed funding consists of state non-GRF funds that primarily support the Ohio Public Library Information Network (OPLIN) and services provided to libraries. The remainder of the LIB budget is nearly evenly split between the GRF (21.8%) and federal funding (21.7%). For organizational purposes, this analysis groups LIB's eight line items into two major functional categories: (1) library services and support and (2) Ohio Public Library Information Network. Each LIB appropriation item is discussed in more detail below.

Library services and support

Line items in this category support State Library operations, provide library services to state government and local communities, and provide financial support for local library programs and special activities.

Operating Expenses (ALI 350321)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 350321, Operating Expenses					
\$4,708,061	\$4,053,087	\$4,341,234	\$4,395,060	\$4,614,813	\$4,614,813
% change	-13.9%	7.1%	1.2%	5.0%	0.0%

This line item is the primary source of state operating support for the State Library's services to state government and Ohio library communities. It provides funds for payroll and fringe benefits, maintenance and equipment, the acquisition of library materials, and other administrative costs. The executive proposal increases funding by roughly \$220,000 (5.0%) from FY 2023 estimated spending to FY 2024 and FY 2025. According to LIB, the recommended funding of about \$4.6 million in each fiscal year will allow the Board to maintain its current level of operations and staffing, including anticipated rent increases for the State Library's leased building and regular step increases in payroll and benefits. These funds will also be used to maintain collections of both print and digital resources. According to the Library Board, the costs of digital resources such as e-books, journals, and research databases have been increasing in recent years.

Digital resource costs are often driven by required ongoing subscription fees and resources that are valid for only a certain number of checkouts before needing to be purchased for use again.

Services to state government and Ohio library communities

This appropriation supports materials circulation, reference services, access to research databases, and services to assist users in finding materials held by libraries around the state through the OhioLINK system. Additional funded activities include digital cataloging for state agency documents; maintaining library catalogs for the Bureau of Workers' Compensation, the Ohioana Library, and the Ohio School for the Deaf; and providing meeting facilities for state agencies.

This line item also funds services to Ohio library communities, including staff to administer the Serving Every Ohioan (SEO) consortium's shared online catalog service for 98 local library systems and to coordinate the Statewide Delivery System and its associated online catalog application. Funds also support the costs for State Library staff to provide consulting services to local libraries, the lending of Talking Book machines to participating libraries, and coordination of the Ohio Digital Library to provide digital content to local libraries. Additional appropriations for services to Ohio library communities are supported by state non-GRF funds in Fund 4590 line item 350603, Services for Libraries, which is supported by service charges, and federal funding in Fund 3130 line item 350601, LSTA Federal.

Ohioana Library Association (ALI 350401)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 350401, Ohioana Library Association					
\$295,114	\$282,114	\$303,102	\$305,000	\$320,250	\$320,250
% change	-4.4%	7.4%	0.6%	5.0%	0.0%

This line item provides state support for the Ohioana Library Association (OLA), an independent, nonprofit entity governed by a board of trustees that is dedicated to collecting and promoting literary works by Ohio authors or about Ohio or Ohioans. The appropriation supports a portion of OLA's operating expenses, including some payroll and benefit costs associated with the management of the library's collection and programs. OLA also uses this subsidy to leverage private, independent funds to support OLA and its services. The executive recommendation sets aside \$195,000 in each fiscal year for OLA's operating expenses and allocates the remaining \$125,250 for rental payments for the space OLA leases in the State Library.

Regional Library Systems (ALI 350502)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 350502, Regional Library Systems					
\$492,000	\$484,000	\$480,000	\$480,000	\$504,000	\$504,000
% change	-1.6%	-0.8%	0.0%	5.0%	0.0%

This line item supports Ohio's four regional library systems that coordinate the sharing of resources and materials among their member libraries. The systems are the Northeast Ohio Regional Library System (NEO-RLS), Northwest Regional Library System (NORWELD), Southeast Regional Library System (SERLS), and the Southwest Ohio and Neighboring Libraries (SWON). The four systems provide educational and technology training programs and workshops, coordinate regional library programs, and deliver technology support and consulting services to member libraries and their staffs. The executive proposal recommends an increase of \$24,000 (5.0%) in FY 2024 compared to FY 2023 estimated spending and flat funding in FY 2025. Each system receives exactly one-quarter of this appropriation annually, amounting to \$126,000 per system per fiscal year at the executive's recommended funding levels. According to LIB, the regional library systems use these funds to cover between approximately 50% and 70% of each system's total funding, with the remainder covered by member libraries through a variety of fees or local funds.

Services for Libraries (ALI 350603)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 4590 ALI 350603, Services for Libraries					
\$3,546,322	\$3,340,707	\$3,751,889	\$6,491,904	\$6,818,338	\$6,818,338
% change	-5.8%	12.3%	73.0%	5.0%	0.0%

This line item uses revenues from charges to local libraries and other local entities for State Library services primarily to support two programs. First, this appropriation supports the Serving Every Ohioan (SEO) consortium's shared online catalog service for 98 local library systems. Second, the Statewide Delivery Services Program facilitates the sharing of library books and materials between local library systems, comprising 332 public school, institutional, and other libraries, as well as 150 college and university libraries that are members of the OhioLINK consortium. The remainder of funds in this line item support other services the State Library provides to local communities.

In FY 2023, the Controlling Board approved a \$2.2 million appropriation increase to this line item for increased delivery costs, resulting in total estimated spending of \$6.5 million, 73% higher than FY 2022 levels. LIB estimates that higher diesel fuel prices resulted in an additional cost of 18% to 25% per stop across the delivery system, which encompasses over 94,000 stops annually. Additionally, under the previous contract structure, the Statewide Delivery Service vendor billed OhioLINK directly, whereas under the new contract the State Library handles all invoices and receives reimbursement from OhioLINK for its portion of the costs. The executive recommendation for FY 2024 and FY 2025 takes into account these cost increases and OhioLINK reimbursements and funds this line item at \$6.8 million in each fiscal year.

Library for the Blind (ALI 350605)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 5GB0 ALI 350605, Library for the Blind					
\$1,274,194	\$1,274,194	\$1,274,194	\$1,274,194	\$1,274,194	\$1,274,194
% change	0.0%	0.0%	0.0%	0.0%	0.0%

This line item provides funding for the Ohio Library for the Blind and Print Disabled (OLBPD) at the Cleveland Public Library to operate the statewide Talking Book Program. The program annually assists approximately 15,000 persons who are blind, visually impaired, reading disabled, and print disabled with access to books through specialized audio devices. Through agreements with the State Library, local public libraries, social services organizations, or other agencies lend specialized "Talking Book" machines to eligible individuals in their area. The Cleveland Public Library circulates braille and audio reading materials statewide.

According to LIB, this line item provides approximately 69% of the costs of salary and benefits for the staff of OLBPD. The Library of Congress' National Library Service for the Blind and Print Disabled supplies nearly all of the physical inventory of audio books, recorded magazines, and braille materials, as well as playback equipment. The executive recommendation maintains flat funding for this line item of \$1.3 million annually, funded by a yearly transfer from the Public Library Fund (Fund 7065) to the Library for the Blind Fund (Fund 5GB0). Federal funding from the Institute of Museum and Library Sciences provides an additional \$234,000 to OLBPD in each fiscal year, appropriated in Fund 3130 line item 350601, LSTA Federal.

Services for State Agencies (ALI 350602)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 1390 ALI 350602, Services for State Agencies					
\$6,990	\$2,000	\$0	\$8,000	\$8,000	\$8,000
% change	-71.4%	-100%	N/A	0.0%	0.0%

This line item supports the State Library's services to state government through fees collected from state agencies that use the Library's services. Most fee revenue comes from charges for cataloging services provided to state agencies, while other revenue comes from salvaged property or assets.

LSTA Federal (ALI 350601)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 3130 ALI 350601, LSTA Federal					
\$5,186,826	\$6,199,043	\$9,277,436	\$7,932,653	\$5,432,653	\$5,432,653
% change	19.5%	49.7%	-14.5%	-31.5%	0.0%

The State Library uses moneys received from the Institute of Museum and Library Services (IMLS) under the federal Library Services and Technology Act (LSTA) for a variety of eligible activities. Prior to the COVID-19 pandemic, about half of the funds in this line item typically supported the operating costs of providing services to Ohio library communities, while the other half provided competitive grants to local libraries. The Controlling Board increased this line item's appropriation by \$4.5 million in FY 2022 and \$2.5 million in FY 2023 to allow the State Library to draw down additional IMLS funding made available under the American Rescue Plan Act (ARPA). ARPA funding is used for outreach grants to libraries of all types for the creation or enhancement of programming, and has included awards to Ohio libraries for the purchase of outreach and bookmobile vehicles, wi-fi hotspots, reserve material lockers, self-checkout kiosks, remote classroom technology, digitization equipment, social services partnerships, and other activities.

After one-time ARPA funding increased spending in this line item to \$9.3 million in FY 2022 and an estimated \$7.9 million in FY 2023, the executive proposal anticipates a return to more regular federal funding levels of about \$5.4 million annually in the FY 2024-FY 2025 biennium.

IMLS requires states receiving LSTA grants to match their federal awards at 34%, which Ohio meets using portions of appropriations from line items 350502, 350604, and 350605 that qualify under the LSTA guidelines. LSTA matching funds are also obtained from subgrantee projects. As noted above, a small portion of LSTA grant funding is used to supplement state funding for the Ohio Library for the Blind and Print Disabled Program from line item 350605, Library for the Blind.

Ohio Public Library Information Network

This category includes one line item that supports the Ohio Public Library Information Network (OPLIN). OPLIN is governed by an 11-member board appointed by the State Library Board and exists as an independent entity administratively attached to the State Library of Ohio.

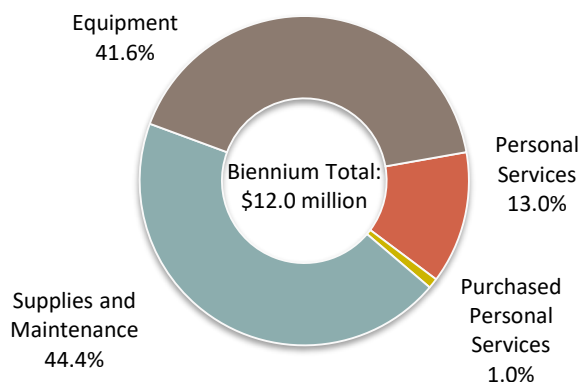
Ohio Public Library Information Network (ALI 350604)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 4S40 ALI 350604, Ohio Public Library Information Network					
\$4,977,199	\$6,295,307	\$5,596,822	\$5,723,089	\$6,009,243	\$6,009,243
% change	26.5%	-11.1%	2.3%	5.0%	0.0%

With funding from this line item, OPLIN operates a statewide network that provides public libraries with free broadband internet access, information and research database subscriptions, and access to Ohio-specific content. About 86% of the funds in this line item support the equipment and maintenance needed to operate the network, while the remaining 14% supports OPLIN administration, including payroll for a staff of five, and purchased personal services (Chart 3).

The budget funds OPLIN through transfers of approximately \$3.7 million in each fiscal year from the Public Library Fund (Fund 7065) to the OPLIN Technology Fund (Fund 4S40). Fund 4S40 also receives revenue through E-Rate reimbursements and fees libraries pay for specific OPLIN services.

**Chart 3: ALI 350604 by Expense Category
FY 2024-FY 2025 Biennium**



FY 2024 - FY 2025 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			FY 2022	Estimate FY 2023	Introduced FY 2024	FY 2023 to FY 2024 % Change	Introduced FY 2025	FY 2024 to FY 2025 % Change
Report For: Main Operating Appropriations Bill			Version: As Introduced					
LIB	State Library Board							
GRF	350321	Operating Expenses	\$ 4,341,234	\$ 4,395,060	\$ 4,614,813	5.00%	\$ 4,614,813	0.00%
GRF	350401	Ohioana Library Association	\$ 303,102	\$ 305,000	\$ 320,250	5.00%	\$ 320,250	0.00%
GRF	350502	Regional Library Systems	\$ 480,000	\$ 480,000	\$ 504,000	5.00%	\$ 504,000	0.00%
General Revenue Fund Total			\$ 5,124,336	\$ 5,180,060	\$ 5,439,063	5.00%	\$ 5,439,063	0.00%
4590	350603	Services for Libraries	\$ 3,751,889	\$ 6,491,904	\$ 6,818,338	5.03%	\$ 6,818,338	0.00%
4S40	350604	Ohio Public Library Information Network	\$ 5,596,822	\$ 5,723,089	\$ 6,009,243	5.00%	\$ 6,009,243	0.00%
5GB0	350605	Library for the Blind	\$ 1,274,194	\$ 1,274,194	\$ 1,274,194	0.00%	\$ 1,274,194	0.00%
Dedicated Purpose Fund Group Total			\$ 10,622,905	\$ 13,489,187	\$ 14,101,775	4.54%	\$ 14,101,775	0.00%
1390	350602	Services for State Agencies	\$ 0	\$ 8,000	\$ 8,000	0.00%	\$ 8,000	0.00%
Internal Service Activity Fund Group Total			\$ 0	\$ 8,000	\$ 8,000	0.00%	\$ 8,000	0.00%
3130	350601	LSTA Federal	\$ 9,277,436	\$ 7,932,653	\$ 5,432,653	-31.52%	\$ 5,432,653	0.00%
Federal Fund Group Total			\$ 9,277,436	\$ 7,932,653	\$ 5,432,653	-31.52%	\$ 5,432,653	0.00%
State Library Board Total			\$ 25,024,677	\$ 26,609,900	\$ 24,981,491	-6.12%	\$ 24,981,491	0.00%