

LSC Greenbook

Analysis of the Enacted Budget

State Library Board

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State Library Board

- Appropriations of \$22.5 million in FY 2010 and \$22.2 million in FY 2011
- OPLIN and Library for the Blind shifted to non-GRF funds

OVERVIEW

Agency Overview

The State Library Board (LIB) provides library and information services to Ohio's state government, local libraries, educational institutions, and residents. It maintains, provides, and disseminates information and library materials; promotes collaboration between local, academic, and governmental libraries; and acts as a depository for state and federal government documents. The Board also oversees the Ohio Public Library Information Network (OPLIN). In addition to these services, the Board houses and provides rental support for the Ohioana Library Association (OLA). The State Library Board consists of five uncompensated members appointed by the State Board of Education, and appoints the State Librarian and the OPLIN board and sets overall policy. The State Librarian oversees the day-to-day operations of the State Library and its 70 employees.

Appropriation Overview

Appropriations by Fund Group, FY 2010-FY 2011					
Fund Group	FY 2009	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Revenue	\$11,460,681	\$6,188,398	-46.0%	\$6,188,398	0.0%
General Services	\$4,106,311	\$10,193,436	148.2%	\$9,693,436	-4.9%
Federal Special Revenue	\$5,724,126	\$5,543,747	-3.2%	\$5,543,747	0.0%
Total	\$21,291,118	\$21,925,581	3.0%	\$21,425,581	-2.3%

*FY 2009 figures represent actual expenditures.

The State Library Board receives appropriations of \$21.9 million in FY 2010 and \$21.4 million in FY 2011 under H.B. 1, the main operating budget act. As seen in the table above, these appropriation levels reflect a significant shift away from GRF funding in favor of other sources of revenue. Specifically, support for the Ohio Public Library Information Network and the Library for the Blind Program have been shifted from the GRF to General Services sources beginning in FY 2010. Approximately 53.8% of the State Library's actual expenditures in FY 2009 consist of GRF. In FY 2010, this share decreases to 28.2%, and increases slightly to 28.9% in FY 2011.

Under H.B. 1, appropriations supported by fees and budgeted within the General Services Fund group increase significantly in FY 2010, from \$4.4 million in adjusted

appropriations for FY 2009 (\$4.1 million in actual spending) to \$10.2 million. When comparing the FY 2009 expenditures to FY 2010 appropriations, this is an increase of 148.2%. Overall, the share of the State Library's budget supported by these sources increases from 19.3% of total spending in FY 2009 to 46.5% of appropriations in FY 2010. Federal assistance through the Library Services and Technology Act (LSTA) remains fairly steady, going from 26.9% of spending in FY 2009 to 25.2% of appropriations for FY 2010 and 25.9% in FY 2011. The decrease in funding from federal sources between FY 2009 and FY 2010 is attributable to a decrease in the amount of the state's LSTA award for federal fiscal year (FFY) 2008.

Major Initiatives

Ohio Public Library Information Network Funding

Sub. S.B. 185 of the 127th General Assembly codified the Ohio Public Library Information Network in permanent law. Historically, OPLIN has been funded through a combination of GRF and group database subscription fees and other reimbursements paid by local public libraries. However, due to statewide revenue constraints, the budget eliminates all GRF support for OPLIN in the FY 2010-FY 2011 biennium and moves all OPLIN funding to the OPLIN Technology Fund (Fund 4S40). The fund is supported by reimbursements for telephone, Internet, and computer networking bills through the federal E-Rate Program as well as fees collected from participating public libraries. To supplement these funds, the budget also provides for transfers of about \$3.7 million in each fiscal year from the Public Library Fund (Fund 7065), which is supported by a percentage of statewide tax revenues that would otherwise be deposited into the GRF.

Library for the Blind Consolidation

Historically, the State Library has provided funding for the Library for the Blind and Physically Handicapped Program through two participating regional library systems: the Cleveland Public Library and the Public Library of Cincinnati and Hamilton County. Through the program, the State Library provides specialized Talking Book machines to participating library systems, which in turn lend the machines and audio material to patrons with physical disabilities. Beginning in FY 2010, the program is being consolidated so that the Cleveland Public Library will act as the sole provider of Library for the Blind services to all 88 Ohio counties. As a result, two GRF line items (350501, Library for the Blind – Cincinnati, and 350503, Library for the Blind – Cleveland) are being consolidated into a single line item, 350605, Library for the Blind. This will be supported by transfers of roughly \$1.3 million in each fiscal year from the Public Library Fund.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the Governor's recommended funding for each appropriation item in LIB's budget. LIB's line items are grouped into two major categories. For each category a table is provided listing the recommended appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. If the appropriation is earmarked, the earmarks are listed and described. The categories used in this analysis are as follows:

1. Library Services and Support; and
2. Ohio Public Library Information Network.

To aid the reader in finding each item in the analysis, the following table shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget act.

Categorization of LIB's Appropriation Line Items for Analysis of the Enacted Budget				
Fund	ALI and Name			Category
General Revenue Fund Group				
GRF	350321	Operating Expenses		1: Library Services and Support
GRF	350401	Ohioana Library Rental Payments		1: Library Services and Support
GRF	350502	Regional Library Systems		1: Library Services and Support
General Services Fund Group				
1390	350602	Intra-Agency Service Charges		1: Library Services and Support
4590	350603	Library Service Charges		1: Library Services and Support
4S40	350604	Ohio Public Library Information Network		2: Ohio Public Library Information Network
5GB0	350605	Library for the Blind		1: Library Services and Support
5GG0	350606	Gates Foundation Grants		1: Library Services and Support
Federal Special Revenue Fund Group				
3130	350601	LSTA Federal		1: Library Services and Support

Category 1: Library Services and Support

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

Appropriations for Library Services and Support				
Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund				
GRF	350321	Operating Expenses	\$5,477,369	\$5,477,369
GRF	350401	Ohioana Library Rental Payments	\$128,560	\$128,560
GRF	350502	Regional Library Systems	\$582,469	\$582,469
General Revenue Fund Subtotal			\$6,188,398	\$6,188,398
General Services Fund Group				
1390	350602	Intra-Agency Service Charges	\$9,000	\$9,000
4590	350603	Library Service Charges	\$2,708,092	\$2,708,092
5GB0	350605	Library for the Blind	\$1,274,194	\$1,274,194
5GG0	350606	Gates Foundation Grants	\$500,000	\$0
General Services Fund Group Subtotal			\$4,491,286	\$3,991,286
Federal Special Revenue Fund Group				
3130	350601	LSTA Federal	\$5,543,747	\$5,543,747
Federal Special Revenue Fund Group Subtotal			\$5,543,747	\$5,543,747
Total Funding: Library Services and Support			\$16,223,431	\$15,723,431

Operating Expenses (350321)

This line item is the primary source of operating support for the State Library's services to state government and local communities. It provides funds for payroll and fringe benefits, maintenance and equipment, the acquisition of library materials, and other administrative costs. The appropriation of approximately \$5.5 million in each fiscal year represents a decrease of 4.1% from the adjusted FY 2009 appropriation of \$5.7 million, but is 1.0% above actual FY 2009 expenditures of about \$5.4 million.

Approximately two-thirds of the funds in this line item support the costs of administering the State Library's services to state government, including circulating materials and providing reference services to state agencies and employees, providing access to research databases, assisting users in finding materials held by libraries around the state through the OhioLINK system, digital cataloging services for state agency documents, providing meeting facilities for state agencies, and other services. The remaining one-third of this line item supports the administration of activities that provide services to local libraries.

Ohioana Library Rental Payments (350401)

This line item covers rental payments for the space leased in the State Library by the Ohioana Library Association (OLA), an independent, nonprofit entity. The appropriation for these payments is \$128,560 in each fiscal year. OLA also receives a state operating subsidy that is appropriated separately.

Regional Library Systems (350502)

This line item is used to support regional library systems that coordinate the sharing of resources and materials among their member libraries. There are four regional library systems in Ohio: the Northwest Regional Library System (NORWELD), the Northeast Regional Library System (NEO-RLS), the Southwest Regional Library System (SWON), and the Southeast Regional Library System (SERLS). These 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 appropriation for this line item is \$582,469 in each fiscal year, a decrease of 33.9% from FY 2009 spending of \$880,638. Each regional library system receives exactly one-quarter of the state appropriation for this line item, which amounts to \$145,617 per system at H.B. 1 appropriation levels.

Intra-Agency Service Charges (350602)

This line item supports the State Library's services to state government through fees collected from state agencies that use the Library's services. These include service fees for the Library to maintain the catalogs of the libraries of the Bureau of Workers' Compensation and the Department of Transportation. The appropriation for this line item is \$9,000 in each fiscal year.

Library Service Charges (350603)

Moneys in this line item are derived from charges to local libraries and other local entities for State Library services. The majority of revenue and expenditures under this line item are attributable to two programs: The Serving Every Ohioan (SEO) consortium and the Statewide Delivery Services Program. The SEO consortium operates a shared on-line catalog service for 71 local library systems; the Statewide Delivery System coordinates transportation of circulating materials between libraries around the state. This line item also supports various other activities to provide State Library services to local communities. Overall, the appropriation for this line item is \$2.7 million in each fiscal year, an increase of 12.6% over FY 2009 spending levels.

Library for the Blind (350605)

This new line item consolidates funding for the Cleveland Public Library to operate the statewide Talking Book Program, previously supported by two GRF line items (350501, Library for the Blind – Cincinnati, and 350503, Library for the Blind –

Cleveland). The Talking Book Program assists approximately 16,000 blind and physically disabled persons each year with access to books through specialized audio devices. The State Library's role is to lend specialized "Talking Book" machines to patrons and sub-lending agencies, while the Cleveland Public Library lends audio reading materials to blind and physically handicapped patrons statewide. Under temporary law in H.B. 1, this line item will be funded through transfers of \$1,274,194 in each fiscal year from the Public Library Fund (Fund 7065) to the newly created Library for the Blind Fund (Fund 5GB0).

Gates Foundation Grants (350606)

New in the FY 2010-FY 2011 budget, this line item will be used to distribute Opportunity Online Hardware grants the State Library receives from the Bill and Melinda Gates Foundation. The grant money, which is intended to help public libraries that serve high-need populations upgrade computer hardware and sustain local government commitments to library computing services, will be spent in FY 2010. The budget appropriates \$500,000 for this purpose in FY 2010; however, the actual amount of the grant is approximately \$1.8 million. The State Library has requested the Controlling Board to increase its FY 2010 appropriation to approximately \$1.1 million, with an additional \$651,000 in FY 2011.

The State Library will act as a pass-through entity for the grant funds, which will be distributed to 61 public library systems in Ohio that serve communities where at least 10% of the population or 3,000 people live in poverty. Grant awards will be issued over a two-year period and used to purchase new computers and upgrade Internet service. Participating libraries are required to provide a 25% match in the first year of the program and a 50% match in the second year. The State Library is not required to match funds, but will use a set-aside of approximately \$100,000 in FY 2010 and \$58,000 in FY 2011 for administrative costs.

LSTA Federal (350601)

The State Library uses federal funds received from the Institute of Museum and Library Services under the federal Library Services and Technology Act (LSTA) for a variety of eligible activities. The budget appropriates approximately \$5.5 million in each fiscal year for these purposes.

The federal funding supports a variety of State Library activities. A portion is used to support the Library for the Blind and Physically Handicapped Program that receives state funds through line item 350605, Library for the Blind. LSTA funding is also directed to various statewide initiatives such as the online KnowItNow virtual reference service. In addition to these purposes, an allocation of approximately \$1.2 million is used to provide competitive grants to local libraries for technological innovation, electronic linkages, and services to underserved populations. Special grants

are also available to school libraries for automation projects and for local libraries to provide services to persons with disabilities. For FY 2010-FY 2011, the State Library expects to use a portion of these funds to provide programs and workshops to promote best practices in employment services provided by public libraries.

This line item also supports Ohio Libraries Share: Moving Ohio Resources Everywhere (OLS:MORE) Program, which is an on-line digital catalog that allows patrons to find materials for distribution by the Statewide Delivery Service, the lending of Talking Book machines to libraries participating in the Library for the Blind Program, and coordination of the Ohio E-Book Project to provide digital content to local libraries.

LSTA funds awarded through the State Library to local libraries require a 25% match from those entities due to maintenance-of-effort requirements. State matching funds are provided through the State Library's GRF appropriations.

Category 2: Ohio Public Library Information Network

This category includes one line item that provides support for the Ohio Public Library Information Network.

Appropriations for the Ohio Public Library Information Network				
Fund	ALI and Name		FY 2010	FY 2011
General Services Fund Group				
4S40	350604	Ohio Public Library Information Network	\$5,702,150	\$5,702,150
General Services Fund Group Subtotal			\$5,702,150	\$5,702,150
Total Funding: Ohio Public Library Information Network			\$5,702,150	\$5,702,150

Ohio Public Library Information Network (350604)

This line item supports the operations, including payroll for five staff, of the Ohio Public Library Information Network (OPLIN), a statewide network that provides public libraries with free broadband Internet access, information and research database subscriptions, and access to Ohio-specific content. Funds in this line item support the administration of OPLIN as well as equipment and maintenance needed to operate the network. OPLIN is governed by an 11-member board appointed by the State Library Board and exists as an independent entity within the State Library of Ohio.

OPLIN has been funded by a combination of GRF and support from the OPLIN Technology Fund (Fund 4S40) through E-Rate reimbursements and other fees. Under H.B. 1, all OPLIN funding is moved from the GRF to Fund 4S40. Additional support for FY 2010 and FY 2011 will come from a temporary law provision that transfers approximately \$3.7 million from the Public Library Fund (Fund 7065) in each fiscal year.

Of the \$5.7 million appropriated in each fiscal year, the budget earmarks up to \$81,000 annually for OPLIN to use to provide assistance to local libraries in filtering obscene or illegal Internet materials. This earmark is a 19.0% reduction from the \$100,000 in each fiscal year allocated for the same purpose in the FY 2008-FY 2009 biennium. In addition, language continuing from the previous biennium requires the Executive Director of OPLIN to provide the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate with a report on steps taken to limit and control access to these materials, as well as trends affecting this area of public access and service.

FY 2010 - 2011 Final Appropriation Amounts

All Fund Groups

<i>Line Item Detail by Agency</i>			<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010 Appropriations</i>	<i>% Change FY09 - FY10</i>	<i>FY 2011 Appropriations</i>	<i>% Change FY10 - FY11</i>
Report For: Main Operating Appropriations Bill			Version: Enacted					
LIB	State Library Board							
GRF	350321	Operating Expenses	\$ 6,101,583	\$ 5,420,411	\$ 5,477,369	1.05%	\$ 5,477,369	0.00%
GRF	350400	Ohio Public Library Information Network	\$ 4,398,198	\$ 3,693,559	\$ 0	-100.00%	\$ 0	N/A
GRF	350401	Ohioana Library Rental Payments	\$ 124,816	\$ 124,816	\$ 128,560	3.00%	\$ 128,560	0.00%
GRF	350501	Library for the Blind - Cincinnati	\$ 535,615	\$ 535,615	\$ 0	-100.00%	\$ 0	N/A
GRF	350502	Regional Library Systems	\$ 894,240	\$ 880,638	\$ 582,469	-33.86%	\$ 582,469	0.00%
GRF	350503	Library for the Blind - Cleveland	\$ 805,642	\$ 805,642	\$ 0	-100.00%	\$ 0	N/A
General Revenue Fund Total			\$ 12,860,094	\$ 11,460,681	\$ 6,188,398	-46.00%	\$ 6,188,398	0.00%
1390	350602	Intra-Agency Service Charges	\$ 9,311	\$ 11,486	\$ 9,000	-21.64%	\$ 9,000	0.00%
4590	350603	Library Service Charges	\$ 2,244,874	\$ 2,404,818	\$ 2,708,092	12.61%	\$ 2,708,092	0.00%
4S40	350604	Ohio Public Library Information Network	\$ 1,071,162	\$ 1,690,007	\$ 5,702,150	237.40%	\$ 5,702,150	0.00%
5GB0	350605	Library for the Blind	\$ 0	\$ 0	\$ 1,274,194	N/A	\$ 1,274,194	0.00%
5GG0	350606	Gates Foundation Grants	\$ 0	\$ 0	\$ 500,000	N/A	\$ 0	-100.00%
General Services Fund Group Total			\$ 3,325,347	\$ 4,106,311	\$ 10,193,436	148.24%	\$ 9,693,436	-4.91%
3130	350601	LSTA Federal	\$ 5,691,546	\$ 5,724,126	\$ 5,543,747	-3.15%	\$ 5,543,747	0.00%
Federal Special Revenue Fund Group Total			\$ 5,691,546	\$ 5,724,126	\$ 5,543,747	-3.15%	\$ 5,543,747	0.00%
State Library Board Total			\$ 21,876,987	\$ 21,291,118	\$ 21,925,581	2.98%	\$ 21,425,581	-2.28%