

Redbook

LBO Analysis of Executive Budget Proposal

State Library Board

Jason Glover, Budget Analyst
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Attachment:

Appropriation Spreadsheet

LBO Redbook

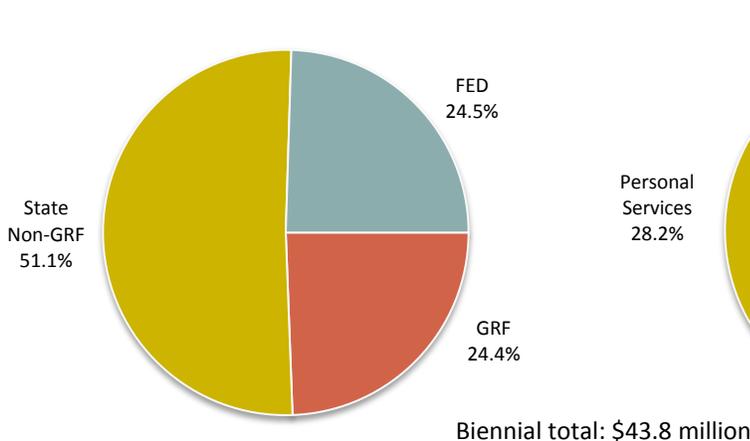
State Library Board

Quick look...

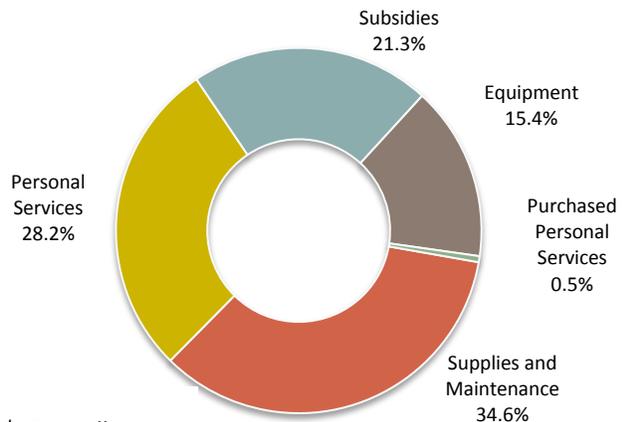
- The State Library Board (LIB) provides library and information services and materials to Ohio’s state government, local libraries, educational institutions, and residents; promotes coordination among library systems; and acts as a depository for state and federal government documents. LIB also oversees the Ohio Public Library Information Network (OPLIN).
- LIB is governed by five members, appointed by the State Board of Education. OPLIN is governed by 11 members appointed by the State Library Board.
- The State Librarian oversees the day-to-day operation of LIB and its 60 staff, including five for OPLIN.
- The executive budget recommends flat funding \$21.9 million in each year of the biennium.
 - Primary sources of the budget: GRF (24.4%), state non-GRF (51.1%), and federal (24.5%).
 - Uses of the budget: supplies and maintenance (34.6%), personal services (28.1%), subsidies (21.3%), equipment (15.4%), and purchased personal services (0.5%).

Fund Group	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
General Revenue	\$5,307,686	\$5,343,236	\$5,343,236	\$5,343,236
State Non-GRF	\$9,552,647	\$11,175,979	\$11,181,979	\$11,181,979
Federal	\$5,164,889	\$5,366,565	\$5,366,565	\$5,366,565
Total	\$20,025,221	\$21,885,780	\$21,891,780	\$21,891,780
% change	--	9.3%	0.0%	0.0%
<i>GRF % change</i>	--	0.7%	0.0%	0.0%

**Chart 1: LIB Budget by Fund Group
FY 2020-FY 2021 Biennium**



**Chart 2: LIB Budget by Expense Category
FY 2020-FY 2021 Biennium**



Analysis of FY 2020-FY 2021 budget proposal

Summary of executive recommendations

LIB's budget consists of seven appropriation line items (ALIs). Of those, three are supported by the GRF, four are supported by money appropriated from specific state non-GRF funds in the Dedicated Purpose Fund (DPF) and Internal Service Activity (ISA) Fund fund groups, and one is supported by federal grants. The proposed budget provides essentially flat funding of \$21.9 million each fiscal year. The majority (51.1%) of LIB's proposed funding is comprised of state non-GRF funds that primarily support OPLIN and services provided to libraries. The remainder of the LIB budget is split between federal funding (24.5%) and the GRF (24.4%). For organizational purposes, LIB's seven line items are grouped 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 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.

Operating Expenses (ALI 350321)

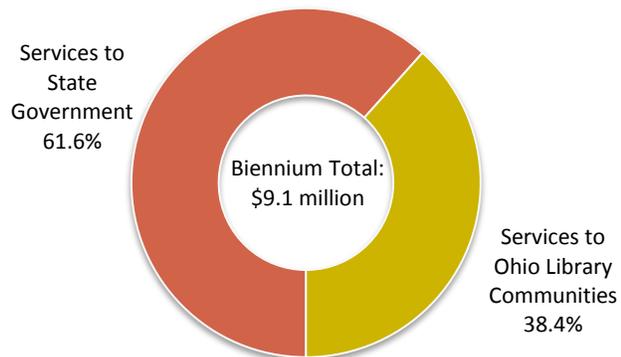
FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 350321, Operating Expenses					
\$5,284,603	\$5,072,916	\$4,512,572	\$4,543,122	\$4,543,122	\$4,543,122
% change	-4.0%	-11.0%	0.7%	0.0%	0.0%

This line item is the primary source of state 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. As shown in the preceding table, spending in this line item decreased by about \$560,000 (11.0%) from FY 2017 to FY 2018 due to a reduction in appropriation to this line item for the current biennium. The lower funding levels led to the elimination of five positions, notably the full-time State Data Coordinator and a Cataloger for the Serving Every Ohioan Library Consortium. These positions' responsibilities were either assumed by other employees or abandoned. In addition, the funding levels for the current biennium reduced the Board's ability to purchase digital and print library materials and subscriptions. The executive proposal recommends flat funding this line item. According to LIB, the recommended funding, combined with increasing payroll, benefits, and other operating costs, will likely result in the elimination of one librarian position and a further reduction in the amounts available to purchase library materials and resources.

Services to state government

During FY 2020 and FY 2021, approximately 62% of the funds in this line item will 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; maintaining catalogs for agency libraries at the Bureau of Workers' Compensation, the Ohioana Library, and the Ohio School for the Deaf; providing meeting facilities for state agencies; and other services.

**Chart 3: ALI 350321 by Program
FY 2020-FY 2021 Biennium**



A provision in the executive budget reduces the number of printed copies of state government publications delivered to the State Library from 100 to 50 and requires state government entities to notify the State Library of the online availability of documents or other publications intended for general public use and distribution. The State Library must retain those electronic publications in its digital archives and provide access to public libraries designated as a depository for state publications.

Services to Ohio library communities

The remaining 38% of this line item supports the administration of activities that provide services to local library communities. These costs are primarily payroll for administering the Serving Every Ohioan (SEO) consortium's shared online catalog service for 94 local library systems and coordinating the Statewide Delivery System and its associated online catalog application. A portion of these funds also supports the payroll of State Library staff providing consulting services to local libraries and other library organizations, including education, resources, and support to local libraries as they develop programs and services; the lending of Talking Book machines to participating libraries; coordination of the Ohio Digital Library to provide digital content to local libraries; and a variety of other services.

Ohioana Library Association (ALI 350401)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 350401, Ohioana Library Association					
\$119,589	\$119,813	\$295,114	\$300,114	\$300,114	\$300,114
% change	0.2%	146.3%	1.7%	0.0%	0.0%
GRF ALI 355501, Library Subsidy					
\$155,000	\$160,000	\$0	\$0	\$0	\$0
% change	1.9%	-100%	N/A	N/A	N/A
Total Ohioana Library Association					
\$274,589	\$279,813	\$295,114	\$300,114	\$300,114	\$300,114
% change	1.9%	5.5%	1.7%	0.0%	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 recommended amounts for this line item allocate \$120,114 in each fiscal year for rental payments for the space OLA leases in the State Library.

Prior to FY 2018, this line item only supported OLA's rental payments. Since then, the line item has supported both the rental payments and the state operating subsidy that OLA formerly received separately under GRF line item 355501, Library Subsidy.

Regional Library Systems (ALI 350502)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 350502, Regional Library Systems					
\$582,469	\$582,469	\$500,000	\$500,000	\$500,000	\$500,000
% change	0.0%	-14.2%	0.0%	0.0%	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 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. As shown in the preceding table, spending in this line item decreased by about \$82,500 (14.2%) from FY 2017 to FY 2018 due to a reduction in appropriation to this line item for the current biennium. Each system receives exactly one-quarter of the state appropriation for this line

item, which amounts to \$125,000 per system per fiscal year at the current and proposed funding levels. The state funding received by each system accounts for between 50% and 70% of a 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4590 ALI 350603, Services for Libraries					
\$3,607,621	\$3,969,828	\$3,730,668	\$4,202,887	\$4,202,887	\$4,202,887
% change	10.0%	-6.0%	12.7%	0.0%	0.0%

Moneys used to support 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: Serving Every Ohioan (SEO) consortium's shared online catalog service for 94 local library systems and the Statewide Delivery Services Program, which facilitates the sharing of library books and materials between local library systems. Other funds in this line item support various other activities to provide State Library services to local communities.

Library for the Blind (ALI 350605)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 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 Physically Disabled at the Cleveland Public Library to operate the statewide Talking Book Program. The program assists approximately 14,000 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 the Cleveland Public Library, which in turn lends these machines and audio reading materials to blind and physically handicapped patrons statewide. Under the executive budget, this line item is funded through a \$1.3 million transfer from the Public Library Fund (Fund 7065) to the Library for the Blind Fund (Fund 5GB0). Federal funding of \$234,000 each fiscal year, appropriated in Fund 3130 line item 350601, LSTA Federal, supplements the state funds provided for Ohio Library for the Blind and Physically Disabled.

Services for State Agencies (ALI 350602)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 1390 ALI 350602, Services for State Agencies					
\$0	\$1,057	\$2,065	\$2,000	\$8,000	\$8,000
% change	N/A	95.4%	-3.1%	300.0%	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 is received for cataloging services provided to the Bureau of Workers’ Compensation. Revenue has been minimal in recent years, at about a few thousand dollars per year or so.

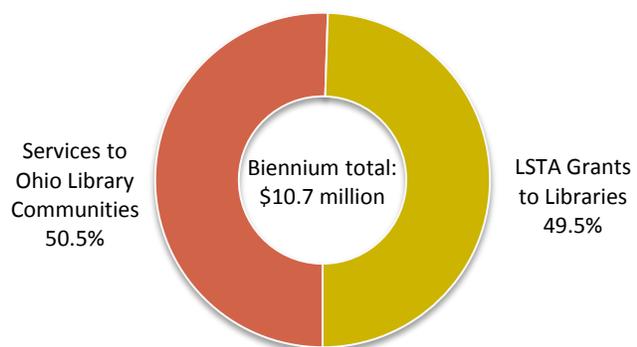
LSTA Federal (ALI 350601)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3130 ALI 350601, LSTA Federal					
\$4,859,824	\$5,313,848	\$5,164,889	\$5,366,565	\$5,366,565	\$5,366,565
% change	9.3%	-2.8%	3.9%	0.0%	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.

As shown in Chart 4, about half of the funds in the upcoming biennium will be used to fund the operating costs of providing services to Ohio library communities, including the bulk of support for consultant services as well as a portion of the operating costs for the Serving Every Ohioan Library Center. It is also being directed to other statewide initiatives, including access to electronic databases and materials. For example, LSTA funds support the activities of the Ohio Digital Network (ODN) which is Ohio’s service hub for the Digital Public Library of America (DPLA). DPLA is an online portal that collects materials from libraries, museums, and other archives in order to make them freely accessible to the world.

**Chart 4: ALI 350601 by Program
FY 2020-FY 2021 Biennium**



The executive budget allocates the other half of federal LSTA funds for competitive grants to local libraries. Competitive grants are awarded annually in four categories: Literacy,

STEM Projects, Data Management and Analysis, and Outreach and Partnerships. Additionally, the Guiding Ohio Online Program allows rural libraries to hire a technology trainer. Open grants provide small amounts for innovative program ideas or a specific customer need. Special grants are also available to libraries for: summer library programs, Celebrating Ohio Book Awards and Authors, the Integrated Library System, and Mental Health First Aid or Gatekeeper training. The LSTA state matching requirement is 34%, which is met through partial expenditures from line items 350502, 350604, and 350605 that qualify under the LSTA guidelines. LSTA matching funds are also obtained from sub-grantee projects. As noted above, a small portion of LSTA grant funding is used to support the Ohio Library for the Blind and Physically Disabled Program that receives state funds through line item 350605, Library for the Blind.

Ohio Public Library Information Network

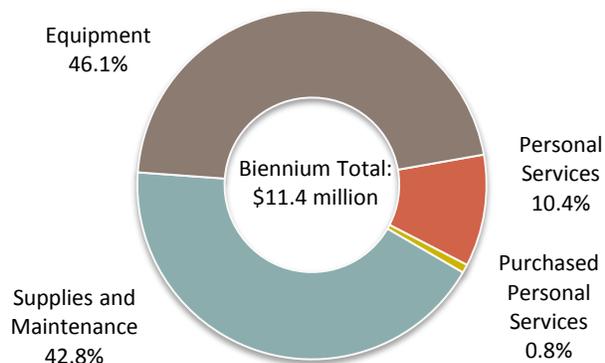
This category includes one line item that provides support for the Ohio Public Library Information Network (OPLIN). OPLIN is governed by an 11-member board appointed by the State Library Board and exists as an independent entity within the State Library of Ohio.

Ohio Public Library Information Network (ALI 350604)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4S40 ALI 350604, Ohio Public Library Information Network					
\$4,469,968	\$5,387,629	\$4,545,719	\$5,696,898	\$5,696,898	\$5,696,898
% change	20.5%	-15.6%	25.3%	0.0%	0.0%

This line item supports the operations of the Ohio Public Library Information Network. OPLIN is a statewide network that provides public libraries with free broadband Internet access, information and research database subscriptions, and access to Ohio-specific content. Chart 5 shows that about 89% of the funds in this line item support the equipment and maintenance needed to operate the network. The remaining 11% supports administration of OPLIN, including payroll for a staff of five, and purchased personal services.

Chart 5: ALI 350604 by Expense Category
FY 2020-FY 2021 Biennium



OPLIN is primarily funded by transfers of \$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 paid by libraries for specific OPLIN services.

FY 2020 - FY 2021 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			FY 2018	Estimate FY 2019	Introduced FY 2020	FY 2019 to FY 2020 % Change	Introduced FY 2021	FY 2020 to FY 2021 % Change
Report For: Main Operating Appropriations Bill			Version: As Introduced					
LIB	State Library Board							
GRF	350321	Operating Expenses	\$ 4,512,572	\$ 4,543,122	\$ 4,543,122	0.00%	\$ 4,543,122	0.00%
GRF	350401	Ohioana Library Association	\$ 295,114	\$ 300,114	\$ 300,114	0.00%	\$ 300,114	0.00%
GRF	350502	Regional Library Systems	\$ 500,000	\$ 500,000	\$ 500,000	0.00%	\$ 500,000	0.00%
General Revenue Fund Total			\$ 5,307,686	\$ 5,343,236	\$ 5,343,236	0.00%	\$ 5,343,236	0.00%
4590	350603	Services for Libraries	\$ 3,730,668	\$ 4,202,887	\$ 4,202,887	0.00%	\$ 4,202,887	0.00%
4S40	350604	Ohio Public Library Information Network	\$ 4,545,719	\$ 5,696,898	\$ 5,696,898	0.00%	\$ 5,696,898	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			\$ 9,550,582	\$ 11,173,979	\$ 11,173,979	0.00%	\$ 11,173,979	0.00%
1390	350602	Services for State Agencies	\$ 2,065	\$ 2,000	\$ 8,000	300.00%	\$ 8,000	0.00%
Internal Service Activity Fund Group Total			\$ 2,065	\$ 2,000	\$ 8,000	300.00%	\$ 8,000	0.00%
3130	350601	LSTA Federal	\$ 5,164,889	\$ 5,366,565	\$ 5,366,565	0.00%	\$ 5,366,565	0.00%
Federal Fund Group Total			\$ 5,164,889	\$ 5,366,565	\$ 5,366,565	0.00%	\$ 5,366,565	0.00%
State Library Board Total			\$ 20,025,221	\$ 21,885,780	\$ 21,891,780	0.03%	\$ 21,891,780	0.00%