

Redbook

LBO Analysis of Executive Budget Proposal

State Library Board

Dan Redmond, Budget Analyst
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Attachment:

Appropriation Spreadsheet

LBO Redbook

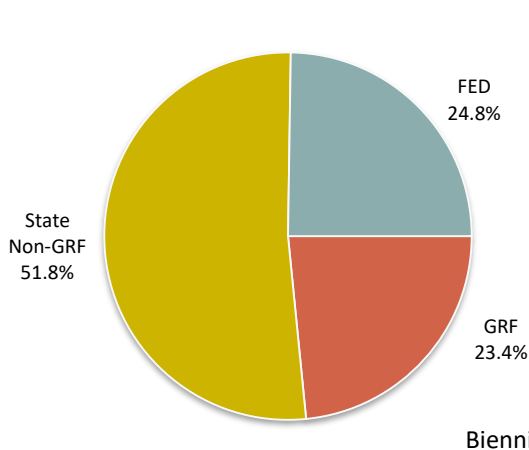
State Library Board

Quick look...

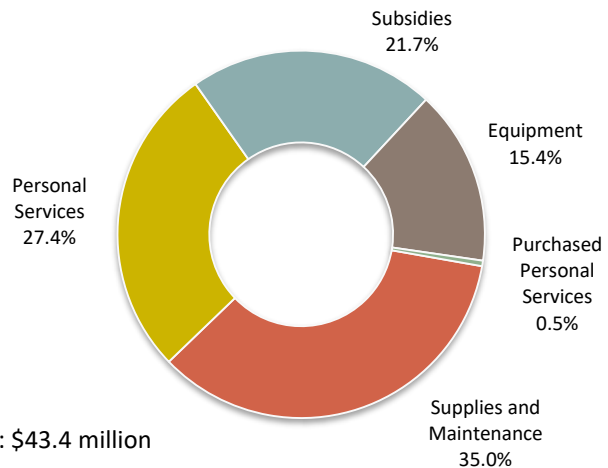
- The State Library Board (LIB) provides library and information services and materials to Ohio’s state government, local libraries, educational institutions, and residents; promotes coordination among library systems; and acts as a depository for state and federal government documents. LIB also oversees 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 53 staff, including five for OPLIN. LIB and OPLIN services are utilized by the state’s 251 public library systems.
- The executive budget recommends \$21.7 million funding in each year of the biennium.
 - Primary sources of the budget: GRF (23.4%), state non-GRF (51.8%), and federal (24.8%).
 - Uses of the budget: supplies and maintenance (35.0%), personal services (27.4%), subsidies (21.7%), equipment (15.4%), and purchased personal services (0.5%).

Fund Group	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
General Revenue	\$5,495,175	\$4,830,860	\$5,078,122	\$5,078,122
State Non-GRF	\$9,804,705	\$11,175,979	\$11,231,979	\$11,233,979
Federal	\$5,186,826	\$6,422,565	\$5,366,565	\$5,366,565
Total	\$20,486,705	\$22,429,404	\$21,676,666	\$21,678,666
% change	--	9.5%	-3.4%	0.0%
<i>GRF % change</i>	--	-12.1%	5.1%	0.0%

**Chart 1: LIB Budget by Fund Group
FY 2022-FY 2023 Biennium**



**Chart 2: LIB Budget by Expense Category
FY 2022-FY 2023 Biennium**



Analysis of FY 2022-FY 2023 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 money appropriated from specific state non-GRF funds 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 \$21.7 million each fiscal year, a decrease of 3.4% from FY 2021 estimated expenditures. The overall decrease for the upcoming biennium results from temporary federal funding received in FY 2021 from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which LIB mainly used to provide grants to assist libraries with their COVID-19 pandemic response. LIB's recommended GRF appropriations are \$5.1 million each fiscal year, an increase of 5.1% from FY 2021 estimated expenditures. The majority (51.8%) of LIB's proposed funding is comprised 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 split between federal funding (24.8%) and the GRF (23.4%). For organizational purposes, LIB's eight 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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
GRF ALI 350321, Operating Expenses					
\$4,512,572	\$4,378,001	\$4,708,061	\$4,030,746	\$4,293,122	\$4,293,122
% change	-3.0%	7.5%	-14.4%	6.5%	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. As shown in the preceding table, spending in this line item is expected to decrease by about \$677,000 (14.4%) from FY 2020 to FY 2021. This is largely in response to executive ordered reductions due to the COVID-19 pandemic. Expenditures were lower across all program areas, including collections expenditures, which decreased by around \$70,000 (35.5%) according to the State Library Board. Additionally, travel and related expenses were suspended and vacant positions were not filled. This increased the workload of existing staff, as these positions' responsibilities were absorbed by other employees.

The executive proposal recommends a \$262,000 (6.5%) increase in funding in this line item for FY 2022, compared to FY 2021 estimated expenditures, and flat funding in FY 2023.

These amounts are above the executive reduced levels for FY 2021 but below the FY 2021 enacted level of over \$4.5 million. According to LIB, the recommended funding will allow the Board to cover anticipated rental increases for the State Library and step increases in payroll and benefits without having to reduce staff. It will also be used to bolster LIB's collections, including digital resources such as e-books, journals, and research databases. According to the Library Board, the costs of digital resources 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

In previous biennia, this line item was split into two program areas: services to state government and services to Ohio library communities. However, for FY 2022 and FY 2023, the budget proposes combining these two programs due to overlap in some of the services and costs associated with both programs. The change will simplify accounting routines, but will not affect operations, according to LIB. Services supported by this line item include circulating materials and providing reference services, providing access to research databases, and assisting users in finding materials held by libraries around the state through the OhioLINK system. It also supports digital cataloging 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; and providing meeting facilities for state agencies.

Services specific to Ohio library communities include payroll for administering the Serving Every Ohioan (SEO) consortium's shared online catalog service for 96 local library systems and coordinating the Statewide Delivery System and its associated online catalog application. Funds also support the payroll of State Library staff providing 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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
GRF ALI 350401, Ohioana Library Association					
\$295,114	\$300,114	\$295,114	\$300,114	\$305,000	\$305,000
% change	1.7%	-1.7%	1.7%	1.6%	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 earmark \$180,000 in each fiscal year for OLA's operating expenses. The budget allocates the remaining \$125,000 for rental payments for the space OLA leases in the State Library.

Regional Library Systems (ALI 350502)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
GRF ALI 350502, Regional Library Systems					
\$500,000	\$500,000	\$492,000	\$500,000	\$480,000	\$480,000
% change	0.0%	-1.6%	1.6%	-4.0%	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, the executive proposal recommends reducing funding for this line item by about \$20,000 (4.0%) in FY 2022 compared to the FY 2021 estimated level and flat funding in FY 2023. As each system receives exactly one-quarter of the state appropriation for this line item, the executive proposal amounts to \$120,000 per system per fiscal year. 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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
Fund 4590 ALI 350603, Services for Libraries					
\$3,730,668	\$3,663,366	\$3,546,322	\$4,202,887	\$4,252,887	\$4,252,887
% change	-1.8%	-3.2%	18.5%	1.2%	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 96 local library systems and the Statewide Delivery Services Program, which facilitates the sharing of library books and materials between local library systems. The delivery services program is comprised of 334 public school, institutional, and other libraries. The remainder of funds in this line item support other activities to provide State Library services to local communities.

Library for the Blind (ALI 350605)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 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 annually assists approximately 15,000 persons who are blind and physically 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, approximately 94% of the funds in this line item support salary and benefits of the staff for the Ohio Library for the Blind and Disabled. 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. Under the executive budget, this line item is funded through a \$1.3 million transfer each year 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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
Fund 1390 ALI 350602, Services for State Agencies					
\$2,065	\$1,420	\$6,990	\$2,000	\$8,000	\$8,000
% change	-31.2%	392.3%	-71.4%	300.0%	0.0%

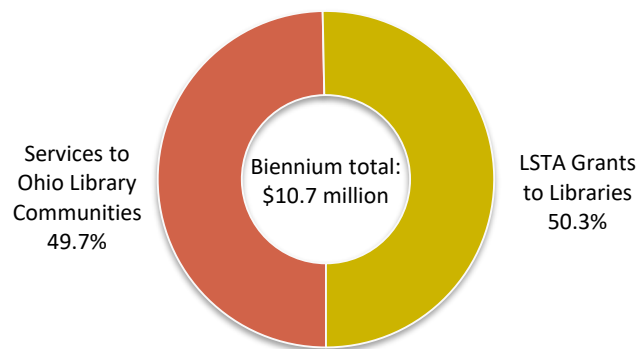
This line item supports the State Library's services to state government through fees collected from state agencies that use the Library's services. Most fee revenue is received for cataloging services provided to the Bureau of Workers' Compensation. Other revenue comes from salvaged property or assets.

LSTA Federal (ALI 350601)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
Fund 3130 ALI 350601, LSTA Federal					
\$5,164,889	\$5,210,318	\$5,186,826	\$6,422,565	\$5,366,565	\$5,366,565
% change	0.9%	-0.5%	23.8%	-16.4%	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 3, 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 consultant services as well as a portion of the operating costs for the Serving Every Ohioan Library Center. Other statewide initiatives supported by this line item include 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.

**Chart 3: ALI 350601 by Program
FY 2022-FY 2023 Biennium**



The executive proposal recommends allocating 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, preparing collections for the Digital Public Library of America, and item conservation.

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 subgrantee 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.

In FY 2021, the Controlling Board increased this line item’s appropriation by approximately \$1.1 million to allow LIB to spend Ohio’s share of federal CARES Act funds distributed by IMLS. LIB mainly used the funds to provide grants to assist libraries with their COVID-19 pandemic response. Under the program, LIB awarded a grant of \$3,000 to each public library system, academic campus (main or branch), or school district successfully applying for the funds. The grant supported the purchase of technology to expand internet connectivity and community outreach, materials to implement new service models, and personal protective equipment for library staff and facilities.

Ohio Public Library Information Network

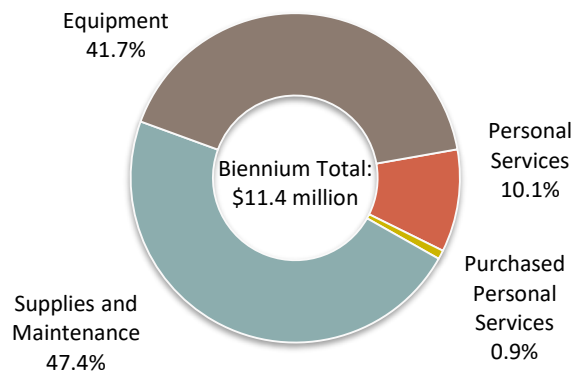
This category includes one line item that provides support for the Ohio Public Library Information Network (OPLIN). OPLIN is governed by an 11-member board appointed by the State Library Board and exists as an independent entity within the State Library of Ohio.

Ohio Public Library Information Network (ALI 350604)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
Fund 4S40 ALI 350604, Ohio Public Library Information Network					
\$4,545,719	\$5,724,856	\$4,977,199	\$5,696,898	\$5,696,898	\$5,698,898
% change	25.9%	-13.1%	14.5%	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 4 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 4: ALI 350604 by Expense Category
FY 2022-FY 2023 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 2022 - FY 2023 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			FY 2020	OBM Estimate	Introduced	FY 2021 to FY 2022	Introduced	FY 2022 to FY 2023
				FY 2021	FY 2022	% Change	FY 2023	% Change
Report For: Main Operating Appropriations Bill			Version: As Introduced					
LIB	State Library Board							
GRF	350321	Operating Expenses	\$ 4,708,061	\$ 4,030,746	\$ 4,293,122	6.51%	\$ 4,293,122	0.00%
GRF	350401	Ohioana Library Association	\$ 295,114	\$ 300,114	\$ 305,000	1.63%	\$ 305,000	0.00%
GRF	350502	Regional Library Systems	\$ 492,000	\$ 500,000	\$ 480,000	-4.00%	\$ 480,000	0.00%
General Revenue Fund Total			\$ 5,495,175	\$ 4,830,860	\$ 5,078,122	5.12%	\$ 5,078,122	0.00%
4590	350603	Services for Libraries	\$ 3,546,322	\$ 4,202,887	\$ 4,252,887	1.19%	\$ 4,252,887	0.00%
4S40	350604	Ohio Public Library Information Network	\$ 4,977,199	\$ 5,696,898	\$ 5,696,898	0.00%	\$ 5,698,898	0.04%
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			\$ 9,797,715	\$ 11,173,979	\$ 11,223,979	0.45%	\$ 11,225,979	0.02%
1390	350602	Services for State Agencies	\$ 6,990	\$ 2,000	\$ 8,000	300.00%	\$ 8,000	0.00%
Internal Service Activity Fund Group Total			\$ 6,990	\$ 2,000	\$ 8,000	300.00%	\$ 8,000	0.00%
3130	350601	LSTA Federal	\$ 5,186,826	\$ 6,422,565	\$ 5,366,565	-16.44%	\$ 5,366,565	0.00%
Federal Fund Group Total			\$ 5,186,826	\$ 6,422,565	\$ 5,366,565	-16.44%	\$ 5,366,565	0.00%
State Library Board Total			\$ 20,486,705	\$ 22,429,404	\$ 21,676,666	-3.36%	\$ 21,678,666	0.01%