

To: Montana State Library Commission

From: Karen Strege, State Librarian

Re: Fiscal Year 04-05 budget and new proposal

Date: October 3, 2002

You will find three attachments to this memo. Two documents respond to the Governor's request that MSL reduce its Fiscal Year 04-05 budget by \$519,778. The Governor also asked that we present a list of prioritized services. The third document is a new proposal regarding the merging of the Natural Resource Information System (NRIS) with the Library and Information Services Department (LISD).

First, a little about the first two documents. As you know, the state faces a budget crisis. To manage the crisis the Governor's Budget Office (OBPP) asked each agency to use its 2002 budget as a "base" and then reduce the base by the specified amount. OBPP also asked each agency to provide a list of prioritized services. It is important for the Commission to understand that the \$519,778 reduction is the best possible scenario and that, according to OBPP, more reductions may be required.

To report that this was a difficult exercise would be an understatement. Managers faced this exercise by looking at cost-savings and efficiencies to be gained by making changes to the structure of MSL. We identified potential savings and a better use of staff by merging two units with similar missions, that of collecting, storing, managing, and distributing information. Managers began working on a proposal that reflected the need to provide most information to our clients in electronic formats and the need to make the discovery and the access to this information simple by developing applications on the Internet.

After developing a draft proposal, Jim, Darlene, Kris, and I met with Suzy Holt, Sue Crispin, Duane Anderson, John Tubbs, a member of the NRIS advisory Council, Pam Harris, the manager of the Census and Economic Information Center, and Bruce Morton, representing the Commission, to unveil the proposal. We received many helpful comments and wrote a second draft proposal, which you have before you. We intend to inform the staff of the new proposal early next week and will relay their comments at your meeting.

The merger will result in the loss of two FTE. However, given the budget reduction, FTE loss is inevitable. The merger allows us to:

- Demonstrate initiative in managing reductions
- Strengthen the library's role in information collection, management, and dissemination
- Position the library to grow when revenues improve
- Improve services by removing the artificial barrier between geo-spatial information and other information

We believe that in time such a merger was a given. However, we are suggesting the merger now because of the reasons listed above. It is important to note that the proposal is not a

detailed planning document. If the Commission approves, our job is to create teams of employees to manage this merger in all aspects and would report at each Commission meeting.

Items left to consider include the following: space assignments; collections distribution; positions to RIF; the future of the foundation center and information and library science collections; how to refer librarians' questions about procedures or library practices to LDD; and many others. Regarding staff, we believe that most positions will be maintained with current position descriptions for at least the first and second year of the merger. However, one position, the Internet Applications Developer does not currently exist and two positions, the Information Manager/Cataloger and the Manager position, will require modified position descriptions.

In the prioritized list of services, you will see that the new Center is listed as a service in its entirety and prioritized as such. The Center shows a reduction of two FTE, a reduction in the collection budget of \$42,794, and a reduction of \$37,500 from the Heritage contract/NRIS. The balance of the reduction comes from grant programs to libraries.

In summary, I hope that we have provided you with enough information to make these important decisions. I believe that the decisions that you face now are only the first of many during the next year.