

To: State Library Commissioners
From: Karen Strege
Date: November 22, 2002
Re: LSTA Reauthorization

At the beginning of this year, state librarians were optimistic that Congress would reauthorize the Library Services and Technology Act (LSTA) and approve an increase in funding so that lower-population states, such as Montana, would see a substantial increase in their state grants. As of this writing, it seems that this Congress will not reauthorize LSTA (which does not expire until FY 2004) and that our grant for FY 2003 will be the same as the past years. The reasons for this change in fortune are many and have more to do with the nation's political and economic circumstances than any Congressional lack of support for library programs.

Please realize that Congress has not taken action on many budget bills. The most pessimistic predict that Congress will adjourn in December without having approved a budget bill for FY 2003 and that federal government programs will only be authorized through continuing resolutions. If this is so, IMLS will provide the states with "draws" on future grants.

I had planned on at least a modest increase of federal funding to help us meet our goals in the strategic plan. Unfortunately, the lack of additional funding from LSTA will require us to make difficult choices regarding our programs funded by federal dollars. I am presenting the following budget for your tentative approval.

As you will see, the budget presented below has a negative balance. We plan to mitigate this problem by engaging in one or both of the following actions.

Explore using the potential Gates training grant for the 2003 summer institute and/or the fall workshop.

The fee to SIRSI is necessary to purchase a license for additional unique bibliographic records made necessary by the addition of libraries to the shared catalog project. We are currently at approximately 420,000 records. If we add 100,000 more unique records, we will bump to the next level of pricing for licensing which begins at 500,000 records. At this time, we do not know if the additions will move us into the next pricing tier. If not, we will not incur this expense and the budget will show a small surplus. However, if the additions do move us into the next tier, we will plan to negotiate with SIRSI regarding the licensing fee.

The costs for adding libraries to the MSC are estimated in this budget. We hoped to add these libraries within the next ten months. However, we may have to stagger their entry into the project to wait until the next federal fiscal year 2004, starting October 1, 2003. Of course, this action will have impacts on the FY 2004 budget.

Before presenting the following budget to you, I significantly reduced the requests from the Montana Library Network in the areas of equipment, printing, supplies, and travel. Other MLN reductions that have a direct impact on libraries include eliminating a project to provide better telecommunications services in five rural public libraries, replacements for the traveling compute lab, and holding World Cat access to current number of simultaneous users.

I request that you approve the attached budget as tentative and direct MSL to plan the expansion of the Montana Shared Catalog with attention to reducing the licensing costs and adding some new libraries within the 2004 federal fiscal year. At your February meeting, I hope that we have our grant award and can provide you with a much better estimate of the shared catalog expenses and revenues.

LSTA 2003 - Predicted income

Balance 2002	55,222
Award	753,176
Total	808,398

LSTA 2003 – Predicted expenses

MSL Operations	350,884
Tech. Consultants	97,500
Networking TF	5,000
Fall Workshop	7,000
Summer Institute	25,000
Marketing Campaign	14,000
Sub-Total	499,384

Montana Library Network

MLN personnel	107,805
ITSD fees	22,332
Earthlink	324
Phones	1,601
Supplies	500
Travel	5,000
Printing	1,000
*SIRSI license	86,727
OCLC	21,475
**Adding libraries to The shared catalog	140,000
Total	886,148
Deficit	-77,750