

Memo

To: Commission Members

From: Darlene Staffeldt, State Librarian

Date: July 20, 2009

Re: Budget reductions for 2010/2011

We are still facing an approximate \$120,000 shortfall in our personnel and operations budgets for each year of the biennium. This came about due to the 7% vacancy savings request of all agency budgets and the 2% across-the-board cut for all general funds in all agencies. The 2% across-the-board was reduced to approximately .5% for the State Library and a few other agencies when the final budget bill was passed.

We have not had any additional news or directions from the Governor's Budget office since your last meeting. Kris Schmitz has been able to work up the 2010 budget as presented earlier to you. We still need to identify some additional reductions or cuts.

As a reminder so far we have identified the following reductions:

(1) A proposed hiring freeze for any general fund positions that come vacant. (Federally-funded [LSTA] and Montana Shared Catalog membership-funded positions would be excluded from this freeze because they would not contribute any general fund savings.)

The State Publications Librarian position is a general fund funded position and is currently open due to a resignation. It is my intention to hold the State Publications Librarian position open for an extended period of time to generate some vacancy savings. (Depending on how long we keep this position open, it could generate as much as \$46,000 savings if held for the entire year.)

Holding the State Publications Librarian position open will result in a less progressive state publications program at this time. This includes the following:

- No aggressive outreach/marketing for the program to both state agencies and depository libraries;

- No aggressive program to seek out older and/or non electronic publications from state agency for the digital collection;
- No new development of Archive Montana, our program to capture state agency websites;
- Reliance on existing staff in the Digital Library to take on some additional workload to maintain a basic state publications program;
- Reduced support to both state agencies and depository libraries involved in the state publications program;
- Reliance on existing staff to continue to manage our project to digitize the existing state publications in the state library collection; and
- Reliance on existing staff to continue to capture current electronic publications from state agency websites.

(2) We have purchased a new server and other equipment this year with end-of-year monies in anticipation of the fact that we will not have this opportunity over the next two years. Kris Schmitz and Jennie Stapp have identified some ongoing maintenance contracts that will not be necessary for the next couple of years and those will generate some savings as well as a slight reduction in the equipment budget. (Approximately \$10,000 per year)

- Hardware maintenance contracts were purchased in FY08 as a stop gap measure while the Department of Administration completes their data centers. These will not need to be renewed. However, if these data centers are not completed on time MSL will need to consider purchasing additional hardware upgrades in FY11 or FY12 or we face the risk of critical hardware failure.

(3) We will be negotiating a new contract with the University of Montana for the Natural Heritage Program (NHP) contract and will be asking the NHP to accept a reduction in its general fund request for its programs and services (approximately 2.5% or \$22,000 total or \$11,000 per year). Reductions in the contract for NHP services would result in:

- No enhancements to Heritage Tracker website specifically for public use.
- Cannot conduct outreach to meet demand for NHP services from local governments & tribes.
- Reduced updating of Public Lands information in Land Stewardship database.

- Potential delays in updating species observation databases, resulting in less up-to-date information for environmental review and planning.
- Potential delays in enhancement of Montana Field Guide content (Animal, Plant and Ecological)
- Delayed integration of MSL catalog records into NHP website.
- Greater reliance on federal partners for funding, resulting in increased focus on federal agency priorities.

(4) Additionally at this time, Managers have determined that we will take up-to \$33,000 from our operating budgets should the above identified cuts not meet our total budget shortfall. This will reduce funds available for supplies, travel, telecommunications, etc. Should additional general fund positions come open in the next few months and remain unfilled for a period of time, this strategy of reducing our operations budget may be altered.

- With year end monies in FY09 we were able to purchase additional supplies so with care we should be able to absorb a small a reduction in FY10 supply monies.
- There is not going to be a National Library Legislative Day in May this year; it will be combined with the American Library Association Conference in June 2010 in Washington DC, so we will save the cost of both the State Librarian and a Commissioner attending a May event.
- We will send only one staff member to a couple of conferences where we have previously planned to send two or three.
- Additional operating budget savings will be watched for throughout the year.

Based on the above identified options for reducing our budget we believe we can meet our shortfall. However, we will closely monitor our budget throughout the year and we will revisit this issue again in December to see if additional or alternate reductions will be necessary to make our budget balance.

Please let me know if you have any questions as we move forward with these reductions. Thank you.