

Memo

To: Jennie Stapp, State Librarian **To:** Montana State Library Commission

From: Sarah McHugh, Director
Statewide Library Resources **From:** Jennie Stapp, State Librarian

Date: May 15, 2014

Re: Recommendations from the Network Advisory Council meeting of May 13, 2014

The Network Advisory Council at its May 13, 2014 meeting approved the following recommendations to be forwarded to the State Library Commission:

Recommendation #1: Council recommends that the Montana State Library issue a Request for Proposal for a contract to provide courier delivery service to libraries throughout Montana. Council recommends that the FY13 and FY14 LSTA funds approved by the Commission for the purpose of courier development (\$5,000 and \$10,000, respectively) be applied to a centralized contract, administered by MSL, to offset costs to participating libraries.

MSL would apply the LSTA funds within a cost share formula, to reduce the overall cost of the contract. Participating libraries would cover the remaining amount, through membership fees based on the cost formula criteria. MSL would serve primarily to administer the contract and the courier service provider would invoice libraries directly. MSL will create the cost share formula in collaboration with the current Courier advisory board and the Council.

Recommendation #2: Council recommends that the amount of \$38,693 in FY14 LSTA be assigned to the potential gap in funding FY15 OCLC Group Services.

The updated pricing for FY15 OCLC Group Services includes a reduction in the cost of Unlimited Cataloging. The new total cost of Unlimited Cataloging and First Search seats is \$346,823. This cost to libraries will be further reduced by the previously approved

MSL contribution toward these two services using FY14 LSTA in the amount of \$20,000, leaving a balance of \$326,823. Under the new statewide OCLC Group Services cost share formula, individual library enrollment fees cover this balance.

The new formula includes a cap on cost increases to libraries, set at 10%. Therefore, the total amount to be collected from enrolling libraries for FY15 is not expected to exceed \$291,003. To meet the total FY15 cost of the Unlimited Cataloging and FirstSearch portion of this contract without raising costs to libraries, and to account for any possibility of a decline in library enrollment in FY15, the Council recommends reserving FY14 LSTA funds in the amount of \$38,693, identified in the FY14 LSTA statewide projects budget as the "FY15 OCLC Group Services Potential Gap." The final gap amount will be determined after the Group Services enrollment period ends in October.

The Council will address the unassigned balance of \$28,594 in the FY14 LSTA statewide projects budget at their meeting in November 2014.