



## State Librarian's Report October and November 2014

Prepared for the December 10, 2014 Commission meeting  
by Jennie Stapp, State Librarian

**Goal Four – Consultation and Leadership:** MSL provides consultation and leadership to enable its patrons and partners to reach their goals.

The State Library continues to be actively engaged on issues related to E-rate and broadband:

- Staff, in partnership with our colleagues at the American Library Association, continue to evaluate the impact of reduced E-rate discounts on Montana libraries. Based on this evaluation we submitted an Ex Parte filing to the Federal Communications Commission (FCC) detailing the impact of some of the changes (see attached).
- I communicated our concerns regarding the issue of the change in the rural designation for E-rate recipients to Senator Tester's office. Senator Tester was aware of this situation and is communicating with the Commission about the impacts to Montana. His staff appreciated receiving detailed information from the State Library to further document the concerns.
- The [Schools, Health and Libraries Broadband \(SHLB\) Coalition](#) contracted for the creation of a report entitled *A Model for Understanding the Cost to Connect Schools and Libraries with Fiber Optics* that documents the cost for broadband deployment to different geographic regions of the country. This report was cited by FCC Chairman Wheeler in recent remarks that he made in early November in which he proposed a \$1.5 billion increase in E-rate funding for fiber build-out.
- At their November 20 board meeting, I was elected chair of the SHLB Board for 2015. During 2015 I will be responsible for guiding the Coalition as we seek to reach two significant milestones in operational planning to receive continued funding from the Gates Foundation.
- I attended the October meeting of the [Main Street Montana Interconnectivity and Telecommunications Key Industry Network](#) (KIN). This committee, led by private sector telecommunications representatives, continues to evaluate the need for better broadband in the state with an eye to policy and funding recommendations that can be made to the Governor. At the October meeting the KIN heard presentations by the cities of Missoula and Bozeman regarding

their municipal broadband initiatives and from the University of Montana and the State of Montana regarding their broadband networks.

On November 13 I chaired a meeting of the Montana Land Information Advisory Council. Status of available funding through the Montana Land Information Account was foremost on the Council's mind as they moved the recommended adoption of the FY '16 Land Plan. Current account status is detailed below.

At the end of October I had the privilege to visit libraries in Glendive, Wibaux, Circle, Terry, Broadus, Miles City and Ekalaka prior to attending the Sage Brush Federation meetings. As the State Library looks for opportunities to find ways to bring innovation to Montana libraries, this trip reminded me of the importance of continued support for day-to-day library operations. Challenges that these libraries face include managing personnel, cataloging, building maintenance, director/board relations and maintaining a web presence.

**Goal Five – Collaboration:** MSL promotes partnerships and encourages collaboration among its users.

During the third week of October I attended the annual meeting of the Chief Officers of State Library Agencies (COSLA) in Jackson Hole, WY. The agenda included an update on the recently released [Aspen Institute report on public libraries](#) which I hope the Commission will be able to review in more detail at their April Commission meeting. Other information of importance shared at the meeting included:

- a reminder that the federal budget continuing resolution expires in December and may need to be renewed if the FY 15 budget is not announced;
- updates on a variety of different national continuing education initiatives including COSLA's CE Connector grant; and
- an overview of different statewide strategies for delivering broadband to schools and libraries outlined in [COSLA's Planning Guide for Library Broadband Connectivity](#).

Of note, this was the last COSLA meeting for outgoing director of the Institute for Museum and Library Services. In January Susan Hildreth will complete her term as director. She will be replaced by someone representing the museum community as is the practice of IMLS. Maura Marx, IMLS Deputy Director for Libraries will serve as interim director until a new director is confirmed.

According to statute the State Librarian is a permanent member of the Electronic Government Advisory Council described in [2-17-1105, MCA](#). Following a recent task force review of the role of this council, the Council, at their November 13 meeting, voted to support legislation that would abolish the committee and transfer the duties of the Council to the Information Technology Board which also advises the State Information Technology Services Division and on which I also have a seat. This Council played an important role a decade ago when the State was first exploring e-government solutions but, now that services are well managed through a state contract with Montana Interactive, regularly advisory council meetings seem unnecessary. I believe this is a positive change that will result in a more efficient use of state resources.

**Goal Six – Sustainable Success:** MSL is a well-run organization and a sought-after employer; it is efficient and effective (measured against partner and patron outcomes), and successfully engaged in its ongoing mission.

The State Library has contracted with Nedra Chandler and Scott Graber of Triangle Associates to complete an organizational review of the State Library. Nedra was selected through a limited solicitation procurement and came recommended by the Lewis and Clark Public Library. The goal of this review is to have an outside professional review the business priorities and workflows of the Library to develop recommendations that can be part of our management toolkit as we work to proactively plan for the future of the Library.

The process for the review is being largely determined by Nedra and Scott. To date Nedra has met three times with the senior management team and individually with 16 staff and Commissioner Bartow. Based on these interviews, Nedra and Scott will deliver a planned approach to completing the review and making their recommendations. This plan is due to State Library staff by the end of December. Known next steps include attendance at the December 17 all staff meeting and a planned introduction to the Commission at the February Commission meeting.

The Montana State Library has benefitted from the generous bequest of Robert Moran, longtime librarian at the Red Lodge Carnegie Library who passed away in late 2013. During his years of service, Mr. Moran came to know and appreciate the services of the State Library and stipulated in his will that we receive \$5,000 from his estate. This donation has been received and deposited in the State Library Trust.

Below are projections for FY'15 collections for the Montana Land Information Account. Collections remain historically low. As a result, the FY'16 Land Plan budget recommends

a reduction of \$200,000 from FY'15. Though the amount projected below is approximately \$14,000 less than the proposed budget staff believe this amount will be made up in underspending in both grants and operations.

<b>MLIA Fund Balance - November 6, 2014</b>		
	Assets	Obligations
Account Balance	\$946,186.09	
MSL Cash on Hand	\$45,012.17	
FY 2014 grant obligations (extended through 12/31/14)		\$73,534.37
FY 2015 grant obligations		\$249,598.00
766000 FY15 Budget remaining		\$184,772.25
766005 FY15 Budget remaining		\$222,320.07
766010 FY15 Budget remaining		\$2,167.23
766006 - FY15 Heritage Landcover		\$50,000.00
766007 - FY15 Heritage Wetlands		\$10,000.00
Sub-total of Assets & Obligated funds	\$991,198.26	\$792,391.92
Estimated FY15 Under Budget		
766000	\$0.00	
766005	\$0.00	
766010	\$0.00	
Total Estimated Underspending	\$0.00	
Estimated Account Balance - July 1, 2015 Assets less Obligations & Underspending	\$198,806.34	
Estimated Remaining FY 15 Collections	\$540,000.00	
Estimated MLIA Funds - June	<b>\$738,806.34</b>	

November 24, 2014

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th St, SW  
Washington, D.C. 20554

**Re: Notice of *Ex Parte* presentation in WC Docket No. 13-184**

Dear Ms. Dortch:

The E-Rate Modernization Order includes a number of changes to library discounts on needed services. Many of these will have adverse effects on rural public libraries in Montana. The first change to have significant impact is the phasing out of voice services. 82% of E-Rate funding requests from Montana public libraries are for telecommunications services. Not all of those are voice services but many are and will be affected by the 20% reduction next year. Using 2013 figures, the worst case scenario is that Montana public libraries will lose approximately \$17,000 in E-Rate funding from just the voice phase out.

The next change to have a potential negative impact is the simplification of E-Rate discounts to take into account only the National School Lunch Program data from the main library. In rural areas, the main library is generally located at the county seat and is more affluent than the surrounding rural communities. In counties with multiple outlets, we see decreases in discounts for branches of 10-20% as a result of this change.

Use of the urban clusters definition is the final component which can lead to decreased discounts for rural libraries. In the broadest definition of urban cluster, we see thirty communities moved from rural to urban status with a resulting decrease in E-Rate funding of 10%.

It is important to note the cumulative effect of these changes. All of the main libraries and branches will see their voice services cut by 20%. Thirty communities will lose their rural status further reducing their discounts by an additional 10%. Finally, the branches of these newly designated urban cluster libraries, in some cases, also will share the same reduced discount as their main library based on the NSLP data. The most egregious example, Browning, Montana, a

branch library serving a Native American population, may see their discount rate for voice services go from 90% to 40% in the first year as a result of these cumulative reforms.

If you have questions about these comments please feel free to call me at 406.495.0709.

Regards,

A handwritten signature in black ink that reads "Jennie Stapp". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Jennie Stapp  
Montana State Librarian