

State Librarian's Report
Prepared for December 1, 2010 Commission Meeting
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Funding, funding, funding seems to be the word most in my vocabulary and providing the most items on my to do list these days. I would like to review the funding sources for the State Library, as well as the pass through monies to local libraries, and to explore briefly some of the issues that we currently face related to each type of funding.

State general fund, House Bill 2 funding: As you are aware we have submitted a proposed 5% cut for the 2012/2013 biennium as required by the Legislature. Included in the 5% proposed reduction is a 4% cut that the Governor's office requested for his budget. Additionally the Governor's budget is asking for a 4% vacancy savings which is more manageable than the 7% previously asked for but still means leaving vacant positions open for longer than we would like to. The 5% reduction results in moving from 30.5 FTE to 28.25 FTE. The reduction in 2.25 FTE seriously weakens the agency across the board and impacts the citizens of Montana based on services provided by positions targeted. We are crossing our fingers that we will not have to find more reductions but only time and a new legislature will tell us for sure. Managers and I continue to work toward finalizing reduction decisions as they become real via the Governor's office and/or the Legislature. I will also be working with key staff as I prepare for the presentation to be shared at our budget hearing before the legislative Appropriations Subcommittee which has yet to be scheduled but is usually scheduled for early January.

Library Services and Technology Act (LSTA) funding for FY10 and FY11:

Remember the federal fiscal year is October 1st to September 30th. In any given state fiscal year we can be working with monies from three federal fiscal years because federal monies can be expended for 24 months, not

just the 12 months of the fiscal year.

Staff is currently working on the annual report for the FY09 LSTA money which needs to be submitted by December 15, 2010.

A preliminary look at potential FY11 program, projects, and/or pilots is available for you later in the agenda for this meeting. A more detailed budget will be provided for your February meeting.

As we review the LSTA budget we are reminded again and again about the economic hard times, the Institute of Museum and library Services (IMLS) goals for LSTA funds and the competing demands for the limited funds that come to Montana. We have several excellent ongoing programs funded by LSTA, including those in HB2 budget such as the Talking Book Library program and some of the library development staff. We have additional programs that are ongoing and although we have tried in the past to get state funding for these programs we have not been successful. This includes the statewide consulting librarians, our most popular program. Additionally, LSTA monies fund some ongoing projects that we hope will someday be funded from local funds, as well as some pilots projects. These projects test the viability of new ideas using LSTA seed monies before determining whether or not to move a project forward with or without local, state, or federal LSTA funds.

We try not to mix state general funds and LSTA funds in the same projects as much as possible but the line becomes less clear as economic times get harder and harder. I also have concerns about any decisions that use state or federal dollars to replace local funds from line items in the local library budgets. If local budgets lose those line items from their budgets and then the state or federal funds are reduced, it may be very hard to get the items back into the local budgets.

NRIS pass through funding: Our Digital Library Natural Resource Information System (NRIS) receives some of its core funding from five agencies as pass through monies. This spring and summer, as budgets were being developed and agencies faced budget cuts, there was some discussion regarding whether or not these monies are indeed pass through or if the agencies could "pull" those funds from NRIS. Ultimately we were told by the Governor's Budget Office that the budget director has the final say with regard to these funds however discussions have been confused by

state agencies' use of GIS and the view held by some that NRIS is nothing more than a GIS shop. Like other agencies that use GIS as a tool to meet their business needs, NRIS uses GIS as a tool to meet our users' information needs but it is not a GIS shop. The Governor's Budget Office has established a GIS Work Group to begin discussions for better understanding of GIS services throughout state government and to discuss possible changes in the funding of GIS in state government. Jennie Stapp, the Digital Library Director for the State Library will be an active member of the work group as they develop better understanding of GIS in state government and if/as they look at new or revised methods of funding. Part of her role will be to continue to educate the work group members about the true nature of NRIS.

State aid funding: State aid per capita/per square mile funding for public libraries as it passes through to the libraries is also providing some to do list items this fall and winter. The 2010 census will provide new population figures which must be applied to the current rules and formulas used to determine the amount of aid libraries receive. Additionally, we now have two new district libraries to add to the mix of city, county, city and county, school community and other multijurisdictional libraries. Defining a library's service unit area has become more complicated as cities; counties and public library districts are formed and revised. We will be working to make sure we can fairly "map" the service areas for each public library before per capita, per square mile distribution can happen.