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Memo

To: Commission Members

From: Darlene Staffeldt, State Librarian

Date: May 18, 2011

Re: Budget reductions for the FY2012-13 biennium

Well, the time has come to take action on the reductions required by the Legislative action and Governor's signature of House Bill 2 from the 2011 Legislative session. I had so hoped that we could avoid these reductions but that is not to be the case.

We are required to take the following reductions:

		FY 2012	FY2013
General Fund:			
4% Personal Services Reduction	1.50 FTE	\$67,802	\$67,866
1% additional (5% reduction plan)	.75 FTE	<u>\$21,753</u>	<u>\$21,629</u>
Total personal services reduction	2.25 FTE	\$89,495	\$89,495
Operations Reduction		\$45,825	\$45,825
Coal Tax:			
Operations Reduction		\$40,175	\$40,175
4% Vacancy savings (VS)		\$71,412	\$71,480
Total reductions including VS		\$246,967	\$246,975
Total Biennial Reduction			\$493,942

Our recommendations to you as to how to handle the reductions follows:

Personal Services Reduction:

- (1) Release the open Content Specialist for Natural Resources Information position from the Library and Information Services (LIS) program. We held this position open since January 2010 in order to help us to meet last year's vacancy savings requirement and in anticipation of these additional cuts. Permanent loss of this position means that the natural resources collection will not have a priority focus for any one member of the LIS staff and thus the collection will get less attention than the other two collection areas identified as key collections in our Strategic Plan. Activities such as the following will not be routinely done:
 - Assessment of current federal documents collection for natural resource materials relating to Montana;
 - Acquisition of new natural resource materials;
 - Outreach to both state and federal natural resource agencies to seek out natural resource publications to add to the collection;
 - Review of usage of natural resource periodical databases;
 - Training for the use of natural resource periodical databases to staff, state employees and other users;
 - Networking with the regional federal depository librarian and other Montana federal depository libraries;
 - Review and analysis of NRIS collections that might be made more widely available through bibliographic systems, i.e. the Montana Maps collection.

- (2) Prepare reduction in force paperwork and release the Administrative and Training Support position from the Statewide Library Resources program area. The current person in this position is Donna Caban. The reason this position is being recommended for release is because it is not considered critical to MSL operations. Additionally it is the last position to be added to our FTE count following the 1999 legislative session and was the position that we let go in the early 1980's when we had significant budget reductions. The loss of this position will again result in:
 - Reduced support for the Statewide Library Resources Director; what support is provided will be drawn from the administrative assistance provided in Central Services;
 - Less consistent support for the Systems Administrator in laptop/traveling lab maintenance and check out processes;
 - Reduced support for the Montana Shared Catalog, Statewide Library Resources and Network Advisory Council meetings; Significantly reduced support for libraries using the Montana Library Directory, internal processing of technology plans, and maintenance of the public library files and federation files;

- And special project mailings will be reduced and/or added to the work flow of the administrative assistance in Central Services.

(3) Reduction of .75 FTE Accounting Technician position in central services office to .50FTE. The additional .25 was added to this position at a time when NRIS was funded via significantly more contracts. NRIS's work is being accomplished with fewer contracts at this time so we can release the .25 of this position. The person in this position, Carol Churchill, will not see a .25 reduction in her time **if** the State Library moves forward with the organizational merge of the Base Map Service Center as funding coming with the additional work load in accounting will allow us to add the additional .25 position back.

Please know that we do currently have three additional positions open: Statewide Projects Librarian (federally funded and will not help us meet the general fund reductions); Cataloging/Metadata Specialist and State Publications Librarian positions in Library and Information Services(LIS). All three of these positions require masters in library science and carry out critical work as MSL meets its obligations with government information dissemination and coordination within the Montana Library community. These positions will be filled within a reasonable time frame.

Operations Reduction:

We recommend a \$45,825 or 60% reduction in the MSL equipment budget. Most of this reduction will be absorbed as MSL moves to a five-year equipment replacement cycle rather than the previous three year schedule. We have made appropriate purchases over the last several years and we have extended maintenance contracts where necessary. Additionally, we are consolidating servers and moving to virtual servers where appropriate to save costs. We believe these efforts will allow us to continue to maintain our critical IT infrastructure through the coming biennium with only the most critical equipment purchased during this period.

Coal Tax Reduction:

We recommend a \$40,175 reduction in LIS budget for creation/dissemination of online resources. This reduction will reduce the amount of our current digitization contract with the Internet Archive from \$45,000 annually to \$25,000 annually. This will significantly reduce the volume of publications we will be able to digitize each year. The remaining reduction in coal tax funds will result in fewer available funds that LIS uses each year to evaluate and offer new services to patrons such as e-journals and specialized subscription databases.

4% Vacancy Savings:

Some initial savings has been made by hiring a new Director of Statewide Library Resources with less longevity so at a lower salary then was needed for the previous Director. Additionally we will hold open any new open positions for at least one month to gain vacancy savings. Typically, small agencies have been able to rely on a contingency fund if they did not have sufficient vacant positions and/or retirement payouts which prevented them from meeting vacancy savings requirements. However, this fund is contained within the pay plan bill and because this bill did not pass during the recent Legislative session, this fund will not be available this coming biennium. We are waiting for more guidance from the Governor's office on this issue. We will revisit the vacancy savings issue at least quarterly to determine if additional action is required. This action may include additional reductions in force or furloughs.