

Memo

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

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

Date: March 18, 2016

Re: Proposed changes to use of Coal Severance Tax monies

The Network Advisory Council has proposed overall changes to the use of Coal Severance Tax monies as part of their recommended FY 2017 Library Development budget. The recommended shift in approach to the funding of library development services, resources, staffing and projects is a response to volatility we continue to face in our appropriation of these monies. The recommendations reflect the work of the Library Development Study Task Force. That work included listening sessions held around the state, deliberations by the task force and ultimately the creation of recommendations to assist MSL in delivering library development services that meet the needs of 21st century libraries.

The statewide databases historically have been the largest purchase made with the CST monies administered by the State Library. Proposed funding changes will impact that statewide suite, should the Commission approve the proposed FY 17 Library Development budget. Some points to consider as the Commission deliberates this particular piece of the budget include:

- Due to declining funds, no longer does MSL have the luxury of the one-size-fits all approach afforded by statewide funding, to procure and administer the current statewide databases contract model. MSL must make careful use of the resources it has available, now and into the future. As CST monies grow even more volatile and continue to decline, and as federal LSTA dollars remain stagnant or are reduced, it is imperative that MSL meet this challenge now in order to fund Library Development services in a stable and responsible manner.

- MSL is already facing a reduction in the amount of FY 17 CST monies available for our existing EBSCO contract and has been preparing to scale down that contract and consider alternative funding scenarios. CST monies available for statewide databases in FY 17 declined by \$26,402 from FY 16. This amount is in addition to the approximately \$90,000 reduction from the previous biennium. All indications are that this decline will continue. Regardless of usage or where these resources fit within the LDSTF recommendations, we no longer have the financial resources necessary to sustain the current statewide contract model completely on CST, and so this discussion with the NAC was imminent.
- There is much opportunity for MSL to collaborate with Montana libraries to procure the databases library patrons rely on the most. The funding situation creates more incentive to collaborate with the Treasure State Academic Information and Library Services consortium, and others, bringing us together, and showing that we all have “skin in the game” to make the most use of the resources we fund.
- Regardless of the amount of funding available and the size of a statewide database contract, it is advisable, and MSL is prepared to continue to procure and administer a statewide contract for all types of libraries because, as we well know, it is far more efficient and effective to collaborate than to divide our purchasing efforts.
- Should plans for a collaborative legislative request to fund statewide databases be considered, this kind of approach to meeting our collective resource needs would be significantly more convincing in any Legislative request than MSL explaining why it needs continued statewide funding in an amount that has historically represented 25-30% of our total Library Development budget-- to be spent on resources where only a select few databases are used by a select group of libraries.
- The NAC was directed to consider funding recommendations for CST monies that can more readily absorb the volatility of the CST appropriation. To that end, the NAC recommends funding one-time-only expenses for Montana Memory Project digitization projects, implementation costs for the new MSC libraries, and training and programming costs, that can be adjusted mid-year in response to budget changes.
- The recommendation to fund a portion of the OCLC Group Services contract from CST monies is based on discussion that, as an essential resource for all libraries (unlike the statewide databases), MSL would be more successful arguing to shift the funding source for this service from CST to another funding source should the need arise in the future.