

MEMO

To: State Library Commission
From: Karen Strege
Re: EPP Issues Update
Date: March 27, 2000

The Governor's budget office asked each agency to submit new proposals and significant increases in its base budget by April 14. This office also requires each agency to prioritize these categories together. This requirement is a change from previous years' when agencies were required only to prioritize new proposals. What follows are my recommendations and priorities for new proposals and significant increases in our base budget for the upcoming biennium. I look forward to our discussion.

Executive summary of issues and amounts:

1. **Provide a stable funding structure for NRIS.** Legislative request: pending
2. **Build a sustainable infostructure for Montana's citizens**
Legislative request: \$1,689,400
 - a. **Maintain and expand the information products for all Montana libraries and citizens.** Legislative request: \$475,000
 - b. **Fund the statewide technology librarians.** Legislative request: \$192,400
 - c. **Increase and change the methodology to distribute state aid to public libraries.**

State Aid - Basic	\$110,000
State Aid - Equalization	\$200,000
State Aid - Incentive	\$110,000
State Aid - Stronger Libraries	<u>\$ 50,000</u>
Total:	\$470,000 for one year \$940,000 for the biennium
 - d. **Fund a database application specialist at the state library.** \$41,000
3. **Support necessary base adjustments in the budget of the State Library.**
\$62,000 or 124,000 for biennium

1. Provide a stable funding structure for NRIS.

For the past 15 years, the Natural Resources and Information System has collected, maintained, and distributed information about natural resources to state and federal agencies and the public. During these years, NRIS has earned a reputation as an innovator in providing useable, accurate, and current information to Montana citizens who make public policy decisions. NRIS has proven itself an essential program to the state.

However, NRIS's original funding structure has evolved into a management nightmare. Funded by the Resource Indemnity Trust (RIT) Fund, a small amount of General Fund, and contribution from source agencies, NRIS has become dependent on outside contracts to support many basic functions. In addition, the transfer of funds between NRIS and source agencies has become an accounting nightmare because each agency has different programmatic and fiscal requirements. This hodgepodge of funding creates a logistic nightmare and results in insecure and unstable funding. The state must recognize NRIS as an important, critical service and provide stable, secure funding.

Kris will meet with the Governor's office and the involved agencies on March 31 to develop this proposal more fully. The Commission will see the final proposal at the April meeting.

2. Build a sustainable infostructure for Montana's citizens

a. Maintain and expand the information products for all Montana libraries and citizens.

Program: The pilot project that allowed libraries to subscribe to an extensive magazine database was a great success. 681 Montana libraries participated in the project. In the six-month period between September 1999 and March 2000, the product received 180,854 total number of logins and the average session lasted 10.25 minutes. Users viewed 387,912 articles and retrieved 68,954 items. Citizens could access this information through their libraries or, in most cases, from their homes. Most Montana schools, public, and small academic libraries could not afford the expense of this product without the state's contribution.

The MSL Commission requests the Governor approve funding in the base budget of the State Library for a magazine database. The Commission also wishes to increase the funding in this project to purchase information products in the specialized areas of biography and legal resources.

The Commission believes that local libraries can absorb more of the costs of these projects. Therefore, the costs are as follows:

Costs:

Local Libraries	\$185,000 (a 61% increase)
State Library	<u>\$475,000 (a 19% increase)</u>
Total project costs:	\$660,000 (71% state & 29% local)

b. Fund the statewide technology librarians

Since 1997, the Commission has approved the use of federal dollars to fund two positions at the state library. These technology librarians are based in Great Falls and Billings in order to travel more easily to offer libraries on-site assistance. In addition to helping librarians, library boards, and local communities with technology and library issues, the technology librarians assist in many more areas, such as collection development, administrative issues, and the practical aspects of library service. These positions have become critical to the improvement of Montana's libraries.

Unlike other states, the majority (82%) of Montana's public library directors do not have a professional degree in library science. Although all librarians need training to learn about technologies and tools, the needs of non-degreed librarians are more crucial because they lack the basic knowledge, skills, and abilities in library science.

The addition of electronic information technology resources to the menu of library services has made training issues even more complex as Montana librarians strive to provide these services to their communities.

The technology librarians are also responsible for projects that affect libraries and communities across the state. For example, the librarian based in Great Falls manages the state magazine database program, including administering the contract, resolving vendor problems, and troubleshooting the product for all participants in the state. The librarian based in Billings manages the E-Rate program for Montana. She attends pertinent meetings, advocates for the program in Montana, and assists librarians and trustees in applying for the discounts and administering the program.

In the last three years, the communities of Montana have come to depend on the librarians. From October 1997 to February 2000, the librarians made 152 site visits. The librarians also presented or arranged 32 continuing education workshops; 885 participants attended these workshops.

A recent survey of public library directors revealed that 80% of the respondents used the service on a regular basis and deemed the service very helpful. 72% of those responding said that they contacted the librarian more than 10 times in 1999 and 24% said they used the service from 4 to 10 times. When asked what effect would the cessation of the service have, 78% said that not having the service would be detrimental to library development.

Also illustrative of the need and success of this program are the narrative statements that respondents made.

- We cannot live without it.
- Being a small library – CANNOT hire a separate person for tech support and technology issues.
- This position has been a tremendous help in this area.
- This essential service should be retained. The quality of library service in Montana has improved due to this service.
- Where else would we go for this info? I think that this funding change sounds like an effective use of state taxpayer money. I feel that this service is very important to use (small to midsize libraries to be able to implement technology and need help with decreasing the digital divide).
- I really don't know what our library would do without the backup supplied from these three individuals. Thank you so much for providing their services to us "little libraries" out here in the boonies.
- It is vital to small libraries.
- We have neither the expertise nor revenue to "hire" someone to do these tasks. We need these consultants to evolve successfully in the rapidly changing times of library development & growth.

- Because we are a small library with limited staff, education and experience, it is imperative that we have resources from the state to help us provide the service our patrons and deserves.
- Many of Montana's libraries do not have the resources to either hire a staff person with this skills or contract for this service. Providing these services centrally though the state not only saves funding but also promotes statewide initiatives and standards throughout the state.
- Having these consultant is a dream come true!

Costs:

These positions are classified as a Grade 15. Through the cooperation of the Great Falls and Parmly-Billings public libraries, the state library negotiated reasonable rent for these offices. Travel expenses are a necessary part of this budget request, as the librarians are required to travel extensively in their areas.

Personnel Costs	\$82,000
Travel:	\$13,000
Rent	<u>\$1,200</u>
Total Cost	\$96,200

c. Increase and change the methodology to distribute state aid to public libraries.

Background: Montana's public libraries need state support to ensure that quality libraries serve all Montana citizens.

The goals of the new state aid program are:

- Raise the level of public library service in Montana by providing incentives for improvement
- Reduce inequities in access to information for Montana residents
- Ensure local discretion in the use of resources
- Supplement, not replace local funding

Program:

State Aid – Basic

Each public library building in Montana will receive \$1,000. Total legislative request \$110,000.

State Aid – Equalization

The state must help those communities without sufficient tax valuation to garner enough funds to support basic library service. This program is based on the average value of one mill in Montana. Communities that have property valuation above this average receive no state aid under this program. Communities under the average receive a proportional amount of state aid based on their distance from the average and their population.

The enclosed chart shows that Class A libraries received no funds. Class B libraries receive one dollar per capita. Class C libraries receive two dollars and so on. The chart is not complete and is provided only as an illustration. Independent city libraries without any legal agreement with the county to provide countywide library service do not receive equalization funding. Total legislative request \$200,000.

State Aid – Incentive

This program would reward libraries that meet two criteria. The first is that libraries must levy the maximum rate allowed by law. The second criterion is meeting a series of benchmarks that measure quality services. These benchmarks have not yet been developed.

The enclosed chart shows an incomplete snapshot of what this program would look like. As the Commission knows, many libraries are funded through the general fund. I used the following scheme to translate general fund support to a mill rate. Using the total valuation of a city or county, I figured out what one mill was worth in that jurisdiction. I then used the amount the library reported receiving from local tax funding. The final step was to divide this amount by the value of one mill and the product was an approximation of a levy rate.

The chart separates all libraries into types: school-community, district, city, city-county, and county. Because each has a different maximum mill rate, an incentive program based on levy rate needs to determine what rate is the maximum for a library.

After doing this, I applied the following formula:

<u>Library type</u>	<u>Criteria</u>	<u>Funding</u>
City	= > 7 mills	.25 per capita
County	= > 5 mills	.25 per capita
School community	= > 7 or 5 (depending on legal structure)	.25 per capita
District Library	= > 7 or 5 (depending on legal structure)	.25 per capita
City-County Library	If city is = > 7 mills AND if county is = > 5 mills then	.125 per capita
	If either city or county is = > maximum rate then	.125 per capita

Approximate legislative request \$110,000

State Aid – Stronger libraries

The legislature would fund \$50,000 a year for the state library to grant funds for communities who wish to switch their libraries' legal structure to form county or district libraries. Any funds unappropriated by the state library would revert to the general fund. Total legislative request \$50,000.

Total Legislative Request for State Aid

Basic State Aid	\$110,000
Equalization	\$200,000
Incentive	\$110,000
Strong libraries	<u>\$ 50,000</u>
Total	\$470,000 for one year \$940,000 for the biennium or approximately \$1.00 for each Montana citizen
Current total funding for the biennium for per capita per square mile	\$231,000
Total Increase	\$709,000

d. Fund a database application specialist at the state library.

As all departments in Program One of the State Library evolve into providing services through the internet, we need a staff member who is specially trained to design, maintain, and evaluate the agency's business processes on the web. State Library needs are agency-specific and cannot be met by general, user-support services from ISD.

Our clients need the following electronic services from the State Library.

Talking Book Library

- ◆ Interactive registration forms for clients
- ◆ Dynamic catalogs of holdings
- ◆ Electronic request forms & messaging services

Library Development Department

- ◆ Interactive registration forms for workshops & events
- ◆ Dynamic calendar of continuing education workshops
- ◆ Interactive library directory
- ◆ Interactive library statistics database

Library and Information Services

- ◆ Interactive registration forms for clients
- ◆ Dynamic catalogs of holdings
- ◆ Electronic request forms

Costs: \$41,000 annually.

3. Support necessary base adjustments in the budget of the State Library.

- a. Operating funds must be increased by \$15,000 for the Talking Books Library Program for the following reasons:
 - ◆ Maintenance contracts for the Keystone library system, Otari/Telex/Magnefax and the Solaris/Sun machine have increased. \$7400.
 - ◆ Braille service contract has increased by \$5.00 per patron and number of patrons has increase. \$1785.
 - ◆ Parts of playback machines, batteries and lubrications that were previously provided by the National Library Services now need to be purchased directly. \$3000.
 - ◆ Price increases on consumable items that TBL currently purchase such as cassettes, reels, and spice tabs. \$1000.
 - ◆ National Library Service requires each TBL staff persons to be oriented at NLS at least once every five years. Currently only one staff person of seven has received NLS orientation. \$1900.

- b. Computer replacements. MSL Program One must replace 10 computers at this time. The State of Montana, Department of Administration has provided minimum level PC standards based on a four-year life cycle for replacement. We currently have 14 computers that do not meet those minimum standards; ten are essential for replacement at this time. The replacement and/or upgrade will cost approximately \$2000 for each workstation, for a total of **\$20,000**.

- c. Operating funds increase by **\$15,000** so that state employee patrons and citizens access for our catalog via the web.

- d. Printing and operating funds increase of **\$12,000** to provide for:
 - Two additional publications, a revised Trustee Manual and a New Director's Manual.
 - The purchase of Software that will allow the statewide technology librarians to help local librarians with their computer problems from a remote location.
 - Upgraded computer for State Data Coordinator.