

To: Montana State Library Commission
From: Karen Strege, Montana State Librarian
Re: Budget reductions and prioritized services
Date: October 3, 2002

Attached is a prioritized list of services with suggested budget reductions. The list shows my recommendations. I make these recommendations after consultation with program managers and using certain criteria. These criteria include spreading the reductions across operations and grant programs. In determining cuts in grant programs, I suggest cuts that might have the least long-term effect. If the Commission uses other criteria for these decisions, this may lead to other decisions regarding reductions. Regardless of the criteria in use, these cuts will cause losses.

1. The rationale and the impacts of merging LISD and NRIS are contained in the proposal.
2. I believe that more public libraries depend on direct state aid funds, the interlibrary loan reimbursements, and the database purchase than on the aid to federations. Therefore, this proposal contains a reduction of the General Funds for federations. The recommendation is also based on my belief that MSL must continue to keep the CST revenues as a funding source for statewide library activities. Remember, that MSL has not yet been asked to reduce this revenue source.

This recommendation would leave limited funding for federations members to meet and to purchase some services and products to enhance regional library services.

The reduction is a funding shift to local libraries to purchase continuing education, including travel, and services and products. Some libraries can absorb these costs while the minority cannot.

3. I propose to make the rest of the reduction, \$45,365, in the interlibrary loan fund. The outcome is less payment per loan claimed for reimbursement. The consequences of the cut could be reduced participation in the interlibrary loan program, which in turn could decrease the amount of materials available to Montana citizens and students.

This reduction spreads the impact among all types of libraries, including academic, special, and school. Although federations, in theory, consists of libraries from all types of libraries, in practice most federation members are public library members and therefore more harmed by cuts in federation programs.

Grant or aid programs left whole are the CST revenue for federation services and the partial purchases of the license for statewide access to full text periodicals. The recommendation also does not reduce the funding for state aid based on per-capita/per square-mile. I believe that the statewide full-text periodical program offers unparalleled access to information resources to the citizens of Montana and should not be reduced. The state aid program is already at a minimal level and any cuts would render it ineffective at helping libraries improve services. Additional cuts to the interlibrary loan program may lead to non-participation by large lenders.