

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5521-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. J. Smith
Carrier – Senate: Sen. Whitsett**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 21 – 0 – 4

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant

– Nays:

– Exc: Freeman, Kotek

Senate – Yeas: Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Winters

– Nays:

– Exc: Bates, Whitsett

Prepared By: Jim Carbone, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Meeting Date: May 20, 2011

Agency

Oregon State Library

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Biennium

2011-13

Budget Summary*

	2009-11		2011-13		Committee Change from 2009-11 Leg Approved	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	2011-13 Committee Recommendation	\$ Change	% Change
General Fund	\$ 3,128,064	\$ 3,667,545	\$ 1,802,078	\$ 2,890,048	\$ (238,016)	-7.6%
Other Funds	7,176,422	7,543,197	6,418,622	6,328,313	(848,109)	-11.8%
Federal Funds	4,710,785	4,888,461	4,749,472	4,749,472	38,687	+0.8%
Total:	15,015,271	16,099,203	12,970,172	13,967,833	(1,047,438)	-7.0%

Position Summary

Authorized Positions	44	44	44	43	-1
Full-time Equivalent (FTE) Positions	42.26	42.26	44.26	41.26	-1.00

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The State Library is supported with General Fund, Other Funds revenues (an assessment on all state agencies, donations/endowments and interest income, reimbursements from local libraries for their portion of costs associated with database licensing, and miscellaneous receipts) and Federal Funds (Institute of Museum and Library Services under the Library Services and Technology Act). The LSTA federal grant requires a 34% match rate as well as a maintenance of effort based on the average of the last three years of non-federal library expenditures relevant to the priorities of LSTA.

This recommended budget continues using revenue from the Talking Books & Braille Services endowment account to continue to fund an existing position.

Summary of General Government Subcommittee Action

Senate Bill 5521 provides budget expenditure authority for programs administered by the Oregon State Library. The Subcommittee approved a total funding level of \$13.97 million for 2011-13 - 7.0 percent less than the 2009-11 Legislatively Approved Budget.

The Oregon State Library's (OSL) mission is to provide information services to state government, provide reading materials to blind and print-disabled individuals, and provides leadership, grants, and other assistance to improve local library services. Trustees of the State Library consist

of seven members appointed by the Governor who are responsible for setting policy for OSL and adopting long-range plans for library services statewide.

All statewide personal services reductions, elimination of inflationary adjustments, and continuation of allotment reductions that were included in the Governor's budget were approved by the Subcommittee. Also, the recommended budget for this agency includes a reduction of General Fund for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and not to affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54% of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

Additional budget adjustments were approved in each of the following programs:

Administration Program:

Administration Program coordinates the mission and goals of the agency and manages the finance, human services, and volunteer functions of the agency. A portion of General Fund expenditures was shifted to Other Funds.

Budget Note

The Governor's Office, Secretary of State, and the Chief Justice are requested to convene a workgroup to develop options and make recommendations on the consolidation and improvement of library and archives services to the Joint Committee on Ways and Means and the appropriate policy committee at the beginning of the February 2012 Legislative Session. The workgroup shall make specific recommendations on the following:

- (a) Consolidation of state archives services;
- (b) Increased utilization of digital resources;
- (c) Elimination of the duplicative state subscriptions and subscription services across state agencies;
- (d) Reduction of library facility costs;
- (e) Consolidation of services of the State Library, Higher Education libraries, and the State Law Library;
- (f) Development of public/private partnerships for library, law library, and archives services;
- (g) Development of a more cost-effective delivery of the Talking Books and Braille Services;
- (h) Leveraging additional federal grant funding for libraries and library services.

The State Library, Department of Administrative Services, the Oregon University System, Oregon Commission for the Blind and the Department of Education are instructed to be participating members in the workgroup. The Oregon State Bar Association should also be requested to participate in the workgroup.

Budget Note

The Department of Administrative Services is instructed to unschedule \$1,445,024 of General Fund, \$3,164,156 of Other Funds, and \$2,374,736 of Federal Funds expenditure limitation until the completion of the workgroup report.

Library Development Program:

Library Development is responsible for assisting approximately 1,600 local libraries and improving the overall quality of library services in the state through distribution of federal (LSTA) and state (Ready to Read) grants; facilitating school and local library access to a variety of electronic databases; consultation and dissemination of information on youth services; compilation of library statistics; and documenting challenges to library materials.

Other Funds expenditure limitation was reduced to reflect lower cost for statewide database licensing. Ready-to-Read grants were funded at the 2009-11 Legislatively Approved level (reduced by the allotment reduction roll-up). Services & Supplies General Fund expenditures were reduced by an additional 6.5 percent from the amount included in the Governor's Balanced Budget.

Talking Books & Braille Service Program:

Talking Book and Braille Services, in cooperation with the Library of Congress, provides books, book players, and postage at no cost through the U.S. Postal Service, provides reading materials in audio-recorded or Braille formats to individuals with limited vision or other disabilities that prevent the use of books and printed materials. OSL is responsible for maintaining the inventory of materials and distribution.

Services & Supplies General Fund expenditures were reduced by an additional 6.5 percent from the amount included in the Governor's Balanced Budget. Position #2004003 will continue to be funded from the Talking Books & Braille Services Endowment Fund.

Government Research and Electronic Services Program:

Government Research and Electronic Services provides research assistance to state government; develops and maintains the State Library collection; the OSL's online information services; and the Oregon.gov search engine. In addition, the general public obtains special information concerning state and federal government publications, Oregon history, and genealogy through a partnership with the Willamette Valley Genealogical Society.

The Subcommittee approved the Services & Supplies expenditure reductions that were included in the Governor's recommendations. In addition, a vacant position (#0021002) was eliminated. Assessment revenue, which is paid by other agencies, was reduced as recommended in the Governor's Budget thereby lower the assessment on state agencies.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5521-A

Oregon State Library
Jim Carbone -- (503) 378-3619

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$ 3,128,064	\$ 0	\$ 7,176,422	\$ 0	\$ 4,710,785	\$ 0	\$ 15,015,271	44	42.26
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 3,667,545	\$ 0	\$ 7,543,197	\$ 0	\$ 4,888,461	\$ 0	\$ 16,099,203	44	42.26
2011-13 Governor's Recommended Budget*	\$ 1,802,078	\$ 0	\$ 6,418,622	\$ 0	\$ 4,749,472	\$ 0	\$ 12,970,172	44	42.26

SUBCOMMITTEE ADJUSTMENTS (from GRB)

SCR 001 - Administration

Package 819 - Supplemental Statewide Ending Balance

Personal Services	\$ (7,005)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (7,005)	0	0.00
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SCR 002 - Library Development

Package 909 Analyst Adjustments (Delete)

Special Payment	\$ (233,255)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (233,255)	0	0.00
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Package 501 Early Childhood (Delete)

Special Payment	\$ 1,448,693	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,448,693	0	0.00
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Package 801 Targeted Statewide Adjustments

Services and Supplies	\$ (1,495)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,495)	0	0.00
Capital Outlay	\$ (3,302)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,302)	0	0.00

Package 819 - Supplemental Statewide Ending Balance

Personal Services	\$ (23,910)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (23,910)	0	0.00
Services and Supplies	\$ (4,485)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,485)	0	0.00
Special Payments	\$ (2)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2)	0	0.00

SCR 003 - Talking Books/Braille Services

Package 801 Targeted Statewide Adjustments

Services and Supplies	\$ (17,851)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,851)	0	0.00
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Package 819 - Supplemental Statewide Ending Balance

Personal Services	\$ (52,932)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (52,932)	0	0.00
Services and Supplies	\$ (15,974)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (15,974)	0	0.00
Capital Outlay	\$ (512)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (512)	0	0.00

SCR 004 - Government Research & Electronic Svs

Package 802 Vacant Position Savings

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Personal Services	\$ 0	\$ 0	\$ (90,309)	\$ 0	\$ 0	\$ 0	\$ (90,309)	(1)	-1.00
TOTAL ADJUSTMENTS	\$ <u>1,087,970</u>	\$ <u>0</u>	\$ <u>(90,309)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>997,661</u>	<u>(1)</u>	<u>(1.00)</u>
SUBCOMMITTEE RECOMMENDATION *	\$ <u>2,890,048</u>	\$ <u>0</u>	\$ <u>6,328,313</u>	\$ <u>0</u>	\$ <u>4,749,472</u>	\$ <u>0</u>	\$ <u>13,967,833</u>	<u>43</u>	<u>41.26</u>
% Change from 2009-11 Leg Approved Budget	-7.6%	0.0%	-11.8%	0.0%	0.8%	0.0%	-7.0%	-2.3%	-2.4%
% Change from 2011-13 Current Service Level	-21.2%	0.0%	-16.1%	0.0%	-2.8%	0.0%	-13.2%	-2.3%	-2.4%
% Change from 2011-13 Gov's Recommended Budget	60.4%	0.0%	-1.4%	0.0%	0.0%	0.0%	7.7%	-2.3%	-2.4%

Legislatively Proposed 2011-2013 Key Performance Measures

Agency: LIBRARY, OREGON STATE

Mission: The mission of the Oregon State Library is to provide quality information services to Oregon state government, provide reading materials to blind and print-disabled Oregonians, and provide leadership, grants, and other assistance to improve local library services for all Oregonians.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - RESEARCH TRANSACTIONS – Number of research assistance transactions for state employees.		Approved KPM	14,213.00	15,000.00	15,000.00
2 - STATE EMPLOYEE INFORMATION CENTER USERS – Percent of state employees registered to use the State Employee Information Center website.		Approved KPM	25.00	25.00	25.00
3 - COST PER CONTACT – Cost per state employee contact.		Approved KPM	7.04	6.95	6.95
4 - TALKING BOOK AND BRAILLE SERVICES USERS – Number of individuals registered to receive Talking Book and Braille Services.		Approved KPM	4,899.00	7,000.00	7,000.00
5 - PERCENT OF ELIGIBLE USERS – Percent of eligible users that are registered for Talking Book and Braille Services.		Approved KPM	9.00	12.00	12.00
6 - TALKING BOOK AND BRAILLE SERVICES CIRCULATION– Number of talking books, Braille books and other materials checked out per year.		Approved KPM	360,486.00	378,000.00	378,000.00
7 - COST PER CIRCULATION – Cost per circulation of talking books and Braille books.		Approved KPM	2.05	2.00	2.00
8 - USE OF BEST PRACTICES IN SERVING CHILDREN – Percent of public library grantees incorporating best practices in their services to children.		Approved KPM	38.00	60.00	60.00
9 - USE OF THE OREGON.GOV SEARCH ENGINE – Average daily visits to the search engine for Oregon.gov.		Approved KPM	6,269.00	7,250.00	7,250.00
10 - USE OF LIBRARY DATABASES – Average daily visits to Library-funded databases.		Approved KPM	12,491.00	15,000.00	15,000.00
11 - USE OF THE OREGON SCHOOL LIBRARY INFORMATION SYSTEM – Average daily visits to the Library-funded Oregon School Library Information System.		Approved KPM	4,237.00	4,258.00	4,258.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
12 - USE OF L-NET – Average daily visits to the Library-funded L-net e-reference website.		Approved KPM	94.00	95.00	95.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	92.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	98.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	91.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	94.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	98.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	96.00	98.00	98.00
14 - BEST PRACTICES: Percent of total best practices met by the Board.		Approved KPM	100.00	100.00	100.00

LFO Recommendation:

The Legislative Fiscal Office recommends approval the agency's existing Key Performance Measures and proposed targets (SB 5521). The outcome of the 2011-13 budget note directing a workgroup to develop options and make recommendations on the consolidation and improvement of library and archive services may result in an extensive re-working of the Library's KPMs.

Sub-Committee Action: