

**STATE LIBRARY**

The Oregon State Library’s (OSL) mission is to provide quality information services to state agencies, reading materials to blind and print-disabled individuals, and leadership, grants, and other assistance to improve local library service.

The Library is overseen by the Oregon State Library Board of Trustees consisting of seven members appointed by the Governor. The State Librarian is appointed by the Oregon State Library Board of Trustees.

| STATE LIBRARY      | 2009-11 Actuals     | 2011-13 Leg. Approved | 2013-15 Current Service Level | 2013-15 Governor's Budget | 2013-15 Co-Chairs' Budget (1.0) | % Change 2011-13 LAB to 2013-15 CSL |
|--------------------|---------------------|-----------------------|-------------------------------|---------------------------|---------------------------------|-------------------------------------|
| General Fund       | 3,128,064           | 2,868,303             | 3,195,561                     | 1,679,265                 | 0                               | 11.4%                               |
| Other Funds        | 5,904,640           | 6,325,531             | 6,781,007                     | 3,093,964                 | 0                               | 7.2%                                |
| Federal Funds      | 4,475,725           | 4,747,696             | 4,917,005                     | 2,463,398                 | 0                               | 3.6%                                |
| <b>TOTAL FUNDS</b> | <b>\$13,508,429</b> | <b>\$13,941,530</b>   | <b>\$14,893,573</b>           | <b>\$7,236,627</b>        | <b>\$0</b>                      | <b>6.8%</b>                         |
| Positions          | 44                  | 43                    | 43                            | 41                        | 0                               | 0.0%                                |
| FTE                | 42.26               | 41.26                 | 41.26                         | 19.63                     | 0.00                            | 0.0%                                |

| Major Revenues   | Budget Environment   | Comparison by Fund Type   |               |                      |             |               |         |       |       |       |         |       |       |       |             |       |       |       |            |       |       |       |         |       |       |       |
|--|--|---|---------------|----------------------|-------------|---------------|---------|-------|-------|-------|---------|-------|-------|-------|-------------|-------|-------|-------|------------|-------|-------|-------|---------|-------|-------|-------|
| <ul style="list-style-type: none"> <li>OSL is funded with \$3.2 million General Fund (21%), \$6.8 million Other Funds (46%), and \$5 million Federal Funds (33%).</li> <li>Other Funds revenues are generated from three main sources as follows:                             <ul style="list-style-type: none"> <li>An assessment on all state agencies, except the Department of Higher Education</li> <li>Reimbursements from local libraries for their portion of costs associated with database licensing (\$150,000);</li> <li>Miscellaneous receipts (\$48,050).</li> <li>Donations and bequests, most of which are attributable to the Talking Book and Braille Services (TBABS) Donation Fund and the TBABS Endowment Fund.</li> </ul> </li> <li>OSL receives Federal Funds from the</li> </ul> | <ul style="list-style-type: none"> <li>The relevancy and value of State Library services in the digital age continues to be an open question.</li> <li>The 2011 Legislature directed through a budget note that the Governor’s Office, Secretary of State, and the Chief Justice establish a workgroup to develop options and make recommendations on the consolidation and improvement of library and archive services across various agencies. The agencies reported back to the 2012 legislature.</li> <li>OSL serves approximately 1,600 local libraries through its Library Development Services program.</li> <li>22 Library Services and Technology Act pass-through grants.</li> <li>OSL reports that 165,487 children participate each fiscal year in the Summer Ready-to-Read programs funded by approximately 128 grants</li> </ul> | <p style="text-align: center;"><b>STATE LIBRARY</b></p> <table border="1"> <caption>Revenue by Fund Type (Millions of Dollars)</caption> <thead> <tr> <th>Fiscal Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$3.1</td> <td>\$5.9</td> <td>\$4.5</td> </tr> <tr> <td>2011-13</td> <td>\$2.9</td> <td>\$6.3</td> <td>\$4.7</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$3.2</td> <td>\$6.8</td> <td>\$4.9</td> </tr> <tr> <td>2013-15 GB</td> <td>\$1.7</td> <td>\$3.1</td> <td>\$2.5</td> </tr> <tr> <td>2013-15</td> <td>\$0.0</td> <td>\$0.0</td> <td>\$0.0</td> </tr> </tbody> </table> | Fiscal Year   | General Fund/Lottery | Other Funds | Federal Funds | 2009-11 | \$3.1 | \$5.9 | \$4.5 | 2011-13 | \$2.9 | \$6.3 | \$4.7 | 2013-15 CSL | \$3.2 | \$6.8 | \$4.9 | 2013-15 GB | \$1.7 | \$3.1 | \$2.5 | 2013-15 | \$0.0 | \$0.0 | \$0.0 |
| Fiscal Year  | General Fund/Lottery   | Other Funds   | Federal Funds |                      |             |               |         |       |       |       |         |       |       |       |             |       |       |       |            |       |       |       |         |       |       |       |
| 2009-11  | \$3.1  | \$5.9   | \$4.5         |                      |             |               |         |       |       |       |         |       |       |       |             |       |       |       |            |       |       |       |         |       |       |       |
| 2011-13  | \$2.9  | \$6.3   | \$4.7         |                      |             |               |         |       |       |       |         |       |       |       |             |       |       |       |            |       |       |       |         |       |       |       |
| 2013-15 CSL  | \$3.2  | \$6.8   | \$4.9         |                      |             |               |         |       |       |       |         |       |       |       |             |       |       |       |            |       |       |       |         |       |       |       |
| 2013-15 GB   | \$1.7  | \$3.1   | \$2.5         |                      |             |               |         |       |       |       |         |       |       |       |             |       |       |       |            |       |       |       |         |       |       |       |
| 2013-15  | \$0.0  | \$0.0   | \$0.0         |                      |             |               |         |       |       |       |         |       |       |       |             |       |       |       |            |       |       |       |         |       |       |       |

| Major Revenues   | Budget Environment   | Comparison by Fund Type |
|--|--|-------------------------|
| <p>Institute of Museum and Library Services under the Library Services and Technology Act (LSTA) per a population-based formula.</p> <ul style="list-style-type: none"> <li>Federal Funds have both maintenance of effort and a matching funds requirement.</li> </ul> | <p>to local libraries.</p> <ul style="list-style-type: none"> <li>The Talking Books and Braille Services program serves approximately 4,800 Oregonians per fiscal year.</li> <li>Utilization of online library services such as Oregon School Library Information System and the L-Net/E-Reference website continue to increase over prior years.</li> <li>Approximately 9,500 state employees are registered to use the Government Research Services program's information services.</li> </ul> |                         |

**MAJOR CHALLENGES AND DECISION POINTS**

The 2013-15 current service level budget of \$14.9 million is \$952,043, or 6.8%, more than the 2011-13 legislatively approved budget (LAB) of \$13.9 million. The number of positions (43) and FTE (41.26) has remained unchanged from the prior biennium.

The General Fund portion of the CSL budget totals \$3.2 million and is \$327,258, or 11.4%, more than the LAB. The Other Funds budget totals \$6.8 million and is \$455,476, or 7.2%, more than the LAB. Federal Funds total \$4.9 million and is \$169,309 or 3.6% more than the LAB.

The CSL budget is comprised of \$6.7 million in personal services (45%), \$4.1 million in services and supplies (27%), \$22,046 in capital outlay (0.15%), and \$4.1 million in special payments (28%).

At this time, no material adjustments to the current service level have been identified. The agency has not requested any policy package enhancements or fee increase.

The current service level does eliminate \$448,137 of Other Funds (miscellaneous receipts) expenditure limitation that the agency will not receive.

The Governor's budget includes reductions for PERS and statewide administrative savings. Additionally, the Governor's budget reflects recommended reductions approved by the Emergency Board (May 2012) that relate to the restructuring of state government business operations. The agency states that it anticipates no significant impact from this reduction (-\$142,291; 1 position/1.00 FTE).

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The following is a list of currently identified challenges and decision points for this agency.

The major challenges and decision points are:

1. The Governor's budget makes the following changes and provides only one year of budget authority for the entire agency with the second year contingent upon the following reorganization: (a) eliminate Government Research Services; (b) consolidate the Library's document repository and reference services with the Secretary of State's Archives Division; and (c) reduce the costs for the Talking Books and Braille Services and other Library services by implementing the recommendations of the 2011 Workgroup.

The extent to which the Secretary of State concurs with the direction taken by the Governor's recommendation is unknown. The Governor's budget included no specific plans for the agency's reorganization plan or any statutory changes.

The Governor's budget includes \$1.7 General Fund in a special purpose appropriation, contingent on significant progress being made on the Library.

In January of 2013, the Library recently began working on an implementation plan which ultimately could differ from the Governor's plan. The agency anticipates its implementation plan will be ready by the Spring of 2013 for presentation to the Legislature and may require adjustments to the agency's proposed budget.

The Governor's budget made no reduction to the Library's state agency assessment to reflect this proposed change.

2. Review Ready-to-Read program funding level of \$1.2 million is relatively unchanged from the prior biennium.
3. Review state funding and federal maintenance of effort and matching funds requirements and possible federal waiver provisions.
4. The state assessment may need to be recalculated to take into account any changes approved in the agency's final budget.
5. Statutory changes may be required to the agency's assessment depending upon the policy decisions of the Legislature.