

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5022-A

**Carrier – House: Rep. Gomberg
Carrier – Senate: Sen. Steiner Hayward**

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

Vote: 24 – 0 – 2

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Smith, Tomei, Williamson

Nays:

Exc: Read, Richardson

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Jim Carbone, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Meeting Date: May 31, 2013

Agency

Oregon State Library

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,868,303	\$ 3,195,561	\$ 1,647,536	\$ (1,220,767)	-42.6%
Other Funds	\$ 6,325,531	\$ 6,781,007	\$ 2,807,642	\$ (3,517,889)	-55.6%
Federal Funds	\$ 4,747,696	\$ 4,917,005	\$ 2,463,398	\$ (2,284,298)	-48.1%
Total	\$ 13,941,530	\$ 14,893,573	\$ 6,918,576	\$ (7,022,954)	-50.4%

Position Summary

Authorized Positions	43	43	41	-2
Full-time Equivalent (FTE) positions	41.26	41.26	19.63	-21.63

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The State Library is funded with a combination of General, Other, and Federal Funds. The largest source of revenue for the agency is from assessment charges paid by other agencies. This Other Funds revenue supports the Government Research Services section as well as a portion of agency administration. Federal Funds provide grants to libraries throughout Oregon, as well as support services to those libraries. General Fund is used primarily for two purposes: Support for the Talking Books and Braille Services program and Ready-to-Read grants to provide summer reading programs and other children services at libraries throughout Oregon. The Legislative Fiscal Office will review the State Library's assessment charges during the Legislative session in February of 2014, in the context of the agency's proposed reorganization plan.

The agency's Other Funds also include donations and bequests, most of which are attributable to the Talking Book and Braille Services (TBABS) Donation Fund and the TBABS Endowment Fund. The projected combined ending balance for the TBABS Donation and Endowment Funds is \$1.2 million.

If the second year expenditures equal the recommended first year expenditures then the projected ending balance for the agency would be \$2.5 million, which represents about 10.5 months of reserves.

Summary of General Government Subcommittee Action

The mission of the Oregon State Library is to: Provide information services to Oregon state agencies; Provide library services to blind and print-disabled Oregonians; and Provide leadership, grants, and other assistance to improve public libraries throughout Oregon.

The Subcommittee approved a 2013-15 biennial budget of \$1,647,536 General Fund, \$2,807,642 Other Funds and \$2,463,398 Federal Funds. The budget includes 41 positions (19.63 FTE). This is a budget for only the first year of the biennium. The second year of the agency's General Fund budget will be appropriated as a \$1.7 million special purpose appropriation to the Emergency Fund (see House Bill 5008). It is expected that the State Library will present a reorganization plan during the Legislative session in February of 2014. Upon the Legislature's review and approval of the reorganization plan, an allocation from the special purpose appropriation may be made for the second year of the biennium, along with expenditure limitation increases for Other Funds and Federal Funds expenditure limitation. Increases to existing position full-time equivalents may also be needed.

The Subcommittee approved the following direction:

The State Library and the Department of Administrative Services are directed to submit to the Legislature in February of 2014 a detailed strategic business plan for the reorganization of the State Library. The two agencies are directed to report to the Joint Committee on Ways and Means throughout the interim on the reorganization planning efforts.

Additionally, the State Library is directed to hold vacant any current or future vacated or unfilled positions until the Legislature in 2014 approves a reorganization plan for the agency.

Administration Program

The Administration Program coordinates the mission and goals of the agency and manages the finance, personnel, and volunteer functions of the agency. For this program the Subcommittee approved a 2013-15 budget of \$52,209 General Fund, \$396,377 Other Funds and \$47,670 Federal Funds (five positions/2.34 FTE).

- Package 070, Revenue Shortfall, eliminates \$40,332 Other Funds expenditure limitation. This package aligns agency expenditures with anticipated miscellaneous revenue receipts received by the agency.
- Package 081, May 2012 E-Board, makes permanent the management reductions that were implemented during the May 2012 Emergency Board meeting. The Personal Service savings are \$24,858 General Fund, \$166,841 Other Funds, and \$26,258 Federal Funds (one position/1.00 FTE). Additionally, \$35,334 Other Funds Services and Supplies are added to the program.
- Package 090, Analyst Adjustments, eliminates 2.34 FTE and \$59,320 General Fund, \$473,433 Other Funds, and \$48,697 Federal Funds. This package eliminates the second year funding for agency operations.

- Package 091, Statewide Administrative Savings, eliminates \$5,956 General Fund and \$29,076 Other Funds. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.
- Package 092, PERS Tax Policy, eliminates \$141 General Fund, \$933 Other Funds, and \$127 Federal Funds. This package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$1,125 General Fund, \$7,457 Other Funds, and \$1,016 Federal Funds. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

Library Development Program

The Library Development Program 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. For this program the Subcommittee approved a 2013-15 budget of \$946,021 General Fund, \$72,461 Other Funds and \$2,362,401 Federal Funds (six positions/3.00 FTE).

- Package 081, May 2012 E-Board, makes permanent the management reductions that were implemented during the May 2012 Emergency Board meeting. The Personal Service savings are \$31,565 General Fund.
- Package 090, Analyst Adjustments, eliminates 3.00 FTE and \$981,932 General Fund, \$72,461 Other Funds, and \$2,369,642 Federal Funds. This package eliminates the second year funding for agency operations.
- Package 092, PERS Tax Policy, eliminates \$483 General Fund and \$802 Federal Funds. This package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$3,863 General Fund and \$6,437 Federal Funds. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

- The Subcommittee's recommendation includes an enhancement to the Ready-To-Read grant program (Package 102). This additional General Fund (\$196,979) will increase the funding available for the existing summer reading program for children up to age 14 during the entire biennium.

The Subcommittee approved the following direction:

The Ready to Read Program funding is only to be used to fund the existing summer reading programs for ages up to 14 years old. This direction may be reconsidered during the Legislative session in 2014 and for the second fiscal year of the biennium, if the State Library is able to provide a specific plan for how it can serve effectively the 15-17 year old population. The agency is to coordinate the development of such a plan with the Oregon Education Investment Board and other related administrative programs charged with implementing the Governor's Oregon Early Reading Program Initiative (House Bill 3232).

Talking Books and Braille Services Program

In cooperation with the Library of Congress, which provides books, book players, and postage at no cost to Oregon, the Talking Books and Braille Services Program 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. OSL is in the process of converting its audio library from a tape to a digital recording format. For this program the Subcommittee approved a 2013-15 budget of \$649,306 General Fund, \$194,070 Other Funds and (nine positions/4.37 FTE).

- Package 081, May 2012 E-Board, makes permanent the management reductions that were implemented during the May 2012 Emergency Board meeting. The Personal Service savings are \$36,812 General Fund.
- Package 090, Analyst Adjustments, eliminates 4.37 FTE and \$660,940 General Fund and \$195,310 Other Funds. This package eliminates the second year funding for agency operations.
- Package 092, PERS Tax Policy, eliminates \$1,294 General Fund and \$138 Federal Funds. This package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$10,339 General Fund and \$1,102 Federal Funds. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

Government Research and Electronic Service Program

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

Genealogical Society. For this program the Subcommittee approved a 2013-15 budget of, \$2,144,734 Other Funds and \$53,327 Federal Funds (21 positions/9.92 FTE).

- Package 070, Revenue Shortfall, eliminates \$407,805 Other Funds expenditure limitation. This package aligns agency expenditures with anticipated miscellaneous revenue receipts received by the agency.
- Package 081, May 2012 E-Board, makes permanent the management reductions that were implemented during the May 2012 Emergency Board meeting. The Personal Service savings are \$153,435 Other Funds (1 position/1.00 FTE).
- Package 090, Analyst Adjustments, eliminates 9.92 FTE and \$2,425,232 Other Funds. This package eliminates the second year funding for agency operations.
- Package 092, PERS Tax Policy, eliminates \$3,909 Other Funds and \$70 Federal Funds. This package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$31,235 Other Fund and \$558 Federal Funds. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5022-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			
2011-13 Legislatively Approved Budget at Dec 2012 *\$	2,868,303 \$	0 \$	6,325,531 \$	0 \$	4,747,696 \$	0 \$	13,941,530	43	41.26
2013-15 ORBITS printed Current Service Level (CSL)\$	3,195,561 \$	0 \$	6,781,007 \$	0 \$	4,917,005 \$	0 \$	14,893,573	43	41.26
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Administration									
Package 070: Revenue Shortfalls									
Services & Supplies	\$ 0	\$ 0	\$ (40,332)	\$ 0	\$ 0	\$ 0	(40,332)		
Package 081: May 2012 E-Board									
Personal Services	\$ (24,858)	\$ 0	\$ (166,841)	\$ 0	\$ (26,258)	\$ 0	(217,957)	-1	-1.00
Services & Supplies	\$ 0	\$ 0	\$ 35,334	\$ 0	\$ 0	\$ 0	35,334		
Package 090: Analyst Adjustments									
Personal Services	\$ (59,320)	\$ 0	\$ (359,902)	\$ 0	\$ (48,697)	\$ 0	(467,919)	0	-2.34
Services & Supplies	\$ 0	\$ 0	\$ (112,360)	\$ 0	\$ 0	\$ 0	(112,360)		
Capital Outlay	\$ 0	\$ 0	\$ (1,171)	\$ 0	\$ 0	\$ 0	(1,171)		
Package 091: Administrative Savings									
Personal Services	\$ (5,956)	\$ 0	\$ (21,807)	\$ 0	\$ 0	\$ 0	(27,763)	0	0.00
Services & Supplies	\$ 0	\$ 0	\$ (7,269)	\$ 0	\$ 0	\$ 0	(7,269)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (141)	\$ 0	\$ (933)	\$ 0	\$ (127)	\$ 0	(1,201)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (1,125)	\$ 0	\$ (7,457)	\$ 0	\$ (1,016)	\$ 0	(9,598)	0	0.00
SCR 002 - Library Development									
Package 081: May 2012 E-Board									
Personal Services	\$ (31,565)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(31,565)	0	0.00
Package 090: Analyst Adjustments									
Personal Services	\$ (196,028)	\$ 0	\$ 0	\$ 0	\$ (311,007)	\$ 0	(507,035)	0	-3.00
Services & Supplies	\$ (56,434)	\$ 0	\$ (72,461)	\$ 0	\$ (617,630)	\$ 0	(746,525)		
Special Payments	\$ (729,470)	\$ 0	\$ 0	\$ 0	\$ (1,441,005)	\$ 0	(2,170,475)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (483)	\$ 0	\$ 0	\$ 0	\$ (802)	\$ 0	(1,285)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (3,863)	\$ 0	\$ 0	\$ 0	\$ (6,437)	\$ 0	(10,300)	0	0.00

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5022-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				
Package 102: Ready-To-Read										
Special Payments	\$ 196,979	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 196,979			
SCR 003 - TBABS										
Package 081: May 2012 E-Board										
Services & Supplies	\$ 36,812	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,812			
Package 090: Analyst Adjustments										
Personal Services	\$ (488,029)	\$ 0	\$ (101,843)	\$ 0	\$ 0	\$ 0	\$ (589,872)	0	-4.37	
Services & Supplies	\$ (168,405)	\$ 0	\$ (93,467)	\$ 0	\$ 0	\$ 0	\$ (261,872)			
Capital Outlay	\$ (4,506)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,506)			
Package 092: PERS Taxation Policy										
Personal Services	\$ (1,294)	\$ 0	\$ (138)	\$ 0	\$ 0	\$ 0	\$ (1,432)	0	0.00	
Package 093: Other PERS Adjustments										
Personal Services	\$ (10,339)	\$ 0	\$ (1,102)	\$ 0	\$ 0	\$ 0	\$ (11,441)	0	0.00	
SCR 004 - GRS										
Package 070: Revenue Shortfalls										
Services & Supplies	\$ 0	\$ 0	\$ (407,805)	\$ 0	\$ 0	\$ 0	\$ (407,805)			
Package 081: May 2012 E-Board										
Personal Services	\$ 0	\$ 0	\$ (153,435)	\$ 0	\$ 0	\$ 0	\$ (153,435)	-1	-1.00	
Services & Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			
Package 090: Analyst Adjustments										
Personal Services	\$ 0	\$ 0	\$ (1,547,546)	\$ 0	\$ 0	\$ 0	\$ (1,547,546)	0	-9.92	
Services & Supplies	\$ 0	\$ 0	\$ (872,339)	\$ 0	\$ 0	\$ 0	\$ (872,339)			
Capitol Outlay	\$ 0	\$ 0	\$ (5,347)	\$ 0	\$ 0	\$ 0	\$ (5,347)			
Package 092: PERS Taxation Policy										
Personal Services	\$ 0	\$ 0	\$ (3,909)	\$ 0	\$ (70)	\$ 0	\$ (3,979)	0	0.00	

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5022-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			
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (31,235)	\$ 0	\$ (558)	\$ 0	\$ (31,793)	0	0.00
TOTAL ADJUSTMENTS	\$ (1,548,025)	\$ 0	\$ (3,973,365)	\$ 0	\$ (2,453,607)	\$ 0	\$ (7,974,997)	-2	-21.63
SUBCOMMITTEE RECOMMENDATION *	\$ 1,647,536	\$ 0	\$ 2,807,642	\$ 0	\$ 2,463,398	\$ 0	\$ 6,918,576	41	19.63
% Change from 2011-13 Leg Approved Budget	-42.6%	0.0%	-55.6%	0.0%	-48.1%	0.0%	-50.4%	-4.7%	-52.4%
% Change from 2013-15 Current Service Level	-48.4%	0.0%	-58.6%	0.0%	-49.9%	0.0%	-53.5%	-4.7%	-52.4%

*Excludes Capital Construction Expenditures

Legislatively Approved 2013-2015 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 2014	Target 2015
1 - RESEARCH TRANSACTIONS – Number of research assistance transactions for state employees.		Approved KPM	9,037.00	12,000.00	13,000.00
2 - STATE EMPLOYEE INFORMATION CENTER USERS – Percent of state employees registered to use the State Employee Information Center website.		Approved KPM	23.00	24.00	25.00
3 - COST PER CONTACT – Cost per state employee contact.		Approved KPM	4.50	5.75	5.25
4 - TALKING BOOK AND BRAILLE SERVICES USERS – Number of individuals registered to receive Talking Book and Braille Services.		Approved KPM	5,333.00	5,500.00	6,000.00
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	434,403.00	450,000.00	450,000.00
7 - COST PER CIRCULATION – Cost per circulation of talking books and Braille books.		Approved KPM	1.36	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	54.00	60.00	60.00
9 - USE OF THE OREGON.GOV SEARCH ENGINE – Average daily visits to the search engine for Oregon.gov.		Approved KPM	4,247.00	4,810.00	5,160.00
10 - USE OF LIBRARY DATABASES – Average daily visits to Library-funded databases.		Approved KPM	14,173.00	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	1,850.00	4,500.00	4,500.00

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 2014	Target 2015
12 - USE OF L-NET – Average daily visits to the Library-funded L-net e-reference website.		Approved KPM	98.00	100.00	100.00
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	95.00	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	96.00	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	96.00	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 that the State Library’s current key performance measures and targets be approved with the direction that the agency will work with the Department of Administrative Services and the Legislative Fiscal Office to develop new or revised KPMs and targets based on the final reorganization plan approved by the Legislature in 2014.

Sub-Committee Action:

The General Government Subcommittee adopted the Legislative Fiscal Office recommendation.