

Oregon State Library

	2013-15 Actual	2015-17 Legislatively Approved*	2017-19 Current Service Level	2017-19 Governor's Budget
General Fund	3,314,924	3,628,773	4,059,622	3,556,345
Other Funds	5,653,370	6,443,435	6,899,420	6,843,628
Federal Funds	4,360,283	5,121,642	5,276,872	5,242,733
Total Funds	13,328,577	15,193,850	16,235,914	15,642,706
Positions	41	42	42	42
FTE	39.26	40.26	40.04	40.04

* Includes Emergency Board and administrative actions through December 2016.

Program Description

The Oregon State Library (OSL) provides library services to support state government operations, reading materials for Oregonians with print disabilities, and leadership and resources to promote the development and support of local library services.

OSL is funded with a combination of General Fund, Other Funds and Federal Funds. Other Funds revenues are generated from an assessment on all state agencies, donations, interest income, and miscellaneous receipts. The state agency assessment is based two-thirds on the number of state agency full-time equivalents and one-third on the use of OSL by agencies during the prior biennium. State agency assessment revenue has a General Fund component since some agencies use General Fund to pay their assessment. Assessment revenue supports services to state government agencies and OSL administration. Donations and bequests support the Talking Book and Braille Services (TBABS) program. Miscellaneous receipts are primarily generated through statewide database licensing.

OSL receives Federal Funds from the Institute of Museum and Library Services under the Library Services and Technology Act (LSTA) per a population-based formula. The LSTA grant requires a 34% match rate as well as maintenance of effort (MOE) based on the average of the last three years of non-federal library expenditures relevant to the priorities of LSTA. Reductions in state funding that supports the MOE results in an identical percentage reduction in LSTA funding, although a federal waiver process does exist. Federal Funds primarily support statewide services and competitive grants to libraries.

General Fund supports the TBABS program, library support and development services, and a small portion of OSL administration.

CSL Summary and Issues

The 2017-19 current service level (CSL) budget of \$16.2 million is \$1,042,064 (or 6.9%) more than the 2015-17 legislatively approved budget (LAB) of \$15.2 million. The increase is attributable to standard personal services growth and inflation for services and supplies expenditures. OSL's 2017-19 CSL budget includes assessment revenue of \$6.1 million and estimated ending balance of \$566,320, which provides a two month operating reserve. Other Funds revenue also includes donations, the majority of which are attributable to the TBABS Donation Fund and TBABS Endowment Fund. OSL is projecting \$450,000 in donation revenue during the 2017-19 biennium and estimated ending balances in the TBABS Donation and Endowment Funds of \$235,400 and \$2.1 million, respectively. ORS 357.195 gives the State Library Board authority to use and administer the Donation Fund for the benefit of the State Library, with the exception of specifically designated donations. The State Library has adopted a policy for using donation funds for TBABS program enhancement, as opposed to standard operating expenses.

OSL's CSL budget includes a package to shift one-half of a Library Specialist 1 position (\$56,103) from Other Funds to General Fund. The full cost of the position had been shifted from General Fund to Other Funds supported by TBABS donation revenue during the economic downturn. Due to concerns about the ability of donations to continue support for the position, the 2015-17 LAB included a package to shift one-half of the position cost to General Fund with a note to shift the remaining half of the position to Other Funds in the 2017-19 CSL. The CSL budget also includes a technical adjustment to move three information technology positions and related expenses from the Government Services division to the Administration division. The adjustment aligns the budget to the agency's organizational structure and better reflects total operational costs.

Policy Issues

In response to multiple, unsuccessful efforts by the Legislature, the Governor, and the agency to reorganize the State Library, the Legislature passed HB 3523 during the 2015 session, which restructured the mission and governance of the Oregon State Library. The "Trustees of the State Library" was renamed the "State Library Board" and membership was expanded. Additionally, the State Librarian position was changed from a board appointee to a gubernatorial appointee beginning in 2017. The State Reference Coordinating Council, consisting of State Librarian, State Archivist and State of Oregon Law Librarian was created to coordinate delivery of library services between state agencies and branches of government. OSL was also provided authority to approve selection, purchase, and maintenance of reference databases and subscriptions for state agencies to reduce duplication of state agency materials.

SB 75 (2017) is being requested by the Governor on behalf of the State Library to expand the Ready to Read program to include the 15 to 17 population and increase the minimum grant from \$1,000 to \$1,200. During the 2013 session, OSL sought expansion of the program to include the 15 to 17 population, but the request was denied. Additional funding was provided to fund the existing summer reading programs for ages up to 14 years old. The Legislature provided direction to the agency that it would reconsider the request to expand the program during the 2014 session, if the State Library was able to provide a specific plan for how it would effectively serve the 15 to 17 population. OSL did not return to the Legislature with a specific plan. HB 2479 was introduced in the 2015 session to expand the program, but not passed.

Other Significant Issues and Current Discussions

OSL was directed to review and update its key performance measures (KPMs) for the 2017-19 biennium to achieve alignment with its reorganization and long-term strategic plan. The agency has proposed replacing its 14 existing KPMs with the following 5 new KPMs for the 2017-19 biennium:

1. Percentage of Oregon public libraries meeting essential and enhanced level of applicable Oregon Library Association Standards for Public Library.
2. Cost per circulation of Talking Book and Braille Library materials.
3. Average [daily] use of Government Information and Library Services electronic resources.
4. Percentage of customers rating their satisfaction with agency customer service as good or excellent: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
5. Percentage of total best practice met by the Oregon State Library Board.

In addition to reporting KPM data, the State Library is required to biennially report the following statistical data to the Legislature and DAS:

1. The effectiveness of library services provided to state government;
2. The effectiveness of services provided to persons who are print-disabled;
3. The degree to which local and school libraries in Oregon provide library services to Oregonians;
4. The scope and effectiveness of library services for children and youth funded by state grant funds.

The State Library Board is also required to biennially report on the Library's effort to meet its mission and on initiatives and improvements to areas that have been of concern, including interagency coordination and duplication of state agency services.

The 2017-19 Co-Chairs' budget framework included a General Fund reduction to the Ready to Read program, which provides grants to public libraries for early literacy services and summer reading programs. Although the Ready to Read Grant program supports the MOE required for the LSTA federal grant, the reduction level targeted would not likely result in the Library's inability to meet the MOE requirement.