

State Library of Oregon					
	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved*	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	3,410,982	3,990,257	4,060,172	4,202,817	4,122,825
Other Funds	5,839,536	6,717,774	6,842,189	7,042,377	6,898,487
Federal Funds	4,171,184	5,275,247	5,309,791	5,504,648	5,225,697
Total Funds	13,421,702	15,983,278	16,212,152	16,749,842	16,247,009
Positions	42	42	42	41	41
FTE	40	40.04	40.04	39.04	39.04
*Includes Emergency Board and administrative actions through December 2018.					

Program Description

The State Library of Oregon 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.

The State Library 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 library services by agencies during the most recently closed biennium. State agency assessment revenue has a General Fund component since some agencies use General Fund to pay the assessment. Assessment revenue supports services to state government agencies and agency operations. Donations and bequests help support the Talking Book and Braille Library program.

The State Library 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, 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 exists. Federal Funds primarily support statewide services and competitive grants to libraries.

General Fund supports the Talking Books program, Library Support, and a small portion of Operations.

CSL Summary and Issues

The 2019-21 Current Service Level (CSL) budget of \$16.7 million is \$537,690 (or 3.3%) more than the 2017-19 legislatively approved budget of \$16.2 million. The increase is attributable to standard personal services growth and inflation for services and supplies expenditures. Exceptional inflation of \$192,720 is included to cover the cost of transitioning State Library's servers and network services to the Department of Administrative Services (DAS) Enterprise Technology Services. The State Library vacated the third floor of the State Library building during the 2017-19 biennium, which housed their server room, both to generate rent savings by consolidating their staff on two floors and to provide space for the relocation of the Governor's Office staff. An additional \$44,916 is included to cover DAS Shared Financial Services charges for the agency's accounting and budgeting functions; this is net of the elimination of an Accountant 2 position that previously performed the services. Above standard inflation of \$19,472 for telecommunications costs related to the Project MUSIC implementation and \$7,183 Other Funds for the agency's electronic subscriptions is included in the 2019-21 CSL budget.

The State Library's 2019-21 CSL budget includes assessment revenue of \$7.1 million and an estimated ending balance of \$1.2 million, which provides a four-month operating reserve. Donation revenue in the amount of \$450,000 is projected for the 2019-21 biennium, the majority of which is attributable to the Talking Books Donation Fund and the Talking Books Endowment Fund. 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 Talking Books program enhancement as opposed to standard operating expenses.

Policy Issues

In response to efforts to reorganize the State Library, the Legislature passed HB 3523 during the 2015 session, which restructured the mission and governance of the 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 was also created by statute in 2015 and consists of the State Librarian, State Archivist, and State of Oregon Law Librarian. Its purpose is to coordinate delivery of library information and services between the State Library, State Archives, and the State of Oregon Law Library and to reduce duplication of effort. The State Library 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.

Pursuant to the statutory changes regarding the appointment of the State Librarian position, the Governor submitted, but subsequently withdrew, her appointment of the incumbent State Librarian for Senate confirmation. As of March 2018, the State Library has been operating under an interim State Librarian while the recruitment for a permanent State Librarian is underway.

Other Significant Issues and Background

During the 2015 session, the State Library 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 State Library subsequently proposed retaining three of its existing 14 KPMs and adding two new measures. In 2017, the Legislature approved eight KPMs for the State Library, including six of its original measures and establishment of the two new measures. The remaining eight KPMs were eliminated; however, data tracked by several of the deleted measures is still required to be reported as part of the State Library's biennial report to the Legislature and DAS on the effectiveness of library services. The State Library has been gathering baseline data for the two new KPMs, which measure the use of electronic resources that the State Library purchases and the percentage of public libraries meeting the applicable Oregon Library Association standards; the agency will begin reporting data for fiscal year 2018 in its 2019 Annual Performance Progress Report.

The 2017-19 approved KPMs also included instruction that the State Library review its first KPM, the number of research transactions for state employees, to determine if it is the appropriate outcome measure for services provided by Government Information and Library Services staff or whether a new measure should be proposed for the 2019-21 biennium. The State Library was also expected to define the term "research transaction." The State Library has elected to keep the measure for the 2019-21 biennium and adopt the American Library Association's definition of a reference transaction, which will be measured on a READ (Reference Effort Assessment Data) Scale to reflect the levels of reference service based on data.

The Governor's Budget proposal for the State Library essentially maintains the agency at the CSL.