

# Memo

**To:** Montana State Library Commission

**From:** Jennie Stapp

**Date:** June 1, 2017

**Re: Budget Reduction Planning for House Bill 2 and Senate Bill 261**

The following document provides an overview of the draft plans that the Montana State Library Commission is considering to address budget reductions contained in House Bill 2 (HB 2) and Senate Bill 261 (SB 261). If revenue triggers in SB 261 are met, budget cuts will total \$990,691.

At the December 2016 Commission meeting, the Commission approved a plan to address the 5% operational reductions included in the Governor's budget through a combination of fund transfers using Coal Severance Tax monies and reductions to operational expenditures including the Heritage Contract and our information technology and supply budgets.

In addition to the 4% vacancy savings proposed by the Governor, HB 2 includes an additional 2% vacancy savings approved by the Legislature. A 6% vacancy savings creates a significant hardship for MSL. We can typically meet a 4% vacancy savings but a 6% vacancy savings is equal to the loss of up to two positions.

Faced with the likely reality of the dramatic loss of funds from SB 261 on top of significant cuts in HB 2, short-term budget reductions are no longer a viable solution. Instead, we propose two plans. The first plan to address House Bill 2 cuts, though difficult in the short term, are fiscally responsible and will result in positive changes for patrons in the future. The second plan is a series of cuts that are necessary to address the budget cuts.

### **Plan for addressing House Bill 2 cuts**

MSL proposes to merge the Talking Book Library into the Digital Library and move public access to the library upstairs, and closing the reading room downstairs. This proposal will save approximately \$100,000 in fixed costs for rent and results in the loss of four staff. Total estimated savings from this proposal is \$334,644.

### **Plan for addressing Senate Bill 261 cuts**

MSL proposes to reduce funding for the Montana Natural Heritage Program contract by 25% and to cut our General Fund resource-sharing budget by 50%. The resource-sharing cuts would be backfilled with Coal Severance Tax monies to prevent the shift of these costs to Montana libraries that are already facing their own budget cuts. Deeper cuts would also mean the loss of eight additional positions. In total, MSL stands to lose 12 positions and 10 current staff. Total estimated savings from this proposal is \$1,005,551.

As we think about how these cuts will affect how we meet our mission to serve Montanans, we want to ensure that the staff and programs that remain have the resources they need to do their jobs well. Funding for operational and outreach services are necessary components of excellent library services.

We want to see a bright future for the State Library and that means positioning our programs in such a way that we can build on our successes to come.

### **Details regarding the proposals**

Significant positive opportunities become known when we think about how to merge TBL into the Digital Library. We believe that the organizational structure of the Digital Library makes sense, and that it will make sense for TBL.

- Many of the functions of TBL and the Digital Library are very similar including:
  - patron engagement
  - collection management, including for TBL a growing digital collection,
  - interlibrary loan
  - use of an integrated library system
- Future goals to consider for a merged program include:
  - Improved training for all MSL staff on working with patrons with special needs
  - Adding TBL patrons and the collection to the Montana Shared Catalog
  - Broadening access for TBL patrons to the wide scope of the Digital Library collections
  - Better ensuring that Digital Library collections are accessible

The plan to reduce the amount of space for walk-in access is also fiscally responsible and focuses our resources where they are most used, in the digital world.

- Well over 95% of the MSL collection is freely available online and digital collections continue to grow as we explore ebooks, digital download for TBL patrons, online map collections, the digital federal document collection and more.
- Items in our print collection circulated less than 200 times in FY 16 and yet users access our digital resources millions of times a year
- Fewer than ten people use the reading room on any given day and their use rarely focuses on the MSL collections
- We pay over \$10/square foot for space. Our reading room is approximately 10,000 sq ft
- By closing the reading room, we can make up more than 10% of the needed cost reduction in rent savings

We believe it is still important to offer meeting and training space. We will plan to move remaining staff upstairs and we will convert staff space into a conference room and storage areas. There is a small amount of public access space in TBL where they share assistive technology. This space will become more widely used for public access.

Additional benefits from this proposal are:

- As we saw when we reorganized the Digital Library, closer integration of TBL and Digital Library staff, and our collections, should lead to better services for disabled state government employees and for current/future TBL patrons who would like to access state resources.
- Few staff know that we have the ability to make use of volunteers outside of TBL and we think by moving the Volunteer Coordinator under Central Services we can grow our use of volunteers.
- Staff have asked for sound booths for online meetings and for recording webinars. It will be cost efficient and effective to use the recording booths for this purpose.

These two proposals truly create positive opportunity for the future. We will continue to support statutory programs, including the State Publications Depository Program, the Natural Resource Information System (NRIS), which includes the Montana Natural Heritage Program (MTNHP), the Water Information System, and the Montana Land Information Act, albeit with substantially limited capacity.

### **What do these cuts mean for us?**

If we are forced to make deeper cuts, practically speaking, implementing these reductions means that we will have fewer staff to do the work of the State Library.

- We will have far fewer staff to manage and provide access to data. Fewer staff means that fewer statewide GIS data layers will be actively maintained and updates to these data layers will happen less frequently. We will continue work with the NRIS Advisory Committee and the Land Information Advisory Council to prioritize our work.

- We will no longer have a dedicated programmer which may make us more reliant on off the shelf solutions that we will have less ability to customize to meet our users needs.
- We will have just two remaining IT staff to support desktop, network, database, website, and server platform administration.
- We will lose our State Data Coordinator which means that the staff of the Statewide Library Resources Division will have to take on those additional duties with no additional resources.
- We will not be able to refill our Marketing and Communications position despite identifying it as a critical area of focus in our strategic framework.
- We will lose a significant amount of institutional memory with the loss of longtime staff.
- Longstanding relationships with patrons and key partners will have to be rebuilt.
- These reductions mean a dramatic loss of funding and buying power for the Heritage Program putting more pressure on staff to raise outside monies
- While we have the ability to backfill the loss of resource sharing monies this year, there is no guarantee that this will be the case in future years.

The cuts appear to be deeper than necessary because the budget savings estimates are for a full year and, given the timing of the cuts, the full estimated savings will not be realized. There are also costs associated with implementing the plans including costs to vacate the reading room and staff buy-outs.

### **In the future**

Legally, the FTE we will lose remain "on the books." Only the Legislature can take them away. Whether or not we are appropriated personal services funds to fill them again will depend largely on direction from the Governor as we begin the next budget planning process and, ultimately, on action from the Legislature during the 2019 session. While we retain the FTE, through this planning process we have identified job roles that we would do without, so even if we are able to recover funding for positions, in many cases we will likely not fill the same roles. Instead, we will use the next 8-12 months to evaluate the outcome of the changes so we can determine what works and what does not and where we may benefit most from additional funding.