VI.   GENERAL FUND AND MISCELLANEOUS REVENUE FUND
A.3   Finances – FY2019 Budget Submission

The FY2019 budget request has been prepared according to Division of Financial Management's budget development manual and is to be submitted by September 1.

Suggested motion: I move that the FY2019 agency budget request be approved as described in Board Document 18-07, including the following enhancements in priority order: _____,
and that the State Librarian be authorized to make adjustments in the request as may be required by the Division of Financial Management or the Legislative Services Office.

MSC_____

FY2019 Total Request Estimate

		FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Total
0001-00	General	32.5	2,234,500	1,697,600	0	$425,000	4,338,300
0348-00	Federal	5.0	357,900	916,500	25,000	60,000	1,359,400
0349-00	Misc Rev		0	55,000	5,000	10,000	70,000
	Total	**37.5**	**2,592,400**	**2,669,100**	**30,000**	**495,000**	**5,797,500**

FY2018 Appropriation

		FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Total
0001-00	General	26.5	1,993,900	1,589,400	62,000	380,000	4,025,300
0348-00	Federal	11.0	637,100	916,500	44,000	60,000	1,657,600
0349-00	Misc Rev	0	0	55,000	5,000	10,000	70,000
	Total	**37.5**	**2,631,000**	**2,560,900**	**111,000**	**450,000**	**5,752,900**

Estimated changes from FY2018 (state $ / federal $):
- Personnel: Enhancement request = $266,000 / ($266,000)
  - Benefit costs = ($41,900) / ($18,200)
  - 1% CEC placeholder = $16,500 / $5,000
- Operating: Enhancement request = $99,900 / $0
  - Contract/general inflation (OCIO, OCLC/Stacks) = $1,662 / $0
  - Replace 4 PCs, 10 laptops, 2 networked printers = $18,800 / $0
- Capital: $0 / ($19,000)
- Trustee/Benefit: Enhancement request: = $45,000 / $0

Proposed Enhancements:

Talking Book Service

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Total
General	6.0	$266,000	$90,400	$0	$0	$356,400
Federal	(6.0)	($266,000)	$0	$0	$0	($266,000)

EOR / Broadband reimbursement for public libraries

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Total
General	0.0	$0	$0	$0	$45,000	$45,000

Office 365

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Total
General	0.0	$0	$ 9,500	$0	$0	$ 9,500

Total enhancements

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Total
General	6.0	$266,000	$99,900	$0	$45,000	$410,900
Federal	(6.0)	($266,000)	$0	$0	$0	($266,000)
Total	0.0	$0	$ 99,900	$0	$45,000	$144,900

Draft FY2019 Enhancement Narratives:

Talking Book Service

This is a request to move the Talking Book Service (TBS) from the federal fund (Library Services and Technology Act, or LSTA) to state funds, where it was funded prior to FY2010. The total request for six (6) full-time staff and operating expenditures for TBS is $356,400.

Talking Book Services in each state are designed to be a partnership between the Library of Congress' National Library Service (NLS) and the state agency responsible for delivering the service to state residents. Prior to FY2010, NLS provided the Commission with the recorded books and playback equipment, and the Commission used state funds for the staff and operating needed to deliver the service and provide outreach to eligible users. In order to continue the service in the face of an 18% cut in state funds for personnel in FY2010, the entire TBS program, including 6 FTP and operating expenditures, was moved to federal LSTA funds where it has remained. Both the 2015 and 2017 NLS site visit reports for the Idaho Talking Book Service urged the Commission to "work to obtain funding for the regional library that is not LSTA based."

Since FY2012 our state appropriation has grown with much-appreciated increases in salaries and benefits approved by the Legislature, but our annual LSTA allotment has not increased to cover those costs for the 11 FTP paid with federal funds. In addition, Idaho's 2017 LSTA allotment is only 95% of that in 2010. The consequence is a steady decrease in the amount of LSTA funds available to support other programs such as Read to Me, Make It at the Library, statewide library staff training in the LiLI databases and emerging technologies, and new online resources in support of early literacy, STEAM education, digital literacy, and workforce development. If LSTA is level funded for FY2018, our personnel appropriation in the federal fund will consume 49% of Idaho's LSTA allotment.

This service involves much more staff time than just checking out materials to our users.
- Providing service statewide by phone to those with a disability, especially those unable to use print, requires additional time in helping users select appropriate reading materials, use the equipment, learn to access the collection online, and download titles to their players. Our customer service reps (CSRs) logged almost 10,000 reader advisory calls this past year, with an average length of 20-30 minutes per call. They also registered 563 new users, also with an average length of 20-30 minutes per call.
- Extensive staff time is also required for inventory control, catalog maintenance, determining the number of physical copies to order for up to 300 new titles a month from NLS, and selecting and downloading books on cartridges for the 75% of users who depend on receiving their books by mail.
- Outreach to potential users also requires staff time to prepare and present at health fairs, care facilities, and senior centers. CSRs made 27 outreach presentations this past year, with an average of 3 hours each for travel, the presentation, and Q&A.

In addition, these federal funds are at risk since the current administration recommends the elimination of the Institute of Museum and Library Services (IMLS) and all of its funding in the FY2018 budget blueprint.

Returning TBS to state funds will restore the state-federal partnership in providing this service to Idahoans, and will enable the Commission to re-direct those LSTA funds (if they are not cut) to increase support for the state goal of increasing college and career readiness of young Idahoans through ramped up early literacy programs and resources for public & school libraries, and by developing and piloting a model school library program to strengthen their role in K-12 teaching and learning.

EOR / Broadband reimbursement for public libraries

This request is for an additional $45,000 to increase the broadband reimbursement funding for Idaho public libraries through the Education Opportunity Resource (EOR) Act (I.C. 33-5601 through 33-5604). This represents a 25% increase to the $180,000 amount currently available to reimburse the state's public libraries for the non-E-rate portion of their internet services for a combined total of $225,000 to meet the expected requests in FY2019.

This request is made because:

- The EOR Act states that Education Opportunity Resource Committee must "establish reimbursement methodology that includes… distribution of appropriated moneys to E-rate eligible entities that have received E-rate funding. Distribution of such moneys must be in an amount equal to the non-E-rate reimbursed cost of internet services." (§33-5604)
- In FY17, $142,197.26 of broadband reimbursement funding was dispersed to 57 Idaho public libraries. This was the first year that broadband reimbursement funding was available to the state's public libraries.
- Based on E-rate funding requests submitted by 67 Idaho public libraries for FY18, we estimate $170,000 of state broadband reimbursement funding will be requested by the state's public libraries. This will represent nearly a 20% increase in broadband reimbursement funding requested from FY17 to FY18.
- We expect the number of public libraries requesting broadband reimbursement funds will continue to increase as more libraries become aware of the program and utilize it in addition to E-rate funding to improve broadband connectivity to their communities. Based on the State Department of Education's experience administering the broadband reimbursement funds for public schools, we estimate up to a 25% increase in funding requests from public libraries in FY2019.

Office 365

This request is made in conjunction with the Department of Administration, which hosts the Commission for Libraries' e-mail and cyber-security services and virtual servers. Admin staff has moved to Office 365, with cloud-based Office Suites and Share Point. Email services on systems owned by OCIO will end in FY2019, and they recommended that the Commission migrate to Office 365. We were able to purchase Office 365 licenses for FY2018 with one-time state funds at the end of FY2017. We are requesting this enhancement to get the funding in our base for purchase of subsequent annual licenses.