

**House Appropriations and Budget Committee
Career Technology Subcommittee
Performance Review Agency Questions**

Objective: To gather information and gain insight into agency performance and strategies used to adjust to funding reductions and maintenance levels, and to ascertain the agency's perspective on strategies, measures, performance, inputs, outcomes, programs and fiscal needs to be used to develop the FY-14 agency budget.

Please provide the following information.

1. Agency mission statement, including program goals, cost and effectiveness, program and performance measures and objectives.

The mission of the Oklahoma Department of Libraries is to serve the people of Oklahoma by providing excellent information services and by preserving unique government information resources.

Program goals include:

- The Oklahoma Department of Libraries partners with related organizations to encourage cooperative programs, funding, leveraging and sustainability.

The Oklahoma Department of Libraries (ODL) partnered with the Office of Management and Enterprise Services to implement HB 1086, Transparency, Accountability and Innovation in Oklahoma State Government 2.0 Act of 2011. ODL already had software, staff expertise, and a process in place to upload digital publications to the Internet. ODL manages the process and OMES provides the hardware. Documents.OK.GOV and FORMS.OK.GOV were implemented without additional cost to the taxpayers of Oklahoma.

ODL co-sponsored the largest state literacy conference to date. More than 380 participants attended the joint State Literacy and Adult Education Conference, held in Norman, OK in September 2011.

ODL partnered with several organizations to present the 2012 International Conference of Indigenous Archives, Libraries, and Museums. This event was funded by a federal grant from the Institute of Museum and Library Services.

- The Oklahoma Department of Libraries is viewed as the leading information provider for Oklahoma's state government and public library communities.

ODL increased the awareness and use of electronic information sources to support Oklahomans in education, economic and personal development.

- oUse of the statewide licensed electronic resources by library customers increased from 40 million searches to almost 52 million searches. Vendors have indicated that by contracting for statewide services with ODL, the savings for all types of libraries is approximately 90% of the total cost it would take if all libraries were able to purchase the same service separately.
- o"Hands-on" training for using these resources increased almost 100% over the previous year, with over 600 librarians participating in training sessions.
- oHistorical documents and state government publications available online from ODL had more than a 200% increase in usage.

- The Oklahoma Department of Libraries is the premier advocate of the importance of libraries and information services in Oklahoma. The Department seeks innovative ways to increase funding to support improved services and service delivery of library/information services at the local and state level.

ODL-sponsored installation of high-speed Internet connections and video conference capabilities for 44 public libraries is nearing completion. With increased connectivity resources, there are dramatic improvements in downloading information and participation in web-based meetings and events. This technology will be a boon for distance education in the selected communities and enable local small businesses to communicate globally with their partners and attend training sessions without travelling to out of town locations. The libraries will also have access to special learning and career software to help students with homework and assist job seekers with résumé creation, interviewing skills, and job testing. A combination of American Reinvestment and Recovery Act funds and a matching grant from the Bill and Melinda Gates Foundation enabled ODL to offer this program to Oklahoma's public libraries.

The Oklahoma Department of Libraries currently hosts websites for 39 public libraries and one literacy provider. Four additional local public library websites are in development, with one more on a waiting list. None of these libraries would be able to have a web presence without the assistance of ODL.

- The Oklahoma Department of Libraries preserves information for future generations

The Oklahoma Department of Libraries is the official repository for public land survey corner records. Since 1978, land surveyors have been required to file with ODL every public land survey corner and accessory to such public land survey corner which is established, reestablished, monumented, remonumented, restored, rehabilitated, perpetuated or used as control in any survey [65 O.S., § 3-119]. At the close of FY 2012, 173,855 such records were on file in the State Archives. A filing fee of \$5 per corner record was initiated in FY 2011. Since that time, over 21,000 corners have been filed. This has enabled ODL to defray payroll expenses for employees assigned to this work, while providing centralized access to this information.

2. Authorized and actual FTE; FY-12 actual expenditures and FY-13 budgeted expenditures;

Prior to the IT consolidation, the Oklahoma Department of Libraries was authorized 82.8 FTEs. Two FTEs were transferred to the Office of Management and Enterprise Services in February 2012.

Actual FTEs, FY 2012 = 45

Budgeted FTEs, FY 2013 = 49.5

FY 2012 Actual Expenditures = \$10,670,558.61

FY 2013 Budgeted Expenditures = \$11,904,150.00

3. Funding sources for each program;

Activity 10, Administration

Funding Sources = State Appropriation and Revolving Funds

Activity 20, Service to Libraries

Funding Sources = State Appropriation, Revolving Funds, and Federal Funds (Institute of Museum and Library Services and Temporary Assistance to Needy Families through the Oklahoma Department of Human Services)

Activity 30, Government Information Services

Funding Sources = State Appropriation, Revolving Funds, and Federal Funds (Institute of Museum and Library Services and National Historical Publications and Records Commission)

Activity 88, IT and Telecom

Funding Sources = State Appropriation, Revolving Funds, and Federal Funds (Institute of Museum and Library Services)

4. Components of each program illustrating that it is unique, necessary and unduplicated by other agency services or programs.

Activity 10, Administration

This program activity includes the office of the director, fiscal services, personnel, and public information. The Oklahoma Department of Libraries is the official library of the State of Oklahoma. No department or institution of state government, except institutions of higher learning, museums and the Oklahoma Historical Society, shall establish a library without prior approval of and except in cooperation with the Department [65 O.S., §3-102]. The Department shall assist with and supervise the establishment and operation of libraries at all state institutions and agencies, except public schools and institutions of higher learning [65 O.S., § 3.105].

Activity 20, Services to Libraries

This program activity supports the development of public libraries in Oklahoma. The Department is authorized and directed to discharge the state's responsibility for library service, including service to state government, to public and special libraries and library services, cooperation with and rendering of services to local units of government in the establishment and operation of local libraries and library systems [65 O.S., § 3-105].

This program activity also provides a platform and process by which Oklahoma libraries may borrow library materials from other libraries within the state, the nation, and the world.

Activity 30, Government Information Services

This program activity facilitates the delivery and preservation of government information to the citizens of Oklahoma.

It is the intent of the Legislature that state agencies issue publications in an electronic format whenever possible, unless such issuance would interfere with the availability to the public of such publications and the information contained

therein. It is the further intent of the Legislature that the Publications Clearinghouse and the Oklahoma Department of Libraries disseminate links to or other means by which to access publications to the same recipients required by law to receive copies or who have traditionally received copies of publications not published in an electronic format. A directory of the links to the publications shall be prominently featured on the OK.GOV portal [65 O.S., § 3-113.1 B].

A surveyor shall complete, sign and file with the Division [Archives and Records Division of the Oklahoma Department of Libraries] a written record of the establishment or restoration of a public land survey corner [65 O.S., § 3-119].

The State Librarian, as The State Archivist, is hereby designated the State Records Administrator, hereinafter called the Administrator. The Administrator shall establish and administer a records management program, which will apply efficient and economical management methods to the creation, utilization, maintenance, retention, preservation and disposal of state records [67 O.S., § 204]

Activity 88, IT and Telecom

This activity was system produced with the creation of the FY 2013 Budget Work Program. The Oklahoma Department of Libraries is scheduled for IT transformation in February 2013. This activity provides a vehicle by which IT expenses can be allocated and expended.

5. What strategies would you employ in response to flat funding or a five percent reduction in appropriated funding?

If the FY-2014 state appropriation for the Oklahoma Department of Libraries (ODL) is equal to the FY-2013 appropriation, the agency will be faced with a continued reduction in services at the State Records Center, which is located approximately 1.5 miles from the headquarters building on NE 18th Street. During FY-2012 ODL was forced to further reduce the number of hours the State Records Center is open to other state agencies and the public from 16 hours per week to 12 hours per week. Because the State Records Center is a warehouse facility, there must be at least two employees on site for safety and security reasons. There are now insufficient agency employees to safely staff the State Records Center for more hours than are currently available.

Staffing at the Jan Eric Cartwright Law Library, located in Room B-8 of the State Capitol, is also adversely affected by the

budget reductions occurring during the last several years. Originally staffed by nine employees, the Cartwright Law Library now has four employees who have absorbed the most critical duties of the vacant positions. Fewer employees mean longer response time for legal research requests, a delay in completion of special projects, and a moratorium on undertaking new projects. Less time is available to introduce new state officeholders and legislative employees to the library's resources and services, as well as evaluate, acquire, and expand access to online content. This location is open to the public 45 hours per week (Monday-Friday, 8am-5pm). Any single staff absence due to illness or vacation hampers the provision of services and can create safety issues.

The Oklahoma Department of Libraries has identified the following actions to achieve a 5% reduction to its state appropriation:

- 13.128% reduction to State Aid to Public Libraries (\$268,495)
- 13.128% reduction to Library and Community Based Literacy Grants (\$26,437)

Both of these reductions will affect ODL's ability to meet its federal Maintenance of Effort (MOE) obligation, resulting in a decrease in federal funding received from the Institute of Museum and Library Services. ODL estimates that it has failed to meet its FFY 2011 MOE target by 6.51%. The agency anticipates missing its FFY 2012 MOE target by 11.17%. ODL will experience the loss of federal funding beginning with its FFY-2014 allocation. All losses will have a negative impact on programs provided to Oklahoma's public libraries.

6. If applicable, how will potential federal sequestration/reduced federal funds affect the agency and programs, and what contingencies are in place?

The Institute of Museum and Library Services (IMLS) is the major source of federal funding for the Oklahoma Department of Libraries (ODL). IMLS estimates that the reduction to its overall budget due to sequestration will be 8.2%. It is unknown at this time how IMLS will apply this reduction to its budget. Coupled with ODL's failure to meet its Maintenance of Effort target, funding that ODL receives from IMLS will definitely be reduced. As part of its service delivery strategy, ODL anticipates funding only established, continuing projects for which money is available. Examples of these projects include: statewide database licensing for all Oklahoma libraries; Summer Reading Program for Oklahoma public libraries; interlibrary loan services for Oklahoma libraries; certification classes for public librarians; and literacy development for Oklahoma

literacy service providers. No new initiatives will be undertaken until the federal funding situation is known.

7. What are your personal services costs, including professional services, as a percentage of your total budget? Which positions have received salary increases in FY-12 - FY-13?

FY 2012 Personal Services = \$3,545,764.94 or 33.2% of total budget (\$10,670,558.61)

FY 2013 Personal Services (budget) = \$4,393,245 or 36.9% of total budget (\$11,901,150)

FY 2012 Salary Increases

- Account III, successful completion of probation
- Director, ODL Board action
- Librarian IV (two positions), promotion
- Public Information Manager I, market survey

FY 2013 Salary Increases

- Administrative Assistant I, successful completion of probation
- Archivist I, upon successful completion of probation [06-2013]
- Business Manager, legislative mandate [74 O.S., §840-2.16]

8. What are your vacancy and turnover rates? What have you done with any funds accumulated from vacancies? What strategy, if any, do you utilize to retain key personnel?

FY 2012 Vacancy Rate = 6.38%

FY 2012 Turnover Rate = 18.6%

FY 2013 Vacancy Rate = 10.64%

FY 2013 Turnover Rate = 2.17%

Funds accumulated from vacancies were used to offset mandated budget reductions during previous years.

In an effort to retain key personnel, the Oklahoma Department of Libraries allocates funding for professional development. The agency also posts any promotional opportunities for current employees before considering outside applicants.

9. Please provide the status of any implementation activities related to the information technology reforms enacted in the last three years regarding your agency with the Chief Information Officer in the Office of Management and Enterprise Services (OMES)?

The Oklahoma Department of Libraries is in the process of IT transformation, which is scheduled for completion in February 2013. Selected staff has received training in the Project Portfolio Management process.

10. Do you currently contract with OMES for shared services, or have you contacted or been contacted by OMES regarding their providing certain shared services to your agency that are currently accomplished in-house? Which services? Have you realized net savings?

The Oklahoma Department of Libraries (ODL) is in the process of IT transformation. Its IT staff was transferred to OMES in February 2012. This resulted in a higher cost for the services of these individuals than when they were employed by ODL, so no cost savings were realized. The Oklahoma Department of Libraries does not contract with OMES for any other shared services at this time.

11. Do you consult with other agencies to share strategies related to decreasing costs? If so, what have you shared and what costs have decreased and what has been the impact on programs, services, etc.?

The Oklahoma Department of Libraries consulted with OMES to share its strategy of capturing and uploading digital publications of state government agencies in order to facilitate the implementation of HB 1086 [2011]. ODL already had software, staff expertise, and a process in place to upload digital publications to the Internet. DOCUMENTS.OK.GOV and FORMS.OK.GOV are the results of a partnership between ODL and OMES, which provide transparency in state government. ODL manages the process and OMES provides the hardware. These programs were implemented without additional cost to the state of Oklahoma.

12. To what extent have you explored the cost effectiveness of initiating or expanding the privatization of certain functions, service delivery or programs of your operations?

The Oklahoma Department of Libraries provides space for state government agencies to store records that are no longer needed for immediate access, but are pertinent to the conduct of state business. ODL has looked at private sector alternatives for this service and found that they are much more expensive than the cost it charges for this service [\$0.30 per cubic foot of records per month]. While state agencies have the option of storing their records with commercial storage companies, many choose to use ODL because of the value ODL provides.

Approximately 40 state agencies store their records with ODL at this time. When the Office of Management and Enterprise Services no longer provided space for this purpose, several agencies looked to the Oklahoma Department of Libraries for help. Unfortunately, the facility leased by ODL for this purpose is near capacity and unable to accommodate additional agencies' records.

13. Identify specific revenue sources for each of your agency's revolving/disbursement funds and provide totals for FY-11 and FY-12. What have your carryover funds been the past two fiscal years? Please note any significant revenue trends regarding any specific funding source.

Revenue sources for the Oklahoma Department of Libraries revolving fund include: records storage fees; Corner Remonumentation Record filing fees; *Oklahoma Almanac* sales; lost book replacement fees; photocopies; private grant funds for literacy projects; and federal grant matching funds from the Bill and Melinda Gates Foundation.

The revolving fund balance for FY 2011 was \$1,116,426.69. Included in this figure is \$452,530.92 in grant funds that are to be used for specific purposes. The balance of the fund is used for lease payments for the State Records Center; maintenance (including utilities) and repairs to the State Records Center Annex; select employee payroll; publication of the *Oklahoma Almanac*; legal fees paid to the Office of the Attorney General; purchase of library materials; and other operational expenses.

The revolving fund balance for FY 2012 was \$1,298,267.35. Included in this figure is \$510,742.28 in grant funds that are to be used for specific purposes. Again, the balance of the fund is used for lease payments for the State Records Center; maintenance (including utilities) and repairs to the State Records Center Annex; select employee payroll; publication of the *Oklahoma Almanac*; legal fees paid to the Office of the Attorney General; purchase of library materials; and other operational expenses.

14. What costs elements are included in your administrative program? Are certain administrative costs allocated throughout your budget?

The administrative program includes services that support the agency as a whole. Included are fiscal services, personnel, public information, and the office of the Director. Cost elements include: Personal Services, including Salaries &

Benefits and Professional Services; Travel; Administrative Costs (e.g., printing, postage, telephones, training, memberships, insurance); Rents; Maintenance; Supplies; Equipment; Workers Compensation Premiums; Audit Expenses; and Legal Services. A VOIP telephone system was also purchased in FY 2012 because the former telephone system was demolished with the OMES building on N. Central.

Administrative costs allocated throughout the budget include: Telephone service and Centrex; Postage; Printing; Risk Management Premiums; Motor Pool Rentals; and Core Transaction Fees. Also included across all program activities are Salaries & Benefits; Training; and Travel.

15. Have you undertaken or contemplated the elimination of any programs and, if so, what do you perceive to be the impacts of such eliminations?

As budget reductions have occurred, the Oklahoma Department of Libraries (ODL) administration has reviewed its programs to determine which are required by statute and the level at which they should be supported. The following programs are not mandated:

- Literacy Resource Office

This program provides financial and programmatic support to library and community based adult literacy programs. The continuation of this program has been based on strong legislative support for it based on pass through funding to literacy councils.

- Temporary Records Storage for State Agencies

Because of mandated budget reductions, the staffing of the facility used for this purpose has been reduced to 12 hours per week from a high of 45 hours per week. Agency administration periodically reviews the cost of commercial records storage. Surveys have shown that commercial records storage is considerably higher than the service provided by the Oklahoma Department of Libraries (ODL). With the elimination of a warehouse available to state agencies operated by the Office of Management and Enterprise Services, the elimination of this ODL operated program would result in higher costs to state agencies.

16. Please add any other information you believe to be essential for the Legislature to know concerning your agency's budget structure, performance, inputs and outcomes.

The Oklahoma Department of Libraries (ODL) has consistently adopted technological solutions that allow an increasingly smaller staff to continue service delivery.

ODL uses a combination of state appropriations and federal grants to fund its services to libraries. The major source of federal funding for library programs is the Institute of Museum and Library Services. The funding from the Library Services and Technology Act is an annual allotment of approximately \$2 million. There is a Maintenance of Effort (MOE) requirement to receive these funds. ODL counts state aid to public libraries, literacy grants, some staff salaries, and other eligible state expenditures to meet the MOE requirement.

ODL failed to meet its FFY 2011 MOE target by 6.51%, which will result in a reduction of its federal allocation by approximately \$140,500. Further reductions in state appropriations will both increase ODL's loss of federal funding in the present, as well as in the future, as ODL's failure to meet federal MOE will continue. These federal funds are used to support the Summer Reading Program; Statewide License for Full-Text Magazine and Journal Articles used by K-12, higher education, and public libraries; Interlibrary Loan; Advanced Technology for public libraries, such as video conferencing equipment.