

**5 Percent Budget Reduction Plan  
for Fiscal Years 2010 and 2011**

**Submitted to the  
Governor's Office of Budget, Planning and Policy  
and the Legislative Budget Board**

**by**

**Texas State Library  
and Archives Commission**

**February 15, 2010**

**ITEM REDUCTIONS BY METHOD OF FINANCING**  
 81st Regular Session, 2010-11 Item Reductions  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/15/2010  
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Agency code: 306

Agency name: **Library & Archives Commission**

<b>Item Priority and Name/ Method of Financing</b>	<b>2010</b>	<b>2011</b>	<b>Biennial Total</b>	<b>Target</b>
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**1 Potential Loss of Federal Funds**

**Item Comment:** :

The agency receives Library Services and Technology Act (LSTA) federal funds from the Institute of Museum and Library Services (CFDA 45.310 State Library Services).

The funds are distributed to states on a formula basis, most of which is based on population. The receipt of the full allotment requires states to maintain financial effort. Maintenance of effort is based on the average amount of general revenue for the three previous fiscal years.

In light of these budget reductions, we projected our ability to meet the maintenance of effort for SFY 2010 and SFY 2011.

In SFY 2010, we do not anticipate a problem in maintaining financial effort, even with the reduction of almost \$158,000,

However, in SFY 2011 we are dangerously close to the required maintenance of effort level with the reduction of over \$1,889,000 in that year. With the most optimistic of spending assumptions, we are over the maintenance of effort target by only 0.75% (about \$137,000).

If any further general revenue reductions are required for SFY 2011, it is likely that the state would fail to maintain financial effort. Should this occur, the federal statute specifies that the grant to the state would be ratably reduced. The loss of additional general revenue would therefore cause the loss of federal funds.

Although no appropriation has yet been made for FY 2012 or FY 2013, we have made certain assumptions and projections to estimate the impact of these budget reductions beyond the current biennium.

If the general revenue appropriations for FY2 012 and FY 2013 are the same as the general revenue for FY11 after these reductions, we will fail to meet the maintenance of effort requirements for both those years.

In FY 2012, the State could not qualify for over \$250,000 in federal funds.

In FY 2013, the State could not qualify for at least \$600,000 in federal funds.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$0
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>

\* - Indicates amount does not meet target requirements.

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**2 Grants to promote reading programs in public libraries (Texas Reads)**

**Item Comment:** :

This is General Revenue-Dedicated funding from the Texas Reads License Plate.

These funds would have been awarded as grants to fund reading programs in two public libraries.

GR DEDICATED

5042 Texas Reads Plate Account	\$432	\$4,000		
<b>Gr Dedicated Total</b>	<b>\$432</b>	<b>\$4,000</b>		
<b>Item Total</b>	<b>\$432</b>	<b>\$4,000</b>		

**3 Tracking ARRA stimulus funds to public libraries**

**Item Comment:** :

In the General Appropriations Act for 2010-2011, the bill pattern for the Library & Archives Commission includes Rider 11.

This rider states:

"Funds to Public Libraries from the American Recovery and Reinvestment Act of 2009. Out of funds appropriated above, the Texas State Library and Archives Commission shall track the use of funds awarded to public libraries through the American Recovery and Reinvestment Act of 2009."

In addition, staffing of 1.0 FTE was authorized to accomplish this task.

The agency recruited unsuccessfully for this position. Because of this budget reduction plan, a total of \$117,092 will not be available to accomplish this directive.

The agency has retained a total of \$70,000 to be used to contract with an outside organization to track the receipt of ARRA stimulus funds by Texas public libraries.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$62,500	\$54,591		
<b>General Revenue Funds Total</b>	<b>\$62,500</b>	<b>\$54,591</b>		
<b>Item Total</b>	<b>\$62,500</b>	<b>\$54,591</b>		

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**4 Production of Digital Talking Books for the Blind**

**Item Comment:** :

These funds are from a new appropriation for the current biennium.

They would have been used to purchase digital flash cartridges for the production of digital books to be used with the new digital playback machines being distributed by the Talking Book Program (TBP).

Currently, TBP is not able to offer digital copies of many nationally and all locally recorded books, unless copies of these books are produced within its own duplication unit.

While the program will still be able to purchase digital flash cartridges, the number of cartridges that could be purchased will be greatly reduced.

With the average cost of a digital flash cartridge between \$6.00 and \$8.00 each, this reduction represents approximately 5,000-6,000 fewer books available to blind or physically handicapped patrons in each year of the current biennium.

Many TBP patrons do not own computers or have easy access to the Internet. Therefore, they cannot download digital books from the national database.

Therefore they will have fewer books available to them for reading.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$37,500	\$37,500
<b>General Revenue Funds Total</b>	<b>\$37,500</b>	<b>\$37,500</b>
<b>Item Total</b>	<b>\$37,500</b>	<b>\$37,500</b>

**5 Library Development Division Operating Budget Reduction**

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**Item Comment:** The \$10,000 reduction each year for Library Development will result in fewer training opportunities being offered statewide.

Texas has a very large number of libraries, with approximately 400 public libraries headed by a person with no professional knowledge and/or experience. Developments in technology and other library services make it difficult for these, and all libraries, to keep up with new skills to better serve their communities.

The Library Development Division has a strong statewide program of continuing education delivered through a variety of formats with both staff & contracted experts. A reduced workshop budget will mean fewer workshop opportunities offered.

Many library staff continue to prefer face-to-face training over other training formats. Face-to-face training is more appropriate for some topics, and also some library staff do not have appropriate technology to effectively participate in online training. However, face-to-face training is expensive to deploy, generally costing approximately \$10,000 per statewide workshop series (10 sites). One fewer such workshop would be offered.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$10,000	\$10,000		
<b>General Revenue Funds Total</b>	<b>\$10,000</b>	<b>\$10,000</b>		
<b>Item Total</b>	<b>\$10,000</b>	<b>\$10,000</b>		

**6 Library Resource Sharing Division Operating Budget Reduction**

**Item Comment:** In February 2008, the State Library and Archives Commission held a Statewide Library Resource Sharing Summit with stakeholder representatives to think strategically about and plan for the future of TexShare and resource sharing in Texas. Afterwards, the agency set up an implementation task force to discuss and set priorities for the summit recommendations.

A priority that came out near the top was to conduct a survey of customer attitudes about library services in Texas (both users and non-users), and present the results to the legislature. The information garnered from this customer survey was to be the basis for a public relations plan to achieve more public visibility for our statewide resource sharing initiatives (TexShare programs). These are the funds that were set aside to do the survey; therefore, we will not be able to complete it this during this biennium. The next TexShare strategic planning meeting will be held in 2012; hopefully we will have the opportunity to achieve the recommendation in the next biennium.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$10,000	\$10,000		
<b>General Revenue Funds Total</b>	<b>\$10,000</b>	<b>\$10,000</b>		
<b>Item Total</b>	<b>\$10,000</b>	<b>\$10,000</b>		

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**7 Administrative Services Division Operating Budget Reduction**

**Item Comment:** :

Funding for supplies, and printing would be reduced. This would not allow the publication of printed copies of the state's archival treasures. These are provided to school children and adults who visit the agency. It allows them to see important historic documents that are part of the State's heritage and culture.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$7,500	\$7,500		
<b>General Revenue Funds Total</b>	<b>\$7,500</b>	<b>\$7,500</b>		
<b>Item Total</b>	<b>\$7,500</b>	<b>\$7,500</b>		

**8 State & Local Records Management Operating Budget Reduction**

**Item Comment:** :

In order to achieve a general revenue reduction of \$7,500 per year in FY 2010 and FY 2011, we propose to cut encumbrances from consumables, furnishings and equipment, and postal services for both years.

The impact to our operations is that we will be less able to provide materials and data to our customers (state and local governments) since our staff will not have enough supplies to produce copies of schedules, handouts for training classes, bulletins, newsletters, and E-Records Conference materials, and to mail these materials.

Cutting postal services will further reduce our ability to serve our customers. We currently have a large quantity of external mail because we work with almost 10,000 local governments to provide recertification packets, approve recertifications, approve their schedules and amendments, and send informational materials.

Contacts in local governments change frequently and maintaining email contact information is not always feasible. In other circumstances, some of the local governments do not even have email, so we would not have contact with them or be able to send them materials. Overall, reducing postal services especially undermines our mission to serve local governments.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$7,500	\$7,500		
<b>General Revenue Funds Total</b>	<b>\$7,500</b>	<b>\$7,500</b>		
<b>Item Total</b>	<b>\$7,500</b>	<b>\$7,500</b>		

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**9 Archives & Info Services Division Operating Budget Reduction**

**Item Comment:** :

Because of the vacancy of the Division Director, lapsed salary funds from FY 2010 are available for this reduction. The agency anticipates filling this position later in FY 2010, so full funding will be necessary in FY 2011.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$15,000	\$0		
<b>General Revenue Funds Total</b>	<b>\$15,000</b>	<b>\$0</b>		
<b>Item Total</b>	<b>\$15,000</b>	<b>\$0</b>		

**10 Talking Book Program Division Operating Budget Reduction**

**Item Comment:** :

These Talking Book Program funds primarily will come from consumables, printing, and postal budgets. Staff will cut back on supplies such as paper and toner, reduce paper correspondence wherever possible, and encourage patrons to download applications, access information on the web site, and receive bibliographies, reading lists, etc. by email rather than mailing paper copies to them.

Most blind or physically handicapped persons requesting information from the program, however, do not own a computer or have easy access to the Internet and are dependent on the program mailing these printed materials to them.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$7,500	\$7,500		
<b>General Revenue Funds Total</b>	<b>\$7,500</b>	<b>\$7,500</b>		
<b>Item Total</b>	<b>\$7,500</b>	<b>\$7,500</b>		

**11 Grants to Library Systems - System Negotiated Grants (SyNG)**

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**Item Comment: :**

The System Negotiated Grant (SyNG) Program provides funding for programs and services to provide Texans with increased access to workforce development and family literacy programs delivered through their local public libraries.

Funding primarily provides training sessions for Texans and local library staff, computer equipment, electronic resources, and personnel.

The proposed cuts would dramatically curtail the amount of services and programs delivered through the regional library systems to Texas communities and local public library staff in FY2011 and minimize the value of the investment already made in equipment and electronic resource subscriptions made in FY2010.

A reduction in SyNG funding from current levels is expected to result in fewer Texans having access to trained library staff who can assist them with job search, resume preparation, and other technology literacy skills training and a reduction in the number of hands-on training classes held by libraries to assist Texans in resume preparation and job searching skills. 72% of the first-year funding was allocated to workforce development and job skills training programs or services in 359 communities across the state.

Negative impacts are expected in the family literacy projects resulting in elimination of 3,520 online tutoring sessions for students or adult learners and the training of 73 library staff in early literacy skills techniques to prepare children to be better prepared in terms of reading readiness.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$350,750
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$350,750</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$350,750</b>

**12 Grants to Aid Public Libraries - Loan Star Libraries Grants**

\* - Indicates amount does not meet target requirements.

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**Item Comment: :**

The primary purpose of the Loan Star Libraries Grant Program is to improve library services statewide by extending access to public library resources and services.

These grants provide funding for programs and services to provide Texans with library materials in all formats, supports workforce development, family literacy, after school and summer programming and hands on computer training offered at public libraries.

The proposed budget reduction would reduce the services and programs offered at over 500 public libraries throughout Texas.

Last year alone, Loan Star Libraries program funding made available over 130,000 new library materials and, over 1.4 million library visitors received services or attended programming funded by the Loan Star Libraries grant program.

A decrease in Loan Star Libraries funding from current levels is expected to result in Texans having reduced access to free public computer facilities, hands on job readiness training, English as a Second Language classes, early literacy, and school readiness training.

**NOTE:**

In the General Appropriations Act for 2010-2011, the bill pattern for the Library & Archives Commission includes Rider 8.

This rider states: "Loan Star Libraries Grants. Out of amounts appropriated above in Strategy A.1.2, Aid to Local Libraries, the agency shall expend \$7,400,000 in fiscal year 2010 and \$7,400,000 in fiscal year 2011 from the General Revenue Fund for Loan Star Libraries grants."

Because of this budget reduction plan, the agency will be unable to comply with the conditions of this rider in FY 2011. Loan Star Libraries Grants in FY11 will only total \$6 million.

**GENERAL REVENUE FUNDS**

1 General Revenue Fund	\$0	\$1,400,000
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$1,400,000</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$1,400,000</b>

**13 Methodology of this budget reduction plan**

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**Item Comment:** :

The management of the State Library and Archives Commission has worked with the chairman of the commission to develop a plan that achieves the required budget reduction while containing the most negative impacts of cuts.

Most of the proposed reductions are targeted toward the areas where we received funding increases in this biennium.

The greatest impact will be on grant programs that help improve the public libraries across the state.

Within the agency the cuts will not be painless, but, at this time, our plan does not include any reductions in staff or hiring freezes, other than forgoing the additional 1.0 FTE associated with the Rider 11 requirement that we track ARRA stimulus funding to public libraries.

We will monitor the agency's financial state very closely in the coming months, especially if additional reductions are required.

As noted above:

1. If additional reductions of General Revenue are required in FY2010 or FY2011, there is a strong likelihood that the State will not qualify for the full award of federal funds. We anticipate that this loss of federal funds would continue at a higher amount throughout the FY 2012-2013 biennium.
2. The reductions to the Loan Star Libraries Grants will mean that we will fail to comply with the requirements of Rider 8.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$0		
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>		
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>		

<b>Agency General Revenue Total</b>	<b>\$157,500</b>	<b>\$1,885,341</b>		
<b>Agency GR Dedicated Total</b>	<b>\$432</b>	<b>\$4,000</b>		
<b>Agency Grand Total</b>	<b>\$157,932</b>	<b>\$1,889,341</b>	<b>\$2,047,273</b>	<b>\$2,047,273</b>

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