

STLS LIBRARY DIRECTORS ADVISORY COUNCIL
BOARD OF TRUSTEES STATEMENT
Presented at the April 2009 Council meeting
By STLS President Sherry Collins

STLS has always been a cooperative system—in the sense that each member library provides services to any other member of the system without restriction or charge, and STLS has traditionally provided its services for as low a cost to the libraries as possible.

In recent years, knowing that we would soon be facing a fiscal crisis, the STLS Board of Trustees held a series of planning retreats and numerous committee meetings to devise a strategic plan for not only weathering the current financial storm, but to ensure the financial stability of this organization for years to come. The Board has devised a framework for the way we will conduct business and continue to help and strengthen our members through our services.

The Board of Trustees Strategic Plan calls for four points of action:

- 1) A Membership Contributions Team Committee will be convened in 2009 to begin this planning process, and will continue to meet throughout the year and into the future. This committee will be comprised of STLS trustees, the Directors' Advisory Council, member trustees and staff. It will hold discussions on services deemed necessary to member operations, costs related to those services, and analysis of member support and governance for those services.
- 2) Through the STLS Board's Fundraising Committee, obtain contributions for businesses, individuals and foundations by developing annual goals, and creating public/private partnerships.
- 3) Expand the System's resources through a Board Grant-writing committee, which will support the continued introduction of innovative programs and services from the System.
- 4) The Board's Advocacy committee will work with member libraries and Library Boards to increase local advocacy efforts for greater financial investment by the State.

Today we are going to begin an ongoing discussion with our members, through the means of this Advisory Council by gathering information, establishing consensus, and providing guidance for future issues and discussions.

Some things to think about:

- What do member libraries value/not value in terms of services, programs, etc.?
- How can we involve local library trustees?
- Local concerns that STLS needs to know about
- How can the member libraries and STLS cooperate in reaching strategic goals?
- What issues exist between member libraries?
- Please add your suggestions.

STLS ad-hoc Financial Strategies Committee

Updated Presentation to STLS Board, September 2008

THE BIG PICTURE - HOW LONG CAN STLS OPERATE WITH FLAT FUNDING?

(1) 2008 projected budget and 2009/2011 estimates

The budget does not include pass-through items, LSTA grants or member items

Projected 2008 income – by funding streams

State aid (includes 2% reduction)	\$ 1,125,557	69 %
Member contributions (cost-share, book processing)	\$ 151,385	9%
E-rate Telecommunication reimbursement	\$ 48,000	3%
Interest	\$ 12,000	1%
From 2007 cash balance	\$ 195,963	12%
SUB-TOTAL	\$ 1,532,905	
Miscellaneous (Mostly 2008 construction grant)	\$ 92,199	6%
TOTAL	\$ 1,625,104	100%

Additional 2008 income not included in budget

\$137,906	One-time only state aid (includes 2% reduction,)
\$180,600	Member items for specific programs (rotating collections, grants to members)
\$ 64,319	Telecommunications grant application (this application has not been funded)

Projected 2008 expenses – with estimates for 2009/2011

	<u>2008 budget</u>	<u>2009 estimate</u>	<u>2011 estimate</u>
Salaries	\$ 643,874	\$ 666,410	\$ 706,994
Benefits	\$ 248,312	\$ 263,416	\$ 288,355
Mortgage	\$ 59,174	\$ 59,174	\$ 59,174
Telecomm	\$ 82,530	\$ 80,000	\$ 75,000
Software Maintenance	\$ 64,687	\$ 70,000	\$ 90,000
Vehicle Operation	\$ 31,050	\$ 32,292	\$ 34,927
Insurance	\$ 17,000	\$ 17,690	\$ 19,122
Utilities	\$ 14,300	\$ 14,872	\$ 16,554
Construction Project	\$ 164,148	\$ 0	\$ 0
Other	\$ 300,029	\$ 332,294	\$ 359,409
TOTALS	\$1,625,104	\$1,546,138	\$1,649,535
Estimated basic operating Increases over 2008		\$ 85,182	\$ 188,579

(2) STLS Funding History

Year	CPI * %	State Operating Aid	Supplementary State Aid	Federal LSTA Grants **	Payments by Member Libraries
1998	1.6	\$1,128,318	automation \$18,842	\$121,114	none
1999	2.2	\$1,128,497		\$101,997	\$ 32,500
2000	3.4	\$1,128,497		\$151,285	\$ 65,221
2001	2.8	\$1,128,497		\$87,258	\$ 74,000
2002	1.6	\$1,129,114		\$131,817	\$97,564
2003	2.3	\$1,139,199 15% cut proposed. *** STLS staff reduced 30%			\$121,246
2004	2.7	\$1,062,881 5% reduction in aid		\$ 5,500	\$127,181
2005	3.4	\$1,140,948	\$ 58,724 (member item only for Republican districts)	\$43,750	\$140,186
2006	3.2	\$1,131,690	\$ 51,509	\$50,147	\$148,026
2007	2.8	\$1,132,243	\$ 138,853	\$16,000	\$152,842
2008	3.8	Reduced by legislature \$1,014,920		\$ 13,273	\$151,756

NOTES:

* Consumer Price Index - Bureau of Labor Statistics

<ftp://ftp.bls.gov/pub/special.requests/cpi/cpi.ai.txt>

** Federal Library Services and Technology act funds awarded by the New York State Library. Made available to library systems through competitive grants. These Federal funds are decreasing due to the reduction in State population, and increasing use of these funds at the State level.

*** The reduction threatened by the State was eventually eliminated and funding restored, but the 30% reduction in staff played an important role in keeping STLS fiscally sound in the years ahead.

(3) STLS Funding Sources - Overview

New York State funds libraries and library systems through an omnibus funding package. Public library systems receive operating aid based on number of counties, the population, square miles, local library book budgets, and aid to support local libraries. Public library systems also receive categorical aid for outreach and automation services and services to state correctional facilities and county jails. Statewide, libraries are still playing “catch-up” from the flat funding of the 1990’s and cutbacks in 2004.

In this financial environment, Southern Tier Library System staff members continually look for ways to reduce costs and to maximize the benefit of grants. At the same time the System strives to provide cost-effective services that support member libraries and assist them to provide excellent library services in a fast-changing environment.

(4) STLS Funding Sources – State Aid

- 1990 – State Legislature approved a formula change and 3-year funding increase for libraries
- 1998 – The formula changes and funding increases were fully funded
- 1999 thru 2003 – STLS Board approved annual deficit budgets
- 2003 – Governor proposes a 15% funding reduction. STLS reduces spending to make up anticipated budget deficit. **Staff positions are reduced by 30%.** Six STLS employees retire and 3 part-time positions are eliminated. Cost of benefits is reduced by hiring part-time employees rather than full-time. STLS discontinues purchasing for member libraries. **State funding is eventually restored to 1998 levels (no 15% cut), but the 30% reduction in staff plays an important role in keeping STLS fiscally sound through 2008.**
- 2004 – Governor proposes 5% funding reduction. Legislative override fails. System funds reduced by 5%
- 2005 – Assembly Republicans provide member items to restore 2004 funds for libraries/systems in their areas. 2005 STLS budget restored to 1998 level
- 2006 – One-time supplementary funding for library Systems. STLS receives \$ 51,509
- 2007 – One-time supplementary funding for library Systems. STLS receives \$138,853
- 2008 – A 2% reduction in basic aid was implemented
- 2009 – New reductions in basic and one-time supplementary aid; additional reductions may be made mid-year

(5) STLS Funding Sources – Member Items

Through 2008 Senators Winner and Young continued funding for BookShare, a 20-year-old member item program started by then Senator Randy Kuhl. BookShare funds (\$83,200) are split between members (\$1,600 to each chartered library) and materials for STLS rotating collections. In most years STLS has applied to Senator Winner for a second member item – usually computer equipment.

2002 - \$242,948 member item grant enabled STLS to migrate to the up-to-date integrated library System, Sirsi/Unicorn. As a result member libraries did not need to help fund the project

2008 - \$180,600 in member items as noted in Section 1

\$110,000 passes through to specific member libraries

\$ 43,600 for materials for rotating collections, downloadable titles

\$ 27,000 grant for computer lab

(6) STLS Funding Sources – Grants

2008 - \$82,074 construction aid

Cooling for server room, purchase 2 computer servers and up-dated Sirsi/Dynix EPS software

\$13,273 Federal Library Service and Construction Aid funds

(1) Trustee/library director education

(2) Summer reading program

\$64,319 NYS funds for Broadband expansion

(Application has been twice submitted. It will be submitted a third time as part of State Education Department state-wide application for Federal Broadband economic stimulus funds.

Pay for one-year's expanded broadband for 2 member libraries and STLS.

Recipients must agree to fund expansion for next four years.

(7) Funding Reductions

2003 and ongoing

- Did not fill four full-time and part-time positions in Cataloging and Processing department
- Eliminated three additional part-time positions
- \$25,000 Cancel interlibrary loan service contract with Steele Memorial Library, provide service with existing staff
- Reduce Youth Services to half-time; move ordering of materials for rotating collections to Adult Services/Outreach department
- \$6,000 Reduce subscriptions to ordering list for members, professional periodicals, and other
- \$34,000 Reduce funding for Chemung County Bookmobile
- \$25,000 Shift parts of wide-area network to cable virtual network

2009

- Replace a full-time cataloger with half-time staff. Reduce speed of processing library materials, shift duties to department clerk, shift duties to Youth Services and Adult/Outreach Services

Additional background information will be sent to Library Directors and Board Presidents.

All information will also be posted at <http://www.stls.org/about/planofservice.htm>