

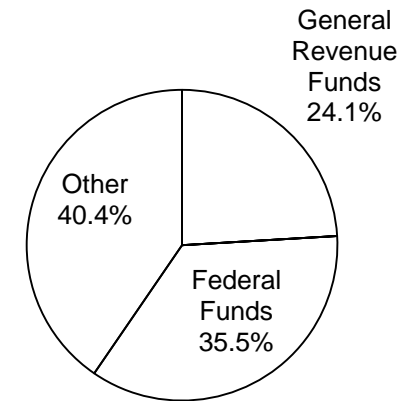
**Library & Archives Commission
Summary of Recommendations - Senate**

Page I-80
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Method of Financing	2010-11 Appropriations	2010-11 Base	2012-13 Recommended	Biennial Change	% Change
General Revenue Funds	\$40,935,207	\$39,512,191	\$11,652,207	(\$27,859,984)	(70.5%)
GR Dedicated Funds	\$10,263	\$11,541	\$0	(\$11,541)	(100.0%)
<i>Total GR-Related Funds</i>	<i>\$40,945,470</i>	<i>\$39,523,732</i>	<i>\$11,652,207</i>	<i>(\$27,871,525)</i>	<i>(70.5%)</i>
Federal Funds	\$21,924,393	\$29,628,450	\$17,198,187	(\$12,430,263)	(42.0%)
Other	\$7,961,886	\$8,593,664	\$19,588,179	\$10,994,515	127.9%
All Funds	\$70,831,749	\$77,745,846	\$48,438,573	(\$29,307,273)	(37.7%)

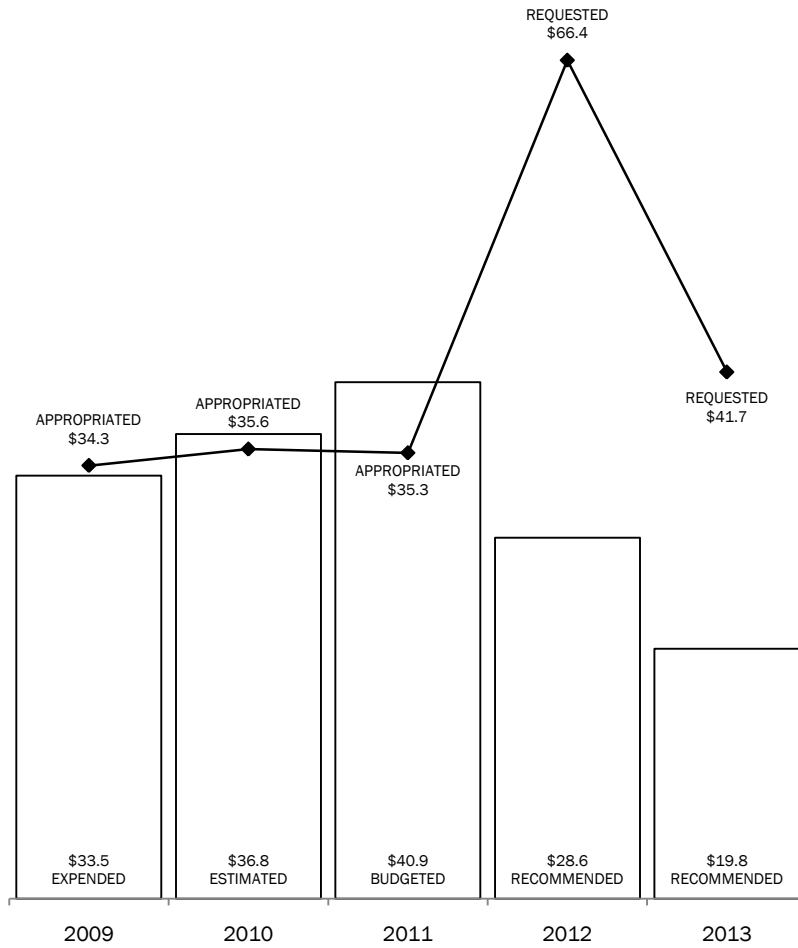
RECOMMENDED FUNDING
BY METHOD OF FINANCING



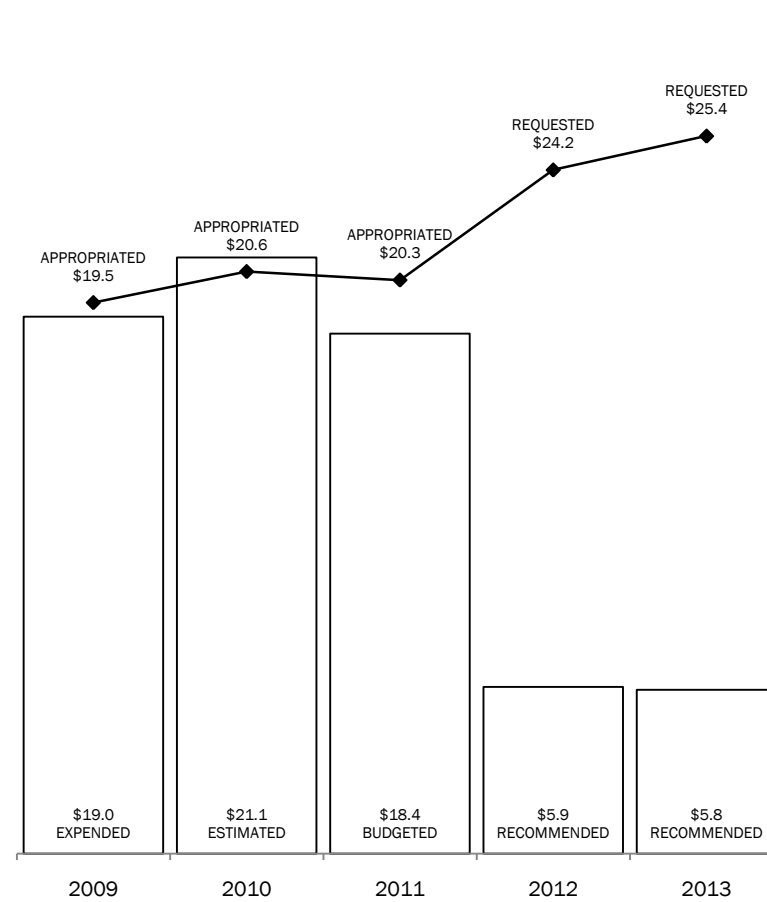
	FY 2011 Appropriations	FY 2011 Budgeted	FY 2013 Recommended	Biennial Change	% Change
FTEs	193.0	192.0	163.7	(28.3)	(14.7%)

The bill pattern for this agency (2012-13 Recommended) represents an estimated 95.8% of the agency's estimated total available funds for the 2012-13 biennium.

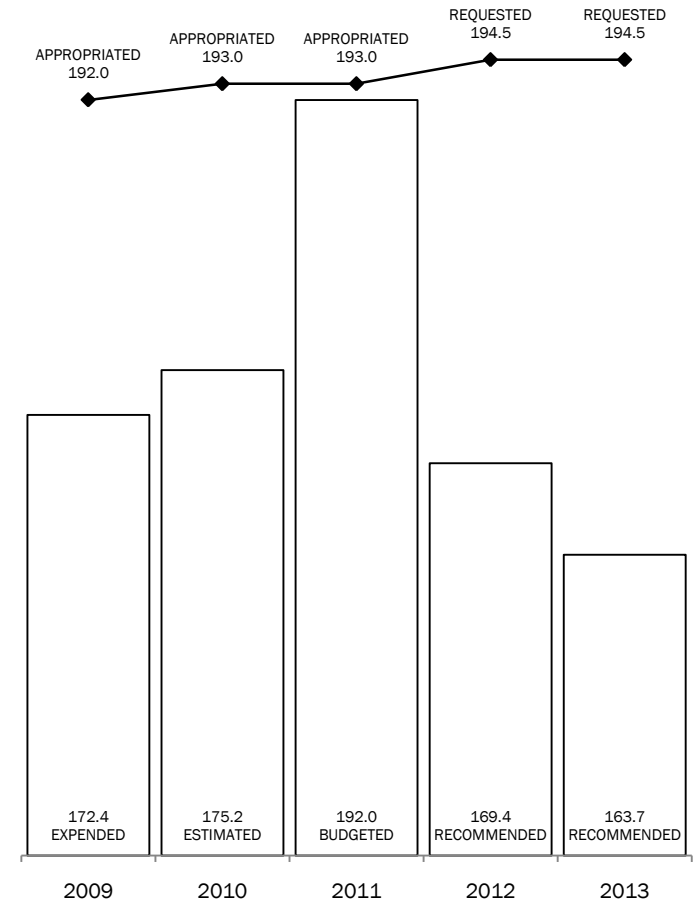
ALL FUNDS



**GENERAL REVENUE AND
 GENERAL REVENUE-DEDICATED FUNDS**



FULL-TIME-EQUIVALENT POSITIONS



Library & Archives Commission
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
					<p>Recommendations provide for continuation of the TexShare database program, Talking Books program, archives program and records management services. Funding for TexShare databases and records storage services include method of finance swaps to eliminate General Revenue and increase fees from program participants. Recommendations for records storage services are reflected in the Government Effectiveness and Efficiency Report (GEER) <i>Provide for the Cost Effective Storage of State Records and Archives.</i></p> <p>Reductions are included primarily for services to libraries, including grants and consulting and training services. In addition, Interagency Contract funds from TEA for the K-12 database program is eliminated.</p> <p>Federal Library Services and Technology Act (LSTA) funds are maintained in fiscal year 2012, but anticipated loss in fiscal year 2013 is incorporated in recommendations due to federal maintenance of effort requirements for General Revenue spending.</p>
LIBRARY RESOURCE SHARING SERVICES A.1.1	\$25,097,727	\$22,196,587	(\$2,901,140)	(11.6%)	
AID TO LOCAL LIBRARIES A.1.2	\$34,704,622	\$9,720,097	(\$24,984,525)	(72.0%)	
DISABLED SERVICES A.2.1	\$4,281,958	\$4,021,537	(\$260,421)	(6.1%)	
Total, Goal A, DELIVERY OF SERVICES	\$64,084,307	\$35,938,221	(\$28,146,086)	(43.9%)	
PROVIDE ACCESS TO INFO & ARCHIVES B.1.1	\$3,175,240	\$3,761,068	\$585,828	18.4%	
Total, Goal B, PUBLIC ACCESS TO GOV'T INFORMATION	\$3,175,240	\$3,761,068	\$585,828	18.4%	
MANAGE STATE/LOCAL RECORDS C.1.1	\$4,644,836	\$4,655,000	\$10,164	0.2%	
Total, Goal C, MANAGE STATE/LOCAL RECORDS	\$4,644,836	\$4,655,000	\$10,164	0.2%	
INDIRECT ADMINISTRATION D.1.1	\$5,841,463	\$4,084,284	(\$1,757,179)	(30.1%)	
Total, Goal D, INDIRECT ADMINISTRATION	\$5,841,463	\$4,084,284	(\$1,757,179)	(30.1%)	
Grand Total, All Strategies	\$77,745,846	\$48,438,573	(\$29,307,273)	(37.7%)	

Library & Archives Commission
Summary of Recommendations - Senate, By Method of Finance -- GR & GR DEDICATED FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
LIBRARY RESOURCE SHARING SERVICES A.1.1	\$9,460,000	\$581,894	(\$8,878,106)	(93.8%)	Recommendations provide funding for the administration of the TexShare and Tex Select database programs, including 5.0 full-time-equivalent positions. General Revenue funding is eliminated for TexShare database subscription costs (\$7.8 million) and shifted to fees from member libraries of the TexShare Consortium. Recommendations also include elimination of General Revenue funding for TexShare courier services, the Texas Records and Information Locator (TRAIL) and the State Publications Depository Program, and other direct administrative costs.
AID TO LOCAL LIBRARIES A.1.2	\$16,166,041	\$119,136	(\$16,046,905)	(99.3%)	Recommendations eliminate Loan Star Libraries grants, Texas Reads grants, Library System Negotiated Grants and consulting services to local libraries. Funding is provided to close out grants awarded during 2010-11 biennium by December 31, 2011.
DISABLED SERVICES A.2.1	\$3,689,000	\$3,679,000	(\$10,000)	(0.3%)	Recommendations reflect a reduction of \$10,000 for replacement of division PCs.
Total, Goal A, DELIVERY OF SERVICES	\$29,315,041	\$4,380,030	(\$24,935,011)	(85.1%)	
PROVIDE ACCESS TO INFO & ARCHIVES B.1.1	\$2,971,000	\$2,971,000	\$0	0.0%	
Total, Goal B, PUBLIC ACCESS TO GOV'T INFORMATION	\$2,971,000	\$2,971,000	\$0	0.0%	
MANAGE STATE/LOCAL RECORDS C.1.1	\$1,710,000	\$977,546	(\$732,454)	(42.8%)	Recommendations incorporate a method of finance swap to reduce General Revenue and increase fee funding for records storage services as recommended by the Government Effectiveness and Efficiency Report (GEER) <i>Provide for the Cost Effective Storage of State Records and Archives.</i>
Total, Goal C, MANAGE STATE/LOCAL RECORDS	\$1,710,000	\$977,546	(\$732,454)	(42.8%)	

Library & Archives Commission
Summary of Recommendations - Senate, By Method of Finance -- GR & GR DEDICATED FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION D.1.1	\$5,527,691	\$3,323,631	(\$2,204,060)	(39.9%)	Recommendations incorporate reductions to the agency's central administrative functions corresponding to program reductions in Strategy A.1.1 Library Resource Sharing Services and Strategy A.1.2 Aid to Local Libraries and elimination of reallocated one-time funds provided during the 2010-11 biennium for furniture and shelving. Recommendations also incorporate a method of finance swap to replace General Revenue with Interagency Contract funding as recommended by the Government Effectiveness and Efficiency Report (GEER) <i>Provide for the Cost Effective Storage of State Records and Archives.</i>
Total, Goal D, INDIRECT ADMINISTRATION	\$5,527,691	\$3,323,631	(\$2,204,060)	(39.9%)	
Grand Total, All Strategies	\$39,523,732	\$11,652,207	(\$27,871,525)	(70.5%)	

Library & Archives Commission
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
					Recommendations incorporate an estimated loss of federal Library Services and Technology Act (LSTA) funds in fiscal year 2013 due to reduction of General Revenue funds required to meet maintenance of effort. These reductions, estimated to be a loss of \$8.3 million of the anticipated award (\$11.7 million) for fiscal year 2013, are reflected in all strategies, except Strategy C.1.1 Manage State/Local Records.
					Reductions shown below, unless otherwise indicated, are due to loss of funds related to maintenance of effort requirements.
LIBRARY RESOURCE SHARING SERVICES A.1.1	\$10,590,269	\$6,668,791	(\$3,921,478)	(37.0%)	
AID TO LOCAL LIBRARIES A.1.2	\$18,448,724	\$9,499,769	(\$8,948,955)	(48.5%)	In addition to anticipated loss of funding relating to maintenance of effort, recommendations incorporate \$1.8 million from the federal Broadband Technology Opportunities Program authorized by the American Recovery and Reinvestment Act for grants to local libraries for public computer centers. The majority of the award, estimated to be \$6.2 million, is anticipated to be expended during fiscal year 2011.
DISABLED SERVICES A.2.1	\$166,907	\$137,361	(\$29,546)	(17.7%)	
Total, Goal A, DELIVERY OF SERVICES	\$29,205,900	\$16,305,921	(\$12,899,979)	(44.2%)	
PROVIDE ACCESS TO INFO & ARCHIVES B.1.1	\$132,550	\$718,468	\$585,918	442.0%	Increase in Federal Funds represent grant funding, separate from federal LSTA funds, received for the purpose of planning, assessment and care of cultural library collections.
Total, Goal B, PUBLIC ACCESS TO GOV'T INFORMATION	\$132,550	\$718,468	\$585,918	442.0%	
MANAGE STATE/LOCAL RECORDS C.1.1	\$0	\$0	\$0	0.0%	
Total, Goal C, MANAGE STATE/LOCAL RECORDS	\$0	\$0	\$0	0.0%	
INDIRECT ADMINISTRATION D.1.1	\$290,000	\$173,798	(\$116,202)	(40.1%)	
Total, Goal D, INDIRECT ADMINISTRATION	\$290,000	\$173,798	(\$116,202)	(40.1%)	
Grand Total, All Strategies	\$29,628,450	\$17,198,187	(\$12,430,263)	(42.0%)	

Library & Archives Commission
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
LIBRARY RESOURCE SHARING SERVICES A.1.1	\$5,047,458	\$14,945,902	\$9,898,444	196.1%	Recommendations include fees collected for TexShare and TexSelect database subscriptions, both currently collected outside the State Treasury and not reflected in 2010-11 base amounts. Fee increases are incorporated for the TexShare databases to offset elimination of General Revenue funds for subscription costs.
					Recommendations also eliminate Interagency Contract funds (\$5 million) from TEA for K-12 databases for public school libraries.
AID TO LOCAL LIBRARIES A.1.2	\$89,857	\$101,192	\$11,335	12.6%	
DISABLED SERVICES A.2.1	\$426,051	\$205,176	(\$220,875)	(51.8%)	Recommendations reflect reduction of gifts and donations for the Talking Books Program.
Total, Goal A, DELIVERY OF SERVICES	\$5,563,366	\$15,252,270	\$9,688,904	174.2%	
PROVIDE ACCESS TO INFO & ARCHIVES B.1.1	\$71,690	\$71,600	(\$90)	(0.1%)	
Total, Goal B, PUBLIC ACCESS TO GOV'T INFORMATION	\$71,690	\$71,600	(\$90)	(0.1%)	
MANAGE STATE/LOCAL RECORDS C.1.1	\$2,934,836	\$3,677,454	\$742,618	25.3%	Recommendations in Strategy C.1.1 and Strategy D.1.1 reflect a method of finance swap to reduce General Revenue and increase Interagency Contract funding received as fees for records storage services, as recommended in the Government Effectiveness and Efficiency Report (GEER) <i>Provide for the Cost Effective Storage of State Records and Archives</i> .
Total, Goal C, MANAGE STATE/LOCAL RECORDS	\$2,934,836	\$3,677,454	\$742,618	25.3%	
INDIRECT ADMINISTRATION D.1.1	\$23,772	\$586,855	\$563,083	2,368.7%	
Total, Goal D, INDIRECT ADMINISTRATION	\$23,772	\$586,855	\$563,083	2,368.7%	
Grand Total, All Strategies	\$8,593,664	\$19,588,179	\$10,994,515	127.9%	

**Library and Archives Commission
Selected Fiscal and Policy Issues**

1. Fiscal Implications of LBB Recommendations

- **K-12 Database funding:** Recommendations eliminate \$5 million in funding from the Texas Education Agency (TEA) for TexShare K-12 databases for public school libraries. Funding for this project comes from the Available School Fund for the Technology Allotment and is directed by TEA Rider 78, Library Resources. The K-12 database program provides online resources such as encyclopedias and reference materials, full-text articles and resources for teachers. Funding for the Technology Allotment is eliminated in TEA's bill pattern.
- **TexShare Database Funding:** Recommendations include elimination of General Revenue funding for TexShare database subscriptions offset by an increase in database fees collected from TexShare member libraries.
 - Database funding typically comes from 3 sources: General Revenue appropriations, Federal LSTA Funds and fees collected from TexShare Consortium member libraries, including local public libraries and institutions of higher education.
 - In order to maintain current funding levels for the 2012-13 biennium, the agency would need to increase member libraries' fees and utilize the balance of collected fees held outside the treasury (estimated to be \$2.1 million). Total funding from TexShare member fees required to maintain current funding levels include \$5.5 million in fiscal year 2012 and \$6.7 million in fiscal year 2013. This is an estimated increase of \$3.9 million in fiscal year 2012 and \$5.1 million in fiscal year 2013. Additional fees required for fiscal year 2013 would offset loss of Federal Funds.
 - TexShare fees are currently collected by a third-party vendor and held outside the State Treasury. In accordance with Government Code 404.094, requiring that all funds collected under state law be deposited to the State Treasury, these fees are included in recommendations.
 - In addition to TexShare database funding, TexSelect database funding (\$2.7 million) is also included in recommendations in compliance with Government Code 404.094. TexSelect databases are offered to TexShare member libraries for a fee set to cover subscription costs for the databases. These databases are not funded with General Revenue and therefore not impacted by reductions.
- **General Revenue Dedicated – Texas Reads Plate Account 5042:** Recommendations would not abolish Account 5042. Receipts from the sale of Texas Reads license plates, estimated by the agency to be \$11,541 over the 2012-13 biennium, would continue to be deposited to the account. Appropriation from this account is restricted to grants to public libraries for literacy programs.
- **Federal Public Library Service Fund 118:** Due to maintenance of effort requirements, an estimated loss of \$8.3 million or 71 percent of Federal Library Services and Technology Act (LSTA) Funds is anticipated in fiscal year 2013 due to reduction in General Revenue in fiscal year 2012 by the same percentage.
 - LSTA funds for state library programs include a maintenance of effort target for state general revenue funds. The maintenance of effort target for any given year is determined by the average general revenue spending in the prior 3 fiscal years on programs included in the state's 5 year library services plan submitted to the Institute of Museum and Library Services. These programs are typically included in the following strategies: A.1.1 Library Resource Sharing, A.1.2 Aid to Local Libraries, A.2.1 Disabled Services

and B.1.1 Provide Access to Information and Archives.

- Failure to meet maintenance of efforts targets in a given fiscal year results in a reduction in the following year's award by the rate at which the agency failed to meet the target. The recommendations result in an estimated reduction of 71 percent of General Revenue funds for the state's LSTA-related programs in fiscal year 2012. As a result, 71 percent of the agency's Federal LSTA Funds are estimated to be reduced in fiscal year 2013.

2. Statutory Changes Required to Implement LBB Recommendations

- None.

3. Eliminate Unnecessary Reporting Requirements:

- Since the 79th Legislature, the Texas State Library and Archives Commission (TSLAC) has been required by Rider 7 in the General Appropriations Act to compile a biennial report, "Required Reports Prepared by State Agencies." This report evaluates the usefulness of statutorily required reports prepared and submitted by a state agency to other state agencies. TSLAC released its current recommendations to the Legislature in December 2010. LBB staff has worked with the Texas Legislative Council staff to develop a bill draft to recommend repealing outdated reporting requirements. This legislation would reduce the volume of reports produced by state agencies and improve government efficiency.

**Library and Archives Commission
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
Cap	192.0	193.0	193.0	169.4	163.7
Actual/Budgeted	172.4	175.2	192.0	NA	NA
Schedule of Exempt Positions (Cap)					
Director-Librarian, Group 3	\$95,000	\$104,500	\$104,500	\$104,500	\$104,500

Recommendations reflect a reduction of 16.8 FTEs due to program reductions in Strategy A.1.1 Library Resource Sharing Services and Strategy A.1.2 Aid to Local Libraries and reduction of 6.3 FTEs for agency administration offset by an increase in 0.5 FTEs for archival programs.

Further reduction of FTEs in fiscal year 2013 reflect a loss of 3 FTEs due to anticipated reductions in federal funds and 2.7 FTEs for close out of GR-funded Library Development programs in Strategy A.1.2 Aid to Local Libraries.

State Auditor's Office Report No. 10-706, A Classification Study of Exempt Positions, states that the Director-Librarian's current salary is within the recommended salary range and group.

**Library and Archives Commission
Performance Measure Highlights**

	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
<ul style="list-style-type: none"> Number of Persons Provided Project-sponsored Services by Shared Resources 	35,336,927	56,943,273	58,600,000	25,000,000	25,000,000
<p><i>Measure Explanation: Decline in 2012-13 recommended levels is due to elimination of the K-12 database program funded through an Interagency Contract with the Texas Education Agency.</i></p>					
<ul style="list-style-type: none"> Number of Persons Provided Library Project-sponsored Services 	3,251,582	3,502,623	3,200,000	1,777,000	403,000
<p><i>Measure Explanation: Decline in 2012-13 recommended levels is due to the close-out of General Revenue funded programs within Strategy A. 1.2, Aid to Local Libraries. Recommended performance levels reflect remaining programs funded through Federal Funds, which are anticipated to decline in fiscal year 2013.</i></p>					

Section 4

**Texas State Library and Archives Commission (TSLAC)
Performance Review and Policy Report Highlights**

Reports & Recommendations	GEER Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Is included in the Introduced Bill	Action Required During Session
Provide for the Cost Effective Storage of State Records	85					
1: Reduce GR appropriations, and increase IAC appropriations, to the document storage program, to align funding with the required cost-recovery structure of the program.		\$1,616,826 (\$1,616,826)		GR IAC	Strategy C.1.1 and D.1.1 Strategy C.1.1 and D.1.1	
2: Develop additional archival quality space to store the state's collection of historical documents and artifacts. Option 1: Construct a new archival facility.		 (\$1,400,000) (\$40,000,000)		GR OTH		Appropriate proceeds out of existing bond authority to the Texas Facilities Commission.
Option 2: Renovate the State Records Center.		 (\$654,500) (\$18,700,000)		GR OTH		Appropriate bond proceeds to TSLAC. Authorize issuance of new GO bond authority.
Option 3: Contract with a private storage vendor.		 (\$215,000)		GR		Appropriate to Strategy C.1.1. Adopt Appropriation Rider

**Library and Archives Commission
Rider Highlights**

2. (revise) **Capital Budget.** Revise rider to reflect recommended capital budget projects.
4. (old) **Appropriation of Receipts and Unexpended Balances of TexShare Membership Fees and Reimbursements.** Delete rider due to addition of new rider (see new Rider 6) pertaining to the same fees.
5. (revise) **Report of Reports.** Update to continue requirement for biennial Report of Reports. Also, revise language to limit information included to reports submitted by and presented to state agencies or institutions of higher education.
6. (new) **Contingency Appropriation: TexShare Membership Fees.** Add rider appropriating TexShare member fees and requiring the agency to set fees at a rate to cover costs of the database subscriptions, to the extent that costs are not covered by available federal or private grants.
6. (old) **Texas Reads License Plates: Appropriation of All License Plate Unexpended Balances and Receipts.** Delete rider due to elimination of grant program funded by Texas Reads license plate revenue.
7. (new) **Close out of Certain Agency Programs and Operations: Grants and Consulting Services.** Add rider limiting expenditure of General Revenue funds in Strategy A.1.2, Aid to Local Libraries, to close out of programs within the strategy by December 31, 2011.
8. (new) **Contingency Appropriation: TexSelect Database Fees.** Add rider appropriating TexSelect database fees and requiring the agency to set fees at a rate to cover costs of database subscriptions.
8. (old) **Loan Star Libraries Grants.** Delete rider due to elimination of program funding.
9. (old) **Unexpended Balances: Grants to Libraries.** Delete rider due to elimination of Loan Star Libraries grants.
10. (old) **Renovation of the Lorenzo de Zavala State Archives and Library Building.** Delete rider due to completion of renovation in fiscal year 2010.
11. (old) **Funds to Public Libraries from the American Recovery and Reinvestment Act of 2009.** Delete rider requiring tracking of ARRA funds to local libraries.

Library & Archives Commission
Items not Included in Recommendations - Senate

	<u>2012-13 Biennial Total</u>	
	<u>GR & GR- Dedicated</u>	<u>All Funds</u>
1. TexShare database program:		
(a) Increase General Revenue funding for TexShare database subscriptions costs and administration (\$3,500,000 million) and decrease Appropriated Receipts and Interagency Contract Funds by \$10,945,902 to reflect reduction in TexShare fee collections anticipated by agency (\$8,186,022), elimination of TexSelect fee revenue (\$2,745,180) and elimination of conference fees the agency does not anticipate to collect (\$14,700).	\$ 3,500,000	\$ (7,445,902)
(b) Eliminate new Rider 6, Contingency Appropriation: TexShare Membership Fees, and new Rider 8, Contingency Appropriation: TexSelect Database Fees requiring agency to set fees to cover costs of online database subscriptions.	\$ -	\$ -
(c) Reinstate old Rider 4, Appropriation of Receipts and Unexpended Balances of TexShare Membership Fees and Reimbursements, providing appropriation authority for TexShare membership fees and unexpended balance authority across biennia and within fiscal years of the biennium.	\$ -	\$ -
2. Loan Star Libraries grants program:		
(a) Restore funding for Loan Star Libraries grants, including program administration, and increase FTE cap by 2.5.	\$ 3,000,000	\$ 3,000,000
(b) Delete new Rider 7, Close out Certain Agency Programs and Operations: Grants and Consulting Services Programs, and increase FTE cap by 5.7 in fiscal year 2013.	\$ -	\$ -
3. Restore funding of \$50,000 in General Revenue for new or replacement desktop workstations and maintenance of agency network. Also reinstate capital budget authority by additional \$162,000 in Federal Funds and Other Funds included in recommendations (total capital budget authority of \$212,000).	\$ 50,000	\$ 50,000
4. Reinstate Interagency Contract funds from TEA for K-12 database program, including funding for administration. Also increase FTE cap by 1.5.	\$ -	\$ 3,000,000
Total, Items Not Included in the Recommendations	\$ 6,550,000	\$ (1,395,902)