



**TESTIMONY ON SB 2013
HOUSE APPROPRIATIONS EDUCATION AND ENVIRONMENT DIVISION
March 10, 2023
By: Mary J. Soucie, State Librarian**

Chairman Nathe and Members of the House Appropriations Education and Environment Division,

For the record, my name is Mary Soucie, State Librarian for the North Dakota State Library (NDSL). I am here to provide additional information about our agency's 2023-25 appropriation request. This can be used in conjunction with the information that was provided to the full Senate Appropriations committee on March 1.

North Dakota Century Code

The North Dakota State Library operates under Chapter §54-24 *State Library Commission*. The major statutory requirements for our agency include improving library service to citizens by providing assistance to librarians, staff, and trustees; by encouraging the expansion of cooperation among libraries at the state and regional levels; to make library materials available to state employees and citizens that do not have adequate access to library service; compile statistics of all North Dakota public libraries; coordinate Interlibrary Loan (ILL) which is the loaning of materials to North Dakota libraries from within and outside the state; provide access to informational materials that supplement and support the needs of all libraries in the state, either by direct loan or through consultation; provide technical assistance, continuing education and training programs to and for library personnel; to distribute grants to libraries for the

purposes of developing or improving library services or programs and to provide services to the North Dakota Library Coordinating Council (NDLCC).

NDSL also operates under chapter §54-24.2 State Aid to Public Libraries. This chapter governs the disbursement of financial aid to public libraries. In order to be eligible to receive funds, public libraries must be established and operated in accordance with chapter §40-38. I've included chapter §54-24 for your reference in the binder materials on pages 1-3.

Organization's purpose

The mission of the North Dakota State Library is providing pathways to information and innovation for North Dakota libraries, state government and residents. Our three constituency groups are the North Dakota library community, state agencies and North Dakota citizens. Any North Dakotan can obtain a library card to access our materials and online resources.

Our guiding principles are to provide leadership to the library community; enhance the value of libraries; deliver access to and assistance with credible information sources; enrich the lives of the people we serve and foster a welcoming and inclusive environment for all.

Our agency goals are to expand statewide outreach opportunities; promote the value of North Dakota's libraries; maintain and promote awareness of technologies for libraries and patrons; advocate for and administer grant opportunities for libraries;

curate a well-developed collection that advances the State Library's mission; and to serve as one of the primary information resources for state government.

NDSL has 26.75 FTE. The agency has four divisions: Administrative and Fiscal Services, Library Services, Patron Services, and Technology Services.

- Administrative and Fiscal Services Division includes fiscal, human resources, marketing, and outreach for the agency. Our Marketing and Outreach Specialists provide services agency-wide as well as to the library community.
- Library Services Division provides direct support to the library community through the Library Development and Cataloging departments. In addition to cataloging materials for over twenty-five school and public libraries, our cataloging department also catalogs the physical items in the State Library's collection as well as providing cataloging services to eight state agencies.
- Patron Services Division provides direct service to library patrons. The Information Services Department provides InterLibrary Loan, Reference, Circulation, and Reader's Advisory; and the Talking Books department provides materials to patrons who are unable to read traditional physical books due to a visual or physical disability.
- Technology Services Division includes IT and Digital Initiatives. In addition to coordinating the agency's technology needs, we provide IT support to public libraries and patrons. Our Digital Initiatives Department oversees the digitization of historical state documents as well as provides support to libraries that have or are starting digitization programs.

Our organization chart and a one-page overview of our strategic plan are included in the binder materials on pages 8 and 9.

Audit:

We did not have any audit findings in our most recent audit.

Biennial accomplishments:

In February of 2020, the State Library implemented a new organizational structure. During the 2021-23 biennium, we have focused on refining and improving the structure and updating processes to create efficiencies and improve our services to our constituents.

- The State Library awarded 53 Library Vision grants totaling \$170,000. The State Library's Advisory Board, the North Dakota Library Coordinating Council (NDLCC), awards the grants. We also updated our grant templates and rubric.
 - Collection Development- 22
 - Local History- 11
 - Marketing Plan- 4
 - Library of Things- 16
- In March of 2023 we awarded \$67,013 in two categories:
 - Collection Development- 26
 - Laptop and Tablet- 8

- Reorganized Patron Services Division to provide better customer service by removing barriers and inefficiencies within department workflows and cross-training all staff so they have the flexibility to better support each other as daily workflows shift according to demand. The Patron Services Director is building working relationships with other state agencies and national organizations to ensure collaboration and provide leadership.
- We revised a vacant position to create a Grants Coordinator. This position is responsible for providing grant assistance to North Dakota libraries and assisting with NDSL federal and general grants. The position also serves as the Statewide Data Coordinator and oversees the Annual Public Libraries Survey, which all public libraries are required to complete in order to be eligible for State Aid.
- Our cataloging department eliminated a significant backlog of items. They also added 370 STEM, book club, outdoor, NASA and historical display kits to our Integrated Library System (ILS) from an external, separate product. This created efficiencies for both patrons and staff by having all library materials available in a single catalog.
- The IT Department provides outreach services to public libraries throughout the state. Through support, hands-on training, and technical assistance, our IT department assists library directors, staff, and boards in meeting the technology needs of the library and community. During the 2021-2023 biennium, the IT Department traveled 5149 miles statewide and visited 31 libraries.

- Digital Initiatives has uploaded over 800 items to NDSL's various collections on Digital Horizons, which is a regional digital library consortium committed to sharing the history and cultural heritage of the Northern Plains.
- NDSL's collections on Digital Horizons contain 4,800 items and have received over 1.5 million web hits this biennium. Digital Initiatives digitized over 650 items. Many of these items contain multiple pages, so these 650+ items contain over 8,000 pages.
- Utilizing ARPA dollars that the State Library received from IMLS, our agency has purchased ten book vending machines to place in counties throughout North Dakota that don't currently have countywide public library service. We have placed 3 of the machines in counties that have no public library; 4 have been placed in counties that have a city library or libraries, but there are residents within the county that don't have access to a local public library. The counties that we are partnering with include Burke, McHenry, Oliver, Sheridan, Sioux, Slope and Traill. We will place one machine in a grocery store in Grant County. We are exploring a partnership with North Dakota Parks and Rec to place the final two machines in state parks, expanding access to more North Dakota citizens. We are the first state to implement book vending machines on a statewide level.
- Our agency used additional ARPA dollars to create an e-book consortium for academic libraries. Eleven academic libraries have joined. We paid for the licensing fees for the first two years for each of the institutions as well as provided the funding for an "opening day collection" of materials. This consortium will help the academic libraries provide materials to meet the leisure reading needs of their students.

- The State Library, in partnership with the Online Dakota Information Network (ODIN), automated three public libraries and added them to the statewide consortium. The patrons of these libraries will be able to search the collection and place holds from any computer or device regardless of whether the library is open.
- We utilized ARPA dollars to pay one year of licensing fees for all North Dakota libraries for the Online Library Resources that are purchased jointly with Minnesota and South Dakota, allowing the libraries to utilize the funds normally spent on these resources at the local level.

Biennial challenges:

Our challenges during the last biennium are similar to those of other agencies.

- NDSL experienced a 42% turnover this biennium, which is much higher than in previous years
 - Loss of institutional knowledge
 - Hard to fill positions
 - Creation of new processes and efficiencies created due to long-term staff was both a challenge and accomplishment
- Supply chain issues
 - Library materials
 - Equipment

Base budget

Our budget for the 2021-23 biennium was \$10,362,864 and includes salaries and wages, grants to libraries, operating expenses and ARPA funding. Operating funds are used for online library resources, continuing education and technical support to libraries, library materials, equipment, and office supplies.

Our base budget for 2023-25 is \$8,196,136 as shown on page 10 in the binder. Fifty-one percent supports salaries, twenty-two percent supports operating, and twenty seven percent supports grants. Our requested budget for the 2023-25 biennium to the Senate was \$9,542,074 however, the Senate approved \$9,007,514. Page 11 of the binder shows a comparison between the base level, Senate and Agency request to the House of \$9,878,899 of which \$7,445,454 is general fund and \$2,433,445 is other funds. \$1,071,126 is to support ongoing funding and \$611,635 to support one-time funding.

The State Library has 26.75 FTE positions. The Senate approved increase salary for cost to continue, the increase in health insurance and a compensation package of 4%/4%. During the current biennium, the State Library has been analyzing our wages and we have learned that we are the lowest-paying state agency, which has impacted our ability to retain staff and fill vacant positions. NDSL has experienced a 46% turnover this last year; many of our positions had to be listed multiple times before we were able to fill them. Several candidates that declined extended offers or withdrew from the application process cited our pay rate as the factor. NDSL is respectfully requesting an

increase to fund our originally proposal for a salary and wage compensation package of \$591,040 general funds which would be a total increase for \$225,925 from the Senate. This amount is inclusive of \$180,000 in general funds for equity.

The Senate approved an increase in ongoing operating expense of total \$122,770 of which \$337,634 is general funds and (\$214,864) in federal. \$264,635 is to support the new Capitol space rent model, \$65,559 for travel to support to libraries, inflation of online resources and subscription services that directly support libraries, state agencies and patrons, \$7,440 for ND ITD rate increase and (\$214,864) for a base level funding change. Since I presented to the Senate NDSL has received updated information from our Federal Partner, the Institute of Museum and Library Services (IMLS), and are requesting an increase in federal authority of \$336,825 from the Senate version.

Our State Aid to Public Libraries and the Library Vision funds are pass-through grants that go directly to support library service and programs in the state. The State Aid for Public Libraries is \$1,737,582 in general fund for the biennium and the Library Vision grants are \$237,500 in general fund for the biennium.

The libraries use the funds to purchase materials, increase the type and number of programs and to add or improve technology, including equipment, software, and programs. The formula for State Aid to Public Libraries is in §54-24.2. The North Dakota Library Coordinating Council and the State Library create the Library Vision grant opportunities two to three times per year. We are requesting to keep the additional

\$50,000 in general funds as approved by the Senate for the Library Vision grants to be used specifically for tribal libraries.

The five tribal libraries are all located in community colleges. Four of them have been designated as the public library by the tribal nation. They are not eligible for State Aid since they do not meet the definition of a legally established library as outlined in §40-38. NDSL wants to support the tribal libraries in meeting the needs of their communities since they would classify as unserved. Serving the unserved is one of our agency priorities. We would include the tribal libraries in grant opportunities that are open to all publicly funded libraries, such as collection development grants as well as create grant opportunities that are unique to the tribal libraries based on discussions that we will have with them.

One-time funding

NDSL did not have any one-time state funding for the current biennium. NDSL did receive \$2.1M of ARPA funding from the IMLS, as mentioned earlier. The projects that the funding was used for are included as agency accomplishments on page 4. The State Library has four one-time funding requests for the 2023-35 biennium.

During the 2021-23 biennium NDSL did not meet the required maintenance of effort in Federal Fiscal year 21 as required by the LSTA Grants to State program. The Library Services and Technology Act (LSTA) Grants to States program from IMLS is our federal grant program. Primarily due to staff turnover and long period vacancies. NDSL submitted a waiver appeal but was denied. This resulted in NDSL receiving a reduction

of \$237,964 or 18.39% to our Grants to State distribution. We requested \$228,635 to the Senate for which they approved \$100,000 to replace the dollars we will lose from LSTA funding. NDSL would be grateful to receive an increase \$128,635 back to the original request. This funding would go towards continued library development programming and resources to assist libraries in meeting the needs of their community; continuing education and professional development opportunities for librarians, library staff and public library trustees; additional materials for the State Library's collections; and support for resource sharing.

NDSL is requesting to keep \$40,000 as approved by the Senate to be able to meet the statutorily required retirement liability. We do not currently have funds in our budget to meet the requirements when eligible employees retire.

NDSL is requesting to keep \$43,000 for technology equipment as approved by the Senate. Prior to 2020, we only had one staff that telecommuted in our IT department. Currently, all but four positions are telecommute-capable. We need to provide staff with the necessary technology to be able to telecommute. We are also requesting funds for FileNet so that we can transition our fiscal records from paper to digital to increase efficiencies and improve workflows.

Lastly, NDSL has also requested \$300,000 for extraordinary repairs to the State Library space in the Liberty Memorial Budget; the Senate approved \$150,000 for this request. We would be very grateful to have this line item fully funded as the dollars would be used to renovate the information desk and workspace to create space that is

more flexible and allows staff to work together more efficiently by allowing for cross-training and easier access to provide services to patrons and state employees that come into the building. We would remove bookshelves and add glass walls to create an emerging technologies lab for state agencies and North Dakota libraries to utilize. Additionally, we plan to replace the 40-year-old carpeting in the NDSL offices throughout the building and replace the blinds of the same age. A portion of the funding would be utilized to hire an architect to help us plan the construction. We will need to utilize Facilities Management to assist us with the renovation of the spaces. Existing staff will work with Facilities Management and the architect to execute the project. Pictures of the space are included in the binder materials on page 18.

Agency Collections

NDSL collects the fees listed below. The fees are deposited into our special funds.

- interlibrary loan replacement fees from borrowing libraries and patrons
- copier fees
- reimbursements for cataloging services
- professional development exchanges and reimbursements

NDSL anticipates collecting \$66,820 in 2023-25, which is \$20,439 less than the 2021-23 appropriations. NDSL previously received monies from the Grand Forks Air Force Base to purchase STEM Kits. We also collected fees for providing cataloging services to assist a public library with eliminating their backlog. We do not anticipate collecting fees for cataloging or additional STEM Kit monies in the next biennium.

Other sections

NDSL requests that language be added to our appropriation bill that would give us the authority to transfer funds from our salary to our operating funds without having to go before the Emergency Commission. We are not requesting to be able to transfer from our operating to our salaries. A significant portion of our Maintenance of Effort and Match for the Grants to State program is met through salaries. It would enable us to ensure that we can meet the Maintenance of Effort and Match requirements and avoid future federal funding reductions.

Other Bills and potential fiscal impact

SB2042:

The bill addresses several elements of the procurement process. The bill as amended would allow NDSL to use the same process to purchase all library materials, regardless of format. There is not an anticipated fiscal impact for this bill. The bill has had a hearing in the House Government and Veterans Affairs committee. No action has been taken at this time.

SB2050:

The State Library pre-filed SB2050. The changes requested are to clarify processes for local libraries, the State Library and the Library Coordinating Council. There is no anticipated fiscal impact for this bill.

Section 3 of SB2050 creates the ability for a public library to appeal the eligibility determination and allows NDSL to recalculate and include any payment differences to the next applicable grant payment. This should result in a net increase and decrease to eligible public libraries and therefore has no fiscal impact. Section 7 of SB2050 eliminates the eligibility requirement of a public library's maintenance of local effort as required by Chapter §54-24.2-02.2. Repealing. §54-24.2-02.2 will increase the number of eligible public libraries who apply to receive state aid. State aid to public libraries is currently limited to the appropriation in SB2013 of \$1,737,582. This limitation currently holds an underfunding of \$269,633 if all public libraries were determined to be eligible to receive state aid. This bill has had a hearing before the House Government and Veterans Affairs committee and is scheduled for committee work on 03/17.

SB2360:

This bill is relating to required safety practices and technology measures. Section 5 of the bill requires a school district, state agency, public library or university that provides digital or online library database resources (aka Online Library Resources or OLRs) to verify that the resources comply with safety measures that prohibit and prevent access to materials that constitute child sexual abuse material, an obscene performance, or pornography.

The potential fiscal impact would be a restriction of the OLRs that the State Library is able to subscribe to. The ability to access our OLRs varies depending on if they were purchased individually by NDSL or in cooperation with Minnesota and South

Dakota. The ones purchased individually by NDSL are available to anyone with a library card from NDSL or an ND public library. The exception to this would be Ancestry and Encyclopedia Britannica which are available to all libraries. The ones that are purchased in collaboration with the other two states are open to patrons of libraries that participate in the purchase through a small fee that is based on the number of students in the high school, per capita for the public libraries and FTE for academic libraries.

SB2123 was combined with SB2360. This bill redefines obscenity. The definition of a public library describes how NDSL operates for the citizens of ND. If the bill passes as it is currently written, NDSL would need 71 temporary staff to review the fiction portion of our collection, which is just under 1/3 of our physical collection. NDSL would need an additional 35 temporary employees to review the e-book collection. We belong to a consortium with 60 public libraries so the public libraries will not need additional staff to review the e-book collection. The local public libraries will need an additional 224 employees to review their collections.

HCR3025:

There were two bills introduced at the beginning of the session to move the Judicial Branch into the Liberty Memorial Building. Neither of those bills passed. HCR3025 is a study to determine if the Liberty Memorial Building should be renovated and added on to for the purposes of moving the Judicial Branch into the building or if a new Supreme Court should be constructed. NDSL has requested an amendment to include the agencies that are currently located in the Liberty Memorial Building as part

of the study. The House Judicial committee has included that amendment. The bill received a Do Pass recommendation from the committee. There is no fiscal impact of the study.

Federal State Fiscal Recovery Funding

NDSL did not have any federal state fiscal recovery funds appropriated to us. We received \$2.1M in ARPA funding as previously outlined in my testimony directly from the Institute of Museum and Library Services. Those funds had to be expended by the end of February.

2023-25 Federal Funding

NDSL anticipates receiving Library Services and Technology Act funding of \$2,366,625 from IMLS. \$607,598 will be spent on salary and wages, \$1,500,581 will be spent on operating expenses, and \$258,446 will be spent on grants.

The purposes and priorities outlined in the Library Services and Technology Act are reflected in the Five-Year Plans submitted by each State Library Administrative Agency and in the over 1,500 annual projects that are supported through the Grants to States program.

NDSL evaluated the 2018-22 plan and developed the 2023-27 plan in 2022. Virtual and in-person focus groups were held to solicit input from the library community on the success of the last plan and the goals for the new plan. NDSL has three goals in the 2023 -27 Five-year plan.

1. Information Access
2. Institutional Capacity
3. Lifelong Learning

More information on the purpose of LSTA and the Grants to States program is included in the binder on pages 4 and 5.

Chairman Nathe and members of the committee, this concludes my testimony. Thank you for your time and your support of North Dakota libraries, including the State Library. I would be happy to answer any questions the committee has.