

TESTIMONY ON HB 1013
HOUSE APPROPRIATIONS EDUCATION AND ENVIRONMENT DIVISION
January 16, 2025
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, North Dakota State Librarian. I am here to provide information about the North Dakota State Library's 2025-27 appropriation request.

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 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 three constituency groups are the North Dakota library community, state agencies, and North Dakota citizens. NDSL supports 545 libraries across the state of ND, including academic, K-12, public, special and tribal, with 26.75 full-time equivalents. 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.

The State Library collection has over 288,700 items. The main collection includes large print fiction, general fiction, non-fiction, kits, and state documents. The agency has over 150 book club kits and over 200 Science, Technology, Engineering and Math (STEM) kits that can be borrowed by libraries, agencies, organizations and individuals. In addition, we have placed ten book vending machines in nine unserved locations throughout the state with a tenth at the capitol.

Our State Documents depository contains all publications by a state agency that are for the public. We have items that date back to territory days. The collection includes just over 192,000 physical items, 23,700 microfiche items and over 5,000 strictly electronic documents. The State Library keeps two copies, one to loan and one for the permanent collection. We send a copy to the State Historical Society for the archives collection. The remainder of the required copies are distributed to the North Dakota State University, the University of North Dakota, Minot State University, Valley City State University and the Library of Congress.

The State Library participates in the statewide e-book consortium with over 50 public libraries. Anyone with a library card from a local participating library or an NDSL card

has access to over 900,000 e-books, e-audiobooks and e-magazines. The collection has increased by 22% during this biennium.

Agency Overview

The agency is comprised of four divisions: Administrative and Fiscal Services, Library Services, Patron Services, and Technology Services.

The Administrative and Fiscal Services Division includes fiscal, human resources, procurement and contracts, marketing, and outreach for the agency. Our Marketing and Outreach Specialists provide services agency-wide as well as to the library community.

The Library Services Division provides direct support to the library community through the Library Development and Cataloging departments. The Library Specialists provide technical support, continuing education and training for public, school, academic and special libraries. In addition to cataloging materials for over twenty-five school and public libraries and eight state agencies, our cataloging department catalogs the physical items in the State Library's main collection housed in the Liberty Memorial Building and our Book Vending Machines which are spread throughout the state.

The Patron Services Division provides direct service to library patrons. The Information Services Department provides InterLibrary Loan, Reference, Circulation, and Reader's Advisory. The Talking Books department provides materials to patrons who are unable to read traditional physical books due to a visual, learning or physical disability.

The Technology Services Division includes IT and Digital Initiatives. In addition to coordinating the agency's technology needs, the IT department provides technology support to public libraries and patrons. The Digital Initiatives Department oversees the digitization of historical state documents, the Digital Horizons collection, as well as provides support to digitization programs at local libraries.

North Dakota Century Code

The next slide includes applicable 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
- 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.

North Dakota public libraries operate under §40-38. The State Library serves as a valuable resource for public libraries across the state, offering guidance and support on a wide range of issues, including interpretation of relevant statutes. However, it is important to emphasize that the State Library does not provide legal advice or represent individual libraries in legal matters. Our role is to assist libraries in understanding and navigating the statutory framework within which they operate.

The North Dakota Library Coordinating Council is the agency's Governor appointed advisory board; it operates under §54-24.4.

Biennial accomplishments:

I would like to highlight a few of our agency's accomplishments and challenges this biennium.

The State Library introduced a new continuing education series, *Today's Skills for Tomorrow's Libraries*, for all libraries. A total of 245 librarians and library staff attended the conferences in 2023 and 2024. We were the first state agency to use Teams Webinar to hold a virtual conference and other state agencies have been reaching out to us with questions and for assistance. The conference will be in-person during odd years and virtual during even years. The virtual events are open to anyone working in North Dakota libraries, but topics are geared toward different library types (public, academic and special, school) for each instance.

The State Library awarded 38 Library Vision grants totaling \$237,248. Projects included security, spaces, makerspaces, programming and collections. In addition, 3 academic tribal libraries received grants totaling \$30,000 for collection development, technology, and exploring native traditions. The State Library's Advisory Board, the North Dakota Library Coordinating Council (NDLCC), awards the grants. The NDSL adopted a new Library Vision Strategic Plan that will eliminate barriers, improve the application process and quality of grant applications and hopefully, increase the number of libraries applying for grants. There will be two additional grant rounds prior to the end of the biennium.

The State Library awarded \$868,791 to date in State Aid to Public Libraries in the 2023-25 biennium. 71 libraries were awarded grants in the first year of the biennium. State

Aid is used by the local libraries to expand programming, increase technology, and develop their collections.

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 2023-25 biennium, the IT team traveled over 6,600 miles and visited 45 public libraries.

The Digitization Department hosted 3 Scan Days at libraries. State Library staff digitized 156 individual items, which resulted in a total of 262 images for 16 participants. NDSL will add the images collected to Digital Horizons, which is a statewide digital repository of North Dakota related images and documents.

NDSL coordinated the gathering of collection development and reconsideration policies from public libraries and provided a report to the Juvenile Justice Committee in accordance with Chapter §12.1-27.1-01. We provided support to the libraries in the development of policies and answered questions related to compliance with HB1205.

NDSL has focused on increasing our partnerships with state agencies and organizations. The agency directors of the sister agencies meet monthly to network and strategize. Our diligent work of building a stronger relationship with NDIIT resulted in the West Fargo Public Library being included in a recommended federal grant to provide technology support to the community. We have partnered with HRMS to offer leadership book discussions for state employees. We continue to partner with the Bank of North Dakota which provides college savings to North Dakota students that complete a local summer reading program.

The State Library has launched a podcast entitled *Pathways Through the Prairie*. The idea of the podcast is to showcase the value of libraries and to share the innovative and engaging services and programs that libraries across the state offer to their community. The podcast can be accessed on the State Library's YouTube page.

Biennial challenges:

NDSL has experienced a 22% turnover this biennium. Although our turnover rate has decreased significantly from 46% in the previous biennium, turnover and specifically turnover due to salary has continued to be a challenge for our agency. With a higher turnover rate, we are spending time training new staff rather than focusing on maintaining and building on our initiatives and services. As you will see later in the presentation, NDSL is requesting an optional equity package.

An additional challenge was a break in the water main to the Liberty Memorial Building that resulted in several closures of the building to the public. Facilities Management was able to get the pipe replaced. There was a leak in the roof which we believe has been addressed. A new roof for the building has been identified as a critical need by OMB. There are ongoing water issues in the basement that affect the use of the space. Facilities Management is assessing the water issues and will determine the best way to address them.

The IT Review process has been burdensome to our small agency. While we understand it is a new process, and the intent of the process is to ensure cybersecurity, it has added additional time in the renewal of our resources. It would be helpful to see language clarifying what needs to be included in the review process as almost all of our resources have triggered the process. Depending on the workload at NDIT, the review process can bottleneck which causes us to reach out to vendors for an extension. We have appreciated the diligence and assistance of the NDIT staff as we navigate this together.

Audit:

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

Budget

Our appropriation for the 2023-25 biennium was \$9,294,141 of which \$6,822,098 is general fund with 26.75 FTE. Our agency currently has one time funding of \$333,000 to support leave payouts, IT equipment, maintenance of effort and renovations.

Our legislative base budget for 2025-27 is \$9,181,557 of which \$6,682,484 is general fund with a maintained level of 26.75 FTE. This is an overall decrease of \$112,584 from the current biennium. Within the base level fifty percent supports salaries, twenty-five percent supports operating, and twenty five percent supports grants. Our funding is made up of 73% general fund, 26% federal fund and 1 % other. It is important to note that while 26% of our funding is federal the majority of our general funding is attached to federal funding through match and maintenance of effort. Reduction of general funds has a direct impact on the federal funding we receive. Our salaries support the 26.75 FTE, of which 23.75 FTE directly support NDSL constituents.

The next slide shows a breakdown of our operating expenses. North Dakota State Library serves as the library for North Dakota libraries. 87% of our operating budget directly serves ND Libraries through online resources and materials, InterLibrary Loan, wireless access networks, technology support, professional development for staff and public library boards, and reference support.

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 \$287,500 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. Last biennium, the grants were limited to Tribal Academic colleges; this biennium they will be extended to all tribal

libraries. 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. Last biennium, eligibility for Library Vision grants was extended to include all tribal libraries in grant opportunities that are open to all publicly funded libraries. We are requesting the ability to extend the tribal library grants specifically to meet the varying needs of those libraries.

On this slide you will see the changes requested to the Legislative base that are in alignment with OMB's base budget:

Restoration of the FTE Funding Pool	\$	111,552
Continuation of 2023-25 Salaries	\$	63,205
Retirement Payouts	\$	20,000
2023-25 IT Rate Increases	\$	104,853
2023-25 Rent Increase	\$	14,389
Federal Funding Increase	\$	138,535

NDSL is additionally asking for optional funding packages including funding for a compensation package, an InterLibrary Loan bridge, and equity funding for nine positions classified at the 102 level. We originally included a request for the required spending for the PERS conversion but understand that OMB is putting forth a plan for this. NDSL is not requesting any onetime funding.

NDSL supports the OMB compensation package of \$331,008 which is why it is included.

The InterLibrary Loan bridge will improve resource sharing across the state by connecting over 350 libraries, saving subscription costs at the local level, and decreasing the time needed to borrow materials from other libraries for patrons. The libraries will be able to access the collections of libraries across the state which will result in an increase in in-state borrowing versus out-of-state borrowing. The total cost for the ILL bridge is \$702,000 made up of the optional request of \$450,000 to be paid from general fund monies and the remaining from federal funds. The funds will support the implementation costs, software license, and one FTE. The ILL bridge will be a partnership with ODIN, which is part of NDUS CTC, who will be adding the FTE.

NDSL appreciates the equity package that was allocated to our agency during the last biennium. The formula was based off of filled FTEs so the high turnover rate that we experienced impacted the dollars received. Even with the additional funding, we are still the third-lowest paying state agency. While we would love to ask for a targeted equity for all NDSL employees, our biggest need is with our 102s. The equity funding package will bring our eight employees that are classified as a 102 to 95% of the market policy point (MPP). The average for state agencies for 102 positions is 1.11% of the MPP. A survey that we conducted of North Dakota public libraries in 2023 showed an average pay of \$21.63 for similar positions; this will bring our staff to \$18.80. We just lost a 102

to another agency who was able to pay higher than the amount we are requesting to move our current staff to. We had a candidate who identified that accepting our open position would result in a 10% pay cut.

This next slide shows all the adjustments to reach our agency request of **\$10,495,099** which is in alignment with the Governor's recommendation.

We have had 22% turnover resulting in \$169,338 in vacancy savings of which \$5,152 has been utilized for annual leave payouts. We currently have two open positions. We plan to reassign the 0.75 FTE position after a current employee retires. Typically, we do not keep positions open for this extended period. We chose to use this position because it is classified as a 102 and is currently the lowest-level role within our current MMP. At the beginning of the biennium, \$111,552 was not provided in our appropriation and held in the FTE pool. We had one vacant position at the beginning of the biennium and were able to transfer \$78,087 into our appropriation. The remaining amount was not available to us. While we have experienced high turnover for the last two biennia, previously our agency averaged 5% turnover per biennium.

Agency Fees

The next slide will show the fees that NDSL collects. 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 2025-27, which is the same level of appropriations as 2023-25.

Other Bills and potential fiscal impact

There are three impending bills impacting the State Library. We do not anticipate that any of them will have a fiscal impact.

- **HB1254**: this bill would update language in §54-24-03(4) that would allow any North Dakota citizen to have a NDSL library card
- **HB 1420**: amends §54-24.4-05(2) to clarify that the Library Coordinating Council approves the distribution of state funded grants excepting the State Aid to Public Libraries grant.

The next two items will be combined into one bill, but a bill number hasn't been assigned yet.

- State Aid: new language would be added to §54-24.2-01 to require libraries to submit the annual Public Library Survey to be eligible to receive State Aid. This clarifies that §54-24.2-06 is a requirement.
- Disposal of Surplus Library Materials: this would create a new section in §54-24-03 that would allow the State Library to send surplus library materials from our

collection directly to North Dakota libraries without having to inform state surplus. It restores an exemption that the State Library used to have when we were part of a different parent agency and is similar to an exemption that the State Archives has.

We have included additional materials in the binder for your information that will highlight the impact of libraries in the local communities across the state.

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.