



# Illinois Heartland Library System

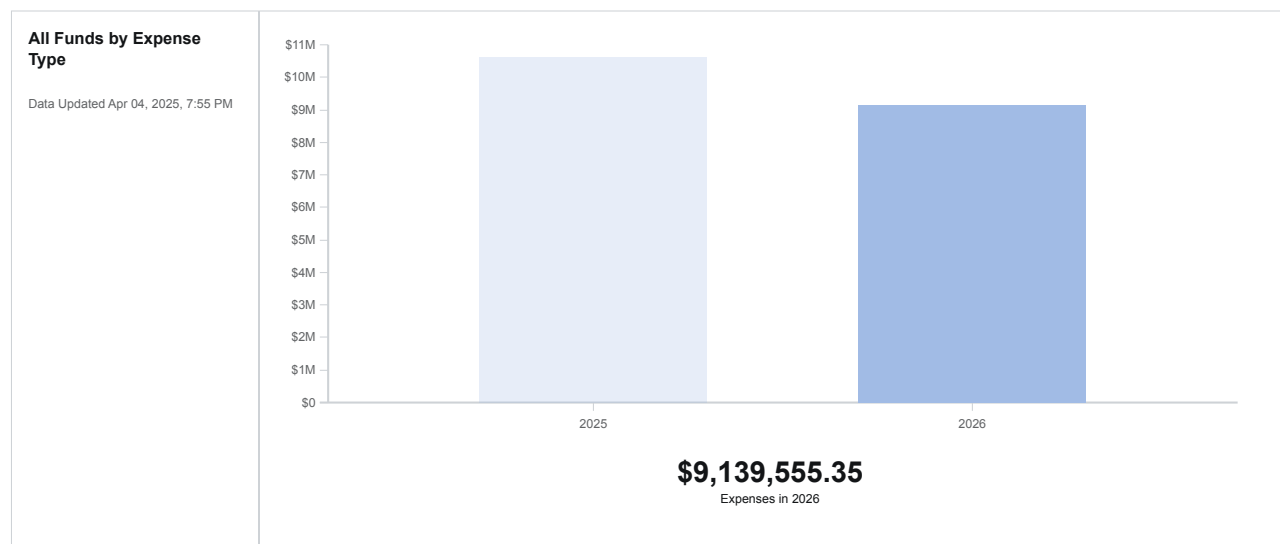
## Fiscal Year 2026 Budget Narrative

July 1, 2025 - June 30, 2026



### FY2026 Budget Narrative

Illinois Heartland Library System has changed and matured in the last 14 fiscal years. As we enter our 15th year as a library support organization, we continue to focus on the core services of resource sharing, delivery, and library automation. We rely on member feedback in surveys to enhance our services and implement innovation when beneficial. Additional areas of focus for FY2026 will again support our 500+ multi-type libraries in the areas of advocacy and continuing education.



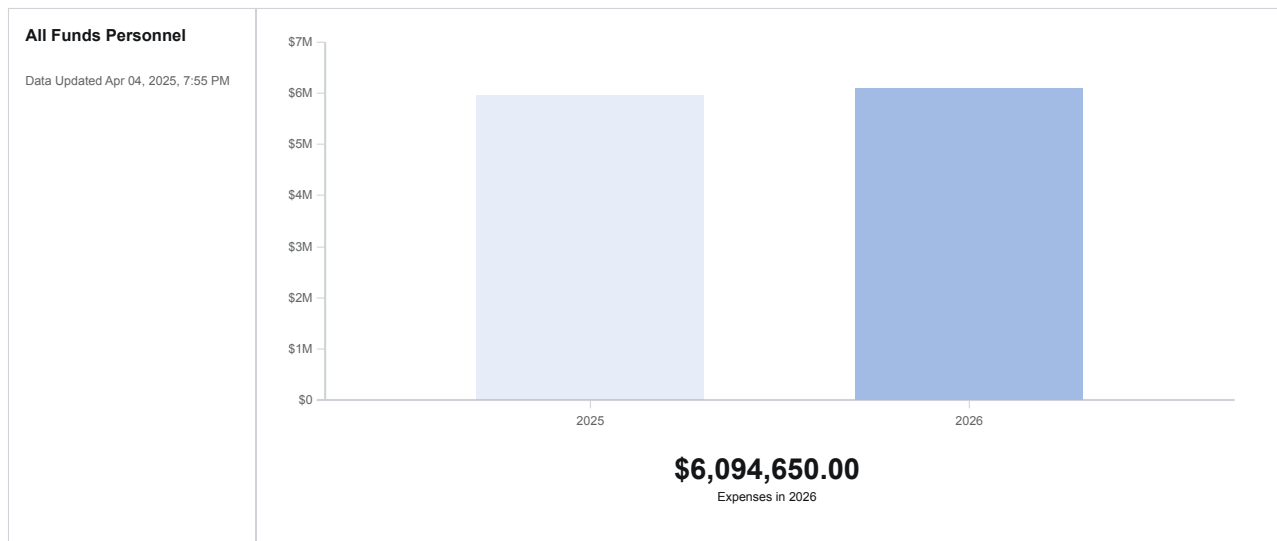
The proposed FY2026 budgets were developed to align with the activities outlined in our operational plan. These activities support the Illinois statutory priorities of library administration, resource sharing, bibliographic access, consulting and continuing education, and delivery. The major planned activities include:

- Continue outreach to school libraries and public library trustees, including the maintenance and promotion of a trustee learning program and updates to the Administrative Ready Reference using funds from the iLEAD

Library Trustee Learning grant through the Illinois State Library.

- Maintain exceptional delivery services to member libraries while refining processes to enhance efficiencies through the use of the Automated Materials Handling System (AMHS) machines.
- Enhance services offered to member libraries through E-Resources, the Aspen Discovery Layer, the McNaughton Books Subscription, and the Solus app.
- Continue in-person travel to ensure staff will receive the necessary support for site visits, networking opportunities, and continuing education. This better equips staff to build expertise in different areas of librarianship, therefore enhancing their training skills, helping them build and sustain professional relationships, and keeping them up to date on library marketplace trends.
- Increase resources focused on advocacy, professional development, and networking support for our multi-type membership.
- Contract with our Grants Consultant to explore funding options for additional member services.

## Personnel

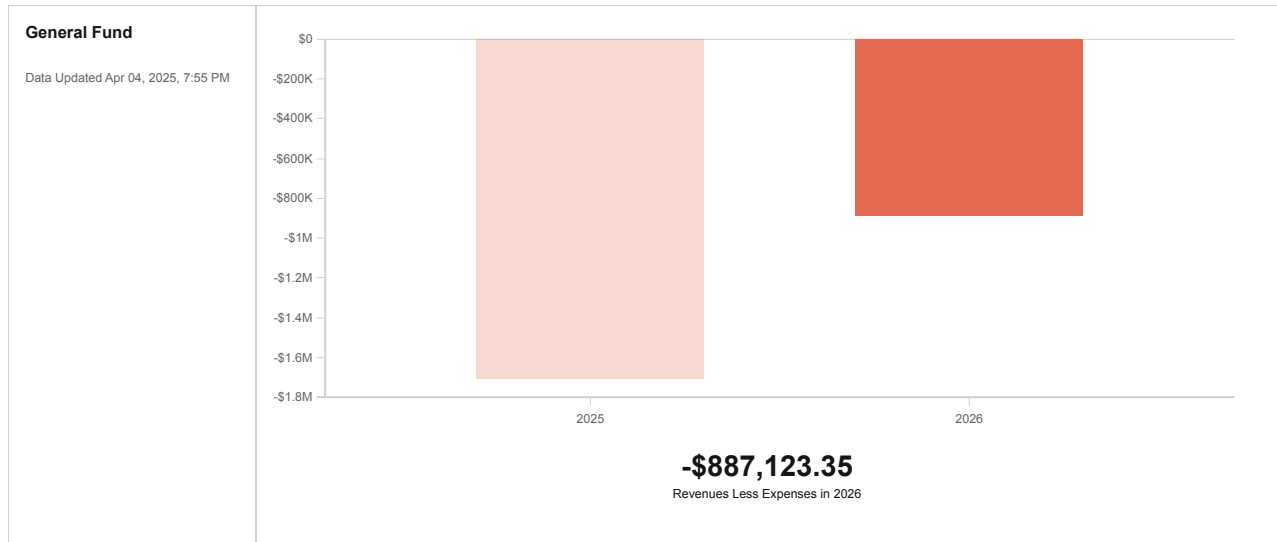


The largest component of our budget is Personnel. This accounts for approximately 67% of our total budget. Our staff are the backbone in the development and implementation of our organizational goals.

- Compensation for all positions, including Library Professionals, Other Professionals, and Support Services, is projected with an increase of 3% of wages.
- Social Security Taxes are projected at 7.65%.
- Unemployment Insurance is projected at 0.32% of the first \$13,916 wages earned per worker.
- Worker's Compensation Insurance is based on provider estimates.
- Retirement Benefits are projected for staff members who are estimated to work more than 1,000 hours in FY2026. For CY2026, it was estimated with a 10% increase over the CY2025 rate of 0.81%.
- Health, Dental, Vision, Accidental Death, and Life insurance renewals are in January. They will remain at the current rate for CY2025 and are projected at a 5% increase for CY2026.
- Other Fringe Benefits include an employee referral program.
- Retention & Wellness include labor law posters, staff member memorials, and staff gatherings.
- Training & Professional Development include the annual IHLS staff day and ongoing professional development training.
- Temporary Help includes coverage for staff while out on unplanned leave.

- Recruiting includes job postings, fit for duty exams, background checks, and drug screens.

# General Fund Budget Narrative



The General Fund is mainly supported by the System Area and Per Capita Grant through the Illinois State Library and the Secretary of State. The grant supports the Library System's statutory priorities of library administration, resource sharing, bibliographic access, consulting, continuing education, and delivery to our member libraries. This year's budget has a projected deficit of \$887,123, which will ultimately be balanced by utilizing reserve funds. The negative cash flow is due to a \$75,000 transfer to the Capital Projects Fund for the purchase of a box truck for ILDS, a \$350,000 transfer to the SHARE Operating Fund for its annual contribution, and \$462,123 in operating expenses. IHLS will pay for these expenses from the General Fund balance, which is \$6,053,141.73 as of February 28, 2025. These reserve funds are derived from the accumulation of previous years' revenue over expenditures balances—i.e., years of savings.

To help reduce the impact of increasing expenditures, management has reduced expenses in the following categories: Buildings and Grounds, Vehicle Expenses, Travel, Conferences & Continuing Education, Public Relations (i.e., marketing), Supplies, Telephone, Equipment Rental, Professional Services, Contractual Services, and Professional Membership Dues.

## Revenues

The General Fund projected revenues of \$4,570,249 are mainly comprised of \$3,919,852 from the System Area and Per Capita Grant (SAPG) and \$407,550 from the state-wide Illinois Library Delivery Services (ILDS). Other items included are office leasing, HR Source Grant cost-sharing, IHLS Member Day vendor support, investment income, member training revenue, E-Rate funding, grant administration fees for the Cataloging Maintenance Center (CMC) grant, the iLEAD Library Trustee Learning Grant, and the OCLC grant. Also, includes \$26,250 of revenue from SIUC for a potential agreement to assist with broadband support.

## Expenses

### Personnel

General Fund personnel expenses include the potential retirement of a long-term staff member's vacation payout and estimated IMRF accelerated payment. All staff are compensated at the market benchmark level based on experience, education, and service. IHLS anticipates receiving \$659,722 in federal Library Services & Technology Act (LSTA) funding. This portion of the funding will be utilized to help support the delivery personnel budget.

## **Building & Grounds**

General Fund projected expenses represent the rent expense at the Carbondale location, utilities at three locations (Carbondale, Champaign, and Edwardsville), building and ground maintenance at two locations (Champaign and Edwardsville), custodial services at two locations (Champaign and Edwardsville), and property insurance at three locations (Carbondale, Champaign, and Edwardsville).

## **Vehicle Expenses**

The General Fund projected expense for fuel decreased for FY2026 based on a combination of FY2025 actuals and industry forecasting. Vehicle insurance is projected based on coverage for 30 vehicles. The vehicle leasing amounts account for two vehicles leased through Enterprise Fleet Management for a portion of FY2026.

## **Travel, Meetings, and Continuing Education for Staff & Board Members**

The General Fund expense components are travel and registration for staff and board members to attend conferences, advocacy events, board member training, IHLS member site visits, and staff meetings. This also encompasses travel to workshops connected to a prospective agreement with SIUC for broadband support.

The travel and registration expense include staff attendance at the following conferences: American Association of School Librarians (AASL), Association of Illinois School Library Educators (AISLE) Conference, Illinois Association of School Boards (IASB), Illinois Library Association (ILA) Conference, Library Marketing and Communications Conference (LMCC), Illinois Reading Council, Midwest Digital Marketing Conference (MDMC), Innovative Users Group (IUG) Conference, Public Library Association (PLA), Reaching Forward South (RFS) Conference, ILA Trustee Workshops, ILA Legislative Meet-ups, International Coalition of Library Consortia (ICOLC), Directors University, and intra-company travel.

## **Conferences & Continuing Education Meetings for IHLS Member Libraries**

The General Fund projection includes opportunities for HR Source membership group purchase grants, networking, and learning opportunities offered to IHLS member libraries. This also includes a virtual IHLS member day in the winter.

## **Public Relations**

The General Fund projection includes printed and digital communications (such as printed brochures and program fliers) and outreach events (such as conference sponsorships and appearances). These activities help keep members informed of system services and contacts.

## **Liability Insurance**

General Fund expenses include projections for General Liability, Commercial Umbrella, Directors and Officers, Crime Coverage Bond, Cyber Liability, Employment Practices, and Treasurer's Bond insurance.

## **Supplies, Postage, & Printing**

This budget category includes expenses for computers and software (less than \$5,000), accessories and supplies for equipment, office supplies, postage, delivery supplies, and other supplies. The computer supplies line includes additional off-site video room systems for board meetings to be compatible with Zoom and Teams meetings and the renewal of server warranties. The purchase of computer supplies is included that would be needed for the prospective agreement with SIUC for broadband support. The projection for delivery supplies includes normal delivery operating supplies.

## **Telephone and Telecommunications**

Included in this budget category are projections associated with a monthly cost for telephone, fax, internet, delivery GPS, text alert system, and cell phone services.

## **Equipment Repair & Maintenance Agreements**

The projection includes costs for copiers and maintenance at three locations (Carbondale, Champaign, and Edwardsville).

## **Professional Services**

Expenses include projections for legal, accounting, consulting, and contractual staff. This includes miscellaneous consulting for the GeoMARC services to review the delivery routes and contractual staff for grant opportunities for IHLS and member libraries.

## **Contractual Services**

The General Fund expenses include projections for information service costs, outside printing services, and other contractual services. This includes Information Technology, Marketing and Communications, Accounting, and Human Resources database software subscriptions.

## **Professional Membership Dues**

This includes staff, board, and institutional professional membership dues.

## **Miscellaneous**

This line includes General Fund bank fees and accounts payable checks.

## **Net Pass Through**

This includes General Fund expenditures on behalf of member libraries that will be reimbursed. In FY2026, SWANK movie licenses will be offered to K -12 schools, increasing this budget line.

## **Inter-Company Transfers**

The General Fund transfer expenses include the annual contribution to the SHARE fund of \$350,000 and the transfer of \$75,000 to the Capital Projects Fund for the purchase of a box truck for ILDS delivery.

## Special Revenue Fund Cataloging Maintenance Center Budget Narrative



Supported by the Illinois State Library (ISL), the Cataloging Maintenance Center (CMC) is operated by the Illinois Heartland Library System (IHLS). Started in 2001 to upgrade bibliographic records and set OCLC holdings for Local Library System Automation Programs (LLSAPs) throughout the state, the CMC has evolved and provides more services that help improve access to these resources for all libraries in Illinois. The CMC is also a source for other cataloging assistance, including database cleanup, original or copy cataloging of eligible collections, cataloging training, assistance with general cataloging questions, including questions on Resource Description and Access (RDA), and metadata consultation.

### Revenues

The CMC Fund revenues reflect the Cataloging Maintenance Center grant from the Illinois State Library.

### Expenses

#### Personnel

This line includes 8.25 full-time equivalent staff allocated to the CMC grant. Three full-time temporary staff members are assigned to the CARLI cleanup project.

#### Travel, Meetings, and Continuing Education

This line includes travel and registration costs for staff attendance at the following conferences: PrairieCat Users Group (PUG) Day, Online Audiovisual Catalogers (OLAC), Association of Illinois School

## Special Revenue Fund Online Computer Library Center Budget Narrative



Supported by the Illinois State Library (ISL), the OCLC Billing Grant is operated by Illinois Heartland Library System (IHLS). IHLS is the fiscal agent for the statewide billing of OCLC services for ISL, which includes libraries throughout all of Illinois. This grant manages approximately \$5 million in revenues and expenditures each year. Currently, more than 1,000 ILLINET libraries choose to be Group Services members and pay a discounted subscription price for OCLC products covered under the Group Services contract that ISL negotiates on the group's behalf.

### Revenues

OCLC Fund revenues reflect the OCLC grant from the Illinois State Library.

### Expenses

#### Personnel

This line includes 1.75 full-time equivalent staff allocated to the OCLC grant.

#### Supplies, Postage, & Printing

This line includes expenses for computers and software (less than \$5,000), accessories and supplies for equipment, and office supplies.

#### Telephone and Telecommunications

This line includes monthly costs for telephone users.

#### Equipment Repair & Maintenance Agreements

Library Educators (AISLE) Conference, Illinois Library Association (ILA) Conference, Reaching Forward South (RFS) Conference, Reaching Forward Conference, and intra-state travel.

### **Public Relations**

This line includes booth fees and educational handouts.

### **Supplies, Postage, & Printing**

This line includes expenses for computers and software (less than \$5,000), accessories and supplies for equipment, and office supplies.

### **Telephone and Telecommunications**

This line includes monthly costs for telephone users.

### **Equipment Repair & Maintenance Agreements**

This line includes cost for copiers and maintenance at two locations (Champaign and Edwardsville).

### **Contractual Services**

This line includes computer and software online services such as Zoom, Classification Web, WebDewey, RDA Toolkit, Otter Pro, Ancestry.com, Turboscribe, Fab Tech, Adobe, MailChimp, domain name renewal, and grant administrative fees.

### **Professional Membership Dues**

This line includes staff and institutional professional membership dues.

This line includes costs for copiers and maintenance at the Edwardsville location.

### **Professional Services**

This line includes the FY2025 audit costs.

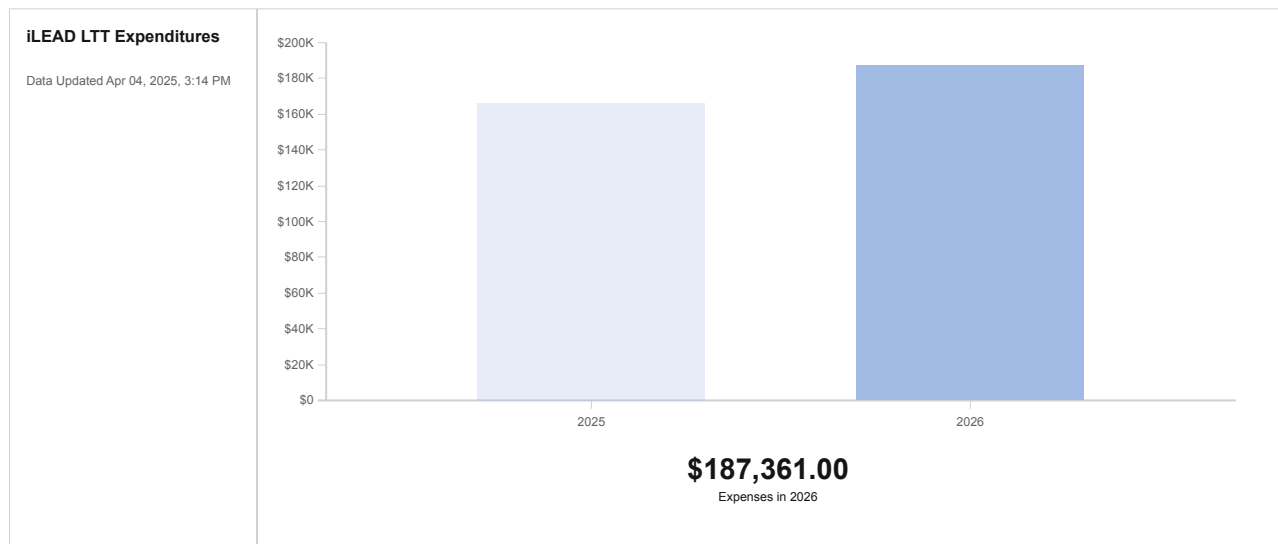
### **Contractual Services**

This line includes the Traverse financial software support agreement, Adobe subscriptions, domain name renewal, and grant administrative fees.

### **Professional Membership Dues**

This line includes staff professional membership dues.

# Special Revenue Fund iLEAD Library Trustee Training (LTT) Budget Narrative



The iLEAD (Leadership, Empowerment, Accessibility, and Development) Library Trustee Learning Portal is an online learning resource developed for Illinois public library trustees. This project is a grant supported by the Illinois State Library (ISL) and developed by Illinois Heartland Library System (IHLS), with subject matter experts located throughout the state contributing and advising. This online learning portal provides users with the knowledge, requirements, and resources they need to be influential library leaders. In FY2026, the grant work will include updates to the Administrative Ready Reference.

## Revenues

The revenues reflect the iLEAD Library Trustee Learning grant from the Illinois State Library.

## Expenses

### Personnel

Includes 1.0 full-time equivalent staff of a Project Manager. Previously shared with the General Fund, this position will now be fully allocated to the grant in FY2026 due to expanded responsibilities associated with the grant.

### Travel, Meetings, and Continuing Education

The travel and registration expenses include staff attendance at the following conferences: Illinois Library Association (ILA) Conference, Reaching Forward South (RFS) Conference, Reaching Forward Conference, ILA Trustee Workshops, and intra-state travel.

### Public Relations

This line includes educational materials to promote the learning portal to public library directors and trustees statewide.

### Supplies, Postage, & Printing

This line includes expenses for computers and software (less than \$5,000), office supplies, and postage.

### Telephone and Telecommunications

This line includes monthly costs for telephone users.

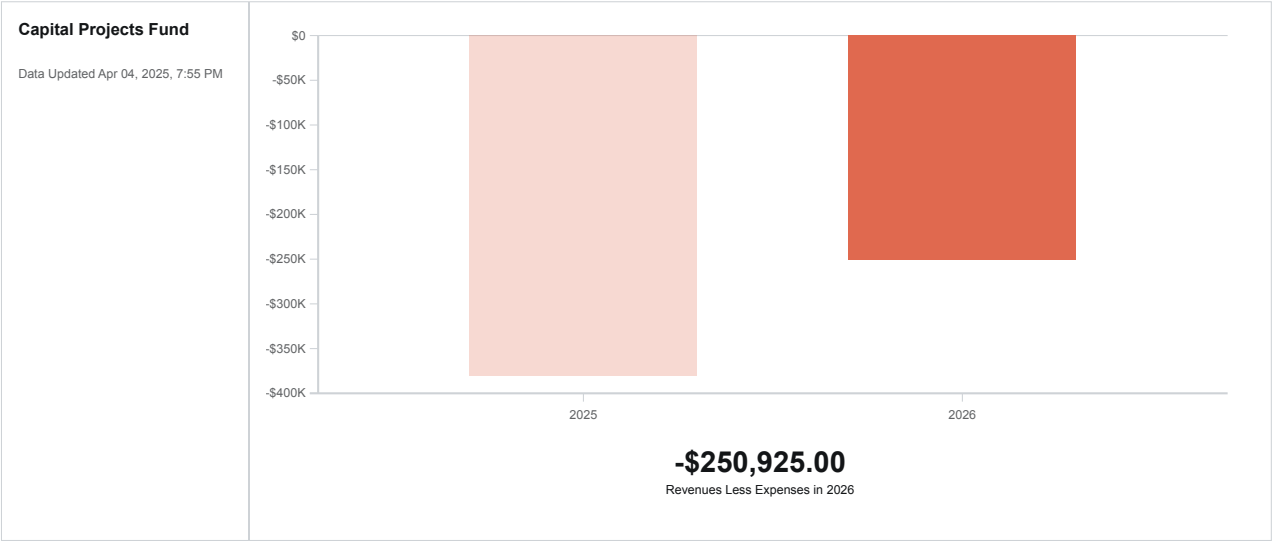
### Professional Services

This line includes projections for legal and contractual staffing needs for the module development and updates to the Administrative Ready Reference.

### **Contractual Services**

This line includes the software subscriptions to develop the learning platform and grant administrative fees.

# Capital Projects Fund Budget Narrative



The Capital Projects Fund was established to support the purchase of fixed assets that are greater than \$5,000. The Capital Projects Fund budget has a projected deficit of \$250,925 that will be balanced with the fund balance. The Capital Projects Fund balance of \$567,704.50 as of February 28, 2025, is derived from the accumulation of the General Fund’s previous years' revenue over expenditures balances and revenue from interest income—i.e., years of savings.

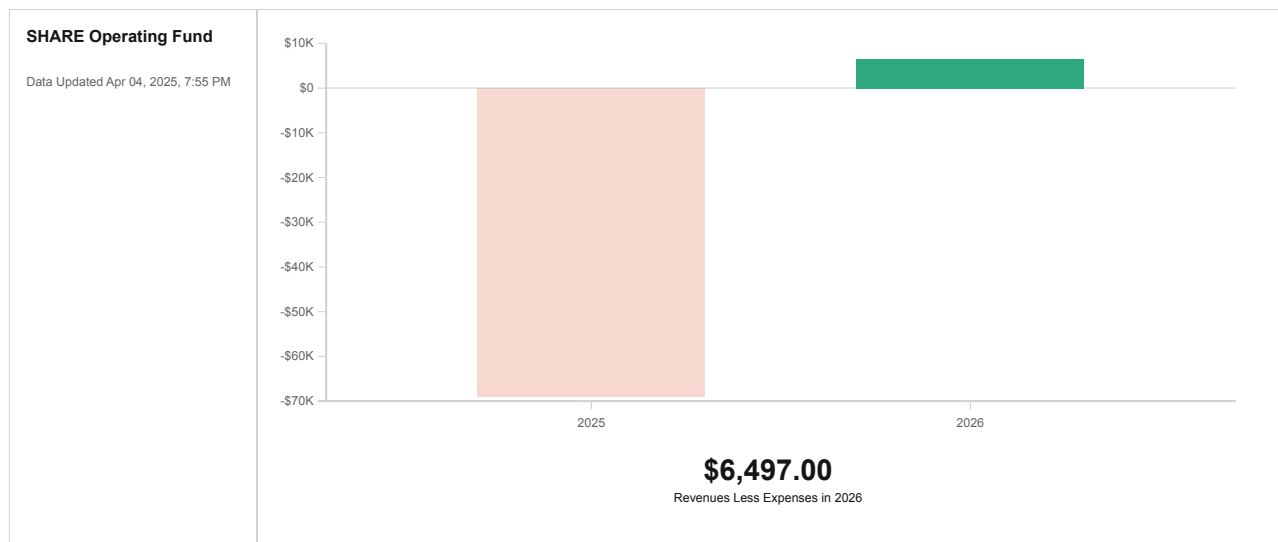
## Revenues

Capital Projects Funds' projected income source is investment income and the transfer from the General Fund balance to cover the cost of the purchase of one box truck.

## Expenses

The Capital Projects Fund projections include the purchase of six vehicles (one staff vehicle, four delivery vans, and one box truck).

# SHARE Operating Fund Budget Narrative



SHARE is a collection of libraries in central and southern Illinois that have joined together to form the largest automation consortium in the country, with 339 members at 473 locations. There are many benefits to SHARE membership, including the ability to share the cost of purchasing an integrated library system, staff, technical support, and training. SHARE operates under the umbrella of IHLS. It is supported by SHARE members' fee revenue and the IHLS General Fund, both monetarily and with in-kind contributions of professional staff, buildings, and vehicles.

## Revenues

The SHARE Fund's projected revenues of \$2,284,726 mainly comprise SHARE member fees for services and materials and the IHLS General Fund support. SHARE membership fee scales were revised in FY2025 and include modules, cloudLibrary, and Aspen. Other revenue items included are cataloging services, investment income, the Cataloging Maintenance Center (CMC) grant administration fee, group subscription reimbursements, and Smart Access Manager (SAM) billing.

## Expenses

### Personnel

This SHARE Fund expense includes 16 full-time equivalent staff allocated to SHARE.

### Library Materials

The SHARE Fund eResources projection is a direct expense of cloud subscription fees, including an additional \$50,000 of eBook purchases and group purchases. This expense is offset by the fees for services and materials revenues. The printed materials projection is a group purchase for McNaughton books and is offset by the fees for services and materials revenues.

### Vehicle Expense, Travel, Meetings, and Continuing Education

The SHARE fund expense components for this line are travel and registration for staff members to attend conferences, advocacy events, and staff meetings.

The travel and registration include staff attendance at the following conferences: Association of Illinois School Library Educators (AISLE) Conference, Online Audiovisual Catalogers Conference (OLAC), Illinois Library

Association (ILA) Conference, Library Marketing & Communications Conference (LMCC), Innovative Users Group (IUG) Conference, Public Library Association (PLA), Reaching Forward South (RFS) Conference, International Coalition of Library Consortia (ICOLC), ILA Legislative Meet-Ups, and intra-company travel.

### **Public Relations**

This category includes printed and digital communications (such as printed brochures and program fliers) and outreach events (such as conference sponsorships and appearances). These activities help keep SHARE members informed of consortium features and contacts, and they contribute to the recruitment of new members.

### **Supplies, Postage, & Printing**

This budget category includes expenses for computers and software (less than \$5,000), accessories and supplies for equipment, office supplies, and postage. The computer supplies line includes the renewal of server warranties. Office supplies include supplies for a book repair class.

### **Telephone and Telecommunications**

Included in this budget category are projections associated with monthly costs for telephone, fax, internet, and cell phone services.

### **Equipment Repair & Maintenance Agreements**

This SHARE Fund expense includes costs for copiers and maintenance at three locations (Carbondale, Champaign, and Edwardsville).

### **Professional Services**

Expenses include projections for legal, accounting, and consulting.

### **Contractual Services**

This category includes projections for information service costs, outside printing services, and other contractual services. This includes database software subscriptions to support SHARE member libraries, including the annual Polaris, Aspen, and Solus mobile app customization fees. It also allocates \$17,600 for Aspen development to address requests from members and resolve issues. Another item added for FY2026 is an SQL Server Enterprise update for Polaris, costing \$10,326.

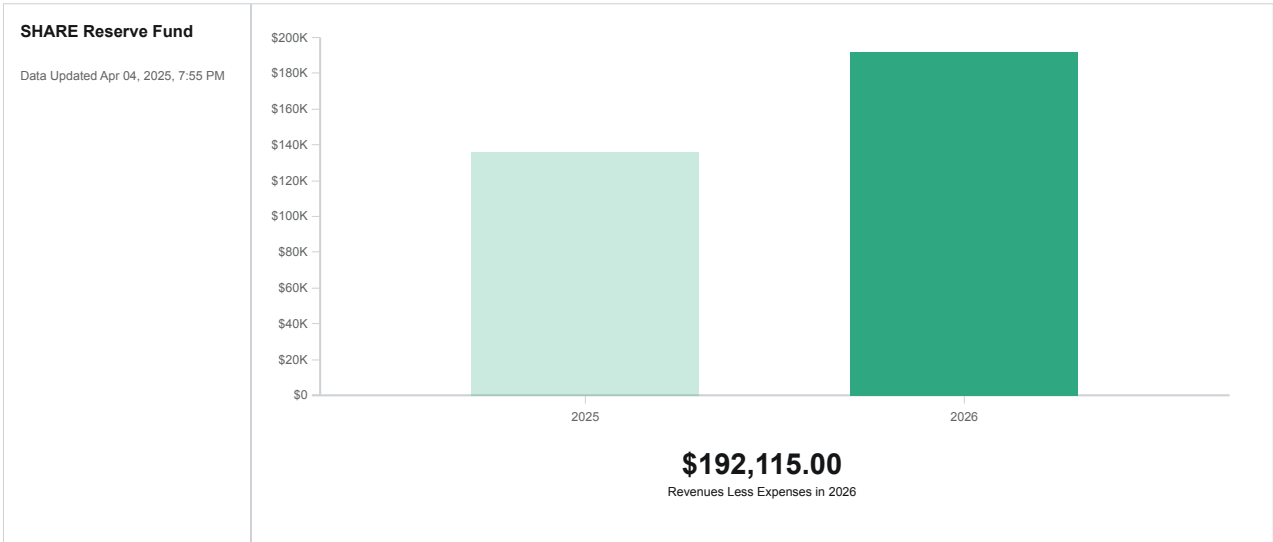
### **Professional Membership Dues**

This expense includes staff and institutional professional membership dues.

### **Inter-Company Transfers**

This expense includes the SHARE Fund transfer to SHARE Reserves of \$142,500.

# SHARE Reserve Fund Budget Narrative



The SHARE Reserve Fund was established for the replacement of hardware and software for the SHARE consortium. The SHARE Reserve Fund budget has a projected surplus of \$192,115. Each fiscal year, an amount approved by the SHARE committees is transferred from the SHARE Operating Fund to the SHARE Reserve Fund to accumulate this fund balance for ILS software replacement (if ever needed) and for continued infrastructure maintenance or upgrades. The SHARE Reserve Fund balance as of February 28, 2025, is \$1,272,012.62.

## Revenues

The SHARE Reserve Fund projected revenues of \$192,115 includes the transfer of funds from the operating budget and interest income.

## Expenses

There are no expenses budget for FY2026.