



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

TO: Leslie Bednar, Executive Director, Illinois Heartland Library System
Deirdre Brennan, Executive Director, Reaching Across Illinois Library System

FROM: Anne Craig, Director, Illinois State Library

SUBJECT: System Area and Per Capita Grants for Fiscal Year 2016

DATE: January 12, 2016

I am pleased to inform you that the Illinois State Library has received appropriation authority from the Illinois General Assembly and the governor sufficient to award System Area and Per Capita (SAPC) grants for State Fiscal Year 2016 (FY16) in Public Act (PA) 99-0491. Unfortunately, PA99-0491 appropriated no library grant funding from the General Revenue Fund; consequently, the funding available is only about half of the amount for FY16 that was requested by the Secretary of State's Office. In any event, PA99-0491 allows the State Library to approve the FY16 System Area and Per Capita Grant (SAPG) application submitted by the Illinois Heartland Library System (IHLS) and the Reaching Across Illinois Library System (RAILS), and to award FY16 SAPG grants in the following approximate amounts:

- IHLS: \$1,976,473 (estimated)
- RAILS: \$5,781,805 (estimated)

These amounts represent a 42% cut for the systems from the FY15 funding level and are clearly not sufficient on their own to support the budgets included in your FY16 SAPC grant applications. Given this fact, and the possibility that there may be no additional funding available for system grants in FY16, and that funding levels for library grants in FY17 may mirror those for FY16, the State Library finds that a change in library system funding has occurred and that a revision of your FY16 Plans of Service is required. Such a revision is authorized by the library system administrative rules at 23 ILAC 3030.345 (a).

The RAILS and IHLS library system boards shall approve and submit their revised plan of service to the State Library by March 31, 2016. Until approval from the Secretary of State/Illinois State Library is secured following this submission of the new revision, both IHLS and RAILS must continue to operate under their FY15 approved Plan of Service and budget. Given the uncertainty of future system funding, we would expect the revised plans to preserve the following core system services:

- Delivery
- LLSAPs
- Resource-sharing training
- Membership and certification support
- Administration

The RAILS and IHLS boards will need to determine how to best proceed with this greatly reduced funding and the challenges it creates.

If current FY16 system funding levels remain in place in FY17 and future fiscal years, unless a major revision of your plans of service is undertaken, we believe that the sustainability of your systems and the services they provide will be severely threatened, most immediately with IHLS but inevitably with RAILS as well. For this

reason, in addition to limiting expenditures to only the core services listed above, we would ask that your revised plans also include a revenue sharing component that would entail RAILS assuming some or all of the costs of providing one or more of the listed core services. For example, for the remainder of FY16 through an intergovernmental agreement, RAILS might assume the costs of delivery and/or provide fiscal and human resources management for IHLS.

We believe that such arrangements would be permitted under the recent change to the Illinois Library System Act by PA99-186 that states that library system funding may be “expended for the provision of services to members of other library systems if such an expenditure is included in a library system’s plan of service and is approved by the State Librarian.” In addition, we believe PA99-186 would allow IHLS to include a revision to their plan of service that would allow its SHARE catalog to offer service to all ILLINET members at its current fee structure.

Finally, the plan of service revisions for both RAILS and IHLS must focus on reducing costs of administration, personnel, public relations, travel, and consolidation of other elements such as accounting, human resources, and related overhead functions.

Additional special project activities, funded through separate funds, should be included in the revised FY16 Plan of Service and Budget. These projects have been funded at the amounts below:

- The FY15 CMC Grant, already extended through the end of FY16, will receive an additional amount of \$239,073 and will be managed by IHLS.
- The FY16 TMQ Grants are funded at \$36,080 for RAILS and \$8,200 for IHLS.
- Administration of OCLC Billing will not be funded as a grant but will continue to be managed by IHLS. The State Library is agreeing to an amount of \$155,271 to be funded by the OCLC credit reserve for FY16.
- The FY16 TBBS Grants will be funded at \$622,309 for RAILS and \$290,187 for IHLS with the outcome that these projects may be shuttered and moved to ISL by June 30, 2016, per NLS guidelines. These FY16 TBBS grants are the final awards for this program.

Please let me know if you have any questions; I am available at 217-782-2994 or acraig@ilsos.net. My staff and I are available at any time for you as you work through this process.