



ARIZONA STATE LIBRARY,
ARCHIVES AND PUBLIC RECORDS

A DIVISION OF THE ARIZONA SECRETARY OF STATE

GLADYSANN WELLS, DIRECTOR

PROVIDING ACCESS
Preserving Arizona

Fiscal Information 2009

STATE CAPITOL

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GladysAnn Wells

From: GladysAnn Wells
Sent: Monday, January 26, 2009 5:21 PM
To: 'mhunter@azleg.gov'; 'Wendy Baldo'; 'vriches@azleg.gov'
Cc: 'Richard Stavneak'; 'Steve Grunig'; Joan Clark
Subject: Update from Library & Archives--Budget offering New and higher amounts to return

Hello,

I realize time is tight, but I wanted you to know that I think we can almost double our original amount of state general fund contribution. If we could have permission to use a little extra authority with our Records Services Fund, we could give back \$450,000 in this 09 fiscal year.

According to our calculations this would mean, for Library & Archives in FY09 our first reduction was 6.19% of our general fund, and this second reduction would be an additional 6.79 % for a total of 12.98 % of our operating funds in FY 09. This is calculated on the base after the two pass through amount of state grants in aid and Sun Sounds Radio Reading had been deducted.

We have still kept the other funds savings of \$200,000 I promised in November and still offer those. That means a total return of \$650,000 from Library & Archives.

I hope this helps.

Under this plan, we would still manage our five major federal fund match requirements and complete the grant work under those federal grant projects. It will mean a longer time frame to complete the work, but the federal funding sources have just now given us some more time. It takes forever sometimes to receive confirmation from the federal folks.

Right now, I have no idea how to manage FY 2010. But I will continue to work on it.

Thank you for listening. GladysAnn

GladysAnn Wells
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ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS
Library and Archives Operations FY09 Summary
With Chairmen Budget Recommendation Numbers

1/28/2009

L&A Operations (General Fund only)	\$7,378,900
Rent Payments (3 buildings swept by DoA)	(375,900)
Five Federal Grants Certified Match for \$4 million in federal funds projects underway; replacement funds would have to be found in other federally approved places, or AZ would have to return funds to federal granting agencies	(1,712,401)
Risk Management swept by DoA	(67,900)
Insurance Sweep by DoA in 1st fiscal month (employee benefits)	(687,100)
L&A Operating Expenses already spent; includes other swept ERE, library materials and equipment maintenance agreements	(360,133)
Pass through funds go directly to communities or organizations:	
Sun Sounds Radio Reading Service for the Blind	(97,000)
State Grants in Aid	(651,400)
No L&A administrative costs deducted	
Total Operating Funds either swept by DoA or Committed as Federal Match	<u><u>(3,951,834)</u></u>
Sub Total Operations General Fund Remaining	<u><u>\$3,427,066</u></u>
Existing L&A Salary Projections for current staff through FY09	<u><u>(3,031,372)</u></u>
Amount Remaining for L&A Operations through FY09	<u><u>\$395,694</u></u>
L&A Budget Recommendation:	
L&A has saved from Amount Remaining for L&A Operations:	\$250,000.00
Recommend moving to revenue account (Records Services Fund):	\$200,000.00
*This amount is predicated on a limited fund sweep and the ability to shift some bills, i.e., (Records Center rent payment -- \$189,500--to the Records Services Fund).	
L&A Return without loss of federal funds or staff layoffs includes vacancy savings	<u><u>\$450,000.00</u></u>
L&A additional return through fund sweeps of:	\$200,000.00
Total* Library & Archives Return	<u><u>\$650,000.00</u></u>

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Summary of Appropriations Chairmen Budget Options for Library & Archives

FY09 Savings proposal	737,900
FY09 Personnel Savings proposal	199,300
FY09 Fund Transfers:	
Records Services Funds	295,600
State Library Fund	100,000
Non-lapsing Fund Transfer*	121,000
Total Budget Options for Library & Archives	\$1,453,800

Note:

The amount of \$121,000 indicated on page 360 of the Appropriations Chairmen Budget options is not available. Only \$1,012.89 remains in FY08 non-lapsing fund transfer funds since \$72,817.87 has already been granted to local communities building libraries. Some of that money may not be needed. L&A is calling each library to be sure the projects will finish on time in this fiscal year, and the money is still needed. Update forthcoming.*

Comparison of Appropriations Chairmen Options with L&A proposed return:

Chairmen Options Total	1,453,800
Library & Archives Total	650,000
The Chairmen Options would be over the L&A proposal by:	\$803,380

The difference of \$803,380 could not be reached without an eight week furlough of the entire agency, putting at risk not only current, but future federal funds of \$4-\$8 million per year.

Library & Archives wishes to contribute its fair share to assist in the problems facing all of us.

The following proposal would provide a 10% cut on an adjusted L&A base by

<i>subtracting the two major pass-through* amounts from the L&A base would reduce it</i>	7,378,900
Radio Reading Service for the Blind	(97,000)
State Grants in Aid	(651,400)
Adjusted L&A Base	\$6,630,500

*No L&A administrative costs are included in the pass-through amounts; the dollars go directly to Arizona communities or organizations.

Applying the Chairmen Option of 10% to the adjusted L&A base would provide:

L&A Budget Recommendation	\$663,050
General Fund Gap	(\$450,000)
	\$213,050

This \$213,050 is above what L&A has proposed. One pay-period furlough would make up the difference. That would seem possible without risking the loss of federal funds or the complete disruption of services.

L&A staff is significantly lower than 1999; yet service levels have increased. Most L&A staff are not high wage-earners; therefore many more individuals would be affected to make up any difference in numbers. The number of vacancies and the number needed in a lay off to amass significant savings would seriously cripple federal and state-mandated work.



ARIZONA STATE LIBRARY,
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GLADYSANN WELLS, DIRECTOR

9 February 2009

The Honorable Bob Burns
Library Board
Arizona State Senate
1700 W. Washington
Phoenix AZ 85007

Dear President Burns:

As Chairman of the State Library and Archives Board, I am presenting for your review the budget scenarios we have worked through to meet the FY 2009 Special Session budget reductions for the agency. The reductions of \$1.45 million present a 70% budget cut to the agency. As you know, Library and Archives has a number of fixed costs such as building rent, risk management, pass-through monies to local libraries and insurance on collections and archives. Those required expenditures, plus the operations of the agency for the past seven months have left a total of \$2.0 million in our remaining budget.

My staff and I have laid out two scenarios to address the current budget situation. The reductions require significant staff lay-offs, the potential for the closure of buildings and restrictions on services to the public and state and local governments, I sincerely request your direction.

In both scenarios, required to meet the reductions, only essential government research (arranged by prior appointment) would be possible in the State Archives, State documents, law, genealogy, map and Federal document collections.

Scenario One:

Library and Archives would attempt to retain the federal LSTA grant monies, totaling \$3.2 million, of which \$2.5 million is distributed as direct grants and services to local libraries across the state. For FY 2009 alone, the loss of the LSTA grant would cost the State \$769,000.

The State Capitol Museum, the Polly Rosenbaum Building (History and Archives), the Records Management Center, and the Law and Research Library would be closed to public service for the remainder of the fiscal year. A skeleton staff, paid for in the most part using the Records Services Fund, would provide only limited maintenance as described below.

At the State Capitol Museum, they would inspect the artifacts remaining at the museum and check for vandalism and for building issues such as leaks. School tours, meetings, and general access to the exhibits would be canceled.

At the Polly Rosenbaum Archives and History Building, they would receive archives from cities, counties, and towns, but would not process the collections or make them available for research. The building and all services would be closed to the public.

At the Records Center, they would receive records transferred from State agencies, though on a seriously reduced schedule. Emergency records retrieval would be available for the DPS, Health, DES, and other citizen health and safety related records.

In this scenario, we would meet the terms of Federal Maintenance of Effort required by law and regulation. I believe we could meet the current budget reduction if we took these measures, although we would not meet the spirit or letter of our federal and state research and public services requirements.

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We would continue service to the libraries through the Library Development Division and to the visually impaired and those unable to read traditional print materials through the Braille and Talking Book Library.

Scenario Two:

Library and Archives would attempt to significantly reduce, but continue partial services agency wide. This scenario does mean the loss of both the LSTA grant (\$769,000) and the potential loss of \$5.0 million in applications for Federal E-Rate funds.

All but 25 of the 105 filled positions would be furloughed to half time – twenty hours per week. Public service in the Museum, Archives, Records and Research would be open no more than four hours per day, limiting the number of tours and patrons we can serve.

We would attempt to keep the Braille and Talking Book Library open through donations. This service is critical to the blind and visually impaired and we would make every attempt to continue that service.

Even with most staff being furloughed to half time, we would have to take additional measures to meet the budget cuts. I am also certain that few on our staff would remain with the Agency unless they had no other options, and many of the best would be the first to go.

Summary:

Both scenarios will have an extreme impact on the services we offer to the Legislature and State agencies, as well as cities, counties, towns and cultural institutions throughout the State. It will be difficult for State agencies and local governments to comply with statutory requirements for their records management programs.

Additionally, the digital government and electronic records management programs will be cut. As a result, State agencies may be faced with increased costs for discovery for litigation or may not understand how to organize their records to comply with open records requests. Government transparency and accountability will be reduced.

Finally, these scenarios will curtail the Library and Archives' ability to participate in and support local communities' Centennial celebrations. As you know, the Arizona Historical Advisory Commission operates out of Library and Archives and has some \$90 million in statewide local legacy projects underway.

Library and Archives has been preparing for coming reductions since the beginning of the year. My staff and I have identified \$800,000 in one-time sweeps and savings (a 40% budget reduction) that will allow us to keep our critical services and buildings open, though at reduced levels but without the loss of Federal funds.

Even under this proposal, a 40% budget reduction staff furloughs and reduced public service hours, which have already begun to be implemented, will be required.

If the FY 2009 cuts cannot be reduced, I recommend the first scenario; protecting the Federal funds for libraries throughout the State.

I would deeply appreciate an opportunity to discuss these impacts with you. A meeting of the Library Board would seem appropriate. Unfortunately, in order to meet our target reduction, one scenario or the other should begin by February 17. We need to notify the State Capitol Museum school and tour groups as soon as possible.

Thank you for the opportunity to review the fiscal and service situation facing Library and Archives.

Respectfully,

GladysAnn Wells
Director and State Librarian

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ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS

Proposed Reversion Options : 18 February 2009

The reductions of \$1.454 million present a 70% budget cut to the agency at this point in the fiscal year. Agency staff has put together a plan to implement this cut. However, this plan includes significant cuts to programs, including placing 57.45 FTE – more than half the agency staff – on full-time furlough for the remainder of the fiscal year.

Given this loss of staff, several of the Agency's programs must be curtailed.

- Records Management Center: Reduced schedule and staff. Significant delay in records retrieval for most agencies. State agencies may be forced to use more expensive commercial storage. Eliminate no-cost records management training programs.
- Polly Rosenbaum Archives and History Building: Closed to the public. Access for state agencies limited to most critical requests, such as litigation.
- Genealogy Collection and Government Information: Closed to public, restricting access to records necessary for government transparency and accountability. Research services for state agencies reduced or eliminated.
- State Capitol Museum: Closed, eliminating school tours, meetings, and exhibits.

In each program, a skeleton staff paid for in the most part using the Records Services Fund would provide state agencies only the most critical functions, such as emergency records retrieval for the DPS, Health, DES, and other citizen health and safety related records, or records for litigation.

Preserving the programs listed above would cost:

Records Management Center	\$113,000
Personnel Service (section 6): \$90,000	
Records Services Fund (section 4): \$23,000	
Polly Rosenbaum Building	\$132,800
Revenue fund (section 5) \$33,800	
Personnel service (section 5) \$60,000	
General Fund (Sec. 6): \$39,000	
Genealogy and Government Information	\$190,000
General Fund (Sec. 3): \$150,000	
Personnel Service (Sec. 6): \$40,000	
State Capitol Museum	\$160,000
Lapsing Funds (Sec. 4) \$121,000	
General Fund (Sec. 3) \$39,000	

This scenario does not include cuts to two programs that we will continue to protect federal grants.

Library Development: Provides services and directs \$3.2 million in federal library funds to libraries throughout the state and assists in applications for more than \$5 million in federal E-Rate funds.

Braille and Talking Book Library: Provides federally supported services to the visually impaired and those unable to read traditional print materials.

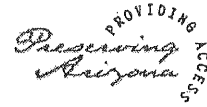
The Agency has been preparing for coming reductions since the beginning of the year. Those savings, along with furloughs already implemented, will allow us to reduce this fiscal year's expenditures \$858,000 – 42.9% – with minimal reduction in services.

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ARIZONA STATE LIBRARY,
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GLADYSANN WELLS, DIRECTOR



26 February 2009

The Honorable Bob Burns
Library Board
Arizona State Senate
1700 W. Washington
Phoenix AZ 85007

Dear President Burns,

Thank you for the opportunity to talk with you briefly at Statehood Day, and for asking Senator Huppenthal to investigate the impact of the budget reductions on Library and Archives. Here is an update on our current status and our request for assistance on three budget actions.

What We Are Doing

We have laid off and furloughed staff from all six divisions. We continue to protect our Federal library funds (Library Services and Technology Act) through the operation of the Braille and Talking Book Library, the Library Development Division, and the retention of selected Law and Research Library staff.

Following a Senate request, we are keeping the State Capitol Museum open for school tours, meetings, and public self guided tours. The Museum is very popular with Members and the public; it is the busiest state-run museum in Arizona. We appreciate your willingness to work with us on this.

We are keeping the Records Division open four days a week with reduced staff as I discussed in my letter to you of 9 February. We need to ensure that state agencies have access to health and safety records currently stored by the Division. I remain concerned about the serious reduction in records training and agency assistance.

As of 4 March we will close the Polly Rosenbaum State Archives and History Building to the public because we simply do not have the staff there to provide public service. We have maintained 3 FTE in Archives (out of 12) on state funds so that we can continue (as also discussed in my 9 February letter) to receive unique local and state records. We will have the irreplaceable records safely in the Rosenbaum, but we will not be able to process them or provide access to them.

We are transferring most of the remaining professional Archives staff to special grant funded projects. Unfortunately, they will not be legally able to perform state archives public service or work. But, this does allow us to retain these qualified and talented individuals through the current Federal fiscal year and to complete our federally funded grant work. Unless we conclude the work for which we have received grant funds, it is unlikely that Arizona would be successful in future grant applications.

The Law and Research Library staff – already reduced from 45 to 29 in the last two years – will now be reduced to 12. We will be unable to satisfy our Federal Regional Depository obligations, and we will only be open for public government information and genealogical research from 11:00 A.M. to 3:00 P.M.

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daily beginning 4 March. Our central office will remain open normal business hours to handle emergency requests for the Library, Records Center, and the Rosenbaum (Archives) Building.

Assistance on the Budget

Three critical changes would help us meet our budget reductions including the funds needed to continue the Museum operations. These changes would also allow us to restore agency Records services.

The most difficult reductions for Library and Archives are the staff savings reduction of \$199,300 in Section 6 and the Records Services Fund authority reduction (if not the money) of \$33,800. We need the personnel savings to meet the General Fund reduction of nearly \$738,000, especially this late in the fiscal year. The reversal of the \$199,300 reduction would allow us to keep the Capitol Museum open through FY 09 and to restore the most essential Records Management work. The Records Division works with all units of Arizona government to ensure that the local and state records efforts satisfies Arizona's state and federal legal and accountability requirements.

We also request your permission, as allowed in budget language through JLBC, to substitute other funds for the \$121,000 non-lapsing funds reduction. The substitution will also require added authority for us to use the cash balance in the Records Services Fund. Our non-lapsing total is \$1,023, so we would make up the difference through a combination of Records Services Fund and State Library Fund. In addition, the requested increased authority of \$75,000 in the Records Services Fund will allow us to move our Records Management Center rent payment for FY 09 from General Fund to Records Services Fund thereby allowing us to meet our FY 09 General Fund reduction of expenditures.

I respectfully request a Library Board meeting at your earliest convenience. While the measure outlined above will permit Library and Archives to meet the required budget reduction (if additional funds and flexibility are made available as indicated above), we are not meeting the spirit or the letter of our federal and state research and public service requirements.

I am working on consolidation and contraction proposals for FY 2010 for your review, understanding our state fiscal situation remains grave.

Thank you for your consideration,

GladysAnn Wells
Director, Arizona State Library, Archives and Public Records

cc. The Honorable Kirk Adams
The Honorable Cloves Campbell
The Honorable Manuel Alvarez
Wendy Baldo
Victor Riches



ARIZONA STATE
LIBRARY, ARCHIVES AND PUBLIC RECORDS

GladysAnn Wells, Director

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September 27, 2009

The Honorable Jan Brewer, Governor
1700 West Washington Street
Phoenix, AZ 85007

Dear Governor Brewer,

Enclosed is the fiscal year 2011 budget request for the Arizona State Library, Archives and Public Records.

Given the current fiscal situation, we are submitting a straight line budget request. While we acknowledge the clear necessity of continued and extremely careful stewardship of State resources, we wish to clarify our fiscal situation. The actual operating funds appropriated to Library & Archives FY 2010 were 17% below funds FY 2008.

Every month public libraries in Arizona are visited over 2 million times. In comparison, the 2008 total attendance for the Diamondbacks was 2.5 million people; 755,302 for the Phoenix Suns; 607,638 for the Coyotes and 516,646 for the Arizona Cardinals (2007). Public libraries across Arizona are an essential component in our work towards economic recovery. More people are visiting libraries and other cultural institutions than ever before. Our libraries are helping people read, look for jobs, continue their career development, build small entrepreneur enterprises and research personal economic options. It is the State Library that secures match monies for library funds, applies for special grant programs such as ARRA on behalf of Arizona's libraries and provides the overall infrastructure and support for libraries statewide.

We applaud your concern for "immediate needs of our least fortunate adults and children during this grave economic time; and ...finally...our stewardship role on behalf of future generations of Arizonans". Thanks you for all of your efforts on behalf of Arizona citizens.

Please contact me if any additional information is needed to consider this request.

Sincerely,

GladysAnn Wells,
Director

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STATE CAPITOL



State of Arizona Budget Request

State Agency

Arizona State Library, Archives & Public Records

A.R.S. Citation: ARS §41-1331-1353

Appropriated Funds

	FY 2010 Expd. Plan	FY 2011 Fund. Issue	FY 2011 Total Budget
General Fund	7,120.5	0.0	7,120.5
Records Services Fund	6,441.7	0.0	6,441.7
	678.8	0.0	678.8

Total Amount Requested:

Governor BREWER:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2011.

To the best of my knowledge all statements and explanations contained in the estimates submitted are true and correct.

Agency Head: GladysAnn Wells

Title: Director

GladysAnn Wells
(signature)

Phone: (602) 542-3808

Prepared By: Brett Larsen

Email Address: blarsen@lib.az.us

Date Prepared: Monday, August 31, 2009

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Non-Appropriated Funds

	FY 2010 Expd. Plan	FY 2011 Fund. Issue	FY 2011 Total Budget
Federal Grant Fund	3,902.5	0.0	3,902.5
Arizona Centennial Account	3,556.8	0.0	3,556.8
State Library Fund	0.0	0.0	0.0
Gift Shop Revolving Fund	281.0	0.0	281.0
	64.7	0.0	64.7

Total Amount Planned: