January 15, 2015

It is in the best interest of the citizens of Indiana that the projected cuts in funding set forth in the current budget proposal be reevaluated in consideration of the education needs of every Hoosier. The proposed 27% cut in funding would jeopardize the accessibility of information vital to millions of Indiana residents and could result in reducing Indiana State Library staff by 10%. The following is a concise list of evidence supporting the continuation of funding for various services provided by the Indiana State Library. Your cooperation in supporting the continuous funding of these programs in the 2015 legislative session would be greatly appreciated.

Proposed Reduction in Funding

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
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<tbody>
<tr>
<td>INSPIRE</td>
<td>$1,340,783</td>
</tr>
<tr>
<td>Indiana State Library Operating</td>
<td>$550,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,890,783</strong></td>
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The Indiana State Library is a leader in the country in providing direction and support to libraries and as a result, our library systems are innovative, cost effective and efficient. The proposed cuts will devastate the library services provided to Indiana residents.

INSPIRE

The proposed reduction of funding of $1,340,783 for INSPIRE would eliminate an educational resource that is vitally important to students of all ages, educators and adults. INSPIRE provides access to full text, peer reviewed material to all Hoosiers. The resource is heavily used by educators, researchers, K-12 students and post-secondary students. The resources from Gale and EBSCO provide millions of articles and resources – the vast majority not available in any other location on the web. Indiana code 4-34-3-2 states that funds from the Indiana Technology fund be allocated to INSPIRE. The State Library leverages funding from State, Federal and Academic Libraries to increase the bargaining power and deliver the largest number of resources to libraries, universities, and schools at the lowest possible price. In our meeting several resources were presented to replace INSPIRE. As librarians know, the indexing sources available “for free” are simply indexes, and researchers have to pay to access the articles that are retrieved from such resources, such as Google Scholar.

EBSCO and Gale (and other database providers) negotiate terms with publishers of content to make this content available to users. Loss of the statewide license for these resources would negatively impact all Hoosiers’ access to information. Discipline-specific resources like JSTOR are available through academic libraries because INSPIRE provides cost savings to academic institutions that allow for the purchase of additional resources. The academic libraries of Indiana contribute $250,000 annually to INSPIRE and purchase additional resources to enhance their digital offerings to their students.

Federal Funding Impact

Reducing the funding to INSPIRE will potentially reduce by one third the federal funds the state receives to support library services. The Indiana State Library receives just over $3 million in federal grant dollars annually through the Library Services and Technology Act (LSTA) administered by the Institute of Museum and Library Services. These funds are used to support several statewide library services and provide sub grants to libraries statewide, as well as the Indiana State Archives and Department of Corrections. As a condition for receiving these funds, the Indiana State Library has an IMLS-approved Five Year Plan for service, and must meet matching and maintenance of effort requirements.

The INSPIRE databases, or Indiana’s Virtual Library, are included in our Five Year Plan for service and are funded with a combination of state and federal funds. While the federal portion of this service is
approximately $400,000 annually, the amount contributed by the state exceeds $1.3 million annually. Libraries of all types, in all congressional districts, receive LSTA sub grants for library services each year.

In addition, the reduction of funding would affect the total amount of federal grant funding available for Indiana in the future.

Here is a brief explanation of the matching requirements that are part of the LSTA legislation:

**Maintenance of Effort (MOE)**
To remain eligible to receive the maximum amount of federal grant funding available through the LSTA Grants to States program, each state needs to prove that an amount of state or local funding is contributed to the project each year that exceeds the average for the past three fiscal years. This is intended to ensure continuing commitment from the states and prevent reliance on federal funding. If a state does not meet its MOE requirements the amount of IMLS funding available to that state will be reduced in future fiscal years.

**Match**
- Per the IMLS authorizing legislation for the Grants to States program, IMLS requires that the federal share of a state’s LSTA projects not exceed 66%, with the non-federal share from state and local sources comprising at least 34%.

**Impact of discontinuation of state support for a Virtual Library**
- One hundred percent of the virtual Library funds received are counted toward both Indiana’s LSTA Maintenance of Effort and Match. The state has come to rely on this funding to meet both requirements.

**Impact on MOE**
- In FY2013 (10/1/2012-9/30/2014), the amount of Virtual Library funds received for INSPIRE was $1,415,951.51. Without this funding, the state’s MOE would have dropped to $2,244,212.51, which is $1,414,359.52 less than the required amount ($3,658,572.03). By not meeting these MOE requirements, the state may 1) become ineligible to receive future funding, 2) receive a reduced future allotment or 3) be unable to draw down the full amount of funds from the FY2014 and FY2015 awards in progress.

**Impact on Match**
- In FY2013, the Indiana State Library received $3,036,565 in LSTA funding.
- The state and local matching requirement for this amount was $1,564,291, or 34%.
- The Virtual Library funds received accounted for $1,415,951 of our matching funds. Only $630,913.12 was provided as match from other state and local sources. This would leave a deficit of approximately $933,000 that would need to be matched from other sources. This would require the Indiana State Library to increase the amount of match from other sources, which has a potential economic impact affect on libraries, universities, and schools statewide.

Not meeting the Match and MOE requirements affects access to current and future federal funds. States may not draw down funds from currently awarded allotments which they will be unable to match. By not meeting Match or MOE requirements, states will receive reduced future allotments. Per the IMLS, six states and Puerto Rico received severely reduced FY 2014 allotments due to their inability to meet MOE requirements in FY2011.

**Indiana State Library Operating**

The proposed cut of $550,000 or 19.4% of the entire operating budget for the Indiana State Library would negatively impact many of the resources and services that the ISL is uniquely positioned to provide.

**Specific statutory authority for the unique programs:**
IC 4-23-7.1-2 The state library is responsible for executing the policy of the state of Indiana:
(1) to develop and provide library service to state government, its branches, its departments and its officials and employees;
(2) to provide for the individual citizens of the state those specialized library services not generally appropriate, economical or available in other libraries of the state;
(3) to encourage and support the development of the library profession; and
(4) to strengthen services of all types of publicly and privately supported special, school, academic, and public libraries.

IC 4-23-7.1-3 The state library shall maintain, develop, and service a collection of books, periodicals, newspapers, maps, manuscripts, audiovisual materials, and other library materials for the purpose of:

(1) meeting the informational, educational, and research needs of state government;
(2) preserving and making available for use, materials bearing on the history of the state;
(3) meeting the specialized library needs and interests of citizens of Indiana; and
(4) supplementing the reference and materials resources of the libraries of the state.

The Indiana State Library (ISL) is home to one of the largest Genealogy collections in the Midwest. This collection (over 100,000 items) is focused on Indiana, states from which Indiana was settled as well as some foreign countries.

The Indiana Collections and Manuscripts contain the largest collection of Indiana newspapers in the world and provide researchers access to hundreds of thousands of documents that do not exist anywhere else, including diaries from Civil War soldiers.

The Reference Division is home to the State Data Center, a partnership with the United State Census Bureau, as well as a complete depository of Federal Documents, leading that program statewide, and a multitude of additional reference resources.

As Indiana gets closer to the Bicentennial Celebration, ISL is preparing to play a significant role in one of Governor Pence’s Legacy Projects. ISL will house the Visitors’ Center for all of State Government. Reducing the ISL Operating Budget would impact the ability to serve the additional visitors who will enter our building for the foreseeable future.

Some specific services of the Indiana State Library include:

(1) Hosting over 500 eighth grade students from Perry Meridian Middle School to participate in an award winning research project. This is the same type of instruction and research the staff does on a daily basis for the general public around the state, nation, and even internationally. Without these funds ISL would not have the staff to do these types of educational programs or provide research assistance.

(2) Partnering with the Indiana State House and the Benjamin Harrison Presidential Home for Pursuit of Pride field trips, allowing thousands of fourth grade students to visit these three historically significant sites that they learn about in the classroom. The students participating in this program may be on their first and only field trip, as this kind of educational experience is often too expensive to offer in today’s K-12 world.

(3) Providing leadership to public libraries during a tumultuous time for these institutions vital in any democratic society. As a result of the PROBE report in 2007, over 60 librarians worked with the ISL administration to strengthen and enhance public librarian certification. Those of us who work in a library understand the prevailing myth that society no longer needs libraries, thanks to the Internet. We are aware that because of the proliferation of the Internet, the expertise and continuing education of all information professionals is more important than ever. This taskforce worked diligently to raise the bar for Indiana’s public librarians, and as a result, the state has gone from just under 300 individuals certified to over 2,000.

These are just a few of the key services offered by the Indiana State Library that may be impacted by such significant budget cuts.