

NLS Executive Committee Meeting

**July 28, 2021**

**10:00 a.m.**

ZOOM MEETING

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- |  |                |                      |
|--|----------------|----------------------|
| <b>1. Welcome and Roll Call</b>  | Olawski, Chair |                      |
| <b>2. Public Invited to Comment</b>  | Olawski        |                      |
| <b>3. Approval of Consent Calendar (Action Item)</b>   |                |                      |
| A. Adoption of Agenda  | Olawski        |                      |
| B. Approve Minutes of May 27, 2021   | Brinkley       | Attachment 1, pg. 3  |
| <b>4. Old Business</b>   |                |                      |
| A. Update from Subcommittee for<br>Library-to-Go Chair Rotation <b>(Action Item)</b>                             | Fink           | Attachment 2, pg. 8  |
| B. Update on Next Steps from CLSA Survey   | Wilczek        |                      |
| C. Update on NLS Recovering Together Project   | Brinkley       | Attachment 3, pg. 23 |
| <b>5. New Business</b>   |                |                      |
| A. Appoint Ad Hoc Committee to Develop RFP<br>for NLS Fiscal and Administrative Services<br><b>(Action Item)</b> | Olawski        | Attachment 4, pg. 24 |
| B. Discussion of Governor's Approved Budget for<br>FY 2021-22  | Olawski        | Attachment 5, pg. 31 |
| C. Review and Approval of NLS/PLP Contract<br>Amendment for FY 2021-22 <b>(Action Item)</b>                      | Frost          | Attachment 6, pg. 34 |
| D. Review of NLS FY 2021-22 Budget without<br>LSTA Grant <b>(Action Item)</b>                                    | Olawski        | Attachment 7, pg. 36 |

6. **System Chair Report**
7. **General Announcements**
8. **Set Dates for Mid-Year and Annual NLS Administrative Council Meetings**
9. **Next Executive Committee Meeting Date and Items – Wednesday, Nov 17, 2021- 10:00 a.m.**
10. **Adjournment**

**Due To The State Of California's Declaration Of Emergency – This Meeting Is Being Held Pursuant To Authorization From Governor Newsom's Executive Order N 29-20**

The legislative body of a local agency may use teleconferencing in connection with any meeting or proceeding authorized by law. Cal. Gov't Code §54953(b)(1). A "teleconference" is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both." Cal. Gov't Code § 54953(b)(4). A local agency may provide the public with additional teleconference locations. Cal. Gov't Code § 54953(b)(4).

The teleconferenced meeting must meet the following requirements:

- (1) it must comply with all of the Act's requirements applicable to other meetings;
- (2) all votes must be taken by roll call;
- (3) the agenda must provide the public with an opportunity to address the legislative body at each teleconference location. Cal. Gov't Code § 54953(b).



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## **DRAFT MINUTES**

### **NLS Executive Committee Meeting**

**May 27, 2021**

1. **Welcome and Roll Call** – Chair, Suzanne Olawski, Solano County, called the meeting to order at 9:31 a.m. Also present were NLS Executive Committee members: Lori Easterwood, Folsom Public Library; Lindsay Fuchs, Plumas County Library; Christopher Veach, Lake County Library; Anthony Halstead, Napa County; Nick Wilczek, Nevada County; Carolyn Brooks, El Dorado County, and Mark Fink, Yolo County. Also attending were Carol Frost, Pacific Library Partnership, Andrew Yon, Pacific Library Partnership, and Jacquie Brinkley, NLS/Pacific Library Partnership.
2. **Public Invited to Comment** - No Public in attendance.
3. **Approval of Consent Calendar - Fink moved; Brooks seconded. Vote taken by roll call, all votes in favor, motion passed unanimously.**
4. **OLD BUSINESS**
  - A. **Development of Subcommittee for Chair Rotation Recommendation**  
Olawski asked for volunteers to work on a subcommittee to develop a Scope of Work and reporting requirement for the Library-to-Go Chair and to identify a candidate to assume the position of Chair on July 1, 2022, and to be approved by the Administrative Council at the NLS Mid-Year meeting in January 2022. Fink, Fuchs and Brooks volunteered to work on this subcommittee. Olawski suggested that the new Executive Committee members be invited to work on this subcommittee when they assume their positions after July 1, 2021.  
  
**Motion to appoint a Subcommittee to recommend a Chair for Library-to-Go Subcommittee at the NLS Mid-Year Administrative Council meeting of January 2022. Halstead moved; Easterwood seconded. Vote taken by roll call, all votes in favor, motion passed unanimously.**
  - B. **Review of CLSA Funds and eMagazine Survey Results**  
Brinkley reviewed results of the CLSA OverDrive and eMagazine surveys. Twenty one of the 27 participating Library-to-Go members responded to the survey. Noting the reduction in eMagazine subscription (reduced by \$10,000 to \$44,000), 15 libraries reported

that they would continue to subscribe to this service through the NLS consortia, 5 reported that they were not sure, and 1 reported that they would not participate.

Fink asked if there was an option to subscribe only to the eMagazine services. Veach reported that there is an option for that service only that Lake County had considered, but instead joined with Sonoma County to purchase this as a shared service.

Frost reported that no advance notice to the vendor is required if the consortia determined they did not want to continue with the eMagazine subscription. Frost suggested that Yon could run another spreadsheet cost-sharing scenario before the renewal and once the CLSA budget is finalized, to allow the No and Not Sure libraires to review their budgets and option to subscribe.

Fuchs pointed out that comments in the survey included remarks on limited options of CLSA allocations, primarily to OverDrive. She continued that there were concerns expressed that funds a library had designated to contribute to the current OverDrive collection were held back and used as roll-over funding.

#### **C. Update on Next Steps from CLSA Survey**

Wilczek reported that Library-to-Go Chair, Perry, and committee are working on a consortia Collection Development Policy.

Frost asked Wilczek if he could provide a written report on the status of this ad hoc Committee's recommendations to the Administrative Council Annual Meeting on June 16, 2021. Wilczek agreed.

#### **D. Annual Meeting Planning for June 16, 2021**

Brinkley reviewed draft agenda for Annual Meeting including Business Meeting, LSTA grant presentation by consultants, State Library report and Open Forum with breakout rooms and discussion topics related to the past 16 months.

#### **E. FY 2020/21 Preparing to Respond & Recover Together Grant Update**

Brinkley reviewed the CLA Workshop from May 13 and reported that 114 attended the session (live or viewed later) and that 648 had visited the program page. Attendees represented the state, and some were from Nevada, large and small, rural and urban libraries. Workshop evaluations will be available in early June and will be shared at the Administrative Council meeting update.

## **5. NEW BUSINESS**

### **A. Accept LSTA Award for NLS FY 21/22 Grant**

This Item was deferred as the State Library has not given notification to any FY 21/22 applicants at this time. Item to be included in Annual Meeting agenda for review and approval.

### **B. Review and Approval of NLS/PLP FY 2021/22 Contract Amendment for Additional Work**

This Item was deferred as the Contract Amendment includes work related to the LSTA grant yet to be awarded. Item will be included in the Annual Meeting agenda.

Olawski noted that the NLS Administrative and Fiscal Services Contract will expire June 30, 2022 and an ad hoc Committee will be appointed to draft an RFP in Fall 2021 for presentation to the Administrative Council at their January 2022 Mid-Year meeting. Olawski commented that she hoped PLP would respond to the RFP. Frost responded that PLP very much enjoys working with NLS and appreciates the opportunity to be considered.

### **C. Review and Approval of Proposed NLS FY 2021/22 Budget**

Yon reviewed the NLS proposed budget pointing out that there is an overall 10% decrease since FY 2020/21. He noted that membership dues will increase by 2% based on CPI as agreed by NLS. Yon pointed out that the Membership and Dues chart in the packet will be revised once the certified population figures are released by the California State Library in mid-June 2021. The new Membership Dues schedule will reflect the revised population numbers.

Yon also pointed out that the Budget on page 21 reflects Indirect from LSTA grant that has not been awarded, so this will also be revised once notice of award or not is received.

Yon stated that NLS will have a fund balance of \$35,092 that can be allocated or held. Possible items to fund would be Staff Development or Califa membership.

Yon also noted that on page 23, the eMagazine subscription costs will need to be revised to the new reduced amount of \$44,000.

Olawski reminded members of the memo from Perry that is included in this Agenda's Consent Calendar regarding the FY 2021/22 funding of the Library-to-Go consortia and asked that it be taken into consideration in reviewing this proposed budget.

Fink asked which libraries subscribe to the ProQuest service. Yon reported that SPLASH and Sonoma County subscribe to ProQuest for the Heritage Quest Online service and are billed separately for that. Fuchs asked if this is covered by the free ProQuest subscription

service offered by the State Library. NLS Staff will inquire if Heritage Quest Online is covered or not.

**Motion with provisions as noted to direct staff to make last-minute revisions to this proposed Budget to present to the Administrative Council at the Annual Meeting of June 16, 2021. Approval of this Budget with the understanding of possible updates in June.**

**Fink moved; Halstead seconded. Vote taken by roll call, seven in favor, one opposed (Fuchs). Motion passed.**

**D. Approval of NLS 2019/20 Financial Audit**

Yon reviewed the Financial Audit. Yon noted that effective June 30, 2020, NLS ended the year with a net position balance of \$1,281,250, which is a decrease of \$195,880 over the net position balance of \$1,477,130 at June 30, 2019. This decrease was primarily due to expenditures of unused carryover grant funds from the State Library.

No questions from members.

**Motion to approve the NLS 2019/20 Financial Audit. Olawski moved; Veach seconded. Vote taken by roll call, all votes in favor, motion passed unanimously.**

**E. Review and Approve the NLS FY 2021/22 CLSA Plan of Service and Recommend Adoption to the Administrative Council**

Frost reviewed the Annual Plan of Service noting that System Administration is 20% of the budget and that Communications and Delivery comprises 80% of the budget, as established by the California Library Services Board. The Narrative section describes how NLS will expend their CLSA funding. Frost stated that the Plan of Service is due to the State Library on June 3, 2021. At this time, if approved, a provisional Plan of Service will be submitted to meet the deadline. Upon approval of the Plan of Service by the Administrative Council at the Annual Meeting, the Chair's signature will be obtained, and a final Plan of Service will be submitted.

**Motion to approve the NLS FY 2021/22 Plan of Service and recommend adoption by the Administrative Council. Olawski moved; Easterwood seconded. Vote taken by roll call, seven in favor, one opposed (Fuchs). Motion passed.**

**F. Approve Slate of Nominees for Executive Committee Members**

Olawski presented the slate of candidates for open Executive Committee members: Christopher Cooper, Humboldt County Library; Deb Fader, Mendocino County Library; and Christopher Platt, Mono County Library.

**Motion to approve the Slate of Nominees for the NLS Executive Committee. Fuchs moved; Brooks seconded. Vote taken by roll call, all votes in favor, motion passed unanimously.**

Olawski thanked out-going Executive Committee members for their contribution over the past 2 years – Lindsay Fuchs, Christopher Veach and Lori Easterwood.

**6. System Chair Report**

Olawski reported on letter-writing to support full funding of CLSA. Letters were written on behalf of NLS and are also being submitted by individual libraries.

**7. General Announcements – State Library Report for Cooperative Library System**

Fuchs asked about the length of time of the State Library-funded subscription services to VetNow/JobNow. Brinkley reported this was a 2-year contract with Brainfuse.

**8. Next Executive Committee Meeting Date and Items**

Brinkley reported that the next Executive Committee Meeting date is July 28, 2021, 10:00 a.m. No items were yet identified.

**9. Adjournment**

Meeting was adjourned at 10:45 a.m.





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**To: NLS Executive Committee**  
**From: Mark Fink**  
**Subject: NLS Standing Committees and Chair Rotation**  
**Date: July 28, 2021**

## Background

The NLS Bylaws (June 2018), Section 5. Standing Committees states: "Meetings of NLS Standing Committees are to be conducted in accordance with Article V, Sections 1-4 of these Bylaws." Section 5.2 states that "Executive Committee members serve a two-year term and may serve no more than two consecutive terms."

### Section 5. Standing Committees

- 5.1 Meetings of all standing committees shall be conducted in accordance with Article V, Sections 1-4 of these Bylaws.
- 5.2 Executive Committee
  - e. Executive Committee members shall serve a two-year term and may serve no more than two consecutive terms,* not to include terms as Vice-Chair and/or Chair. Terms shall be staggered such that the terms of three members will conclude in even numbered years and those of three members in odd numbered years. Terms shall begin on July 1 and end on June 30.

At the May 2021 NLS Executive Committee meeting, it was noted that Library to Go Committee is the only current standing committee without rotation. Jeanne Amos, El Dorado County, and Lisa Dale, Sacramento Public Library, co-chaired the Library to Go Committee from approximately 2013 to 2016. Jeanne Amos chaired the Committee from 2016 until approximately July 2018. Michael Perry, Siskiyou County, assumed the Chairmanship approximately July 2018 and has been serving as Chair since.

Mark Fink, Lindsay Fuchs and Carolyn Brooks volunteered to work on a subcommittee to develop a Scope of Work and reporting requirement for the Library to Go Chair and to identify a candidate to assume the position of Chair on July 1, 2022, and to be approved by the Administrative Council at the NLS Mid-Year meeting in January 2022. Michael Perry also agreed to sit on the subcommittee.



## Identified Tasks from Subcommittee

The subcommittee has met several times and identified the following tasks:

Task 1: *Review OverDrive cost sharing formula options, CLSA funding formula options, NorthNet CLSA funding priorities, and length of NorthNet contracts involving CLSA funding.*

Next steps: Document suggestions at the NorthNet Administrative Council meeting on June 16th, come up with some formula options, survey NorthNet Libraries for their feedback.

Timeline: Survey results by August 2021

Task 2: *Develop a Library to Go Scope of Work for the Committee Chair and Committee members, including reporting expectations to the NorthNet Executive Committee and Administrative Council.*

Timeline: October 2021

Task 3: *Solicit nominations for Library to Go Committee Chair.*

Timeline: October 2021

Task 4: *Select new Library to Go Committee Chair. Incoming Chair will be mentored by Michael Perry for several months before Michael's term ends.*

Timeline: January 2022

## Questions Developed from Subcommittee for Executive Review

The subcommittee has posed the following questions for further review by the Executive Committee. Next to the questions are some potential considerations.

### Communication and Funding:

1. *How can we increase communication between the Library to Go Committee and the Executive Committee and vice versa?*

At past meetings, the Library to Go Chair has attended NLS Executive Committee meetings to present budget requests for the Committee. Annual statistics or overall usage trends have not been typically reported. The NLS Executive Committee did not send a follow-up email to the Library to Go Committee, the Chair, or the general membership with decisions, particularly related to CLSA funding. This also pertains to any other decision related to any libraries receiving CLSA funds. To increase communication, the groups may consider:

- Requesting the Library to Go Chair to provide either written or oral reports at the NLS Executive Committee meetings, and to provide an annual statistical report to ensure continued value to the participants. Michael Perry has suggested combining the Library to Go Committee with the shared eMagazine group. If that

is agreed upon by the Executive Committee, the reports should include statistics for both resources.

- The NLS Executive Committee, when discussing the 50% reduction of CLSA funds for the FY 2021-22, had several questions about the survey and recommended budget provided by the Library to Go Committee. It was not clear to the Executive Committee if, when the members had been polled about the Library to Go's budget choices, the members had been told that there was a 50% reduction in CLSA funds. Increased communication between the Library to Go Chair and the Executive Committee Chair can be maximized by the proactive communication between the two about the State Library's CLSA preliminary budget.
- The NLS Chair or Vice-Chair should provide an email to the Library to Go Committee when there are decisions made regarding the Library to Go budget, whether the Library to Go Chair is present at the meetings or not. This will ensure more transparency.

2. *How can we make funding decisions regarding the shared OverDrive collection more transparent for the entire Administrative Council?*

This question is similar to the one above. This question does not take into consideration the other libraries which receive CLSA funding. Taking an overall approach of having the NLS Chair send an email to the membership about decisions may increase transparency. In the past, an email has gone out to all membership when the Governor's budget has included a 50% reduction of CLSA funding. However, libraries may not fully be considering the impact of this when that information is provided. It is not clear if the Library to Go Committee has any recommendations for this.

3. *Realistically, when can NorthNet provide member libraries with an estimate of their annual distribution? Can this be done in February instead of late May? If not, why not? What is the timeline that informs this process?*

Although the Governor's preliminary budget is released in January, each of the nine cooperative Library systems does not receive notification of their preliminary funding until approximately April 15. This leaves very little time for NLS to prepare the budget and present it at the May Executive Committee meeting.

4. *What are the sources of funds that comprise the NorthNet reserve account? How/when can these funds be spent? Are there restrictions on how these funds can be spent? What is the minimum dollar amount we need to keep in the reserve account? According to whom?*

An Operating Reserve Policy was approved at the August 2017 NLS Executive Committee, and adopted by the NorthNet Administrative Council at the January 2018 meeting. **Exhibit A** is that policy. Per the policy:

*The Operating Reserves Fund is intended to provide an internal source of funds for situations such as sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserves Fund may also be used for one-time nonrecurring expenses that will build long-term capacity, such as staff development or research and development. Other purposes for the use of the Operating Reserves may be established as necessary, if funds are available..... Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of NorthNet Library System for Operating Reserves to be used and replenished within a reasonably short period of time. ... The target minimum Operating Reserves Fund is equal to three months of the operating budget costs.*

*Formula Questions as They Relate to OverDrive:*

1. *From an equity perspective, we often use eResources as a focal point for CLSA expenditures. Does this mean NorthNet should give eResources a higher funding priority than other CLSA-eligible services?*
2. *From an equity perspective, should NorthNet commit a certain amount of funding for Overdrive collection development above and beyond the platform fee? If so, should NorthNet pay for this off the top of CLSA funds before distributing the funds to all libraries using the current formula? If so, what would a reasonable OverDrive collection development budget look like, and what is the term of the commitment (three years?)? Note: This is not currently done with either the Am-Tran delivery service or the Link+ delivery contract with Unity.*
3. *Can NorthNet use the ZipBooks model for the OverDrive shared collection? Each participating Library receives a credit to use their redirected CLSA funds to purchase titles (if they so choose) using their Advantage Plus Account. This would provide some local control over collection decisions.*

For all of these questions, a good starting point is the memo “NLS Distribution of CLSA Funds and Background of How Funds Can Be Spent.” **Exhibit B** is this memo, which was presented at the January 29, 2021 NLS Administrative Council meeting, at their request.

At the November 2020 NLS Executive Committee meeting, a synopsis of the review of the CLSA funding formula was provided. The following is a synopsis:

- In reviewing past NLS documents, it is not clear when NLS developed the cost share formula it is currently using, but it does appear that it has been in existence since FY 2012/13.

- One NLS Library director approached the NLS Executive Committee in the spring of 2019 to suggest that NLS review its formula. The NLS Executive Committee agreed to discuss this at the June 2019 NLS Administrative Council meeting.
- At that meeting, an ad hoc group was formed to review the way in which NLS divides up the funds it receives from the California Library Services Act (CLSA). The group met once on November 18, 2019. It was agreed that a survey would be sent out to the membership. Michael Perry issued a survey and provided an oral report at the NLS Administrative Council meeting in January 2020.
- The results of that survey were presented as part of the discussion at the NLS Executive Committee meeting in July 2020. A draft survey was also provided to the NLS Executive Committee meeting. An ad hoc group was formed with Anthony Halstead, Mark Fink, Lindsay Fuchs and Nick Wilczek. The group met and requested that a memo be developed that explains how CLSA funds work, to be reviewed at the November 2020 NLS Executive Committee meeting, and then again at the January 2021 NLS Administrative Council meeting.
- A second CLSA survey was issued in December 2020 and the results were reviewed at the January 2021 NLS Administrative Council meeting.
- When the NLS Executive Committee was reviewing the State's 50% reduction of CLSA funds and its impact on the NLS budget at their April 2021 meeting, there were questions about how the reduction would impact the libraries participating in Library to Go. The NLS Executive Committee sent out a survey to the libraries participating in both Library to Go and the shared eBook platform to determine impacts, and this data was taken into consideration, along with the feedback from the Library to Go Committee, when making the budget recommendation for FY 2021-22.
- Wilczek presented the ad hoc group's recommendations at the June 2021 Administrative Council meeting, and has provided updates to the NLS Executive Committee at their meetings. (**Exhibit C**)

Things for the NLS Executive Committee to consider:

- The discussion about the NLS formula continues to be a question for review. NLS may consider forming another task group or hiring an outside consultant to review the formula and how it might change.

### **Potential Survey Questions from the Subcommittee**

Potential Library survey questions were discussed, with the acknowledgement that these are too broad right now:

1. Do you plan on making changes to how you will spend your CLSA distribution? If so, what changes are you planning? If so, why?

2. What elements would you like to see be part of an OverDrive Shared Collection Development Policy?
3. How much local control do you want to have regarding your CLSA funds and purchasing for the OverDrive collection?

The NorthNet Executive Committee may consider the following regarding the survey and survey questions:

- There is a question from the Library to Go participants about the Advantage Plus Account, and whether they can use CLSA funds to purchase eBooks in this manner. In talking with the NLS Chair, it is not clear exactly how the items would be shared with the other participating libraries. CLSA funds must be used to support resource sharing among three or more libraries, so purchasing materials that are exclusively used for one Library does not qualify. To ensure transparency and increased communication, the Library to Go Committee should provide a memo which explains how they would envision using the Advantage Plus Account with CLSA funds, and provide any pros and cons related to this model. The Executive Committee should, through a motion, decide whether this is an acceptable use of CLSA funds for NorthNet libraries. This would be in alignment with the other motions made by the Executive Committee when adding items to the approved CLSA menu.
- Regarding the survey, NLS has already issued two surveys to its membership regarding CLSA funds. The Executive Committee should consider what the end result is, and determine the best resources to achieve that result, which may include spending money to hire a consultant to assist with the review.



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## NorthNet Operating Reserves Fund Policy

### PURPOSE

The purpose of the Operating Reserves Fund Policy for NorthNet Library System is to ensure the stability of the mission, bylaws, and ongoing operations of the organization. The Operating Reserves Fund is intended to provide an internal source of funds for situations such as sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserves Fund may also be used for one-time nonrecurring expenses that will build long-term capacity, such as staff development or research and development. Other purposes for the use of the Operating Reserves may be established as necessary, if funds are available.

Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of NorthNet Library System for Operating Reserves to be used and replenished within a reasonably short period of time. Operating Reserves Fund policy will be implemented in concert with the other governance and financial policies of NorthNet Library System and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

### DEFINITIONS AND GOALS

The Operating Reserves Fund is defined as the designated fund set aside by action of the NLS Administrative Council. The minimum amount to be designated as the Operating Reserves will be established in an amount sufficient to maintain ongoing operations for a set period of time, measured in months. The Operating Reserves serve a dynamic role and will be reviewed and adjusted in response to internal and external changes. The target minimum Operating Reserves Fund is equal to **three months** of the operating budget costs. The calculation of operating budget costs includes all recurring, predictable expenses such as contracts that support communication and delivery products and services, fiscal and administrative services, insurance, and ongoing professional services. Reimbursable or pass-through programs, depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The amount of the Operating Reserves Fund target minimum will be calculated each year after approval of the annual budget, reported to the Executive Committee, and included in the regular financial reports

*Adopted by NLS Administrative Council, January 19, 2018*





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**To:** NLS Administrative Council  
**From:** Nick Wilczek  
**Subject:** NLS Distribution of CLSA Funds and Background of How Funds Can Be Spent  
**Date:** January 29, 2021

## OVERVIEW

The NorthNet Library System(NLS) is one of the nine cooperative library systems in California. A map of the nine cooperative systems is included at the end of this memo for reference. NLS receives funds from the California Library Services Act (CLSA), and the funds are distributed by an agreed-upon menu of items. Some members have asked for a review of how these funds are distributed and requested that NLS review the menu of items. The NLS Executive Committee has asked that this document be developed to explain this background.

The purpose of this memo is to provide the members with an overview of the CLSA and how funds can be spent, so that they can feel more confident in making decisions on how CLSA funds are allocated to the public libraries within NLS.

## BACKGROUND OF CLSA FUNDS

One of the major reasons that the nine library cooperatives throughout the state were formed was to receive funds from the California Library Services Act to support resource sharing. Only cooperatives can receive these funds – an individual library may not directly receive them. In or about 2008, the California State Library requested that cooperatives consolidate to form larger cooperatives. The North State Cooperative Library System, Mountain Valley Library System and North Bay Cooperative Library System joined together to form the NorthNet Library System in 2009.

The California Library Services Act is defined in Title 5 of the California Code of Regulations, sections 20100 – 20265. The distribution and oversight of the funds is done by the California Library Services Board. Only public libraries may receive these CLSA Communication and Delivery funds.

CLSA funds can only be spent as defined in the Communications and Delivery section of California Law.

Beginning in FY 2011/12, funding for CLSA began to shrink, with the loss of a central System Reference and reimbursement for Transaction Based Reimbursement (TBR). In FY 2011/12, there was no funding for CLSA, and much hard work was done by several stakeholders and the CLA Lobbyists to restore funding, although at a significantly reduced level.



In FY 2016/17 and 2017/18, the cooperative systems and the California State Library staff worked with the California Library Services Board to update the regulatory language. The references to funding to support system reference and inter-library loans has been removed, and the definition of Communications and Delivery was updated. This allowed the systems to be more flexible in sharing resources and expand sharing of digital items.

By law, the funds are distributed as follows:

- 20%** System Administration
- 80%** Baseline for Communications and Delivery (C&D)

Each section is clearly defined for allowable costs. Below is a very brief checklist of how CLSA funds may and may not be used. The list is used for illustrative purposes, and if a system wants to use funds in a new way, it must first be approved by the State Library staff, and, in some cases, approved by the California Library Services Board.

#### ***20% System Administration***

Can be used to pay for some of the staff time for oversight of a system. For NLS this includes some of the time of the System Coordinator, PLP CEO and PLP Controller for administering CLSA activities.

#### ***80% Baseline Communications and Delivery (C&D)***

<b>Yes</b>	<b>No</b>
Includes several items 'off the top,' before funds are then distributed to shared services. These include: office supplies, web hosting, 800 number, Zoom subscription, postage.	
Resources must be shared between 3 or more libraries.	Library cannot use the funds for their individual needs.
Funds can be used for courier costs between 3 or more libraries, as long as the courier is a primary way of sharing physical materials.	Funds cannot be used for courier costs between branches of a single library system.
Funds can be used to purchase shared digital resources between 3 or more libraries.	Funds cannot be used for one library's digital collection. It must be a shared collection.
The cooperative can use the funds for shared eResources, as long as the vendor can ensure the entire collection is shared among those libraries.	Digital archives, articles, newspaper and research databases are not eligible; daily news subscriptions are not eligible.
Funds can be used to support the cost of a library assessment tool subscription, which will assist the libraries in developing services and shared resources for the cooperative.	The library assessment tool must benefit 3 or more libraries, and CLSA funds can only be used for a limited duration (e.g. 2-3 years).

<p>CLSA funds may be used for an individual library or a cooperative to support the network, “which may also include telecommunications equipment and its installation along with service fees.” This was clarified at the June 2020 CLSB meeting to include one-time use of funds for network hardware purchases, and, <u>for rural libraries only</u>, for CENIC telecommunications costs and costs for covering warranties for network security software and hardware in data centers.</p>	<p>Based on the latest interpretation by the CLSB, libraries should not claim funds on an annual basis for ‘broadband.’ The NLS FY 2020/21 CLSA Claim form has been updated to reflect this, and to clarify that only rural libraries can claim funds ongoing to support their CENIC telecommunications and networking costs/warranties.</p>
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Although the law provides a framework for allowable expenses, it is up to each of the nine cooperative systems to determine the best way to allocate their funds. No two systems allocate them exactly the same.

Annually each of the nine cooperative library systems must submit a preliminary budget to the State Library for the CLSB approval by June. A full budget is submitted by September 1. An Annual Report and budget expenditure are also submitted by September 1.

## ANNUAL AWARD AMOUNTS TO SYSTEMS FROM CLSB

At the August 2013 California Library Services Board meeting, the Board approved allocating the funds to the nine cooperative systems using the following formula:

- 30% awarded on the basis of the first three members of each System, equally;
- 45% for each System’s combined portion of the total state population and System membership, excluding the first three members per System;
- 25% of each System’s combined portion of full membership and round-trip mileage of the System’s service area.

*Notes: The phrase ‘first three members’ is a complicated explanation that is not needed for the purpose of this memo. It has to do with the structure of the legacy systems within each of the nine cooperative systems. The round trip mileage in the third bullet pertains to the sharing of physical materials. This is why the law specifies that members in a system need to have contiguous borders between participating libraries, and not geographically distant.*

In FY 2011/12, there was no funding for CLSA. With advocacy, funds were restored, and after several years, the annual total amount of CLSA funds to be shared among systems was approximately \$3,630,000 annually.

In FY 2020/21, due to the pandemic, the amount was reduced by 50%, to \$1,880,000 to be shared among all the nine cooperative systems. NLS's FY 2019/20 allocation was \$820,118, which included \$164,024 allocated to System Administration (20%) and \$656,094 for the Baseline Budget (80% C&D). In FY 2020/21 NLS's allocation was \$417,929, with \$83,586 allocated to System Administration (20%), and \$334,343 allocated to the Baseline Budget (80% C&D).

It is important to note that library systems have three years from the receipt of funds to spend the CLSA funds.

## NLS CLSA FORMULA FOR LIBRARIES

In reviewing past NLS documents, it is not clear when NLS developed the cost share formula but it does appear that it has been in existence since FY 2012/13:

- 50% of funds divided by population of each member library
- 50% of funds divided among each member library

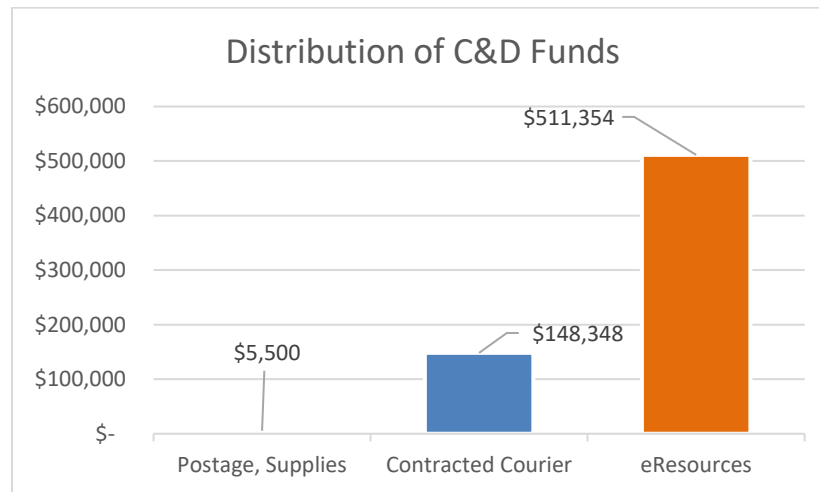
With the NLS distributed model, libraries may choose to allocate their portion as follows:

<b>Consortia-managed Service – a library's allocation is primarily directed to fund this</b>	<b>Local Resources – libraries may choose from these items after they have allocated funds from the items in the first column</b>
OverDrive	Additional OverDrive funds
RBDigital (Zinio)	Additional RBDigital funds
Delivery for NBCLS and MVLS using a shared contract for couriers.	Local courier costs for shared resources among 3 or more libraries
	Link+ (note: this is a consortia-managed purchase but is listed under local resources)
	enki, CloudLibrary, or other shared eResource between 3 or more members
	Local Broadband hardware costs (not recurring)

For each library, once costs for Delivery, OverDrive & RBDigital are claimed, the library may choose a disbursement to be used for limited, specific approved uses. If a library doesn't have enough CLSA allocations to cover their costs, they are invoiced for the difference. In most cases, this is because the cost of delivery exceeds their allocation.

## CLSA FUNDS AND THE NLS BUDGET

The NLS FY 2019/20 CLSA allocation was \$820,118, with \$156,716 for System Administration, and \$663,402 for Baseline Communications and Delivery (C&D). Below is the budgeted allocation. eResources includes Link+.



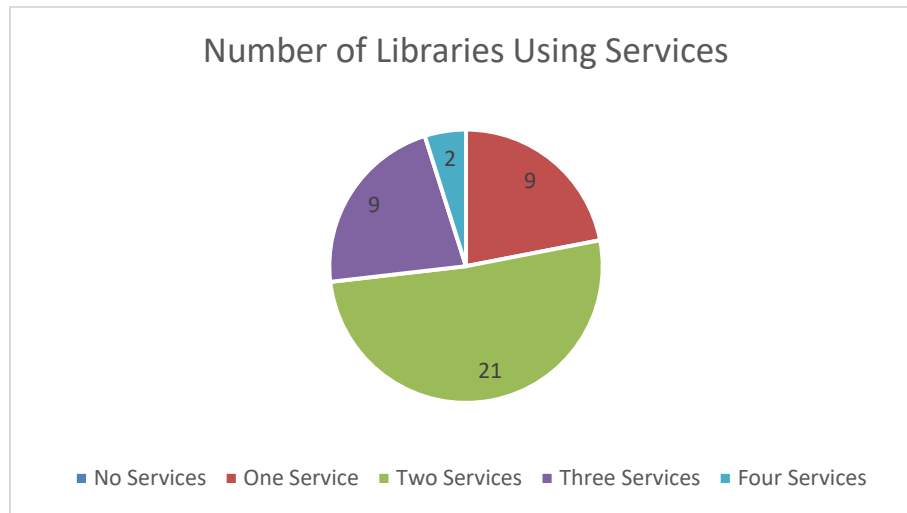
Below is an overview of the number of libraries participating in one of the choices.

	FY 2019/20	# Libraries	# Libraries allocating additional funds	Total additional CLSA Funds	Total Additional Local Funds
<b>OverDrive</b>	\$86,600	28	17	\$73,022	
<b>RBDigital</b>	\$56,249	22	1	\$200	
<b>Delivery</b>	\$232,424	17	7		\$85,875
<b>Link+</b>	\$230,570	17			\$230,570
<b>Broadband</b>	\$19,632	3			
<b>Other eResources</b>	Data not quantified	9			
<b>Other Courier</b>	Data not quantified	Data not quantified			
<b>OCLC ILL</b>	\$519	1			

Note the entire cost of delivery is not covered by CLSA funds for seven libraries. The additional revenue from the libraries to cover the remainder of costs.

In FY 2019/20, the OverDrive allocation was increased by the Committee as indicated above. Two libraries decided not to continue participation in RBDigital due to the increase in

OverDrive. One library decided not to continue participation in OverDrive. Below is a chart which indicates, of the 41 NLS public libraries, the number of libraries claiming CLSA funds for OverDrive, RBDigital and Delivery services.





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**To:** NLS Administrative Council  
**From:** Nick Wilczek, Ad Hoc Committee Chair  
**Subject:** Review of Activities and Recommendations from CLSA Priorities Survey  
**Date:** June 16, 2021

## **BACKGROUND**

At the January 2021 NLS Administrative Council meeting, the results of the NLS CLSA survey were presented, along with the following recommendations from the NLS ad hoc Committee (members Nick Wilczek, Lindsay Fuchs, Mark Fink, and Anthony Halstead):

1. Create an OverDrive collection development policy. The policy will address selection, budgeting, measuring of statistics and promotion. The collection develop group will include a library that does not participate in OverDrive.
2. Accurately measure RBDigital usage. Recommendation includes addressing question such as: How is circulation counted? Are notices and downloads both counted in the same way?
3. Explore shared video streaming services. Exploration includes looking into possible services identified by Lindsay Fuchs. This process includes assessment of collections as well as compliance with CLSA funding guidelines.
4. Revisit continued participation in NLS services. NLS will continue this discussion upon approval of library budgets at the local and state level.

## **SUMMARY OF RESULTS OF SURVEY**

Below is a summary of the survey results:

### ***General Satisfaction***

- 85% of respondents are satisfied with the choices currently offered by NorthNet. While 5% are unsure, only 8% are not satisfied. This is good news; we see value in being a member of NorthNet.

### ***OverDrive***

- 70% of NorthNet members are satisfied or somewhat satisfied; there are no libraries that are not satisfied. 30% of NorthNet members do not participate in this program.
- Based on user comments, the ad hoc group agreed that a collection development policy is needed to guide group purchases. A new collection development policy may encourage additional libraries to participate in this collection. We believe the policy should address selection, budgeting, measuring of statistics, and promotion.
- The majority of participating libraries would continue to use this service if the cost increased.

### ***RBDigital***

- 100% of participating libraries are generally satisfied and no respondents are not satisfied. 15 libraries do not participate. The ad hoc group agreed that there are a lot of questions surrounding eMagazines. Namely, how will OverDrive's acquisition of RBDigital impact library users, what other services are available, and how do we accurately assess usage? There was discussion regarding the new Baker and Taylor eMag product, as well as the need for improved reporting of RBDigital statistics.
- The majority of participating libraries would continue to use this service if the cost increased.

### ***Shared Video Streaming Service***

- 56% of respondents listed a shared video streaming service as their primary interest.
- Although CLSA spending guidelines disallow popular services like Kanopy and Hoopla, we thought that the topic is worth further investigation. Lindsay Fuchs has developed a list of possible streaming services for consideration, and that can be further explored.

### ***Budget***

- We agreed that is too early to determine continued participation in NLS shared services. Most respondents needed to wait until budgets are completed at both the local and State levels.

## **ACTIVITIES OF AND PLANS FOR THE AD HOC COMMITTEE SINCE JANUARY 2021**

- Draft a Scope of Work that would detail how the recommendations of the ad hoc Committee will be implemented.
- Create a consortia Collection Development Policy that will include how to determine interest in new products as they become available. The Library-to-Go group is currently working on this policy.
- Create a working group to explore streaming services.
- Review the intent of Recommendation #4 - Revisit continued participation in NLS services. NLS will continue this discussion upon approval of library budgets at the local and state level. It is recommended that this be revisited in FY 2022-2023 when post-COVID budgets have normalized.
- Establish a formal way for the Library-to-Go Chair to provide a written report to the NLS Executive Committee Chair for review and to be added to meeting agendas, as well as an Annual Report to include in the Annual NLS Administrative Council agenda packet.

The ad hoc Committee will continue to address other items as directed by the Executive Committee and the Administrative Council.



## NLS Disaster Buddy List - July 2021

**YOUR LIBRARY**
**Primary Contact**
**Secondary Contact**
**Contact Name**
**Work Email**
**Alternate Email**
**Work Phone**
**Cell Phone (Text ok?)**
**Library Website Address**
**Social Media Page**

Please Note Specific  
Disaster Experience or  
Expertise for Primary and  
Secondary Contacts



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**To: NLS Executive Committee**  
**From: Suzanne Olawski**  
**Subject: NLS RFP for Administrative Services**  
**Date: July 28, 2021**

At the November 2018 NLS Executive Committee meeting, the Committee formed an ad hoc group of four members to review and update the language for the RFP for fiscal and administrative services for NorthNet. An RFP was issued in December 2017, with bids due in February 2018. The NLS Executive Committee received two bids, and PLP was awarded (for a second time) the bid. The terms of the contract were effective June 30, 2018, for a two-year term, with up to two one-year renewals.

NLS's current contract terms are: two-year term for FY 2018-19 and FY 2019-20, with one-year renewals in FY 2020-21 and FY 2021-22. Per NLS Bylaws (June 2018):

#### **Section 4. System Administration**

The Council shall provide for System Administration either by contracting with an agency or company or by employing personnel to conduct the business of NLS and serve as the System Administrator. The System Administrator shall be responsible for administration of all NLS services and activities that have not been assigned to Members or constituent libraries.

- a. The System Administrator shall be responsible for the preparation of documents, grant applications and reports, preparing financial reports, maintaining financial records and conducting financial transactions and shall confer with legal counsel and the California State Library and shall conduct any other business as required.
- b. It shall also be the duty of the System Administrator to prepare and distribute notices and/or agendas in advance of meeting dates; to take and to transcribe the minutes of the Council and Executive Committee meetings; to certify official documents of the Council; and to maintain such official records as are required.
- c. The System Administrator shall maintain an office that will be the principal office for the transaction of the NLS business.
- d. If neither a contract is in force nor personnel are employed, the Chair or designee shall assume the duties usually assigned to the System Administrator.

The Bylaws are silent on the length of time for a contract. NLS may consider modifying the length of the contract to a five-year term, with a three-year contract and two one-year renewal options or maybe a longer period, since there's a 90 day written termination clause.

#### **Recommendation**

It is recommended that the NLS Executive Committee form an ad hoc group to review the current RFP, and issue it in late Fall or Winter 2021, for approval at a February 2022 meeting. Attached is the RFP previously issued.

**NORTHNET LIBRARY SYSTEM  
c/o Pacific Library Partnership  
2471 Flores St.  
San Mateo, CA 94403**

**REQUEST FOR PROPOSAL**

**ADMINISTRATIVE AND FISCAL SERVICES  
EFFECTIVE JUNE 30, 2018**

**I. INTRODUCTION**

**A. Purpose**

The NorthNet Library System hereafter referred to as NorthNet, is seeking proposals from qualified contractors for administrative and fiscal services. Proposals will be judged on the ability to maintain service standards, staff qualifications, costs, and contracting experience. All responses should address experience in delivering the service as well as how the service will be delivered. NorthNet reserves the right to accept or reject all or part of any proposals. Proposals may be submitted for both services or for either the administrative support services or the fiscal services separately.

**B. Submission of responses**

Prospective contractors should submit proposals by 4:00 p.m., Friday, February 2, 2018, to:

NorthNet Library System  
Attn: Mel Lightbody, Chair  
Butte County Library Administration  
1820 Mitchell Ave  
Phone: (530)538-7525, select option 1  
E-mail: [milightbody@buttecounty.net](mailto:milightbody@buttecounty.net)  
cc: [mgile@buttecounty.net](mailto:mgile@buttecounty.net)

Proposals may be hand-delivered, mailed, or sent as an e-mail attachment in MS Word or Adobe pdf format. The responsibility for timely delivery is wholly on the sender.

**II. BACKGROUND**

The NorthNet Library System consists of 41 public library members. There is an affiliated group of 14 academic and institutional libraries. This makes it the largest cooperative library system in the State of California by number. A complete list can be found here: <http://northnetlibs.org/about-nls/council-member-roster/>. Previous to the formation of NorthNet, all member libraries belonged to one of three smaller systems: North Bay Cooperative Library System, Mountain Valley Library System and North State Cooperative Library system. These systems merged to form NorthNet Library System via a JPA in 2009. Previously, these systems had CalPERs employees, and still meet occasionally.

Member libraries participate fully in all aspects of NorthNet services and programs. NorthNet policies and financial matters are controlled by a Council of Librarians consisting of the director (or delegated representative) of each member library. These directors govern NorthNet, authorized by a Joint Powers

Agreement (JPA). An Executive Committee is responsible for policy and oversight in between meetings of the Council of Librarians. .

The Pacific Library Partnership currently serves as the NorthNet fiscal and administrative agent, and the terms of the contract will be expiring effective June 30, 2018. There are no dedicated staff members employed by NorthNet.

The contractor will be reporting directly to the position of Chair of the NorthNet Council of Librarians.

*NorthNet services and programs are funded from three primary sources: State funds authorized by the California Library Services Act (CLSA); member fees from NorthNet; and fees for delivery services or other contracts performed for member and non-member libraries. Total revenue expected in FY 2017/18 is approximately \$1,300,000. NorthNet Administrative council approved dues rate increase to match CPI annually.*

### III. SCOPE

#### **Administrative**

1. Prepare Plan of Service and Annual Report in compliance with the requirements of CLSA as administered by the California State Library.
2. Maintain and report records in compliance with CLSA and other applicable State and Federal requirements.
3. Coordinate Council of Librarians and Executive Committee meetings and maintain regular communications with NLS Chair and Executive Committee. These meeting may be in person or via conference call.
4. Coordinate and schedule legacy systems meetings.
5. Prepare and distribute Council agenda packets and minutes. Make arrangements for Council meetings.
6. Provide staff support for Council, Executive Committee, and Legacy System meetings.
7. Distribute legislative, CLSA, and other State Library correspondence.
8. Respond to communications and requests from members.
9. Track CalPERS information, communicate with legacy systems as needed. Communicate with the California Public Employees Retirement System (CalPERS) regarding NLS legacy system employees.
10. Administer and evaluate system contracts.
11. Maintain all rosters, listservs, directories, electronic records and archives.
12. Maintain NLS website.
13. Pursue new funding opportunities.
14. Represent and advocate for NLS regionally and statewide.
15. Negotiate necessary purchasing/contracting opportunities with vendors, consultants, other systems or regions including services authorized and funded by CLSA.
16. Support special projects and activities not mandated by CLSA as determined by NLS Council.
17. Prepare, distribute and compile Statement of Economic Interests (CA State form 700).
18. For additional fees as negotiated Administrative or Fiscal services contractor offer program, grant development or other services for sub-groups of member libraries or for individual members.
19. Provide coordination between member libraries and CENIC (Corporation for Education Network Initiatives in California) as appropriate. Communicate regularly with member libraries and CENIC.
20. Provide coordination between member libraries, NorthNet Library System, and other organizations as needed for system initiatives.

## **Fiscal**

1. Prepare the System Uniform Budget, Annual report and Expenditure Report.
2. Act as system's financial manager establishing and maintaining separate accounts for all NLS funds.
3. Develop an annual budget in collaboration with NLS Executive Committee and approved by Council of Librarians for programs or services to be provided in the subsequent fiscal year.
4. Monitor budget and prepared monthly status reports.
5. Arrange for the receipt and deposit of State funds, member fee funds and other fees or revenues whether by grant application, invoice or other means.
6. Prepare claim forms for member libraries to submit.
7. Prepare quarterly budget updates showing revenues, expenditures and reserves to be submitted to Council of Librarians.
8. Prepare and execute payments on behalf of NLS to approved vendors, contractors, consultants, member libraries and others for services rendered, in compliance with budget.
9. Invoice members and other customers for services.
10. Prepare 1099s for contractors.
11. Provide comprehensive revenue expenditure and reserve financial reports in accordance with requirements of CLSA or other State Library legislation and generally accepted accounting principles.
12. Maintain fiscal files and records as required by State and Federal laws and retention policies.
13. Prepare annual reports for Special Districts to State Controller.
14. Arrange for annual independent financial audit.
15. Prepare annual statements of LAIF (Local Agency Investment Fund) interest earned.

## **B. Time line**

Applicants should submit a written proposal that includes a resume or resumes of the principal(s) involved, references from past projects, proposed methodology, and all charges and explanations thereof by 4:00 p.m., Friday, February 2, 2018.

If necessary, oral interviews may be convened for some or all applicants. The Council will select a contractor and notify all applicants no later than February 16, 2018. The contractor should be available for preliminary discussions with the NorthNet Chair and Vice-Chair and current fiscal/administrative agent no later than February 2, 2018. Please see Attachment #1 for further information.

Questions regarding the project will be accepted until January 1st, 2018, and must be submitted in writing via mail or e-mail to:

NorthNet Library System  
Attn: Mel Lightbody, Chair  
Butte County Library Administration  
1820 Mitchell Ave  
Phone: (530)538-7525, select option 1  
E-mail: [mlightbody@buttecounty.net](mailto:mlightbody@buttecounty.net)  
cc: [kathryn.hunt@lincolncal.gov](mailto:kathryn.hunt@lincolncal.gov), [scostello@countyofcolusa.org](mailto:scostello@countyofcolusa.org)

#### IV. PROPOSAL REQUIREMENTS

##### A. General Instructions

Individuals or organizations may submit for administrative services only, fiscal services only or both. The proposal should be concise and demonstrate the contractor's qualifications and applicable experience. The written proposal must include a discussion of the contractor's approach to the project, a breakdown and explanation of tasks, and an estimate of costs. Organizations submitting proposals should also include documentation including proof of legal status, structure, and a copy of the last annual report.

##### B. Contents shall include:

1. Executive summary.
2. Identification of the contractor, including addresses of office(s) and the name, title, address, and phone number of a contact person.
3. Experience and technical competence.
4. References to similar projects, with contact information of the organization(s) for which work was performed.
5. Proposed method to accomplish the work.
6. Project organization and key personnel. Include resumes and/or job descriptions of key personnel.
7. Cost details. As appropriate, outline all additional costs such as materials, photocopies, printing, and other related expenses.
8. Names and qualifications of subcontractors.

#### V. OTHER CONSIDERATIONS

##### A. Compensation

Upon contract award, contractor will invoice NorthNet quarterly for services provided.

##### B. Ownership of materials

All materials developed, data collected, and reports prepared under the terms of this agreement will become the property of the NorthNet Library System.

##### C. Eligible applicants

Public corporations, libraries, agencies, organizations, associations, and individuals may submit proposals in response to this Request for Proposal for provision of Administrative and Fiscal Services or Administrative and Fiscal Services separately.

##### D. Term of Contract

Contract to be awarded for a two-year term, with up to two one-year renewals.

## VI. EVALUATION OF PROPOSALS

### A. Evaluation process

Each proposal will be evaluated to determine its responsiveness to the criteria, requirements, and standards as described in this Request for Proposal. NorthNet reserves the right to reject any or all proposals. Nothing herein requires the awarding of a contract in response to this Request for Proposal.

NorthNet may request clarifying documentation and information from any applicant after the responses have been submitted. Such documentation and/or information will be used to assist interpretation of the response and must be received within one week after it is requested. If necessary, oral interviews may be convened for some or all applicants.

### B. Evaluation criteria

Proposals will be evaluated using the following criteria, which are not in priority order:

1. Clear understanding of the purpose and scope of the contract.
2. Experience, expertise, and professional credentials of proposed staff in the design and conduct of similar contracts.
3. Ability, capacity, and skills of the applicant to perform the service.
4. Reputation, judgment, and quality of performance of the applicant in performing tasks of a similar nature.
5. Appropriateness of the methodology proposed to the desired outcomes of the project.
6. Clear and feasible work plan that is responsive to the requirements and timelines of the Request for Proposal.
7. Organization's willingness to do both Administrative and Fiscal Services.
8. Cost.

## ATTACHMENT #1 – Proposed transition time line

### **Administrative and fiscal Management services-Transition February 2018 – August 2018**

<b>TASK</b>	<b>Date</b>	<b>By</b>
New fiscal and administrative agent(s) selected	Feb 16	Council/Exec Committee
Contract sign	Feb	Chair
Modify JPA Bylaws to reflect change in fiscal agent	Feb	Council -- check JPA Bylaws language
Need resolution to have new fiscal agent as authorized signers	Feb	Council/Exec Committee
Meet with current Administrator	Feb	
Set up accounting system	Feb	
Review current contracts/vendors	Feb	
Review financial statements for FY 17/18	Feb	
Open checking account	Mar	Current bank has location only in San Mateo
Apply credit card	Apr	Current Credit card cannot be used due to personal information



Enter FY 18/19 budget	Mar	
Prepare all contracts for FY 18/19	Apr	Delivery contracts
Order checks/invoices with new address	Apr	
Notify the State Library regarding changes in administration	May	
Notify all NorthNet members regarding changes in Administrative and Fiscal Services	May	
Move admin files to new office	May	
Prepare membership and other invoices for FY 18/19	May	
Notify vendors regarding new address	May	
Transfer balance from current fiscal agent to new account	May	
Add new fiscal agent to LAIF account	May	
Provide log in info for Website support	May	PLP
Provide log in info for Listserv	May	PLP Hosted by PLP would need new host
Change UPS accounts	May	
Transfer fund from current account to new bank account	June	
Close FY 17/18 Fiscal year and prepare for audit	August	

July 13, 2021

TO: CLA MEMBERS/ SYSTEMS/ NETWORK CONTACTS

FROM: Mike Dillon and Christina DiCaro, CLA Lobbyists

RE: **News From the Capitol – State Budget Update**

**I. GOVERNOR NEWSOM SIGNS “CALIFORNIA COMEBACK”  
STATE BUDGET CONTAINING OVER \$500 MILLION FOR  
PUBLIC LIBRARIES**

On Monday evening, Governor Gavin Newsom signed a package of bills related to the main 2021-22 State Budget bill, AB 128. The historic signing gives the California Library Association and library supporters much to celebrate.

Monday’s bill package signing reflected an agreement that was finally reached after extensive negotiations with legislative leaders over the last several weeks. On June 28<sup>th</sup>, the Governor had signed AB 128 (the main Budget bill) but all sides indicated that they were far from a budget “deal,” until Monday night’s announcement. In a press release issued Monday, the Governor thanked Senate President pro Tem Toni Atkins, Assembly Speaker Anthony Rendon and both houses of the legislature “for their incredible partnership in meeting the unprecedented challenge and opportunity of this moment.” Deemed the “California Comeback Plan,” the 2021-22 State Budget “includes the biggest economic recovery package in California’s history,” stated the Governor.

The Budget package is being widely applauded by the California Library Association and library supporters as it contains a truly game-changing \$500 million plus for public library infrastructure, broadband connectivity for libraries, and money for many popular library programs. CLA and the State Library worked tirelessly through our advocacy and grass roots efforts to secure funding in this year’s Budget for public libraries. We are grateful to Governor Newsom, Senate President pro Tem Atkins, Assembly Speaker Rendon, Senate Budget Chair Nancy Skinner, Senate Budget Subcommittee Chair John Laird, Assembly Budget Chair Phil Ting, and Assembly Budget Subcommittee Chair Kevin McCarty for their tremendous leadership on the library items contained in the Budget bill, AB 128 and the “Budget bill Jr.,” SB 129.

Here are the library-related highlights of the 2021-22 State Budget (AB 128):

- **\$439 million** for public library infrastructure grants. Libraries will apply to the State Library for grants, with the maximum grant amount set at \$10 million per library. The Budget requires a dollar-for-dollar local match (e.g. If applying for a

grant of \$3 million, the local library jurisdiction would need to match it with \$3 million.) This local match can be waived by the State Librarian if a financial “hardship” situation can be demonstrated. The State Librarian will prioritize projects located in high-poverty areas of the state and those where life-safety and critical infrastructure and maintenance are needed. If funding remains after awarding the grants, it can be put towards grants for “more significant” modernization and construction capital projects and digital device purchases. (Language for the grant program can be found in SB 129, but the State Library is also likely to provide additional information.)

- \$6 million one-time General Fund to continue to connect more library branches to the Corporation for Education Network Initiatives in California’s (CENIC) high-speed, broadband “backbone.”
- \$35 million one-time to “support local projects to expand broadband access and upgrade equipment to access high speed connectivity in isolated and under-served communities through a collaborative partnership of local and regional libraries, local education agencies, and telehealth providers.” (This is a creative, CENIC-driven project that will incentivize carriers to lay fiber by maximizing the entities in the area that will benefit from connectivity – e.g. not just pulling fiber for the library, but also a health clinic and a school at the same time).
- Restores \$1.8 million ongoing General Fund for the California Library Services Act. (A special “thank you” to all of the Systems who took the time to write key legislators this year. This funding will bring the CLSA baseline back up to \$3.6 million.)
- \$1 million ongoing for Zip Books.
- \$800,000 ongoing to support Lunch at the Library.
- \$3 million in one-time General Fund to support grants to local library jurisdictions to acquire bookmobiles and vans.
- \$5 million in one-time General Fund to provide grants for early learning and after school programs to library jurisdictions.
- \$15 million in one-time General Fund to expand access and support to the English as a Second Language Learners program available through local libraries.
- “\$6.4 million to support a two-year pilot project for a real-time, online tutoring service program that would be accessible by elementary and secondary school pupils through local libraries, irrespective of whether the pupil accesses the assistance on-site at the local library or through a personal device.”
- \$1.6 million one-time and \$220,000 ongoing support funds for a pilot project to “implement new assistive technologies and to expand access to those resources to visually-impaired Californians.” This is a collaborative project between the State Library and the Braille Institute of America in Los Angeles.
- \$3 million one-time funds for Career Online High School.

## II. MORE GOOD NEWS – \$6 BILLION BROADBAND “TRAILER BILLS” INTRODUCED

On Monday the Assembly and Senate Budget Committees introduced identical “budget trailer bills” that will serve as the vehicles for a major \$6 billion broadband spending plan. As you will recall from previous “News From the Capitol” reports, the legislature was intensely focused this year on finding a way to finally “bridge the digital divide.” Governor Newsom also made the issue of broadband connectivity in unserved and underserved communities a major piece of his May Revision of the State Budget. The new broadband bills, AB 156 and SB 156 will utilize \$6 billion in General Fund and federal dollars in order to provide funding for so-called “middle-mile” and “last mile” broadband projects. Specifically, \$3.25 billion will be used for the construction of a “state-owned open-access middle mile broadband infrastructure through a third-party administrator overseen by the Department of Technology.” \$2 billion would be used for last mile expenditures, with \$1 billion of that amount dedicated to rural counties and \$1 billion for urban counties. A new Office of Broadband and Digital Literacy will be created at the Department of Technology, in order to implement the statewide broadband project.

The analysis for AB 156 also states that AB 156 and SB 156 will “prioritize locations that enable last-mile connections to residences unserved by 25 mbps downstream and three mbps upstream. The locations prioritized by the commission may also include entities that lack sufficient high-bandwidth connections, including but not limited to, all of the following: elementary and secondary schools, community colleges and other institutions of higher education, government entities, healthcare institutions, **Libraries**, public safety answering points and technologies to assist in the prevention or response to natural disasters, including but not limited to fairgrounds, and tribal lands.”

We believe that the Corporation for Education Network Initiatives (CENIC) is intended to be a participant in the project. As many of you know, several years ago CENIC joined with the State Library and CLA to create opportunities for public libraries to join CENIC’s high-speed, broadband network. Over the past few years, we have collectively been able to secure funding in the state budget to continue this important connectivity project.

Under the proposal, counties will also be afforded the opportunity to construct and maintain their own broadband infrastructure and operate as an internet service provider. Finally, the bill also provides some relief from the California Environmental Quality Act for the purpose of expediting broadband projects if they meet particular conditions.

AB 156 and SB 156 are currently being heard in their respective Budget Committees and it is expected they will be taken up on the Floor in the coming days.



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[www.plpinfo.org](http://www.plpinfo.org)

**To: NLS Executive Committee**  
**From: Carol Frost**  
**Subject: Review and Approval of FY 2021-22 NLS/PLP Contract Amendment for Administrative and Fiscal Services**  
**Date: July 28, 2021**

## **Background**

When PLP was awarded the NLS/PLP contract for fiscal and administrative services in 2018, it was agreed that a contract with baseline services would be provided, and that PLP would discuss with the Executive Committee the work which NLS foresees in the upcoming fiscal year which is beyond the baseline and negotiate additional costs for that work. At the April 2021 meeting, the Committee approved the FY 2021-22 baseline contract for \$130,563.

The purpose of this memo is to present the additional services for FY 2021-22 and associated costs.

## **Discussion of Additional Work**

As is the case from previous years, it is anticipated that NLS will be in need of work above and beyond the baseline services. For FY 2021-22, those activities include general assistance for the legacy systems regarding delivery, CalPERS obligations and cost share formulas; additional work to support NLS regarding their budget and associated advocacy with the State Library and California Library Services Board.

In the past several years the contract amendment included one additional hour per week by the PLP CEO, and 5 hours per week by the NLS Coordinator for this work. Because of the increased complexity of the work related to the legacy systems, this year the contract amendment includes 25 hours of the Controller's time. The proposed contract amendment total is \$31,318.

At the May 2021 NLS Executive Committee, this contract amendment was presented, along with the anticipated award of the LSTA grant, California Libraries Preparing to Respond and Recover Together. Because the award had not been received, the Committee deferred approval.

## **Recommendation**

It is recommended that the NLS Executive Committee consider approval of the Contract for Additional Work for FY 2021-22 of \$31,318, for a total contract of \$161,881.

It should be noted that the Governor's FY 2021-22 budget includes \$1M for the Zip Book Statewide Grant. NLS remains hopeful that it will once again be the fiscal administrator for this grant. If awarded, another contract amendment will be done to reflect the staff time for the work of the grant.



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## Additional Proposed Work: PLP / NorthNet Contract FY 2021-22

The following additional services will be provided to NLS for FY 2021-22

General assistance for legacy systems regarding Delivery, CalPERS obligations and cost share formulas; additional support to NLS regarding budget.

<u>Staff</u>	<u>Additional Hours</u>	<u>Total</u>
CEO	General Assistance: 1 hour/week at \$123.71/hour	\$6,433
Controller	Additional work related to Legacy Systems: 25 hrs @ \$101.51	\$2,538
Coordinator	5 hours/week at \$75/hour	\$19,500
<b>Subtotal</b>	<i>Sub-total</i>	<u>\$28,471</u>
	10% Indirect	<u>\$2,847</u>
	<b>TOTAL ADDITIONAL WORK</b>	<b><u>\$31,318</u></b>

<b>FY 2021-22 Baseline Contract</b>	<b>\$130,563</b>
<b>TOTAL AMENDED CONTRACT</b>	<b><u>\$161,881</u></b>

# NorthNet Library System

## FY 2021-22 Proposed Budget Summary

Acct		ADMINISTRATION	COMMUNICATION & DELIVERY	LOCAL	TOTAL
<b><u>Revenue</u></b>					
3510	Interest Earned	\$10,000			\$10,000
3661	Membership Fees	122,238			122,238
3667	State Library CLSA	84,433	337,730		422,163
3668	LSTA-Indirect	3,637			3,637
3674	Reimbursable from Members		162,694	380,225	542,919
3000	Fund Balance	(44,827)	39,245	132	(5,450)
<b>Total Revenue</b>		<b>\$175,481</b>	<b>539,669</b>	<b>380,357</b>	<b>\$1,095,507</b>

<b><u>Expenditure</u></b>					
4212	Communication		4,000		4,000
4219	Professional Services				-
4220	Contractual Services	171,881	325,194		497,075
4230	Office Expense		600		600
4233	Postage		450		450
4235	Special Departmental		209,425	252,187	461,612
4301	Insurance	2,500			2,500
4302	Membership Fees/Dues	-			-
4303	Travel & Meeting	1,000			1,000
4373	Service Fees	100			100
4445	Reimbursable from Members			128,170	128,170
<b>TOTAL EXPENDITURE</b>		<b>\$175,481</b>	<b>\$539,669</b>	<b>\$380,357</b>	<b>\$1,095,507</b>

Fund Balance and Reserve	Ending 6/30/2020	Ending 6/30/2021	
Fund Balance	\$ 1,090,607	\$ 1,236,607	
Operating Reserves	71,730	71,730	
Legacy Systems Legal Fund (\$8K Per Sys.)		24,000	
<b>Total</b>	<b>\$ 1,162,337</b>	<b>\$ 1,332,337</b>	<i>Estimated</i>



NORTHNET LIBRARY SYSTEM  
FY 2021-22 PROPOSED BUDGET

**ADMINISTRATION (918)**

		<b>Adopted</b>	<b>Proposed</b>	
		<b>FY 20/21</b>	<b>FY 21/22</b>	<b>Note</b>
<b><u>GL Acct</u></b>	<b><u>Revenue</u></b>			
3510	Interest Earned	\$35,000	\$10,000	State Treasurer's LAIF Investment
3661	Membership Fees	117,426	122,238	NorthNet Members Dues (with 2% CPI)
3667	CLSA-State Library	83,586	84,433	CLSA System Admin Funds
3667	State Library Grants-Indirect	68,070		<i>FY20/21 Zipbooks &amp; LinkPlus</i>
3668	Federal Grants-LSTA Indirect	3,680	3,637	Indirect Costs: PLSEP (\$3,637)
3000	Budgeted Fund Balance	16,154	(44,827)	Fund Balance (Credit)
	<b>TOTAL REVENUE</b>	<b>\$323,916</b>	<b>\$175,481</b>	<b>(45.83%)</b>
	<b><u>Expenditure</u></b>			
4220	Contractual Services	\$310,366	\$161,881	NLS/PLP Baseline Contract \$130,563; Addendum Contract \$31,318
4220	Contractual Services	10,000	10,000	Annual Single Audit Services; Eliminated Staff Training to Libraries
4301	Insurance	2,500	2,500	Professional Liability Insurance
4302	Membership Fees & Dues	0	0	Califa Membership Fees for Members
4303	Travel & Meeting	1,000	1,000	Annual Meeting
4373	Service Fees	50	100	Bank Fees
	<b>TOTAL EXPENDITURE</b>	<b>\$323,916</b>	<b>\$175,481</b>	<b>(45.83%)</b>

NORTHNET LIBRARY SYSTEM  
FY 2021-22 PROPOSED BUDGET

**COMMUNICATION & DELIVERY (916)**

		<b>Adopted</b>	<b>Proposed</b>	
		<b>FY 20/21</b>	<b>FY 21/22</b>	<b>Note</b>
<b><u>GL Acct</u></b>	<b><u>Revenue</u></b>			
3667	CLSA State Library	\$334,343	\$337,730	CLSA C & D Funds
3674	Reimbursable Costs	160,270	162,694	NBCLS & MVLS Deliveries (\$325,194 - \$162,500 CLSA Funds)
3000	Fund Balance - CSLA	120,000	39,245	FY19/20 Roll-Over Unused CLSA Funds
	<b>TOTAL REVENUE</b>	<b>\$614,613</b>	<b>\$539,669</b>	<b>(12.19%)</b>
	<b><u>Expenditure</u></b>			
4212	Communication	\$4,000	\$4,000	Conferencing Services; Website Hosting \$2,500
4220	Contractual Services	325,194	325,194	MVLS (\$59,402) and NBCLS (\$265,792) Delivery Services
4230	Office Supplies	450	600	NLS Checks and Envelopes
4233	Postage	1,000	450	USPS, UPS, FedEx, USPS
4234	Special Departmental	<b>\$170,345</b>	<b>\$170,180</b>	CLSA allocation for members (including the \$26,755 for OverDrive & \$44,000 for eMagazine )
4234	Special Departmental	120,000	39,245	Add'l CLSA allocation for OverDrive
	<b>TOTAL EXPENDITURE</b>	<b>\$620,989</b>	<b>\$539,669</b>	<b>(13.10%)</b>

NORTHNET LIBRARY SYSTEM  
FY 2021-22 PROPOSED BUDGET

**LOCAL (915)**

		<b>Adopted FY 20/21</b>	<b>Proposed FY 21/22</b>	<b>Note</b>
<b><u>GL Acct</u></b>	<b><u>Revenue</u></b>			
3674	Reimbursable Costs	\$62,000	\$110,000	OverDrive Collection \$26,755 + \$39,245 (Roll-Over CLSA Fds); eMagazine \$44,000
3674	Reimbursable Costs	18,638	18,170	Gale Databases-Chilton Library \$652; ProQuest \$17,518
3674	Reimbursable Costs	236,550	252,055	Member Libraries Link+ Cost Reimbursements
3000	Fund Balance		132	FY19/20 NLS Link+ Resource Grant -Remaining Funds
<b>TOTAL REVENUE</b>		<b><u>\$317,188</u></b>	<b><u>\$380,357</u></b>	<b>19.92%</b>
<b><u>Expenditure</u></b>				
4445	Reimbursable-Library Expenses	\$62,000	\$110,000	OverDrive Collection \$66,000; eMagazine \$44,000
4445	Reimbursable-Library Expenses	18,638	18,170	Gale Databases-Chilton Library \$652; ProQuest \$17,518
4234	Special Departmental	\$236,550	\$252,187	Link+ Year 3 Cost
<b>TOTAL EXPENDITURE</b>		<b><u>\$317,188</u></b>	<b><u>\$380,357</u></b>	<b>19.92%</b>