

## Director's Report

The Board packet is being delivered later than usual to you due to the second winter storm of the season. State offices were closed on Thursday, January 28<sup>th</sup> and Friday, January 29<sup>th</sup> which delayed the printing and mailing of the packet. I know that some and perhaps all of you were impacted by the storm so I hope you are back to normal. Somehow the weather seems to mirror the mood at the Capitol due to the budget reductions—gloomy and cold.

The governor and the legislative leaders have announced a budget agreement to our current fiscal year's appropriation. This agreement will reduce agency appropriations by 10% for the remainder of the fiscal year. Since the monthly appropriations have been reduced varying amounts since the start of the fiscal year, the total reduction to our appropriation will be about 7.5%. If this reduction holds, we do not anticipate having to reduce state aid to public libraries in the current fiscal year. Revenue collections between now and the end of the fiscal year are unknown so we will continue to award 90% of state aid payments until the end of the fiscal year. It is my belief, however, that all libraries will receive full funding in 2010.

Legislative session is due to start on Monday, February 1, 2010 with the governor giving his State of the State address and releasing his proposed budget. The budget will dominate the legislative session and agency budgets will be reduced. The governor has recommended a budget reduction of 10.5% for ODL from our original appropriated amount for SFY2010. The next two fiscal years are projected to be difficult ones.

Even in these challenging times, however, ODL staff continues to provide excellent customer service and to seek out alternate funding. I encourage you to read the division reports to discover the many activities currently underway or being developed.

**And now for something completely different.** We will be holding a public hearing at our next Board meeting to revise the ODL fee schedule. You will find a background piece on why the agency is considering this action in tab c. If the Board votes to adopt the change in our fee schedule, the rule change will be submitted to the governor and the legislature for their review and action. If the governor approves the change and the legislature does not deny it, the change will take effect this summer.

I look forward to seeing all of you soon.