

The 2023-24 Budget: California State Library

GABRIEL PETEK | LEGISLATIVE ANALYST | APRIL 2023

SUMMARY

Brief Covers Governor’s Budget Proposals for the California State Library. The Governor’s budget proposes a total augmentation of \$1.2 million General Fund (\$1 million ongoing, \$240,000 one time) for three proposals at the California State Library (State Library). The proposals focus on providing additional personnel for the California History Room, Witkin State Law Library, and State Library audit program.

Recommend Revisiting California History Room Proposal in the Future. The Governor proposes a \$597,000 General Fund augmentation (\$357,000 ongoing, \$240,000 one time) for additional staffing and acquisitions for the California History Room special collections. Though workload for the California History Room increased between 2020-21 and 2021-22, it has fallen over the first half of 2022-23. Were workload in the second half of the year to continue at the same rate, the annualized 2022-23 workload would be at its lowest level in five years. Moreover, the State Library can access federal funds and philanthropic support to expand the California History Room’s special collections. For these reasons, we recommend rejecting this proposal at this time. The Legislature could revisit the California History Room’s staffing and collections when workload more clearly justifies an augmentation and the state’s budget condition has improved.

Recommend Rejecting Witkin State Law Library Proposal and Revisiting Law Library Special Fund. The Governor proposes a \$462,000 ongoing General Fund augmentation for additional staffing at the Witkin State Law Library. The administration’s proposed augmentations are intended to address higher workload and continued increases in the law library’s operating costs. While workload has increased at the Witkin State Law Library, it remains in line with job expectations. Moreover, the California State Law Library Special Fund is intended to cover the operating expenses of the Witkin State Law Library. This special fund receives a specified amount of certain civil appellate filing fees. The fee set aside for the law library is likely to be reauthorized in 2025. As part of reauthorization, the Legislature could consider raising the associated fee amount to help the law library cover rising personnel costs. Particularly given the state’s budget condition, we recommend the Legislature reject the proposal to provide General Fund support to the law library.

Recommend Rejecting Auditor Proposal and Considering Alternative Options. The Governor proposes a \$168,000 ongoing General Fund augmentation to support one permanent, full-time Senior Management Auditor position at the State Library. The auditor would be responsible for establishing the State Library’s audit program. Currently, auditing is overseen by the State Library’s executive management team, with certain tasks delegated to supervisors and line staff. While the State Library has seen a large increase in one-time funding for local assistance programs, the bulk of this funding must be spent by June 30, 2024. Moreover, the State Library has had significant growth in its staffing levels over the past few years, with many new staff provided to assist in administering new or expanded local assistance programs. Instead of approving a new permanent auditor position at the State Library, the Legislature could reject the proposal and have the State Library continue to complete its auditing responsibilities using existing staff. Alternatively, the Legislature could fund an auditor position but on a limited-term basis with a particular focus on ensuring that the local library infrastructure grants (the State Library’s largest one-time initiative in recent years) are used in accordance with state intent.

INTRODUCTION

Brief Focuses on the California State Library.

In this brief, we analyze the Governor's budget proposals for the State Library. The brief begins with an overview of the State Library, local libraries, and the Governor's associated budget proposals.

The brief then has three sections covering the proposals for the California History Room, Witkin State Law Library, and State Library audit program, respectively.

OVERVIEW

State Library Oversees Both State Activities and Local Assistance Programs.

The State Library's main state-level functions are (1) serving as the central library for state government; (2) collecting, preserving, and publicizing state literature and historical items; and (3) providing specialized research services to state agencies. In addition to these state-level activities, the State Library passes through state and federal funds to local libraries for specified purposes. These local assistance programs fund literacy initiatives, internet services, and resource sharing, among other things. The State Library provides oversight and technical support for these local assistance programs.

Public Libraries Are Run and Funded

Primarily by Local Governments. In California, local public libraries can be operated by counties, cities, special districts, or joint powers authorities. Usually the local government operator designates a central library to coordinate activities among all the library branches within a jurisdiction. Currently, 186 library jurisdictions with 1,127 sites (including central libraries and their branches) are operating in California. Local libraries provide various services that are influenced by the characteristics of their communities. A core part of the mission of all libraries, however, is to provide patrons with access to books, media, and other informational material. Around 95 percent of local library funding comes from local governments and the remaining 5 percent comes from state and federal sources.

State Library Relies Primarily on State and Federal Funds.

Approximately 70 percent of the State Library's ongoing budget is supported by the General Fund. Nearly 25 percent comes from federal funds, with the remainder coming from special funds and reimbursements. For 2023-24, the Governor's budget includes \$39 million in ongoing state operations funding for the State Library and \$34 million in ongoing local assistance funding. The Governor's budget also includes \$508 million in one-time General Fund, nearly all of which reflects carryover funds associated with one-time local assistance initiatives funded in recent years. (More detail on the State Library's budget, including spending by program and fund source, is provided on our [EdBudget](#) site.)

Governor's Budget Funds Three New

Proposals. As **Figure 1** shows, the three proposals are (1) both ongoing and one-time support for the California History Room, (2) ongoing support for the Witkin State Law Library, and (3) ongoing support for the State Library audit program. In total, the Governor's budget includes a General Fund augmentation of \$1.2 million (\$1 million ongoing, \$240,000 one time) for these three proposals. The Governor's budget also includes \$2.4 million for the third year of a four-year initiative focused on the State Library protecting collections from natural disasters. (The Governor's budget also includes ongoing General Fund augmentations of \$53,000 for broadband cost increases and \$26,000 for employee benefit cost increases.)

Figure 1

Governor’s Budget Contains Three New Proposals for the State Library

General Fund Changes in 2023-24 (In Thousands)

Change	Ongoing	One Time	Totals
New Proposals			
California History Room Special Collections (three positions)	\$357	\$240	\$597
Within State Law Library (four positions) ^a	462	—	462
State Library Audit Program (one position)	168	—	168
Totals	\$987	\$240	\$1,227
Other Changes			
Disaster preparedness for cultural resources ^b	—	\$2,387	\$2,387

^a Includes absorbing all costs associated with two positions currently funded by the Law Library Special Fund.
^b Represents third year of four-year funding plan initiated as part of the 2021-22 budget agreement.

CALIFORNIA HISTORY ROOM

In this section, we provide background on the California History Room, describe the Governor’s budget proposal, assess the proposal, and offer an associated recommendation.

Background

California History Room Is Responsible for Collecting and Preserving Special Collections.

The special collections of the State Library’s California History Room document the life and experiences of Californians throughout history. These special collections are differentiated from general collections by their rarity, value, and research potential. Many of the items in the California History Room’s special collections are one-of-a-kind materials such as letters, drafts of speeches, literary manuscripts, meeting minutes, diaries, scrapbooks, and film recordings. In addition to special collections materials, the California History Room maintains separate print collections of books and periodicals that circulate to both state employees and the general public. These latter collections provide broader historical context for the items contained in the special collections.

Proposal

Governor Proposes Funding Increase for the California History Room’s Special Collections.

The Governor proposes providing a \$597,000 General Fund augmentation (\$357,000 ongoing, \$240,000 one time) for the California History Room. The increase in ongoing support would fund three additional permanent, full-time positions. One new position would be for a Senior Librarian, who would perform outreach and relationship-building with currently underserved and underrepresented groups. The remaining two positions would be for Librarians, who would be responsible for handling requests for research assistance, providing orientations to special collections, and delivering custom presentations on specific historical topics. The one-time funding would go toward the purchase of materials related to the experiences of Californians currently underrepresented in the special collections portfolio.

Assessment

California History Room’s Special Collections Have Some Shortcomings. Preserving historical assets is a core function of the State Library.

Approximately 75 percent of the current California History Room materials, however, represent the experiences of Anglo settlers. The State Library indicates it has relatively few items in the California History Room’s special collections focused on underrepresented and marginalized communities. Moreover, the State Library indicates that the relatively few items in the special collections that document the history of marginalized groups are not organized in a way that makes them easy to find.

Workload for California History Room Librarians Has Been Fluctuating Notably.

The State Library uses an online management system called “Ask-A-Librarian” for patrons to submit library requests. This system allows California History Room staff to identify when a request comes in, as well as track the number of hours a librarian spends on a request. (When staff are responding to these requests, they tend to pause other tasks such as processing and cataloging new collections.) As **Figure 2** shows, associated workload for the California History Room has been fluctuating. Though Ask-A-Librarian workload increased notably from 2020-21 to 2021-22, it tapered off considerably during the first half of 2022-23. If this trend continues through the second half of 2022-23, associated workload will fall not only short of the original projections used to justify the request for additional personnel but also will fall to its lowest level in five years.

Other Funding Sources Exist for Special Collections Acquisitions. Over the last three fiscal years, the State Library has spent a total of \$247,000 in federal funding to support ongoing subscriptions to various high-use periodicals and recurring print titles at the California History Room.

Additionally, the State Library works with the California State Library Foundation, an independent philanthropic partner, to acquire rare and unique historical material for the California History Room’s collections. These materials (including items like photographs and manuscripts) are not available through mainstream vendors or publishers. Over the past three calendar years, the California State Library Foundation has spent a total of \$19,000 for this purpose.

Recommendation

Reject Proposal and Revisit When State Budget Condition Improves. Given the state’s projected budget deficits over the next few years, we recommend the Legislature reject the proposed ongoing and one-time augmentations the Governor proposes for the California History Room at this time. When the state budget condition is better, the Legislature could consider improvements to the California History Room’s special collections, including by potentially funding a Senior Librarian to work on expanding certain outreach aimed at including more collections material from underrepresented groups. The Legislature also can continue monitoring Librarian workload. Though existing workload data do not show clear justification for additional Librarian positions, the Legislature could revisit the issue in future years. Finally, when the state budget condition improves, the Legislature could consider providing one-time funds for purchasing more material for the special collections. In the meantime, the California History Room could continue relying on federal funds and philanthropic funds for such purchases.

Figure 2

Workload for California History Room Has Been Fluctuating

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23	
					Original Projection ^a	Updated Projection ^b
Ask-A-Librarian Requests Received	732	604	739	888	1,065	646
Staff Hours on Research	609	630	830	880	932	422

^a Reflects the California State Library’s projection as reflected in its California History Room budget change proposal.

^b Assumes workload continues in the second half of the fiscal year at same pace as the first half.

WITKIN STATE LAW LIBRARY

In this section, we provide background on the Witkin State Law Library, describe the Governor's proposals for the law library, assess those proposals, and offer associated recommendations.

Background

Witkin State Law Library Provides Research Services. The Witkin State Law Library contains primary and secondary sources in American law, federal and state appellate court opinions, session laws, codes and statutes, federal agency decisions, and attorney general opinions. Its staff provide research support to state agencies and the general public. In 2021-22, about one-third of its clients were from state agencies and two-thirds were from the general public. Among state agencies, the Department of Justice makes considerably more law library requests than any other agency. In addition to handling research requests, law library staff are responsible for curating library materials, among other responsibilities. For the past four years, the law library has had a steady staffing level of seven permanent, full-time positions.

Special Fund Revenue Is Intended to Cover Law Library's Operating Expenses. The California State Law Library Special Fund is intended to cover the operating expenses of the Witkin State Law Library. The state created this special fund in 1992. The special fund receives a specified amount of certain filing fees charged for civil appellate cases. Statute sets both the total civil filing charges (the bulk of which is retained by the judicial branch) as well as the specific amount that is to be deposited into the Law Library Special Fund. Currently, \$65 of certain civil filing fees are deposited into the Law Library Special Fund. This fee amount has been flat since 1999. The Legislature has a practice of reauthorizing the amount of certain civil appellate filing fees deposited into the Law Library Special Fund periodically. The next reauthorization is expected to occur in 2025. The last time the Legislature increased the relevant civil appellate filing fees was in 2012. At that time, though the total civil filing fees were increased, no accompanying increase was made to the amount of the fee set aside for the Witkin State Law Library.

Over the past three years, the Witkin State Law Library has spent on average \$375,000 annually from the special fund.

Witkin State Law Library Has Long Depended on State General Fund Support. With the law library's fee amount held flat for so long, the State Library reports that it has used some of its ongoing General Fund support to help cover the Witkin State Law Library's operating costs since at least 2007. In each of 2021-22 and 2022-23, the State Library used nearly \$600,000 of its ongoing General Fund support for the law library's operating costs. In 2022-23, the state also provided \$80,000 one-time General Fund directly in the annual budget act for the law library. Provisional budget language indicated that this one-time funding was broadly "for support of the State Law Library."

Proposals

Governor Proposes Several Augmentations for the Law Library. The Governor proposes a total augmentation of \$462,000 ongoing General Fund support for four additional permanent, full-time positions. The four positions consist of a Senior Librarian, who would serve as the main point of contact for state agencies and assist with coordinating digitization projects; two Librarians, who would serve in traditional legal research capacities; and a Library Technical Assistant II, who would perform paraprofessional tasks such as book acquisition, catalog classification, physical upkeep of library material, and book inventory. One of the Librarian positions, as well as the Library Technical Assistant II position, currently are supported by the Law Library Special Fund (costing a combined \$221,000). The administration's proposed augmentations are intended to address higher workload and continued increases in the law library's operating costs.

Assessment

Workload Has Increased for Law Library, but Remains in Line With Job Expectations. The number of hours law library staff spend on research has been increasing—rising from 578 hours in 2017-18 to 2,393 hours in 2021-22.

The increase is linked to more research requests, with research hours spent per request holding relatively stable over this period, averaging 1.25 hours per request. Though projected hours spent on research for 2022-23 (assuming the second half of the year looks similar to the first half) could fall slightly from the 2021-22 level, hours spent on research still are likely to remain elevated compared to earlier years of the period. The State Library attributes at least some of the increase in law library research activity to the state's expansion of telework, as remote work can separate state employees from traditional print resources previously maintained within their own agencies. Though hours spent on research have increased, the average share of time each Librarian spends on research remains below 40 percent—the target the State Library specifies in its Librarian job duty statement.

No Clear Justification for Replacing Special Fund Support With General Fund Support.

After hovering at about \$300,000 for the past few years, the administration projects that revenue in the State Law Library Special Fund will increase to \$391,000 (30 percent) in 2023-24. Moreover, the amount of civil appellate filing fees deposited into this fund are up for reauthorization in 2025. Were the allocation for the law library to be increased, sufficient additional revenue could be generated to address the library's rising operating costs.

Finally, the state's projected General Fund operating deficits further call into question the timing of such a proposal. In other areas of the budget, the administration effectively has counter proposals intended to provide General Fund relief. In those cases, rather than having ongoing General Fund replace existing special fund support, special fund revenue is used instead of General Fund.

Recommendations

Reject Proposal. Given the law library's workload levels remain in line with job expectations and the administration has not provided clear justification for using ongoing General Fund support in place of existing special fund support, we recommend the Legislature reject the proposed General Fund augmentations. As the state is likely to reauthorize the amount of civil appellate filing fees deposited into the State Law Library Fund in 2025, the Legislature could consider increasing the amount at that time. The law library has not had an increase in its set-aside rate in more than two decades, despite continuing to experience increases in its staffing costs. This budgetary approach is consistent with statutory intent to fund the law library using special fund revenue. Such an approach also helps improve the state's budget condition by mitigating the law library's reliance on General Fund support.

STATE LIBRARY AUDIT PROGRAM

In this section, we provide background on the State Library audit program, describe the Governor's proposal, assess the proposal, and offer two associated budget options for the Legislature to consider.

Background

State Law Requires Agencies to Have Internal Controls. State law requires each state agency to maintain "effective systems of internal control as an integral part of its management system." State law further declares that "all levels of management of state agencies must be involved in assessing

and strengthening the systems of internal control to minimize fraud, errors, abuse, and waste of government funds." The State Library depends on its executive management team to establish and maintain its internal controls. This team is comprised of the State Librarian, Deputy State Librarian, and the bureau chiefs of its five main divisions. The executive team delegates authority as it deems appropriate to supervisors and line staff to achieve audit responsibilities. The State Library reports that it currently has eight staff with audit-related responsibilities, with these staff spending 30 percent of their time on this work.

State Library's Budget Has Grown in Recent Years. State law sets forth that state agencies with ongoing budgets of \$50 million or more should consider establishing an ongoing audit program. The State Library budget exceeded the \$50 million ongoing General Fund threshold for the first time in 2022-23 (reaching \$51 million). Over the past five years, the State Library's ongoing General Fund support has increased \$20 million (66 percent). In addition to increases in ongoing General Fund support, the state provided the State Library with considerable one-time funding in 2021-22 and 2022-23. Most notably, the state provided the State Library \$439 million one-time General Fund in 2021-22 and \$50 million in 2022-23 for local library infrastructure grants.

Proposal

Governor Proposes Providing State Library With Auditor Position. The Governor's budget includes a \$168,000 ongoing General Fund augmentation for one permanent, full-time Senior Management Auditor at the State Library. The State Library reports that the Senior Management Auditor would be tasked with strengthening processes and internal controls, analyzing audit reports, verifying proper reporting, and providing consultation in the administration of local assistance grant programs, among various other related responsibilities. The State Library indicates that the primary rationale for the new auditor position is the significant growth in the State Library's local assistance programs and funding over the past few years.

Assessment

State Library Has Not Made a Particularly Strong Case for New Position. Though a new auditor position might improve the State Library's oversight of local assistance programs, it is not clear that an auditor position is needed at this time. The State Library is only \$1 million over the \$50 million threshold at which an agency is "to consider" establishing an ongoing audit program. Of this amount, less than \$25 million is associated with ongoing General Fund-supported local

assistance programs. Moreover, were the State Library's existing eight staff with audit-related responsibilities to lack capacity to fulfill related ongoing audit work, the State Library might consider redesignating one of its other existing staff. The State Library has seen a significant increase in its staff over the past five years. Most recently, the *2021-22 Budget Act* funded 20 additional positions and the *2022-23 Budget Act* funded a further 17.5 new positions. These positions generally were intended to help the State Library implement various new and expanded state and local assistance programs. Furthermore, it is unclear the extent to which a new ongoing auditor position could be helpful with overseeing recent one-time initiatives. The largest of these initiatives (the \$439 million for local library infrastructure grants) requires grant funds to be used by June 30, 2024, such that a new auditor might be in place only a few months before the funds expire. Though some auditing work might exist even after these local assistance funds expire, such work does not justify a new ongoing position.

Options

Legislature Could Consider Two Options. Given the factors just mentioned, one option is for the Legislature to reject this proposal. Under this option, the State Library would continue relying on its existing staff to ensure internal controls are met. To date, the State Library has not identified instances of fraud or mismanagement of public resources. Moreover, many of its one-time initiatives will expire shortly, calling into question the need for an ongoing position. A second option for the Legislature to consider is converting the requested position from permanent to limited term. Though the State Library potentially has opportunities within its recently expanded staffing level to perform more auditing and oversight, the Legislature could consider a limited-term position that would be particularly focused on ensuring that the local library infrastructure grants are used in accordance with state intent.

LAO PUBLICATIONS

This report was prepared by Ian Klein, and reviewed by Jennifer Pacella and Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

To request publications call (916) 445-4656. This report and others, as well as an e-mail subscription service, are available on the LAO's website at www.lao.ca.gov. The LAO is located at 925 L Street, Suite 1000, Sacramento, California 95814.