

GENERAL BUDGET THEORY

This is a fairly lean budget. On the positive side, several versions of the pending biennial budget propose an increase in our state aids of 4% for 2008. Unfortunately, the state budget has not yet passed. The Division for Libraries Technology and Community Learning (DLTCL) staff suggests that we prepare our 2008 budget assuming that the 4% increase, \$84,525 for SCLS, will be included in the budget that passes. Rising rates have somewhat increased our interest income in recent years, but those rates are now leveling. Still, based on returns for 2007, we anticipate a slight increase in interest income in 2008. Our noncompetitive system technology Library Services and Technology (LSTA) grant for 2008 will be larger than in 2007. These factors will enable us to continue to develop services demanded by the member libraries and the public they serve, especially in the area of technology. On the negative side, many years of lean state funding have forced us to cut into reserves and seek new sources of income in order to maintain services. Therefore this budget is cautious, although a bit optimistic, and attempts to hold the line on expenditures whenever possible. 3% cost of living salary increases (and any step increases to which they are entitled) are recommended for employees in general. One re-class in Delivery, based on expanded duties, and some changes for the technology staff in the Administration office, reflecting changes in responsibilities and recruitment realities, are also proposed. LINK libraries have already passed their 2008 budget, which included reclassifications of three positions. Slightly less than 2% of our total budget is reserved in our "contingency/interlibrary loan/delivery" fund. This sum, added to whatever additional dollars show up in our audit or can be saved in other accounts, represents our primary resource to enable us to cope with rising service demands and to take advantage of new opportunities.

REVENUES

1. (4010) This is the formal state aid estimate provided to SCLS by DLTCL for 2008.
2. (4030) For next year, \$150,000 is a realistic projection for interest earnings, based on estimated interest earnings for 2007.
3. (4040) Our interest earnings shown under #2 above reflect our practice of investing funds on behalf of member agencies that desire this service. This account is required to reflect the share of the total interest earned that belongs to our members rather than to SCLS. This amount has been reduced for 2008 because, partly due to libraries investing in the SCLS Foundation rather than keeping their money in SCLS holding accounts, SCLS is holding less money for members in our holding accounts. Beginning with the 2008 budget, revenues and expenses associated with the Wisconsin Public Library Consortium, for which SCLS is fiscal agent, will no longer be included within the SCLS budget, and the accounts for the Library Emporium will no longer appear.
4. (4050) This general carryover amount is still substantial, although smaller than in past years. This carryover figure is an estimate, and will be finalized as part of our annual audit.
5. (4060) Adams, Columbia, Dane, Portage, and Wood counties contract for additional delivery service beyond the basic service offered by SCLS.

6-7. (4090-4110) Green and Sauk Counties each appropriate funds to pay for their respective county library services, and entrust the administration of these funds to South Central. The sums indicated represent proposed county budgets which have yet to be ratified by their county boards of supervisors, so that they may very well need to be revised early next year. Additionally, both projected amounts have been reduced by the amount of board expenses and certain insurances. The counties retain these funds, and bills pertaining to these categories are paid directly by the counties. These county budgets include the cost of delivery service beyond what can be provided by SCLS.

8. (4130) This sum pays for additional delivery for various libraries throughout the system. This sum is currently paid by the libraries rather than by their respective counties, but the ultimate goal is to seek direct county funding for this service.

9. (4170) Our intersystem and multitype delivery services continue to grow, linking together major library resources of all kinds throughout the state. These services are provided on a cost recovery basis. These services benefit SCLS because our libraries, who are very active participants in the statewide interloan network, have ready access to statewide delivery at no direct cost to their individual municipalities.

10. (4180) This account reflects the income earned through special delivery services.

11. (4220) In 2008, SCLS and the Wisconsin Library Association (WLA) will continue to share quarters at the American Center. This account represents the WLA share of the lease cost of the facility.

12. (4242) This sum represents the shared paid toward group automation by LINK member libraries exclusive of SCLS cash and in-kind contributions.

13. (4245) This sum represents LINK funds to be carried over into next year and includes primarily unspent capital and contingency account funds. This amount is substantial, because we are holding the amount intended for a major upgrade of the LINK system. When this capital fund is used for that upgrade, carryover in this account will be significantly reduced. This sum is a current estimate that will be finalized as part of our next audit.

14. (4470) This account includes the member shares paid toward online content, including databases such as Ref USA, Ancestry Library, Heritage Quest, Literature Resource Center, etc.

15. (9100) This is a non-competitive Library Services and Technology Act Grant. It will enable SCLS and its member libraries to fund a range of technical projects.

16. (9150) In the past, SCLS has frequently received competitive LSTA grants in such areas as children's services and/or adult literacy. This category is a placeholder for such a grant if the SCLS literacy grant submitted for 2008 is received.

17. (NEW) SCLS will receive an LSTA noncompetitive grant in this new category in 2008 to partially fund installation of wireless Internet connections in several of our libraries.

18. (9300) For 2008, SCLS has applied for a 2nd competitive LSTA grant in the area of training. This account is a placeholder for the 2nd grant if we receive it.

19. (9700) This is a non-competitive Library Services and Technology Act Grant. It will provide additional support for the statewide portion of our delivery service, thus reducing each public library system's required contribution to the service.

20. (9950) This account will be used to track the funds received from member libraries for Library Online, a workstation registration and time management system.

21. (NEW) This new account will hold any income that may be earned through sales of Tote Master carts.

PROJECTED REVENUE TOTAL: \$8173774

EXPENDITURES

I.A. (5130) This account includes two separate contracts with our system resource library. The first, our statutory contract, pays for backup interlibrary loan and reference service and to enrich the resource library reference collection. The second, our supplementary contract, purchases a wide variety of items including in-demand items. These contracts fund a wide range of services for all system residents, including the percentage of our population that resides in Madison. This year there is an increase proposed in the Backup Reference and Interlibrary Loan Services portion of the contract, because this amount has been unchanged for a number of years, while costs for these services have gone up. SCLS is also supporting more centralized OCLC interlibrary loan costs through I.D. below.

I.B. (5230) If library materials from our system member libraries are lost or damaged during the interlibrary loan process, the patron responsible is charged. If, however, physical damage to the item occurs because of our delivery service, then the system makes good on such losses, up to the amount in this account. The account has been reduced for 2008, based on our last several years' experience.

I.C. (5260) As automation enabled more of our system member public libraries to share their collections for interlibrary loan purposes, it seemed logical to provide at least a modest incentive for the efforts of those who became net lenders. In 1991, a fund was established for this purpose. This fund was discontinued in early 1992 to help pay for the purchase of the new automated system, and re-instituted in mid 1992 due to popular demand. The 2008 amount remains the same as the 2007 amount.

I.D. (5310) This account funds both our OCLC direct interlibrary loan charges and also any costs to borrow from libraries that charge to loan items. The 2008 amount remains the same as the 2007 amount.

II. General notes: These accounts represent most of the LINK budget, which is set annually by vote of the LINK Consortium. Our contractually set contribution to operational expenses will be \$127,288 for 2008. In addition to the sums indicated here, LINK member libraries also pay for the benefits for LINK employees, and for a variety of other project expenses including office supplies, postage, printing, photocopying, telephones, and additional charges for the services of the bookkeeping firm and the audit. These sums are not reflected in Section II, but are instead added to the proposals for these categories elsewhere in the budget, primarily in section XII. SCLS also provides many other support services to LINK in the administrative, secretarial, personnel, consulting, public relations, and financial areas, but does not receive direct funding from LINK for these services.

II.A. (5410-5440) These accounts pay for the maintenance of the central software, hardware, and telecommunications equipment required for the LINK project, as well as for estimated time and materials based repairs to local peripheral equipment. Software maintenance includes costs for all modules, including acquisitions, serials, gateways, telecirc, cataloging, homebound, new accounts for new member libraries, added Dynix licenses, estimated annual price increases in accordance with our contract with Dynix. Hardware maintenance is normally calculated to include equipment added during the previous year, as well as the cost of inflation and service to new libraries. This amount is increased for 2008 because of contractual agreements and more equipment that is no longer under warranty. Telecommunication maintenance costs include ongoing costs for all current LINK member libraries. This account and the peripheral maintenance account have been decreased slightly. The billing structure for maintenance from Dynix does not match a calendar year, so that the 2008 budget pays for most of 2008, but also for the early months of 2009.

II.B. (5450) This account pays member library telephone line charges for the shared system. This account also includes telephone line costs for desk phones. The amount budgeted is net of anticipated E-rate discounts/payments, but still includes funds to maintain cash flow until those discounts are realized. The amount in this account remains the same in 2008 as in 2007.

II.C. (5460) This account funds the contract with the Madison Public Library for the provision of cataloging services to all LINK member libraries, including Madison. This 2008 amount is largely based on actual 2006 experience.

II.D. (5462) This account funds expenses associated with our Internet connection other than our WiscNet membership, which is paid directly by SCLS. Items in this account include equipment, software, maintenance, and general expenses specifically related to our Internet activity. The amount has been maintained at the basic 2007 level for 2008.

II.E. (5465) This account pays for the rental space in the Madison Public Library required to house LINK staff and equipment. The amount indicated includes workspace for the automation staff in the Madison Public Library (2205 sq ft at a cost of \$31,858). Additionally, LINK space

includes storage in the Delta Warehouse at a cost of \$1,395. Parking space for the computer tech and some other ongoing parking space support for staff that must travel to member libraries costs \$2,747.

II.F. (5467) This account covers the cost of minor additional and/or replacement hardware and/or software required to keep the central shared automated system functioning at maximum efficiency. It also includes maintenance and repair required for the computer room, including the air conditioning system as well as to facilitate an orderly process of server replacement. The 2007 amount should suffice for 2008.

II.G. (5468) This account pays the salary costs of the staff members required to run the LINK shared system, from the Automation Project Manager to the computer operators. The account has been increased to cover anticipated benefit cost adjustments and step increases (where applicable). In addition, LINK members approved reclassifications of the Automation Project Manager, Computer Systems Integrator, and Software Applications Supervisor positions for 2008. According to the LINK member contract, employees of LINK receive the same compensation as SCLS employees. This account includes the 3% general cost of living increase as well as any continued progression through the steps included within the classification ranges to which these employees are assigned.

II.H. (5476) This account pays for the ongoing staff training and travel required to operate and maintain the LINK system. The 2008 amount is slightly reduced from the 2007 level.

II.I. (5477) This sum includes the amounts required to purchase, maintain, and/or replace LINK staff office equipment and furniture. This sum has been increased for 2008.

II.J. (5479) The contingency account consists largely of member library funds carried over from 2006. Any automation project has many uncertainties, and one of this magnitude can have fairly substantial unexpected costs. It is very difficult for members to go back to their boards for midyear increases, however, so we hope that this account will prevent that need. The sum indicated is our best estimate at this time, but will be finalized by the annual audit.

II.K. (5481) This sum represents a "set-aside" account intended to enable the expansion of shared automated services in new directions as determined by the members of LINK, as well as enabling us to undertake major upgrades to our automated system (the next one of which is beginning shortly). This sum is largely made up of funds collected by LINK as a surcharge for each additional member library terminal, but in 2008, LINK members have again chosen to assess themselves for an extra \$20,000 across the board according to their shared payment formula in order to increase this account. The sum indicated is our best estimate at this time, but will be finalized by the annual audit.

II.L. (5482) This account funds all OCLC (our electronic source of cataloging information) costs related to the cataloging contract for all LINK members. Our cataloging contract requires the payment of OCLC charges, if any, in excess of this amount incurred in the performance of the cataloging contract by the cataloging agency. Such added charges, should any be incurred,

would simply be paid out of the LINK contingency. The 2008 amount is equal to that budgeted in 2007.

II.M. (5487) This account pays for vendor authority control on our database, and the annual subscription service that provides MARC records for electronic journals. Slightly more than the 2007 amount will be required for 2008.

III.A. (5510) In 1986, the Madison Area Library Council and the South Central Library System merged to provide better services from a stronger economic base, and to enable the system to better fulfill its statutory mandates. This account funds the multitype coordinator who is to develop and manage our multitype activities at 10 hours per week. The proposed increase for this employee for 2008 includes the 3% general increase as well as any continued progression through the steps included within the classification range to which this employee is assigned.

III.B. (5520) In 1986 the existing area multitype organization, the Madison Area Library Council, merged with SCLS and became the Multitype Advisory Library Committee. The 2007 amount is reduced for 2008, but should still be ample for any planned projects.

IV.A. (5620) This account is intended to provide funds for experimentation with new technologies of measurable benefit to our member libraries. In 2008, this account will pay for many things, including our Wisconsin Public Library Consortium participation, our virtual reference service and a variety of other projects. This account has been slightly decreased to reflect the increase expected in our LSTA allocation in technology in 2008.

IV.B. (5630) This account is intended to provide SCLS member libraries full Internet access through our LINK system. This sum represents the annual cost required to maintain our primary connection to the Internet. Staffing and other support for the project comes through LINK. This account includes funds so that we need not depend on e-rate to cover costs, in response to FCC rulings concerning the CIPA decision. The 2008 amount is increased to reflect our increasing use of bandwidth.

IV.C. (5635) This account is intended to enable us, in cooperation with our member libraries, to purchase a wide range of online resources for the public. In 2008, this fund is increased to cover contractual increases.

IV.D. (5650) This account pays for a Technical Support Specialist, who services non-LINK computers at member libraries, a Library Electronic Resource Support Specialist, who manages the authentication for system-wide databases and other projects, as well as supporting commercial databases, and a Library Technology Project Support Specialist, who manages and supports our time and print management product and provides web redesign and support to member libraries. The proposed 2008 budget for this account includes re-classification of all three positions to reflect the job responsibility changes that occurred through a 2007 re-organization. The Library Technology Coordinator position was eliminated and the job duties were split among these positions and the Associate Director. Much of the increase in this account is due to that reorganization because the Library Technology Coordinator was funded from 6010, but all three of these positions will now be paid from this account. It also includes

3% general increase, as well as any continued progression through the steps included within the classification range to which these employees are assigned.

V.A. (5710) This account funds employees involved in our public information service, including the public relations/marketing coordinator, and 70% of the time of our graphic artist/building consultant. The proposed increase for these employees for 2008 includes the 3% general increase.

V.B. (5740) This account pays for general printing on behalf of member libraries, excluding the summer library program. This printing is largely purchased from the Madison Public Library, but some printing, as well as some photography and typesetting, is obtained from Dane County and/or commercial sources. Although costs continue to rise, the amount for 2008 has been reduced because we are doing more and more in-house color printing, at lower rates than commercial prices, which is reflected in the increase in 7754 below.

V.C. (5750) This category pays for the art, office, and computer supplies necessary to our public information service, and for "free-lance" art services when required. The 2007 amount should suffice for 2008.

V.D. (5760) This account covers purchases of new equipment and repairs to the old for this department. Based on actual expenditures, this amount is being maintained at 2007 levels.

V.E. (5770) Obtaining adequate funding for our member libraries and for the system itself requires the support of the public. This support can only be obtained if the public is adequately informed concerning the services offered by the system and the member libraries and the impact these services have upon everyday life. This account is intended to support this general effort as well as to enable us to better publicize newer products and the SCLS Foundation effort. The 2007 amount should suffice for 2008.

VI.A. (6010) This account funds all consultant/coordinator staff, including our Public Library Administration Consultant, part of our Continuing Education and Multitype Coordinator, our Youth Services and Outreach Coordinator, our Foundation Executive Director, and 20% of the time of both the System Director and the Associate Director, and the 30% of the time of our Building and Design Coordinator (used for building consultation). The proposed increase for these employees for 2008 includes the 3% general increase, as well as any continued progression through the steps included within the classification range to which these employees are assigned. In 2008, this amount is significantly reduced due to the reorganization that eliminated the Library Development Coordinator position that had been paid from this budget category.

VI.B. (6040) This budget category includes funds for at least some South Central representation at the American Library Association Annual Conference, the Public Library Association Conference to be held in Minneapolis in 2008, and the Wisconsin Library Association's Annual Conference. It also pays for a number of smaller continuing education events throughout the year, often including professional seminars concerning new developments in the library field. The largest share of this account, however, goes to pay mileage for employee consultation

visits throughout the system area. Quick and effective response to the needs of our member libraries is a vital system task, and it is not unheard of for a single consultant to travel more than 1000 miles in a single month. Paying travel costs over the years has been far less costly than maintaining system vehicles, and also gives us the capability of meeting several needs at one time. Since it is clear that our employees must attend most conferences to officially represent SCLS as opposed to going primarily for their own benefit, SCLS also pays the required dues for our professional employees, as we do for our board, to belong to the necessary associations at which we require representation. The 2008 amount is being held at the 2007 level.

VII.A-H. (6210-6340) For many years, the South Central Library System has handled Green County library funds. The decisions in this budget category have been made by the Green County Library Board, and reflect the purchase of centralized county services of various sorts, including resource library service, the provision of bulk book collections, additional days of delivery service each week, reimbursement to county libraries for walk-in use by rural residents, and reimbursement for use by all residents across certain borders. It should be noted that the funds budgeted for additional delivery services by Green County do not appear in this section total. This is because delivery income is included for purposes of expenditure as part of our delivery budget in section X. At this time, the sums shown represent the budget proposed to the county board of supervisors, but not yet acted upon.

VIII.A-F. (6610-6699) This section of the budget consists of Sauk County Library Service funds, managed by South Central. The decisions in this budget category have been made by the Sauk County Library Board, and reflect the purchase of centralized county services of various sorts, including resource library service, the provision of bulk book collections, additional days of delivery service each week, reimbursement to county libraries for walk-in use by rural residents, and reimbursement for use by all residents across certain borders. It should be noted that the funds budgeted by Sauk County for additional delivery services do not appear in this section total. This is because delivery income is shown for purposes of expenditure as part of our delivery budget in section X. At this time, the sums shown represent the budget proposed to the county board of supervisors, but not yet acted upon.

IX.A. (7010) Each year South Central produces a number of continuing education and training programs for member libraries. Some of these are annual events. Others are developed in response to current needs, and cover various "hot" topics in the library world. Still others provide the "hands on" training our members require to cope effectively with new technologies. Although we provide much of this training ourselves, in many cases outside presenters are required. The amount for 2008 attempts to continue our existing program at a funding level reduced from 2007. With careful management, this goal should be achievable.

IX.B. (7030) South Central maintains a small collection of books and other materials in specialized areas of librarianship such as building and furnishing libraries, library computer applications, and library administration. These materials are utilized by staff and are checked out as needed to member libraries, usually in response to specific consultation requests. The 2007 level of funding for this account is recommended for 2008.

IX.C. (7050) Many expensive book reviewing resources and technical library periodicals are beyond the budgets of smaller SCLS member libraries. The system therefore subscribes to a number of such publications and routes them from library to library to cut costs for all. In some cases the periodical in question may only be obtained if South Central is a member of a specific library organization, so this account covers institutional dues as well as subscriptions. SCLS also subscribes to on-line services to provide access to specialized and highly current information, especially in the legislative area. The amount spent in this category differs substantially from year to year because many of our subscriptions are purchased to cover several years at one time in order to cut costs. This account has been cut in half for 2008 to reflect the free online availability of some resources previously purchased through this account.

IX.D. (7070) Our member library directors are required by law to seek continuing education in order to maintain their statutory certification, upon which their continued employment depends. This account allows directors, library staff members, and trustees to attend continuing education events produced by agencies other than South Central. This has been a highly popular program, and because we ask participants to share what they learn with other member librarians, it has vastly increased the quantity of new expertise available in our area. It is especially important to smaller system member public libraries, because many of them have little or no access to local funds for continuing education purposes.

Many of our members from our smallest libraries cannot attend CE events because they have no travel funds, and in some cases they must personally pay a substitute if they leave the library. This account includes a special fund from which these librarians can draw reasonable and necessary expenses in order to attend CE events and other system meetings. For several years, we have purchased memberships in WLA for member library trustees in order to ensure that they have easy access to information concerning Wisconsin's library community. However, many directors from smaller member public libraries have not been able to afford these same memberships for themselves, especially because they are more expensive than for the trustees, so they are paid in part from this account.

Again, we hope to be able to offer a 2008 program with the same quality as we did in 2007, with flat funding in this account.

IX.E. (7090) The costs of producing continuing education events include name tags, flip chart paper, coffee, etc. This account covers all these expenses, and also similar ones for many other system meetings. No increase is proposed for this account for 2008.

X.A. (7210) This account covers the expenses of operating our delivery vehicles including fuel, repairs, tires, parking expenses, etc. Despite continual increases in volume, the 2008 proposal is slightly reduced due to route readjustments within the SCLS area, certain one-time vehicle expenses, the move to more in-house maintenance, and a shift toward biodiesel technology.

X.B. (7220) This account funds delivery employees, ranging from the delivery service coordinator to hourly sorters. The sum proposed for this account includes the 3% general increase, as well as any continued progression through the steps included within the

classification ranges to which these employees are assigned. It also moves the fleet mechanic to full time at a rate equal to delivery support supervisor positions.

X.C. (7260) This account insures our vehicles and their cargos against most forms of loss. It also pays the workers compensation insurance for our delivery personnel, as well as bonding for our drivers, since they have keys to member libraries and carry valuable cargos. The increase proposed for 2008 includes a 7% increase.

X.D. (7270) Items purchased from this account include delivery baskets, flatbed trucks, shelves for sorting, removable labels, copy machine maintenance, etc. The 2008 amount is maintained at 2007 levels.

X.E. (7280) This fund represents the sum required to purchase new and used delivery vans and to rebuild older ones. We try to replace each van after approximately 8 years of service (usually at 300,000 to 400,000 miles) and one or more rebuilds (i.e. new engines, doors, drive trains, etc.). This account is reduced for 2008 to reflect the contribution the Delivery Fleet Manager and Fleet Mechanic are making to keep more of our older vehicles on the road longer.

X.F. (7290) Since the run to the Ashland-Superior area by one of our own drivers would require an overnight stay, we subcontract this route north of Wausau as part of the University service. We also subcontract routes north of Green Bay for similar reasons. The 2008 amount proposed should allow us to cover any increases in these contracts.

X.G. (7295) This account pays for the annual rental cost for our delivery facility, as well as, utilities, security, dumpster service, etc. This account is maintained at the 2007 budget amount.

XI.A. (7440) This category is intended to enable every member public library to fund performers to enhance its summer library program. These performances are often the highlight of a small library's summer program. The 2008 amount is slightly reduced from 2007, however, it will enable us to maintain the increase per performance made last year.

XI.B. (7450) Tens of thousands of bookmarks, flyers, certificates, and activity sheets for our summer library program are paid for from this account, as well as manuals, story props, etc. A reduction in this account is partly offset by an increase in 7754 to reflect use of our copying machine rather than formal printing.

XI.C. (7460) System Celebration has occurred annually since 1980. It is a recognition event that honors trustees, librarians, and public officials from all over the system area for the work they do throughout the year. Our system celebrations have been intended to convey thanks to those who operate and govern local libraries, and to make them feel more a part of the larger South Central community. Most of the funds in this account pay for dinners, but some are set aside for awards to outstanding trustees, etc. The 2007 level of funding for this event is recommended for 2008.

XI.D. (7470) This account serves as a discretionary fund enabling our Youth Services and Outreach Coordinator to help our member libraries to undertake new and creative programs as ideas and needs arise. In the past this account has funded everything from literacy programs in languages other than English for new immigrant parents and children to TTY machines so that libraries can communicate with their deaf customers. The 2008 proposal includes a modest increase for support of the Arbuthnot Lecture that SCLS will be hosting in April 2008.

XII.A. (7610) This account funds 80% of the positions of System Director, Associate Director (the remaining 20% being entered under consulting), the Finance and Human Resources Manager, and the Administrative Assistant. The 2008 amount includes the 3% general increase, as well as any continued progression through the steps included within the classification range to which these employees are assigned. This account has in the past included hours for temporary hourly clerical help in the office to get us through "crunch" times. Those hours have not been required for the past several years and were eliminated for 2008.

XII.B. (7650) This account pays for 8591 square feet of leased space at the American Center to house the SCLS consulting/coordinative staff, public relations staff, administrative staff, technical staff, meeting rooms, computer lab, and the Wisconsin Library Association. The sum for 2008 includes the current lease amount at the American Center for our space, our share of central building costs, and funds for utilities, janitorial services, and any required tenant alterations. The Wisconsin Library Association offsets a proportionate share of our cost in this account. The 2008 amount is held at 2007 levels reflecting projections of actual costs for 2007.

XII.C. (7655) This account pays for all the general office supplies used by SCLS and LINK staff, and also acts as a pass through to pay for member library bulk supply orders. Each year, LINK contributes to this account to help offset these costs. No increase should be required for this account for 2008.

XII.D. (7670) This account pays for all the telephones used by SCLS staff at the American Center, as well as for our FAX, ISDN teleconference lines and non-LINK Internet connection. A small increase will be needed for this account for 2008.

XII.E. (7680) This account pays the postage for all the documents, newsletters, etc. sent out to board members and member libraries. A slight decrease in this account should be possible for 2008.

XII.F. (7690) This category pays for the travel of board and committee members to and from SCLS board and committee meetings, and funds two representatives at the annual American Library Association Washington Legislative Day. At one time, we automatically enrolled all SCLS and member library trustees in WLA for advocacy purposes. We now limit this enrollment only to board members who specifically desire this service. A decrease in this account should be possible for 2008 based on actual expenses for the last few years.

XII.G. (7700) This account funds health, life, dental, and income continuation insurance. While the percentage increase for health insurance in 2008 is substantial, the amount budgeted in

this account reflects a smaller increase in an attempt to more closely match anticipated costs. LINK funds are paid into this account to cover costs associated with automation personnel.

XII.H. (7710) Through 1981, SCLS paid only the employer's share to the Wisconsin Retirement Fund, and each employee paid the employee's share. In 1982, SCLS took over paying both halves of the retirement benefit, but each employee's salary was reduced by the employee share. The advantage of this to the employee is that the system pays in before tax dollars, whereas the employee previously paid after the dollars withheld had already been taxed by the state and federal governments. For 2008, there is an increase due to increases in staff costs and the addition of hours in Delivery to cover increased service. LINK funds are paid into this account to cover costs associated with automation personnel.

XII.I. (7720) SCLS pays the employer's portion of social security, which is anticipated to remain at the same percentage this next year. For 2008, this account has been increased to cover salary increases and additional delivery hours. LINK funds are paid into this account to cover costs associated with automation personnel.

XII.J. (7730) This category insures all SCLS office property, bonds key employees and board members, and pays for worker's compensation for non-delivery employees. In addition to SCLS funds, this account contains funds from the LINK operations budget to cover equipment and employees for the shared automation project. The 2008 amount has been held steady based on actual costs projected for 2007.

XII.K-L. (7740-7750) For these sums, Grobe and Associates provides ongoing financial advice throughout the year, handles our payroll checks and deductions, and subcontracts for our annual audit (with Wegner and Associates). They have provided satisfactory service over the years. LINK contributes to these accounts to cover added costs in this area caused by their operations. The cost of the 2007 audit was more than budgeted due to additional GASB requirements, so an increase is proposed for 7740 for 2008.

XII.M. (7752) For 2008 some changes are proposed for accounts 7752 and 7760. To clarify the purposes for each account, in 2008 account 7752 will exclusively be used for expenses related to purchase of new personal computers, software and peripheral devices. We must continue the perpetually ongoing process of upgrading both our staff computers, and of course, cope with all the incompatibilities caused by what is variously termed either the "rapid development" or the "planned obsolescence" of ongoing computer design. Some of the money proposed for this account will also be used to purchase new software as more powerful programs become available, and as old programs need to be upgraded. The increase proposed for this account should be viewed in relation to the reduction proposed for account 7760.

XII.N. (7754) This account pays all costs for all of our photocopiers. Administration and Delivery photocopiers were upgraded in 2007. LINK pays into this account to help support these supplies and this maintenance. Our photocopier produces color images at a cost far cheaper than the outsourced cost would be. However, there is a recommended increase in this account for 2008 due to a large increase in the amount of printing done for member libraries.

XII.O. (7760) In 2008, this account will be used to pay for purchase and repair of all non-PC office equipment such as projectors, screens, and office furniture as required. The 2008 amount budgeted should cover the cost for replacement of our obsolete videoconferencing equipment.

XIII.A (8010) The sum budgeted here (as SCLS has no parent body to turn to in times of emergency need) must cover all unexpected costs, including legal fees and any unemployment claims. The amount recommended is an estimate and represents slightly less than 2% of our budget. This sum will be revised (and hopefully increased) based on the findings of the annual audit.

XIV.A-E (9101-9951) In past years, grant funds and projects funded by pass-through dollars from members have rarely been included in our annual plan. This was generally because we did not know what (if anything) we would receive. The LSTA process now includes substantial non-competitive grants that need to be reflected. The substance of each of these items is explained under the revenue portion of these budget notes. Midyear revision proposals in 2008 will reflect any audit corrections, as well as any additional grant receipts, which were not known at the time this initial budget was created.

XIV.F (NEW) This account will cover expenses associated with marketing the Tote Master carts.

PROJECTED EXPENDITURE TOTAL: \$8,173,774