

1. **MHLS BUDGETARY UPDATE.** The Board of Trustees adopted the 2013 budget as presented to the DA in December and Tom Lawrence reported this and other actions by the Board on the Director's Listserv and Peggy Winn provided a summary of these actions for the MHLS Bulletin. Concerns expressed at the December 7 DA meeting were shared with the Board. The most important of these concerns was with the additional \$30,000 cloud fee. The Board was told that the DA's adoption of the 2013 members fee schedule was contingent on a reevaluation of the System's budget following the adoption of the state budget and discussion by the System Funding Task Force. Until then, members would not be billed for this amount.

Also, we need to keep in mind that the fee schedule is "worse case" and doesn't reflect possible offsets from Central Library Development Aid.

The System Funding Task Force meets on January 16 and I have developed a schedule for a possible revision of the 2013 budget in July and the development of the 2014 budget for it to review. It includes a first and second reading of the budget by the DA, discussions by the committee, as well as meetings of the Board's Finance Committee and our upcoming negotiations with CSEA. I have already shared the draft schedule with the Board and plan to meet with the new Treasurer, Board Member Regina Morini, in January as well.

Although we're still weeks away from closing our books on fiscal year 2012, we did transfer \$30,000 from the Mid-Hudson General Fund to the Members Capital Fund, which could help cover the cloud fee in 2013.

2. **INCREASE FOR PUBLIC LIBRARY CONSTRUCTION GRANT PROGRAM?** Bernie Margolis, State Librarian, continues to advocate for an increase in the funding of the state's public library construction program. He's expressed some hope that there's support in Albany to increase the \$14 million program to \$50 million. There's concern, however, that more flexibility is needed around the required match in the event the legislature and governor supports such a significant increase. There is also discussion around the possibility of allowing payments for architectural or engineering fees on projects begun within 180 days of approval.

And with the damage caused by Hurricane Sandy, (not to mention Hurricane Irene!), there's certainly the need to increase support for this program. Queens reported that five of its libraries sustained serious damage, two needing to be totally gutted. Brooklyn has five libraries that are closed due to the storm, including two that will need to be completely rebuilt. Nassau County has three libraries closed and one, Long Beach, is expected to be closed for a long time.

An informal "working group" has been established to discuss how this level of increase could be implemented successfully across the state. Rebekkah Smith Aldrich has agreed to participate in the discussion. One interesting idea already suggested is a different match for disaster preparation, such as the installing of emergency generators. Keep your fingers crossed and stay tuned.

3. **SECOND COPIES, LOCAL HOLDS, DIRECT ACCESS PLAN.** The Resource Sharing Advisory Committee is recommending that member libraries be permitted to limit holds on second copies of popular and/or new titles to local residents. So a member library could limit the holds placed on a second copy of a new title to the residents of their chartered service area only.

The committee believes this will speed up the hold queues for those libraries able to purchase additional copies and reduce wait-times system-wide as well.

There was concern that this would violate the Direct Access Plan and Commissioner's Regulations on direct access, which requires member libraries to loan materials to system residents on the same basis that they loan materials to local residents. But the committee reasoned that "direct access," according to its definition in the Plan and Regulations, is the loaning of materials "on premises." To meet the requirements of direct access, system residents need to be able to "borrow materials for home use directly from the premises of any library that is a member of the public library system on the same basis as that specified for cardholders in each individual library."

The committee found that a distinction could be made between materials borrowed "on premises" and holds placed electronically. So the committee concluded that permitting member libraries to restrict holds on second copies to local residents would not be a violation of either the Plan or Commissioner's Regulations.

On the other hand, "on-site access" under the Plan and Commissioner's Regulations requires member libraries to provide system and local residents access on the same basis to "library resources." "Direct access" applies to

"materials." "On-site access" is more broadly defined as "the print and nonprint materials owned by the library and any other services provided by the library to the resident borrowers of the library's chartered service area."

There had been some thinking on the committee that permitting "second copy, local holds" would also help address issues around net lending and net borrowing between member libraries. So the committee looked at circulation data for DVDs to identify what the norms of borrowing were between member libraries for this particular format. An average level of borrowing of DVDs between libraries, as well as how some libraries differed from this average as net borrowers and net lenders, were identified.

Based on his analysis of the data, Robert Drake made the interesting observation that 70% of member library DVD circulation was dependent on size of collection and the remaining 30% was due to other variables. Suggestions by committee members for these other variables included differing loan periods, fines or not fines, patron behavior, placement on the delivery route and how holds are paged, collection development philosophy and, of course, differing levels of funding. This was an interesting discussion and there may be a benefit for the Central Library & Collection Development Advisory Committee to continue this discussion.

- 4. EBOOKS, EREADERS, LIBRARIES.** As Merribeth Advocate has reported elsewhere, we've seen a minor explosion in Overdrive downloads in 2012 in comparison to 2011: a 224% increase for ebooks and a 162% increase for audiobooks. We're fortunate that the county associations are providing some additional support for this important system-wide collection! Compare the downloads on January 1, 2011 and January 1, 2012 and this may be an indication of where this is heading: up, up, up! And Merribeth and staff have done a great job compiling statistics and instructional resources at <http://midhudson.org/collection/overdrive.htm>, which can assist you and your staff plan and make decisions about these resources as well as help your customers access these collections.

But the ebook market is anything but settled, so there's plenty to speculate about when it comes to future directions. Sales of dedicated ebook readers are apparently leveling off and expected to decline relative to the sale of tablets. Units sold in 2012 are expected to be 36% fewer than units sold in 2011. ("E-Reader Market Shrinks Faster Than Many Predicted." *New York Times* <http://tiny.cc/javaqw>)

Prices of eBooks are not falling either as expected following the action taken by the Department of Justice against Apple and five publishers in April over alleged ebook price-fixing. ("Little Sign of a Predicted E-Book Price War" *New York Times* <http://tiny.cc/g8uaqw>) Even though Amazon controls upwards of 60% of the ebook market this simply did not happen. There have been a number of reasons suggested for this, including a slowing down of ebooks sales. Sales are expected to increase 30%+ in 2012 from 2011 as opposed to the 200% increase in units from 2010 to 2011. Amazon's sale of tablets may also be something of loss leader to the online giant--snares for selling product that includes books and a department-store list of other items--and Amazon may be keeping prices higher than expected to compensate.

The results of the latest Pew Internet Survey released on December 27, 2012 led with the startling lead "E-book Reading Jumps; Print Book Reading Declines" (<http://tiny.cc/awwaqw>). The survey was conducted in 2012 in October and November and included adult readers 16 years of age and older with a margin of error +/- 2.7%. The results were compared to the results of a similar survey conducted in 2011. Respondents who had read an ebook increased from 16 to 23%; respondents who had read a print book fell slightly from 72 to 67%. Those who said they were aware libraries offered ebook increased from 24 to 31%, which was good news! (The Marketing Advisory Committee's Word of Mouth campaign in the fall that helped promote Overdrive was well timed.)

- 5. New Netherland in a Nutshell.** If you were unable to attend the NYLA Conference and pick up your complementary copy of this title for your library's collection at the New York State Library booth, fear not, one is headed your way very soon. The New York State Library's New Netherland Research Center and the New Netherland Institute will be distributing free copies of the paperback edition of "New Netherland in a Nutshell" by Firth Haring Fabend (<http://tiny.cc/56xaqw>) to all public library outlets in New York State in the next several weeks. They'll be shipped to the System and we'll be distributing the copies to you!