Public Library Funding Review
WVLA Fall Conference – November 7, 2018

SLIDE 1INTRODUCTION

SLIDE 2 – Click again to get questions
- Funding Quiz – T/F
  - Every public library in WV is funded in the same way.
  - State funding is greater than local funding.
  - If a local levy for library operations fails, other funding from the state or federal government will make up the difference.

  ▪ Ideal World
    - Funders would recognize the value of libraries
    - There would be enough money for all public services
    - Libraries would be awarded adequate funding

  ▪ Real world
    - Some funders recognize the value of libraries
    - There are multiple demands for public money
    - Libraries need more money to survive.
SLIDE 3 – FUNDING SOURCES

- LOCAL OPERATING FUNDING

- Let’s tackle the MYTH that Every public library in WV is funded in the same way.
  - Even though all public libraries are funded by some combination of local, state, and federal dollars, the mix is unique. West Virginia public libraries are funded through a patchwork of local tax and non-tax revenue, state direct and indirect support, limited federal funds and miscellaneous non-tax revenue.

- How a library is funded depends – most of the time – on how it was established
  - Chapter 10–1–2 of the WV Code gives Boards of Education, County Commissions, and Municipalities, individually or in combination, authority to establish public libraries.
  - Local operating funding for public libraries varies system–to–system.
• Fifty percent of systems receive some amount of funding from each of the three local governing authorities. (FY 2018)

• Funding from Boards of Education ranges from zero in 23 systems to more than $100,000 in 11 systems; 41 systems receive less than $5,000 annually from Boards of Education. (FY 2018)

• Funding from County Commissions ranges from zero in 10 systems to more than $100,000 in 23 systems. (FY 2018). The median for county funding is $20,000; the average is $150,000.

• Municipal funding ranges from zero to $1,500 annually for 34 systems to more than $100,000 for 11 systems. The median for municipal funding is $3,600; the average for all 97 systems is $55,042. (FY 2018)

• **SLIDE 4**
  - Local tax –based funding provides less than 50% of the total operating revenue in 48 of 97 library systems.
Any library established by a governing authority/ies may receive local funding by:

- Direct Appropriation from the general funds of the governing authority
  - of a **sum sufficient for the purpose**, or
- An excess levy for library purposes or an excess levy that includes library funding either as a line item or tradition.
- Special Law, aka Local Special Law

**DIRECT APPROPRIATION**

- What the authority or authority designates as “sufficient for the purpose” of the library
- Usually based on property tax collections but a few libraries benefit from hotel/motel tax revenue
  - Any county or municipality **may** impose and collect a privilege tax on the occupancy of hotel rooms located within its taxing jurisdiction.
    - The proceeds of the hotel occupancy tax is deposited into the general revenue fund of the county or municipality
      - at least 50% must go towards funding the Convention & Visitor’s Bureau or, if there
is not a CVB in the area, as specified in the law

- after making the required appropriations, the remaining may be used for any of the other purposes specified in the law, including:
  - Construction, operation or maintenance of public parks, **tourist information centers and recreation facilities**
  - **Historic sites**
  - **Promotion of the arts**
    - Hotel/motel tax challenges
      - Libraries not specifically mentioned
      - Funding may be questioned by other involved parties
    - **Direct Appropriation Challenges**
      - Not always predictable; boom and bust
      - Library in competition with other public services; Oliver analogy

**Slide 5 – EXCESS LEVIES**
- Excess levy elections place the funding decision in the hands of the voters. Since the term of a levy is usually
5 years, a successful levy election assures a library system dedicated, predictable funding for that period of time.

- Again, based on property tax; collections may vary from year to year.
- Excess levies for library support can be requested by the library but cannot be initiated by the library.
  - Only governing authorities (boards of education, county commissions, municipal councils) may call for an election to provide excess levies.
  - Levies initiated by county commissions and municipalities must pass with a 60% majority; Board of Education levies only need a 50% majority

- 2018 Levy Report Card
  - 5/8/2018
    - 11 Levies affecting libraries on the ballot;
      - 5 BOE; 4 County; 2 Municipal
      - 10 passed; 59% – 81% approval
      - 1 failed; 40%
  - 11/6/2018
    - 4 levies on ballot
      - 1 County; 3 BOE
      - All passed.
Some excess levy calls include funding for the library alone while others are joint levies that may include a variety of programs, such as parks and recreation, fire service, and ambulance service. Levies initiated by boards of education may include a line for the support of the public library.

This chart provides a summary of excess levy support of public library systems. One county library system receives funds from both a County and Board of Education levy. In another county the two library systems both receive funds from the Board of Education levy while one of them receives additional funding from a municipal levy. (FY 2012 data)

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<tr>
<th>EXCESS LEVIES</th>
<th>LIBRARY SYSTEMS</th>
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<tbody>
<tr>
<td>No Levy for Libraries</td>
<td>34 systems</td>
</tr>
<tr>
<td>Board of Education</td>
<td>35 systems</td>
</tr>
<tr>
<td>County Commission</td>
<td>17 systems</td>
</tr>
<tr>
<td>Municipality</td>
<td>11 systems</td>
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Excess levy Challenges – in addition to governing authority agreement
  - Levy elections cost money
    - Special election vs primary or general election
- Rules and calendars
  - Secretary of State
  - No public money/time may be used to support the levy
    - Advance preparation is essential
      - Especially library only levies
    - Labor intensive
    - Need carefully crafted promotional campaign
    - Need to convince the non-committed
    - Success not guaranteed
    - Levies must be renewed

**SLIDE 6**

**SPECIAL LAWS**

Public library systems in 10 counties and one municipality benefit from a third type of funding, local special laws. These laws were initiated locally and passed by the Legislature. Under most of these laws a given millage of county commission tax dollars, board of education tax dollars and municipal tax dollars is set aside for the operation of the public library. The earliest library special laws were passed in the 30’s and the most recent in 1994. The details of each law are similar, but not exactly, alike. The result is to assure
the affected libraries dedicated, predictable local funding. The existing Special Laws were, and remain, difficult to get passed. As I mentioned, the most recent passed in 1994. A compromise to make it happen resulted in a set dollar amount instead of a % millage, and that dollar amount is no longer sufficient.

For years, WVLA has been trying to get legislation that establishes adequate and predictable local funding for all public libraries, but the goal remains elusive.

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<th>SPECIAL LAWS</th>
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<tr>
<td>Berkeley County 1970</td>
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<tr>
<td>Cabell County 1967</td>
</tr>
<tr>
<td>Hardy County 1981</td>
</tr>
<tr>
<td>Harrison County (5 libraries) 1987</td>
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<tr>
<td>Kanawha County Public Library 1957</td>
</tr>
<tr>
<td>Lincoln County 1986</td>
</tr>
<tr>
<td>Ohio County 1937/Amended 1967</td>
</tr>
<tr>
<td>Raleigh County 1969</td>
</tr>
<tr>
<td>Upshur County Public Library 1994</td>
</tr>
<tr>
<td>Wood County (2 libraries) 1987</td>
</tr>
<tr>
<td>Sistersville (Tyler County) (Municipal law) 1935/amended 1953</td>
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In February 2013 the West Virginia Supreme Court, by affirming a ruling of the Kanawha County Circuit Court, declared unconstitutional the portion of the Kanawha County Public Library special law that required the Kanawha County Board of Education to fund the Kanawha County Public Library. This action also affected Boards of Education in counties with similar special library laws. (exceptions, Cabell and Lincoln)

It removed the requirement and gave Boards of Ed the choice to continue funding public libraries at the levels specified in those laws, or to provide any funding at all. To date, in addition to Kanawha, only one Board of Education in a Special Law county, Berkeley, has chosen to reduce library funding below the level specified in the Special Law.

In Kanawha, the Board of Education withdrew its funding but, in 2014, at the request of the library, initiated a library only excess levy that passed in November of that year. 2014. The renewal of that levy was on yesterday’s ballot. It passed.

In FY 2017, funding from Boards of Education was $8,385,644; 27% of total local tax–based funding. $6,991,893, or 83% of this total, went to the libraries in counties with special laws.
Annually, the West Virginia Department of Education sends a letter and spreadsheet to all county school superintendents and boards. The letter, usually called the Panetta letter, even though Joe Panetta retired a few years ago, cites a portion of the West Virginia Code (§18–9A–11) that encourages county boards to support public libraries within their counties.

The letter also points out that “Public libraries provide many of the necessary resources that students need to succeed in school, and it is the less fortunate students who must rely on public libraries the most, because they are the ones whose parents are most likely to not be able to purchase the necessary resources for their children to use at home. In addition, this is an excellent opportunity for school systems to strengthen their community alliances”. The spreadsheet lists a recommended amount of public library support for each county. In some cases this exceeds the amount already provided; in some cases it does not. I send a copy of the letter and the spreadsheet to every public library director.

As mentioned previously, In FY 2018, 23 Boards of Education did not provide any support to public libraries.
SLIDE 7 – LOCAL NON–TAX REVENUE

- Derived primarily from fines, fees, donations, and fundraisers
- As in the other sources of revenue, this varies greatly from library to library. In 15 libraries, local non–tax income exceeds local tax–based income.

SLIDE 8

STATE FUNDING

In August of every year, the Library Commission submits its Budget Request for the fiscal year beginning the next July. Usually the agency is instructed as to whether the request should be for level funding or include a cut. The agency is also informed as to whether Improvement Requests are being accepted. During years of cuts, the Library Commission works diligently to protect the line in the budget that provides direct support/money/GIA (Grants–in–Aid) to each of the 97 public library systems in the state. Since this line item accounts for about 2/3 of the entire Library Commission budget, it can be a challenge.
GIA for current fiscal year 2019 is the same as it has been for several years; $5.09 per capita. No increase was requested for FY 2020. It is important to note that West Virginia ranks 6th in the nation in State support of public libraries. However, it ranks 47th in total operating revenue per capita and 48th in local operating revenue per capita.

The requirement in the Library Commission Administrative Rule that local funds equal or exceed the maximum GIA allotment for the library, is intended as an incentive to local funding. Since going into effect, the match has resulted in local funding increases for many libraries. However, even full compliance with the match requirement provides only $10 per capita, approximately one fourth of the FY 2016 national average for total and state operating revenue per capita. ($41.04)

In addition to Grants-in-Aid, the Library Commission also awards grants to the 13 Service Center libraries to help with the costs those libraries incur while assisting the libraries they are assigned, and, as funds are available, Supplemental grants.

SLIDE 9
FEDERAL FUNDING
Currently, Federal library funding is administered by the Institute of Museum and Library Services (IMLS). Although zeroed out in recent federal budgets, the agency has survived due to vigorous support from the American Library Association, the Council of State Library Agencies, state library associations like WVLA, local libraries, and Congressional champions.

The Library Commission receives approximately $1.5 million in federal funds annually to support the priorities of the Library Services and Technology Act (LSTA). These funds are used to:

- pay the annual maintenance on software systems in the 5 automation consortia,
- provide the e–resources that make up WVInfoDepot,
- pay for Internet access for libraries hosted on the State Library Network,
- provide consultation and continuing education, and
- provide services to the visually impaired.

There is a national initiative calling upon Congress and the President to provide a **minimum** of $1 for every American to the Institute of Museum and Library Services Grants to States program to strengthen the nation’s economy by investing in libraries.
Up to this point I’ve been talking about the funds that enable libraries to operate from day to day. But we all know that there is another category of funding; funding for projects involving the construction or renovation of a fixed asset, including buildings, fixed equipment and infrastructure. This is capital funding. No dedicated library construction money appropriated on State or Federal level since 1996.

Last year, the Legislature established the Library Facilities Improvement Fund. This year, the Library Commission submitted an Improvement Request for $10 million to be added to that fund. The Library Commission's 2017 Public Library Facility Assessment Survey estimated that $ 56 million needed to correct critical, poor, and fair facility needs. This does not include new construction for future needs. This funding is also a Legislative Goal for WVLA.
Regardless of the type of funding; regardless of the source of funding, there is one common strategy to increase local, state, and federal funding; **performance precedes funding**. Operating and capital funding depends **on you**;

- the services, especially customer service, your library provides;
- the activities and programming it presents;
- its fiscal responsibility;
- its community involvement.

Talk libraries to your local funders and potential funders; to your state legislators. Talk libraries to your US Senators and Representatives; in person; by email, letter, etc.

WVLA Library Appreciation Day at the Capitol is a great opportunity to show what your library does, see what other libraries are doing, and talk to legislators about library funding. Mark Feb. 4 on your calendar.