



State Funding for Libraries

ISSUE

The State appropriates funds to support library services to Iowans through the State Library, the Library Service Areas, and State aid to local libraries known as Enrich Iowa. As a result of legislation enacted in 2010, the Iowa Library Association (ILA) convened a committee to make recommendations regarding reorganization of State-funded library operations and services. The committee's recommendations have been approved by the ILA and endorsed by the State Commission of Libraries. The recommendations, described herein, involve the reorganization of the State Library and Library Service Areas.

AFFECTED AGENCIES

Department of Education, Division of Libraries and Information Services
Library Service Areas
Local Libraries

CODE AUTHORITY

Sections 256.50 through 256.79

BACKGROUND

State Library – The Division of Libraries and Information Services, known colloquially as the State Library, is established in statute as a division of the Department of Education. That statute also creates the State Commission of Libraries to appoint the State Librarian. The State Librarian administers the Division and serves at the pleasure of the Commission.

The State Library is required to do the following:

- Determine policy for providing information service to the three branches of State government and to the legal community in Iowa.
- Coordinate a statewide interregional interlibrary loan and information network among libraries in Iowa and support activities that increase cooperation among all types of libraries.
- Establish and administer a program for the collection and distribution of state publications to depository libraries.
- Develop, in consultation with the library service areas and the area education agency media centers, a biennial unified plan of service and service delivery for the Division of Libraries and Information Services.
- Establish and administer a statewide continuing education program for librarians and trustees.

- Provide libraries with advice and counsel in specialized areas that may include, but not limited to, building construction and space utilization, children's services, and technological developments.
- Obtain reports from libraries showing the condition, growth, and development of services provided and disseminate this information in a timely manner to the citizens of Iowa.
- Establish and administer certification guidelines for librarians not covered by other accrediting agencies.
- Foster public awareness of the condition of libraries in Iowa and of methods to improve library services to the citizens of Iowa.
- Establish and administer standards for State agency libraries, the library service areas, and public libraries.

The State Library includes the State Law Library housed in the State Capitol. The State Medical Library was discontinued in FY 2010. The State Data Center is also a unit of the State Library. The Center maintains and provides access to population, housing, business, and government statistics, including United States Census data. See **Attachment A** for an organizational chart of the State Library.

Library Service Areas (LSAs) – The Library Service Areas (formerly known as Regional Libraries) are established in statute “to provide supporting services to libraries, including, but not limited to, consulting, continuing education, and interlibrary loan and reference services, to assure consistency of service statewide, and to encourage local financial support for library services.” With the merger of the East Central and Southeast Library Service Areas on July 1, 2010, there are now six LSAs covering Iowa. (See **Attachment B** for a map of the LSAs.) Each is governed by a board of trustees that appoints an administrator to lead the agency. Employees of LSAs are considered State employees for purposes of receiving employee health and dental insurance. However, LSAs do not receive State salary funding.

During the 2010 Legislative Session, legislators met with representatives of the LSAs and the State Library to discuss how to improve library services despite budget reductions. Legislators expressed concern that there seemed to be a lack of cooperation and collaboration among the LSAs and between the LSAs and the State Library. As a result, LSA programs and services may not be consistent across Iowa.

Senate File 2376 (FY 2011 Education Appropriations Act) required the LSAs to merge at least two regions and resulted in the merger mentioned above. The legislation also required the LSAs to collaborate with the State Library to study ways to streamline State-funded library operations and services and to submit a report to the General Assembly by November 1, 2010. The Iowa Library Association facilitated the study and named a committee of 11 librarians and trustees from around Iowa. Minutes of the committee's meetings are available at <http://www.iowalibraryassociation.org/displaycommon.cfm?an=1&subarticlenbr=100>.

The committee unanimously agreed on a new model for library services in Iowa that would combine the State Library and LSAs into a single new agency. The committee's recommendations have been adopted by the Iowa Library Association, endorsed by the State Commission of Libraries, and filed with the General Assembly. The reorganization report is included with this document as **Attachment C**.

Local Public Libraries – The majority of funding for Iowa's 543 local public libraries comes from property taxes levied by the cities and/or counties they serve. Statute requires city and

county support at least equivalent to a property tax levy of \$0.0675 per \$1,000 of assessed valuation. The vast majority of libraries receive local support significantly beyond the required level. In addition, local libraries receive a wide variety of private and federal grants, as well as gifts and bequests.

Annual State appropriations for the Enrich Iowa Program represent a relatively small portion of local library support. Administered by the State Library, it provides three different funding streams to local libraries:

- Open Access, implemented in 1989, permits Iowans to use almost any public library in Iowa and borrow materials using their local library card. The State reimburses the loaning library a portion of the cost of the transaction.
- Interlibrary Loan Reimbursement, also implemented in 1989, provides State funding to offset the costs of lending materials from one library to another.
- Direct State Aid to local libraries, implemented in FY 2000, is allocated based upon a formula. Libraries are evaluated against standards approved by the Commission of Libraries and classified into three tiers. The assigned tier qualifies each library for a specific level of base funding (\$1,000, \$2,000, or \$3,000) and per capita funding (\$0.20, \$0.40, or \$0.60). In addition, each library receives 3.0% of the amount of funding it received in the previous fiscal year for services to rural residents and contracting communities. If the annual State appropriation is less than needed to fund the formula, allocations are prorated.

There is currently a one-year moratorium, effective November 2009, on reporting progress on meeting standards and on new standards applications, while the Public Library Standards Advisory Task Force develops a recommendation for the Commission of Libraries on updating the standards.

CURRENT SITUATION

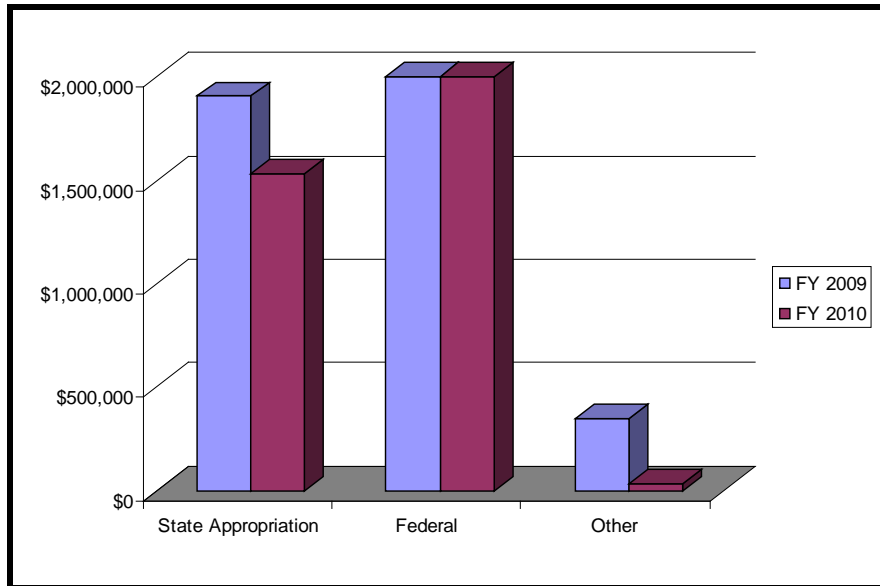
State Appropriations – Table 1 shows the history of State appropriations to Iowa's libraries since FY 2000. In FY 2000 and FY 2001, the General Fund appropriations to the State Library included funding for Open Access and Interlibrary Loan.

Table 1
State Funding for Libraries

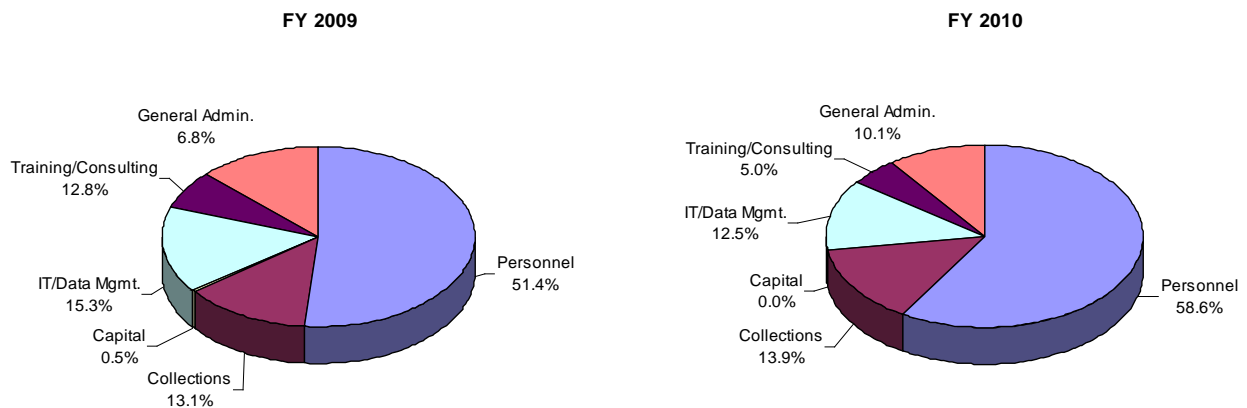
	General Fund			Rebuild Iowa Infrastructure Fund		
	State Library	Enrich Iowa	Library Service Areas	Local Libraries	Library Service Areas	State Library
FY 2000	\$ 3,179,476	\$ 700,000				
FY 2001	3,172,038	1,000,000	\$ 1,687,000			
FY 2002	1,643,746	1,781,168	1,502,415	\$ 500,000		
FY 2003	1,222,051	1,741,982	1,411,854	600,000		
FY 2004	1,265,788	1,702,787	1,380,087	600,000		
FY 2005	1,378,555	1,698,432	1,376,558	600,000		
FY 2006	1,420,694	1,698,432	1,376,558	900,000		
FY 2007	1,466,761	1,698,432	1,376,558	950,000	\$ 50,000	\$ 200,000
FY 2008	1,879,827	1,823,432	1,586,000	950,000	50,000	
FY 2009	1,907,426	1,796,081	1,562,210	950,000	50,000	
FY 2010	1,573,650	1,796,081	1,405,989	950,000	50,000	
FY 2011	1,511,656	1,796,081	1,105,989	450,000	50,000	

State Library – The majority of funding for the State Library comes from the annual General Fund appropriation and from federal grants through the Institute of Museum and Library Services. In addition, the agency has a small amount of revenue from fees and from an Iowa Access Grant from the Department of Administrative Services. **Chart 1** compares FY 2009 and FY 2010 funding by source. **Charts 2 and 3** show the FY 2009 and FY 2010 expenditures by category. The expenditures for General Administration include pass-through fees to other State agencies.

Chart 1
State Library Funding by Source – FY 2009 and FY 2010



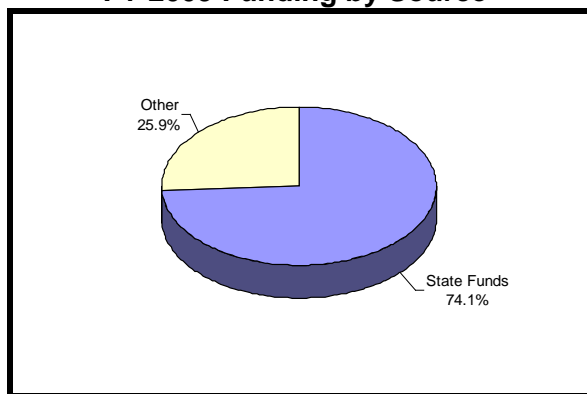
Charts 2 and 3
State Library Expenditures by Category



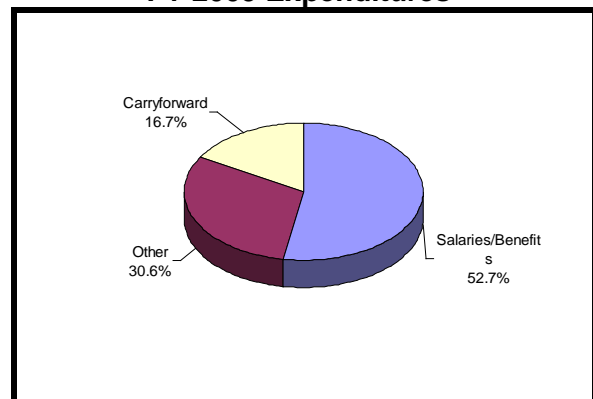
Source: Department of Education, Division of Libraries and Information Services

Library Service Areas – Approximately 75.0% of annual funding for LSAs comes from a State General Fund appropriation and an allocation from the Rebuild Iowa Infrastructure Fund (RIIF) appropriation to the Enrich Iowa Program (see **Table 1**). State funding is allocated equally among the LSAs. The remaining 25.0% comes from a variety of sources, including fees, grants, and contracted services, that vary between LSAs. Employee salaries and benefits represent approximately 50.0% of annual LSA expenditures from all funding sources. Each LSA has a full-time administrator and one to three support staff positions that may be full- or part-time. **Charts 4 and 5** show LSA funding by source and expenditures for FY 2009.

**Chart 4
Library Service Areas
FY 2009 Funding by Source**



**Chart 5
Library Service Areas
FY 2009 Expenditures**

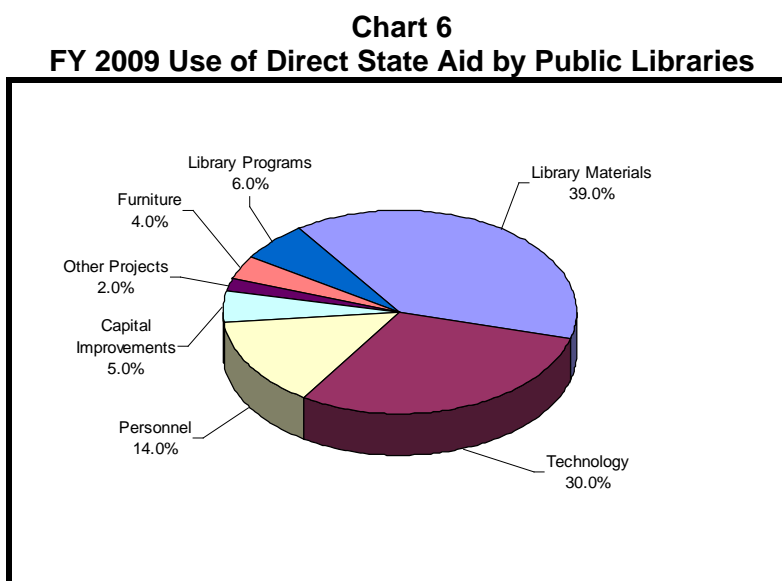


Source: Reports submitted to the Department of Education by the LSAs

Enrich Iowa – The Enrich Iowa Program is funded by annual appropriations from the General Fund and the Rebuild Iowa Infrastructure Fund (see **Table 1**).

In FY 2009, 4.0 million items were checked out from libraries through the Open Access program, representing an increase of 65.6% compared to FY 1999. In the Interlibrary Loan Reimbursement Program, 258,000 items were borrowed, representing an increase of 57.2% compared to FY 1999. Enrich Iowa partially reimburses local libraries for the costs of these transactions. The reimbursement rates have decreased over the past few years due to decreases in State funding. For example, in FY 2009, the reimbursement rates for Open Access and Interlibrary Loan were \$0.33 and \$1.66 per transaction, respectively. For FY 2010, the rates were \$0.33 and \$1.55 per transaction.

In FY 2009, direct State aid totaled \$1.0 million. **Chart 6** shows the uses of those funds by local libraries.



Source: FY 2009 Enrich Iowa Report, Department of Education

Local Support of Public Libraries – Total revenue for local public libraries by source is reflected in **Table 2** below. In FY 2009, State support represented 2.9% of total revenue, while 77.3% came from property tax levied by cities and 9.1% from county levies. **Chart 7** shows the percentage of revenue by source for FY 2009.

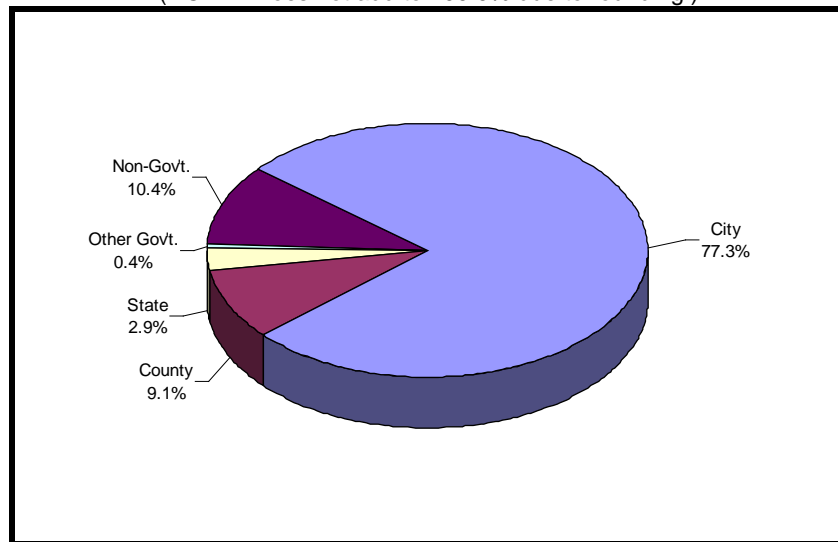
Table 2
Public Library Revenue by Source

	City	County	State	Other Gov't.	Non-Gov't.	Total
FY 2000	\$ 68,976,415	\$ 7,025,314	\$ 2,123,419	\$ 1,143,177	\$ 13,013,670	\$ 92,281,995
FY 2001	69,222,131	7,344,763	2,339,464	1,851,944	11,592,558	92,350,860
FY 2002	68,246,262	7,784,233	2,340,059	1,395,812	9,942,271	89,708,637
FY 2003	61,587,464	8,287,321	2,398,917	1,562,048	15,875,103	89,710,853
FY 2004	63,168,870	7,989,079	2,577,509	1,415,987	13,552,803	88,704,248
FY 2005	67,305,075	7,960,134	2,354,322	1,857,847	15,500,615	94,977,993
FY 2006	71,563,704	8,385,694	2,572,028	1,471,743	13,399,731	97,392,900
FY 2007	75,203,350	8,713,371	2,695,010	1,445,479	11,310,801	99,368,011
FY 2008	79,038,223	8,942,180	2,836,870	392,822	13,935,672	105,145,767
FY 2009	81,142,031	9,512,398	3,025,439	393,451	10,875,037	104,948,356

Note: Other Gov't. funding includes income from other contracting cities and townships, as well as federal sources. Non-Gov't. funding includes income from grants, gifts, endowments, fines, and fees.

Source: Iowa Public Library Statistics 2000-2009

Chart 7
FY 2009 Public Library Revenue – Percentage by Source
 (NOTE: Does not add to 100.0% due to rounding.)



Source: Iowa Public Library Statistics 2000-2009

In FY 2008, the most recent year that national comparison data is available, Iowa’s average per capita funding of public libraries was below the national average in every category. **Table 3** compares the Iowa per capita average to the national average in FY 2000 and FY 2008.

Table 3
National Comparison: Iowa Public Library Funding Per Capita

	FY 2000		FY 2008	
	Iowa Average	National Average	Iowa Average	National Average
Local	\$ 20.93	\$ 22.32	\$ 29.37	\$ 31.94
State	0.68	3.70	0.93	3.35
Other	2.29	2.73	2.95	3.16
Total	24.07	28.96	33.44	38.62

Note: Local funding includes city and county support, as well as revenue from contracting cities and townships. Other funding includes all non-governmental sources.

Source: Institute of Museum and Library Services, Survey of Public Libraries in the U.S. (FY 2008)

ALTERNATIVES

Reorganization Recommendation – The model proposed by the Iowa Library Association (ILA) merges the Library Service Areas with the State Library in a single new agency known as Iowa Library Services. The new agency would be part of the Department of Education and would be responsible for providing both regional and statewide library support services. The model includes librarian field consultants and support staff based in at least seven district offices around Iowa.

The new agency would employ 40.5 FTEs, a reduction of 3.4 FTE positions compared to the current combined staffing of the State Library and the LSAs. All would be employees of the

State. One benefit of the proposed structure, according to the ILA, would be an improved ability to match and draw down available federal funding in times of State budget reductions.

Libraries in the Age of Digital Information – The ILA’s report and recommendations do not specifically address the changing nature of information in an increasingly digital world. The General Assembly may want to consider the role of digital information on the cost-effective provision of library services to lowans and, specifically, the provision of regional and statewide services to local libraries.

Enrich Iowa Funding – Currently, library participation in the Open Access and Interlibrary Loan Programs is voluntary. As the rate of reimbursement for these Programs has decreased over the past few years, no local libraries have chosen to discontinue their participation. However, according to the State Library, some have considered it. An increase in funding for Enrich Iowa would allow an increase in the reimbursement rates.

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