

Public Library Funding Review

August 2013

Introduction

Public libraries in West Virginia prove their value daily. They meet the information needs of their communities with traditional print materials, electronic resources, innovative programs, and the latest technology. Annually, West Virginia public libraries host 5.8 million users.

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. The few libraries with dedicated revenue streams through special local laws are much stronger than libraries funded voluntarily by one or more local funding authority. However, this strength is threatened by the potential loss of funding from boards of education resulting from a recent decision by the West Virginia Supreme Court. Dedicated, predictable and truly sufficient funding is necessary for West Virginia's public libraries to fully contribute to economic growth and quality of life in the state. Dedicated, predictable and truly sufficient funding requires political will and dedicated effort from not only elected officials but from everyone concerned with the future of the state.

Governing Authorities

The *West Virginia Code* (Chapter 10) sets parameters for public libraries eligible to receive state aid. Chief among these is that public libraries are established by local governing authorities, defined as boards of education, county commissions, and municipalities, either individually or in cooperation. This results in a variety of library governing authority structures.

PUBLIC LIBRARY GOVERNING AUTHORITIES	
AUTHORITY	LIBRARY SYSTEMS
Board of Education	1
County Commission	30
Municipality	49
BOE/County/Municipality	9
County/Municipality	6
BOE/Municipality	1
BOE/County	1
TOTAL SYSTEMS	97

The *Code* further defines a public library as a library maintained wholly or in part by the governing authority/ies from funds derived by taxation. It specifies that these funds may be provided either 1) by appropriation from the general funds of the governing authority, or 2) by the imposition of an excess levy for library purposes.

Although the *Code* states that local authorities will fund the public library at a level *sufficient* for its operation, data indicates that the definition of *sufficient* varies widely. In FY 2012 library funding from these authorities, local tax-based revenue, varied from \$1.55 to \$84.81 per capita in the 97 public library systems in West Virginia. Total local operating revenue from both tax-based and non-tax based revenue varied from \$2.37 to \$89.17 per capita. Comparable national data indicates the national average for total local operating revenue per capita is \$32.21; West Virginia, with average total local operating revenue per capita of \$13.04, ranks 49th in this category. (*Public Libraries Survey: Fiscal Year 2010*, Institute of Museum and Library Services, Washington, D.C., 2013)

LOCAL OPERATING REVENUE PER CAPITA	
West Virginia	
High	\$89.17
Low	\$2.37
State Average	\$13.04
National Rank	49th
National Average	\$32.31

Local Funding

Local operating funding for public libraries varies system-to-system. Sixty-seven percent (67%) of the systems receive some amount of funding from each of the three local governing authorities. Funding from Boards of Education ranges from zero in 16 systems to more than \$100,000 in 11 systems; 45 systems receive less than \$5,000 annually from Boards of Education. Funding from County Commissions ranges from zero in 10 systems to more than \$100,000 in 23 systems. Municipal funding ranges from zero to \$1,500 annually for 40 systems to more than \$100,000 for 11 systems.

Direct Appropriation

The first avenue of local tax-based funding for public libraries mentioned in Chapter 10 of the *Code*, appropriation from the general funds of the governing authority, is not always predictable. Since there is nothing other than the “level sufficient for its operation” statement in the *Code* that provides guidance to local governing authorities,

the Library Commission Administrative Rule (section 3.4) contains a **match requirement** as an incentive for local governing authorities to fund the library at a level that at least ensures the receipt of the maximum State Grant-in-Aid established for the library. This establishes a minimum for local tax-based money. Although libraries may apply non-tax based revenue to the match, it cannot exceed the amount of local tax-based revenue. This assures that *public* funds play a significant role supporting the *public* library. In order to help libraries meet the requirement, the Library Commission allows them to apply in-kind contributions from both governing authorities and non-tax based sources to the match requirement. In FY 2013 ten public library systems were unable to meet the match.

Local tax –based funding provides less than 50% of the total operating revenue in 53 of 97 library systems.

Excess Levies

The second type of funding mentioned in Chapter 10 is the excess levy. 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.

Excess levy elections place the funding decision in the hands of the voters. Since the term of a levy is from three to five years, a successful levy election assures a library system dedicated, predictable funding for that period of time.

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.

The chart below 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 systems both receive funds from the Board of Education levy while one of them receives additional funding from a municipal levy.

EXCESS LEVIES	LIBRARY SYSTEMS
No Levy for Libraries	34 systems
Board of Education	35 systems
County Commission	17 systems
Municipality	11 systems

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. These laws assure the affected libraries dedicated, predictable local funding.

SPECIAL LAWS
Berkeley County
Cabell County
Hardy County
Harrison County (5 libraries)
Kanawha County Public Library
Lincoln County
Ohio County
Raleigh County
Upshur County Public Library
Wood County (2 libraries)
Sistersville (Tyler County)

There is a great deal of common ground in the different laws; what affects one, has ramifications for several. In February 2013 The West Virginia Supreme Court affirmed a ruling of the Kanawha County Circuit Court that declared unconstitutional the portion of the Kanawha County Public Library local special law that required the Kanawha County Board of Education to either divert a portion of its regular levy receipts in support of the library or transfer the obligation to its excess levy was (Nos. 11-1224 ad 11-1486 Kanawha County Public Library Board v. Board of Education of the County of Kanawha). This action does not prevent Boards of Education in counties with similar special local laws from choosing to continue funding public libraries at the levels specified in those laws. However, it is no longer mandatory that those Boards of Education continue providing the same level of funding, or any funding at all.

Funding data provides perspective on the damaging effects if Boards of Education in Special law counties choose not to fund public libraries at the level specified in those laws. In fiscal year 2012 total library funding from Boards of Education was \$8,144, 796; 33% of total local tax based funding. Of this total, \$6,647,629, or 82% went to 16% of the library systems in the state; the libraries in counties with special laws.

Loss of all or part of this funding will severely impact those libraries and will impact the quality of library service throughout West Virginia. To date, other Boards of Education affected by the ruling have chosen to continue funding public libraries at the level required by the special local laws for the current fiscal year. The Supreme Court ruling affects special law Board of Education funding only. It does not affect required funding from County Commissions or municipalities.

The State Department of Education reinforces the important role of public libraries in the educational process by annually encouraging county Boards of Education to financially assist public libraries and recommending a minimum level of support. In FY 2012, prior to the Supreme Court ruling, 57 library systems (59%) did not receive the recommended level of support from their county Boards of Education

Non-tax revenue, derived primarily from fees, donations, and fundraisers is an additional funding stream for libraries. As in the other sources of revenue, this varies greatly from library to library. In FY 2012 total non-tax revenue was \$3,149,491 or approximately \$1.70 per capita.

State Funding

The Library Commission provides both direct and indirect support to public libraries. **Direct support** is provided by the distribution of Grants-in-Aid (GIA) on a per capita basis. GIA for fiscal year 2014 is \$5.09 per capita, an increase from \$5.00 per capita in FY 2013. However, even though West Virginia ranks 7th in the nation in **State** support of public libraries, it ranks 48th in **total** operating revenue per capita and 49th in **local** operating revenue per capita. Financial information for each library is included in the annual *WVLC Statistical Report*.

As mentioned previously, the match requirement of the Library Commission Administrative Rule requiring 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 \$37.97, the FY 2010 national average for total and state operating revenue per capita.

In addition to Grants-in-Aid, the Library Commission provides \$550,000 in additional grants (Services to Libraries) to 13 libraries that provide professional and administrative assistance to 65 libraries across the state, libraries that are not directed by librarians with degrees from a graduate program accredited by the American Library Association or that need administrative assistance.

Indirect assistance by the Library Commission is provided with a combination of State and Federal funds. These funds provide telecommunications service and maintain the State Library Network that provides Internet access, email service, webpage hosting, and technical support for staff and public access computers in public libraries throughout the state. These funds also provide software maintenance for five library automation consortia serving 90 library systems, a package of online databases available in every academic, public and school library, continuing education, consultation and program support, including a statewide summer reading program, and services to the visually handicapped. The *WVLC Annual Report* provides more details on these programs.

Options

For most of the library systems in the state, current levels of funding result in a struggle to maintain existing services and initiate new, expanded services. The following list of avenues that would provide public libraries with dedicated, predictable, and truly sufficient funding is not exhaustive. It is a list of possibilities.

- Require all local governing authorities (boards of education, county commissions and municipalities) to contribute a given percentage of local property taxes for the operation of libraries, following the example of the current special local laws.
- Propose a constitutional amendment that would allow public libraries to form tax districts and ask voters to periodically agree to tax themselves to support a library system.
- Increase the Class One property rate by one cent; the resulting revenue to go to the support of public libraries.
- Require boards of education to include a defined level of funding for the public library(s) in county in excess levy elections (proposed as SB 575 in the last session of the Legislature).
- Permit boards of education, county commissions and municipalities to impose an additional levy on property within the county for the sole purpose of funding public libraries.
- Adjust the local share of the school aid formula to direct funds to support of a public library(s) in each county.
- Establish a statewide library fee or make a library fee a local option.
- Designate a tax, or percentage of a tax for the support of public libraries.
- Establish an improvement fund at the state level that would provide local governing authorities incentives to increase funding and local libraries incentives to increase services.

Any approach to funding must take economic and political realities into account. The effect of the legislation on libraries with special local laws is another consideration.

West Virginia's public libraries are at a critical juncture between steadily increasing demands for more services, steadily increasing costs for library personnel, materials, technology, and facilities and inadequate funding.

The investment of Federal, State, and locals funds is needed to sustain libraries that can meet the information needs of 21st century citizens. In far too many of West Virginia's public libraries current funding levels barely provide for subsistence level services.

Subsistence level library services will not support an information based economy.

Subsistence level library services will not meet the needs of a developing and ever changing workforce. To ensure the future, West Virginia must respond. Failure to make the effort consigns not only libraries but the entire state to a gloomy future reflected in a permanent place at the bottom of national rankings.