

**REPORT OF THE  
JOINT LEGISLATIVE AUDIT  
AND REVIEW COMMISSION**

**Review of State Aid  
to Public Libraries**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



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## Preface

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State grants-in-aid provide a valuable and consistent source of funding for public libraries, support basic library services, and account for approximately 10 percent of library budgets. Item 20 I of the 2000 Appropriation Act directed the Joint Legislative Audit and Review Commission (JLARC) to review the formula used to distribute State aid to public libraries in Virginia. Specifically, the Appropriation Act language directed JLARC staff to review the equity of the State aid formula, including an analysis of the population and expenditure caps used in the current formula, as well as the ability of local governments to fund library services. In addition, the Act required JLARC to consider the impact of technological changes on library services, the possible inclusion of a construction component in the State aid formula, and other aspects of library services.

This review found the current State aid formula to be largely effective in achieving its objectives: (1) the encouragement of larger and more economical units of service; and (2) the maintenance and development of library standards. In addition, the review found that the three drivers of the current State aid formula — population, square mileage, and local expenditures — should be maintained. However, the components of the formula need updating, particularly in the areas of population and local expenditures. In addition, the cap on local expenditures should be modified to include some type of inflationary increase.

JLARC staff found that the State aid formula is not an appropriate vehicle for supporting library construction needs. However, in order to address some of the severe facility deficiencies faced by some systems, the General Assembly may wish to restore funding for the Library Construction Grant Program. Like construction funding, funding for technology initiatives should remain separate from State aid grants. The General Assembly may wish to restore the funding for the *Infopowering the Commonwealth* strategic technology plan to ensure long-term funding for library technology projects.

On behalf of the JLARC staff, I would like to express our appreciation for the assistance and cooperation provided by the staff of the Library of Virginia, the Virginia Library Association, the Virginia Public Library Directors' Association, and the public library systems in the completion of this study.



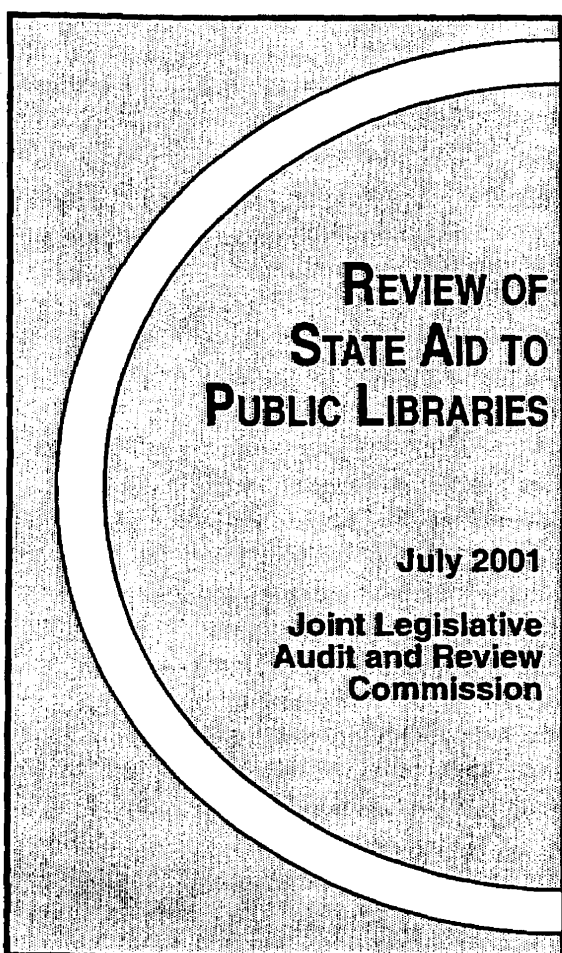
Philip A. Leone  
Director

July 30, 2001





# JLARC Report Summary



Item 20 I of the 2000 Appropriation Act directs the Joint Legislative Audit and Review Commission to review the formula used to distribute State aid to public libraries in Virginia. Specifically, the Appropriation Act language directs JLARC staff to review the equity of the State aid formula, including an analysis of the population and expenditure caps used in the current formula, as well as the ability of local governments to fund library services and other aspects of library service. This review finds the current State aid formula to be largely effective in achieving its objectives. Recommendations are made to refine the formula and to restore funding in several areas.

## Public Libraries in Virginia

Virginia has a well-established public library system. Through a combination of regional, county, city, and town libraries, every citizen of the Commonwealth has access to public library services. State aid to support local and regional libraries began with an appropriation by the General Assembly in 1942 in the amount of \$50,000. In Fiscal Year 2001, State aid awarded to public libraries had increased, through a series of legislative initiatives, to \$20.4 million.

The State aid formula in its current form seeks to improve services, bolster the maintenance and development of proper standards, and encourage the formation of regional libraries to provide more economical units of service and a wider range of library services. State Grants-in-Aid (State aid) are awarded to eligible libraries based on Section 42.1-48 of the *Code of Virginia*. The formula used to distribute State aid to public libraries is based on three components: local expenditures (or effort), square miles served, and population.

## State Aid Encourages the Maintenance of Standards and Local Support

The State aid formula provides a valuable source of funding for public libraries and accounts for approximately 10 percent of library budgets. The State's requirements for aid serve to establish standards for Virginia's public libraries, and keep the State's library systems in step with accepted standards of library practice nationally. The State aid formula appears to work well in its current form, and provides a consistent source of funding for recurring operational expenses.

The State aid formula also encourages local governments to play a significant role in funding local library services. The State requirements have encouraged localities to

maintain and increase expenditures over time. As shown in the figure on the following page, over the past three decades local money has comprised the bulk of library funding.

### **The Main Components of the Formula Should Be Kept and Updated**

The three drivers of the current State aid formula—population, square mileage, and local expenditures—should be maintained. These three drivers effectively address State goals and local needs. For example, the population element addresses the needs of serving people. The square mileage element assists in serving large geographic areas that may be sparsely populated. The local expenditure component of the formula serves as a leveraging tool to encourage local governments to maintain public library funding. In addition, the regional bonus available under the current State aid formula encourages local libraries to join together to achieve greater efficiencies and economies of scale.

Some components of the current State aid formula appear to need updating. The population cap should be removed in order to ensure equitable treatment for large, rapidly-growing localities. In addition, the cap on local expenditures should be modified to include some type of inflationary measure, such as the Consumer Price Index (CPI). However, to ensure that no library system is harmed as a result of these changes, additional State funding may be needed.

### **The Population Cap Should Be Removed from the Formula**

The current population cap contains the same maximum limit (600,000 persons) that was instituted in 1970 and has not been adjusted since. Virginia's statewide population has grown 52 percent since 1970. Adjusting the population cap to account for population growth since 1970 would increase the cost of State aid by approximately

\$94,000. Complete elimination of the cap would increase the cost of State aid by approximately \$109,000. At present, only one library system—Fairfax County Public Library—would benefit from the elimination of the cap. In order to hold other libraries harmless while removing the population cap, some additional funding will be needed.

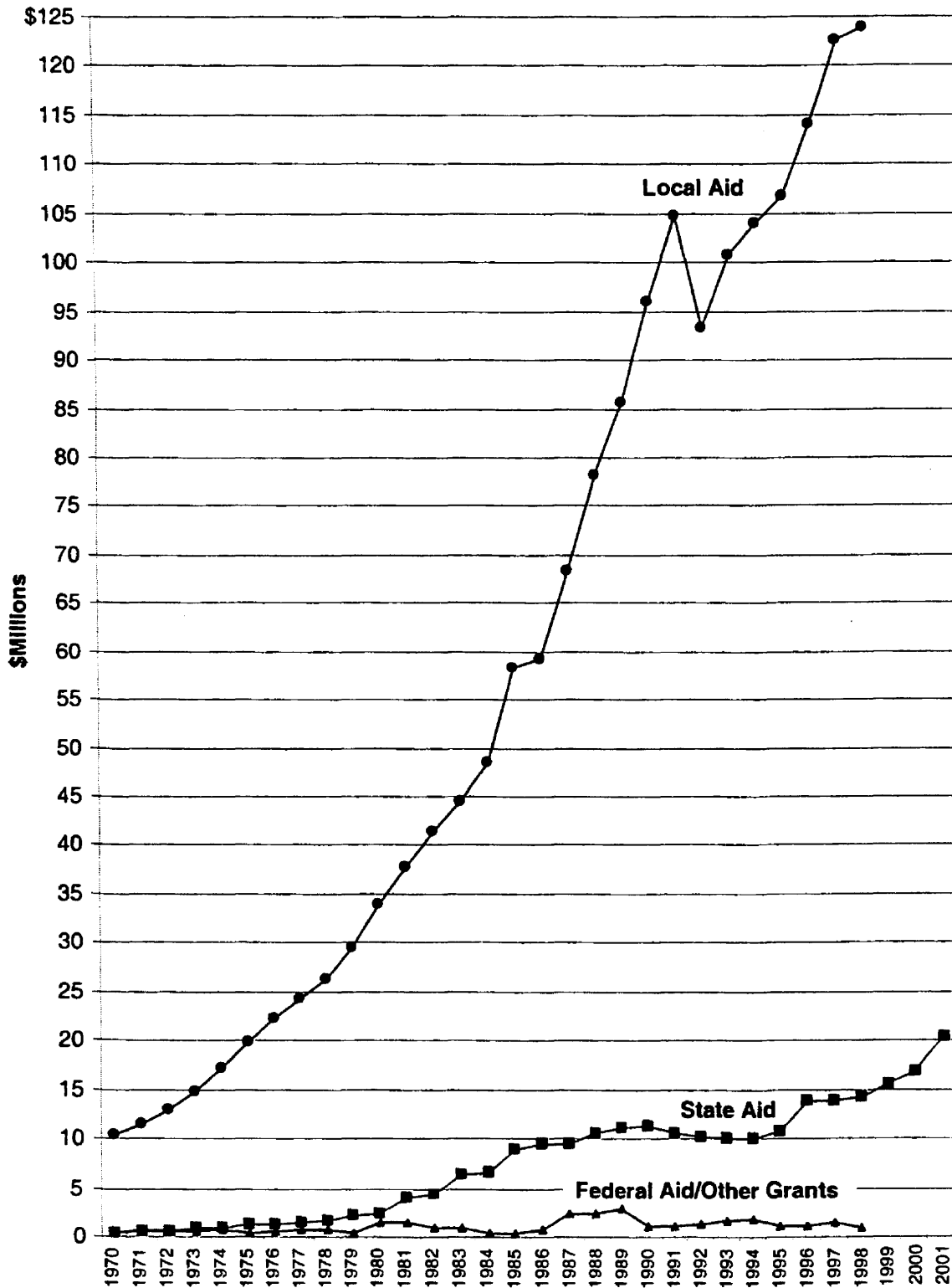
*Recommendation (1). The General Assembly may wish to consider removing the population cap contained in the current funding formula. However, in order to ensure that other libraries are held harmless by this change, some additional funding would need to be appropriated.*

### **The Local Expenditures Cap Should Be Adjusted for Inflation**

The State aid formula requires that local expenditures on public libraries be equal to or greater than the amount expended the prior year. In addition, local expenditures must be at least 50 percent of the statewide median for local operating expenditures per capita. These requirements have served as leveraging tools used by public libraries to encourage their local governments to fund library services.

The local expenditures cap was last increased in 1990. Currently, 31 of the 90 library systems are affected by the local expenditures cap. JLARC staff examined several options that would better help the cap account for the increasing costs of library services, including indexing the cap to the Consumer Price Index (CPI), or the complete elimination of the local expenditures cap. JLARC staff found that the elimination of the cap would nearly triple the cost of State aid to more than \$60 million per year. Since the cap currently impacts only 31 libraries, the majority of libraries would not realize a benefit from a removal of the cap. Without the addition of substantially more money to State aid, nearly two-thirds of libraries would experience reduced funding were the cap removed.

## State, Local, and Federal Amounts Comprising Library Budgets, FY 1970 to FY 1998



Note: for FY 1999 - FY 2001, the amounts of local and federal/other aid could not be verified.

Another option is to index the local expenditures cap to an inflationary index such as the CPI. From 1990 to 2000, the average annual rate of inflation was 3.0 percent. Compounding this rate over ten years would yield a new cap amount of \$335,979. This option would raise the overall cost of State aid by \$2,666,848 per year. The increasing costs of library services could be recognized by tying the cap to an index such as the CPI, which would better account for some inflationary pressures and serve growing libraries.

**Recommendation (2).** *The General Assembly may wish to consider adjusting the local expenditures component of the formula for inflation. In future years, the local expenditures cap could then be tied to the Consumer Price Index (CPI). In addition, the Library of Virginia should complete a periodic review of the local expenditures component of the State aid formula, conducted at least every ten years.*

### **Local Ability to Fund Library Services Could Be Addressed**

JLARC staff found that the State aid formula does not recognize a locality's ability to fund public library services, and that a component could be implemented to assist economically distressed areas. However, in order to ensure that no library loses State aid, funding of this nature should be addressed through a separate stream of funding, rather than by a modification of the current formula.

The JLARC staff developed a supplemental or "add-on" approach as an illustrative funding option. The separate "add-on" or supplement to the State aid formula would include two main components: (1) a size of operation proxy, and (2) a factor representing low local revenue capacity. Revenue capacity was chosen as the most suitable measure to determine local ability to fund library services. Using this criterion, the lower a locality's revenue capacity is (com-

pared to the Statewide baseline), the more supplemental funding it would be eligible to receive.

If such an "add-on" program were to be implemented, two policy choices would need to be made. First, libraries eligible for assistance would have to be determined. Second, a total amount of available funding would have to be set.

**Recommendation (3).** *The General Assembly may wish to consider addressing local ability to pay for library services by providing additional resources to fund a supplement or "add-on" to the State aid formula. This supplement would serve to address local ability to fund library services, which was not previously considered by the formula. If the General Assembly chooses to provide a supplement to the State aid formula, it will need to determine how many libraries will receive the supplement and the amount of resources it wishes to contribute toward funding the supplement.*

### **Infopowering the Commonwealth Funding Should Be Restored**

In recent years, the role of public libraries has changed dramatically. Although libraries still serve as a home for books and other materials, technology has allowed libraries to expand and enhance services. Library services are no longer limited to the contents of buildings. As a result of these changes, libraries increasingly need funding not only for traditional books and materials, but also to support technological initiatives such as hardware and software installation and upgrades, electronic information resources, staff training, and modernized buildings.

The State's support of technology funding through the *Infopowering the Commonwealth* initiative has enabled libraries to use technology to enhance and expand services. Funding for this program has allowed public libraries across the State to gain access to the same types of electronic information,

thereby increasing the availability of library services for all citizens of the Commonwealth.

*Infopowering* was implemented in FY 2000 as a way to increase public access to electronic sources of information. Through this program, libraries have received funding for Internet connections, a number of new computers, and access to a statewide license for the Electric Library database. The future of the *Infopowering* plan focuses on expanding the content available over the Internet, particularly in the area of electronic databases. However, the Governor reduced funding for *Infopowering* as part of his March 12, 2001 budget cuts.

Overall, *Infopowering* has been a powerful tool in helping to bridge the "digital divide" within the Commonwealth. In addition, the State funds available through *Infopowering* have enabled libraries to pursue technology initiatives without having to eliminate other services. Restoration of the funding for the *Infopowering* program would serve as a valuable source of long-term funding for public library technology projects.

**Recommendation (4).** *The General Assembly may wish to consider restoring funding for the five-year, Infopowering the Commonwealth strategic technology plan.*

### **Public Libraries in Virginia Benefit from Collaborative Efforts**

Public libraries are engaged in a wide variety of collaborative endeavors, both with other libraries as well as with governmental entities and private sector groups. Although the vast majority of libraries collaborate with each other to share resources and costs, partnerships with local schools and local government agencies are also common. In addition, some library systems are pursuing more formalized collaborative projects with local businesses and organizations. The JLARC staff found that collaboration has generally helped public libraries improve operations and services. Finally, libraries

have found that collaboration allows them to access materials and resources beyond the library building, which helps to equalize library services across the Commonwealth. Public libraries are encouraged to continue such efforts.

### **A Construction Component Should Not Be Included in the Formula**

Currently, aid provided through the State aid formula cannot be used for construction. State aid grants are currently used to fund recurring operational expenses, such as books and materials. Most library directors do not support the inclusion of a construction component in the current State aid formula. Library construction expenditures tend to be occasional and non-recurring. In any given year many localities will have no construction or capital debt service expenditures for libraries, whereas all libraries will have operational expenses and materials needs. Consequently, the State aid formula is not an appropriate vehicle for supporting library construction needs.

**Recommendation (5).** *A construction funding component should not be included in the current State aid formula.*

### **Restoration of the Construction Grant Program Is Needed**

The mission of public libraries has undergone dramatic change in recent years, particularly with the advent of technology. Library facilities have had to adapt in order to facilitate these changes. However, the costs of capital and construction projects are high, and this is often a challenge for public libraries. Currently, there are few sources of funding for library construction and most of the cost of such projects is borne by localities. The federal program which provided construction support was terminated in 1996.

Although some libraries have found adequate resources to address their facilities needs, there are a number of libraries

with limited resources at their disposal that will require substantial renovation or replacement in the near future. Public library directors who responded to the JLARC survey indicated problems with their current facilities. Nearly half of survey respondents noted that some facilities have a "significant deficiency", and 27 percent reported that some facilities are "obviously out-of-date, nonfunctional, or seriously inadequate".

In the past, limited State funding for construction was provided to local libraries on an *ad hoc* basis. In 2000, however, the General Assembly approved a \$450,000 Library Construction Grant program. This program would have provided a limited form of State assistance for library construction projects. In order to develop a more systematic distribution method as well as ob-

jective criteria for the receipt of this funding, the Library of Virginia (LVA) developed a construction grant program. However, the Governor cut funding for this program as part of his March 12, 2001 budget cuts.

***Recommendation (6).*** *Consistent with legislative intent in Item 255 C of the 2000 Appropriation Act, the General Assembly may wish to restore funding for the Construction Grant program.*

Overall, the Virginia system of public libraries is providing valuable cultural and education resources for citizens of the Commonwealth. The current State aid formula serves as a consistent source of funding for library books and materials. Consideration of the proposed changes would serve to further enhance the State's role in the provision of public library services.

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# I. Introduction

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As part of its provision for public education, the Commonwealth of Virginia promotes the establishment and development of public library service throughout its various political subdivisions. The tradition of public libraries in Virginia dates back approximately 200 years. However, State support for public libraries began in 1942. Libraries provide informational, cultural, and recreational resources to local communities. In the process, libraries in Virginia assist and support the educational and recreational missions of government. In addition, public libraries contribute to the maintenance of local archival history. Today, local libraries also serve as a partner in narrowing or bridging the “digital divide” by offering public access to a wide variety of information in electronic formats.

All areas of the Commonwealth have access to public library service. Virginia has 90 public library systems consisting of county, city, town, and regional libraries. Libraries in Virginia are primarily funded through local and State funding, with the bulk of funding, nearly 90 percent, coming from local sources including grants and gifts. Historically, federal support to libraries has been limited. State aid to public libraries comprises approximately ten percent of library funding. In order to receive State aid, libraries must apply for and meet the requirements set forth by the State Library Board.

Item 20 I of the 2000 Appropriation Act directs the Joint Legislative Audit and Review Commission to review the formula used to distribute State aid to public libraries in Virginia. Specifically, the Appropriation Act language directs JLARC staff to review:

- the equity of the formula,
- the impact of technological changes on library services,
- the population and expenditure caps used in the current formula,
- the possible inclusion of a construction component in the formula,
- the ability of local governments to fund library services, and
- the collaborative efforts undertaken among libraries and with other public and private entities.

A copy of the mandate is attached as Appendix A.

This chapter provides a broad overview of Virginia’s public library system. This chapter also reviews previous studies of aid to public libraries, overviews the development of State aid to public libraries, offers a comparison of State aid in Virginia

to that of other states, and provides information on JLARC's review of State aid to Virginia's public libraries and the overall organization of the report.

## OVERVIEW OF VIRGINIA'S PUBLIC LIBRARIES

Virginia's public libraries are as diverse as the Commonwealth itself, ranging from single buildings that serve less than 3,000 people to metropolitan and suburban library systems that serve populations of almost one million. Nearly 58 percent of Virginia's population have library cards and these citizens borrow more than 17 million volumes and more than 21 million other materials in Virginia's public libraries every year.

In general, funding for public libraries in Virginia is derived from two primary sources: (1) local funds and (2) State funds. Federal grant funds are also available on a competitive basis, but do not constitute a significant portion of library budgets. Local monies include tax revenues, as well as endowments, gifts, donations, and bequests. State funds consist primarily of grants-in-aid, but in recent years have also included separate funds for technology initiatives. In Virginia, as well as nationwide, about 80 percent of funding for public libraries is derived from local tax revenues. An additional nine percent of library funding comes from privately donated gifts and bequests, and from revenues generated by library fines and fees. On average, State aid accounts for about ten percent of funding for public libraries in Virginia.

The General Assembly initially appropriated funds to the Library of Virginia (LVA) to support local public libraries in 1942. The primary focus of the appropriation was to develop new libraries. However, provisions were also included to support adequate book collections in existing libraries, particularly regional libraries.

The LVA continues to be charged with distributing State and federal library funds to local and regional libraries and systems. Throughout the years, several minor revisions have been made to the State aid distribution formula. Fundamentally, however, the formula has remained the same. The State aid formula in its current form seeks to improve services in libraries and bolster the maintenance and development of proper library standards, including personnel standards. The formula also encourages the formation of regional libraries to provide more economical units of service and a wider range of library services.

State aid is awarded to eligible libraries, whether participating in a regional system or operating independently, based on the State aid formula established by the *Code of Virginia*. The current formula originated in 1970 and has not undergone major changes since its initial design. Grants to local libraries are determined by three criteria: (1) local expenditures; (2) square miles served; and (3) population. In order to receive grants-in-aid, localities must apply for the State aid grants and must meet the requirements set forth by the State Library Board. State aid may be used for books and other library materials, salaries, and equipment, supplies, and contractual ser-

vices directly related to making materials more accessible and available. However, State aid may not be used for construction or capital expenditures. Currently, the majority of State aid is used to purchase books and materials.

In order to be eligible to receive State aid, a library must apply for and comply with the requirements set forth by the Library Board. The requirements include, but are not limited to:

- having local expenditures of at least 50 percent of the statewide median local operating expenditures per capita and local operating expenditures from taxation or endowment that do not fall below that of the previous year;
- employing a certified librarian;
- maintaining up-to-date reference materials; and
- keeping a headquarters library open at least 40 hours per week.

Of the 90 public library systems in Virginia, 22 are city libraries, 41 are county libraries, 25 are regional libraries, and two are town libraries. County and city libraries serve the respective independent city or county in which they exist. Town libraries are created and funded by local towns. Regional libraries serve more than one political subdivision and represent cooperation between governmental units. As depicted in Figure 1, all areas of the State have access to public library service.

Virginia is not unique in providing State aid to public libraries. The great majority of other states provide some state aid or funding to public libraries. However, the amount of funding, the funding requirements, the structure of the public library systems, and the methods of funding distribution vary widely from state to state.

In addition to traditional State aid, the Commonwealth has recognized the role of technology in the provision of library service and has developed a program to assist libraries in meeting the challenges of the information age. *Infopowering the Commonwealth (Infopowering)* is the Commonwealth's five-year information technology plan for public libraries. The primary goal of the *Infopowering* plan is to provide library patrons with universal access to the information superhighway. Along with the State's *Infopowering* efforts, private grants and foundations have also provided resources to assist libraries in meeting their hardware and software needs.

## HISTORY OF STATE AID

The initial goal of the State aid formula was to encourage the formation of public library services in rural areas. Over time, however, legislative changes were made to the formula to encourage regionalization of libraries, to account for areas serving large populations, and to reward local spending on library services. In addition, a



number of studies of the formula were conducted, some of which resulted in additional changes to the formula. The most significant of these changes occurred in 1970, when the formula was rewritten into its current form. Later studies proposed changes to the local expenditure portion of the formula, and also supported additional funding for construction projects; however, these proposals were never implemented. Despite many examinations of the formula through the years, the three components of population, square mileage, and local effort have remained as fundamental elements in the State aid formula.

### **Initial Goals of State Aid to Libraries**

The first request for State funding of public libraries dates back to 1930. The Virginia State Library requested \$50,000 for the 1931-1932 biennium. The support for grants-in-aid to libraries was substantial throughout the General Assembly, but given the economic conditions of the time, the bill died in committee.

After several years of petitioning by the Virginia State Library, the General Assembly appropriated funds in the amount of \$50,000 annually in 1942. Chapter 350 of the 1942 Acts of Assembly provided aid to libraries in rural areas, promoted the development of new library services throughout the State, and provided for developing adequate book collections for the citizens of Virginia.

***Aid to Rural Areas.*** The 1942 State aid legislation explicitly stated that funds were allocated in order to develop public library service throughout the State, particularly in rural communities. This is evidenced by the fact that rural areas were favored in the distribution of funds. Cities, regardless of population, could not receive more than \$5,000 while regional libraries, which generally covered more rural areas, could receive up to \$15,000. In order to provide the greatest number of citizens with access to satisfactory library services, the law encouraged the formation of regional libraries.

***Establishment of New Library Services.*** The 1942 State aid legislation provided more funding for new libraries than existing libraries. Libraries that were established after 1942 were eligible for up to \$5,000 for any city and up to \$15,000 for regional systems. However, libraries that existed prior to the 1942 act were only eligible for up to \$1,000. Existing libraries could only receive aid if they lacked the adequate number of books per capita, as prescribed by the State Library.

### **Legislative Changes to State Aid**

From the original allocation in 1942 until 1970, many minor changes were made to the allocation of State funds to libraries. The General Assembly gradually increased funding and made slight changes to the distribution method. Exhibit 1 illustrates the major changes to legislation that affected State aid to public libraries from 1930 to the present.

## Exhibit 1

### Legislative History of Public Libraries in Virginia

<u>Year</u>	<u>Change to Legislation</u>
1930	Authorized counties to establish free libraries and reading rooms and to provide for their operation and maintenance.
1936	<p>First library policy of the Commonwealth:</p> <p style="padding-left: 40px;">It is hereby declared to be the policy of the Commonwealth, as part of its provision for public education, to promote the establishment and development of public library service throughout its various subdivisions.</p> <p>Authorized cities and towns to establish free libraries.</p> <p>Authorized the creation of regional library systems between two or more counties.</p>
1938	Authorized any governing body without library services to enter into contracts with adjacent cities, towns, or State-supported institutions of higher learning.
1942	<p>Funds first appropriated to public libraries by the General Assembly. Allocated \$50,000 annually for the next biennium. Authority given to the State Library Board to carry out the distribution.</p> <ul style="list-style-type: none"> <li>• one book per four persons at \$1.75 per book for new libraries</li> <li>• not to exceed \$5,000 for any new city library</li> <li>• not to exceed \$15,000 for any new regional library</li> <li>• not to exceed \$1,000 in matching funds for any existing library</li> </ul>
1944	<p>Maximum funds to new regional libraries decreased to \$10,000. Maximum awards in matching funds to existing libraries changed as follows:</p> <ul style="list-style-type: none"> <li>• \$5,000 for regional library systems</li> <li>• \$1,000 for county library systems</li> <li>• \$500 for city libraries</li> <li>• \$100 for town libraries (if no regional library existed in jurisdiction)</li> </ul>
1946	Grants to new libraries changed to \$.75 per capita with the maximum award of \$5,000 for a city or county library (with a population greater than 5,000), and \$10,000 to any regional library. Grants to existing libraries remained unchanged.
1948	<p>Grant limits and matching grant amounts increased. The maximum amount a new library could receive was increased to \$6,250 for single jurisdictions and \$12,500 for regional libraries. Matching grant amounts to existing libraries were increased to \$1.25 of State aid for every local \$1.00 spent. The new maximum amounts of aid were as follows:</p> <ul style="list-style-type: none"> <li>• \$6,250 for regional library systems</li> <li>• \$1,250 for county library systems</li> <li>• \$625 for city libraries with a population of 5,000 or more</li> <li>• \$125 for town libraries with a population of less than 5,000</li> </ul>

### Exhibit 1 (Continued)

- 1952 Grants to new libraries increased from \$.75 to \$1.00 per capita. Maximum amount of awards increased to \$35,000 for any type of library. Matching grants for existing libraries changed to the following:
- \$.25 of State aid per \$1.00 of local spending in county libraries serving less than 35,000 people, maximum award of \$1,500
  - \$.35 of State aid per \$1.00 of local spending in regional or county libraries serving 35,000 people or more, maximum award of \$15,000
  - \$.10 of State aid per \$1.00 of local spending in city libraries serving 35,000 people or more, maximum award of \$5,000
  - \$.10 of State aid per \$1.00 of local spending in city libraries serving more than 5,000 people but less than 35,000 people, maximum award of \$1,000
  - Municipal libraries serving a population of 5,000 or less may receive State aid in the form of direct loans of books from the State Library or a minimum of \$200
- Appropriate uses of State grants expanded to include personnel salaries.
- 1958 Increased maximum amount to new libraries from \$35,000 to \$50,000. Increased match funding for existing county libraries serving less than 35,000 population to \$.35 of State aid for each \$1.00 of local spending, up to a maximum amount of \$5,000.
- 1960 Increased maximum match awards to existing regional library systems to \$20,000 for libraries with three or more political subdivisions.
- 1970 *Code of Virginia* modified to include the current State aid formula. No differences are made between new and existing libraries. Grants are comprised of three components:
- \$.35 of State aid per every \$1.00 of local spending, not to exceed \$150,000
  - \$.30 per capita for the first 600,000 persons of a city or county, plus an additional \$.10 per capita up to 600,00 persons for each additional city or county served, libraries serving more than 600,000 persons will receive \$.10 per capita for the excess
  - \$10.00 per square mile of area served by a library system, plus an additional \$20.00 per square mile for a library system serving more than one city or county
- 1990 Increased local matching grant to \$.40 of State aid for each \$1.00 of local spending. Maximum matching grant increased to \$250,000.

Source: JLARC Staff analysis of the *Code of Virginia*.

## **Prior Studies of State Aid**

Since the beginning of State aid to public libraries in Virginia, there have been a number of reviews concerning the distribution of State aid. Various State agencies and library groups performed the reviews of State aid, and some of these studies resulted in changes to the formula during subsequent legislative sessions. For example, in 1959 and 1969 the Virginia Advisory Legislative Council (VALC) reviewed the process for distribution of aid and reported back to the General Assembly. The recommendations outlined in the 1969 study resulted in the current State aid funding formula, which was signed into law in 1970.

A 1990 report by the State Library Board resulted in minor changes to the requirements that libraries must meet in order to receive State aid. In addition, the 1990 General Assembly increased the State matching grant for local expenditures, as well as the maximum grant amount that a locality can receive under the formula. Legislative changes made to the State aid formula resulted in a gradual increase in aid to public libraries. Over the course of these studies and associated changes, however, population, square mileage, and local spending have remained as the primary components of State aid to public libraries.

## **COMPARISON OF VIRGINIA'S LIBRARY FUNDING FORMULA TO OTHER STATES**

The majority of states provide monetary aid to their local public libraries. Both the amounts and the determinants of aid vary significantly from state to state. Like Virginia, most states provide aid without competition to all libraries or systems that meet certain criteria. Appendix B illustrates the differences in funding for all 50 states.

### **Funding of Public Libraries in Other States**

While most states provide some funding to their public libraries, seven states do not offer any assistance. The amount of aid provided varies greatly by state. For example, Nevada provides less than one cent per capita to public libraries, while Ohio contributes \$33.60 per capita. For FY 1997, the most recent nationwide data available, Virginia's State funding of \$2.08 per capita was above the national median of \$1.29 per capita. In terms of basic State aid to public libraries, Virginia appears to rank 12<sup>th</sup> in the nation. Most states, however, define public libraries differently and structure their funding formulas and the types of funding in different ways; it is therefore difficult to accurately assess exactly how Virginia ranks among other states. In addition, State aid is only one component of local library funding and may not accurately reflect a library's ability to operate.

Some states that do not provide grants to libraries on a noncompetitive, annual basis do contribute funds to their libraries by other methods. For example, legis-



lators in Vermont request funds from the state legislature when capital improvements in local libraries need to be made. The Vermont Legislature also recently provided competitive grant money to libraries in order to implement an automated library system throughout the state. New Hampshire also contributes some funding to its libraries by reimbursing libraries for costs incurred in an interlibrary loan system, contributing more than \$70,000 during FY 1999 for this purpose.

***Distribution Method.*** The method each state uses to distribute its funding also varies. Seven states distribute funds solely on a per-capita basis; one state provides a flat rate to every library; the other states use a combination of factors. Distribution factors include population, the use of a flat rate, square mileage, and incentives for local funding and inter-library cooperation, as well as equalization grants.

***Local Funding Requirement.*** Of those states that provide aid to local libraries, all but six states have a local funding requirement in order to receive State aid. States approach this requirement in a variety of ways, usually by requiring libraries to provide at least an equal match of local funds to state funds (5 states), or simply to maintain the same amount of local spending from previous years (26 states).

***Standards and Restrictions for Aid.*** Most states have standards set by their state library boards for libraries receiving funding. The most common library standards set by the state are the provision of a certified librarian within the system and the requirement that libraries must remain open a minimum number of hours. Other requirements include continual staff training, a minimum collection size, and the existence of a long-range strategic plan.

### **Construction Funding in Other States**

Like Virginia, many states do not allow libraries to use state aid for capital expenses. At present, just nine states allow funds to be used for some type of remodeling, maintenance, or construction.

More often, states provide competitive grant money for construction and capital costs outside of their regular funding formula. Thirteen states have special grants for library construction or capital improvements. One additional state, Arkansas, is in the process of planning a new construction program. The states that offer additional funding for construction generally fund part of the cost of the construction, while localities fund the remaining cost. Grants are awarded on the basis of factors such as project descriptions and plans. In addition, financial need is considered in some states.

### **Formula Caps Used in Other States**

For those states that determine funding based on population, local expenditures, or area size, most do not set a limit for localities. Virginia appears to be unique in capping the population and local funding components of its formula, although it is

difficult to compare Virginia to other states in this respect because distribution formulas can be distinctly characteristic of an individual state. For example, Kentucky distributes funds to libraries on a strictly per-capita basis.

### **Use of Equalization Grants in Other States**

Some states provide an equalization component in the distribution method in order to aid poorer libraries in the state. States do this in two different ways, either by including a provision directly in the allocation or by granting funds outside of the basic state aid formula.

Six states provide for an equalization component directly in the formula: California, Connecticut, Massachusetts, Nevada, North Carolina, and Pennsylvania. The most common factors used in determining equalization grants are per-capita income and the tax rates of the area. Other factors included in the equalization formulas are property market value and unemployment rates. Each state administers the equalization portion of the formula in a different way. States generally administer the grants as a base grant, or on a per-capita basis, or some combination of the two factors. Wisconsin, after a recent evaluation of the State aid formula, has also decided to add an equalization factor, although the new formula has not yet gone into effect.

North Carolina is the only state neighboring Virginia to provide some type of equalization factor in the distribution of state funds. North Carolina distributes aid through a two-part formula, allocating 50 percent of the total funds in a block grant to each county and regional library. The remaining 50 percent of funds are allocated as equalization grants, with per-capita income grants inversely related to local per-capita income. As a result of the equalization, libraries located in areas serving the poorest citizens receive approximately twice as much funding per capita as the library systems serving the wealthiest citizens.

Five states that do not allocate equalization funds directly in the state formula provide grants to poorer libraries. Colorado, Florida, Illinois, Missouri, and Ohio use separate state funding for equalization purposes. After the initial distribution of state aid, these states give additional funding to poorer libraries. Colorado brings poorer libraries up to the minimum library service, and Illinois also raises funding to a certain level. Florida provides poorer libraries with a certain percentage of adjusted local expenditures. Missouri distributes equalization funding by a prorated system according to the area's assessed property valuation and the percentage of people in poverty. Ohio gives additional shares of its Library and Local Government Support Fund to those libraries that received the lowest amount of funding per capita in the previous year.

### **Technology Funding in Other States**

As technology begins to play an increasingly important role in the provision of library services, some states have initiated additional grant programs to supplement

federal and private funding of library technology. Nineteen states, including Virginia, provide specific state grant programs for library technology. Most often, states allocate funding to support the sharing of information over the Internet.

In Minnesota, the legislature approved the spending of \$500,000 for two years in order to provide a state-level license for electronic database resources. In addition, the legislature spent over \$4 million in Fiscal Years 2000-2001 to support connectivity by establishing a statewide linked catalog system and access to numerous online resources (MnLink). A similar project in Texas, the Telecommunications Infrastructure Fund, has awarded \$10 million for public libraries to upgrade Internet resources. Funds can be used for workstations, Internet service providers, and other telecommunications costs. The most basic grants are non-competitive, while special competitive grants are provided for innovative projects to meet community needs.

### **Comparison of State Aid in Virginia with States Bordering Virginia**

An examination of the states bordering Virginia reveals that there are both similarities and differences among the formulas and criteria employed. The states bordering Virginia (Maryland, Tennessee, West Virginia, Kentucky, and North Carolina), all provide funding to their public library systems. The average total amount for grants-in-aid from these states is approximately \$10.8 million, about half of the average for all 50 states. By comparison, Virginia contributes \$20 million to public libraries, more than each of its neighbors, with the exception of Maryland.

As in Virginia, three of these states include a per-capita component in their distribution formulas. In Kentucky, Maryland, and West Virginia, funding is based solely upon population. North Carolina uses a formula involving block grants and an equalization grant, and is the only neighboring state that employs an equalization factor in the distribution of state funds.

Like Virginia, most of the bordering states have some local funding requirements to receive state aid. Local libraries in Kentucky and Tennessee must maintain the amount of local spending provided to their libraries from year to year. In Maryland and North Carolina, local libraries must match the spending provided by the state, while in West Virginia at least two-thirds of local library operating expenses must come from local appropriations.

### **JLARC REVIEW**

Item 20 I of the 2000 Appropriation Act (Appendix A) mandated that JLARC conduct a review of the formula used to allocate State aid to local libraries to ensure that the formula provides an equitable distribution of State aid among public libraries in Virginia. The item further required that the review should recognize and consider changes in the funding patterns among local governments, the ability of local commu-

nities to fund library services, and collaborative efforts among local libraries and local government entities. The review should also address the impact of technological changes on library services, including, but not limited to, *Infopowering the Commonwealth*, the strategic technology plan for public libraries. JLARC was also directed to consider the population and expenditure caps used in the formula and whether a library construction component should be included in the State aid formula.

## Study Issues

To address the study mandate, JLARC staff identified four main study issues. These study issues provided the basic framework for the JLARC research, and the resulting findings and recommendations.

- Does the current State aid formula provide an equitable distribution of aid to public libraries in Virginia as well as recognize local needs and conditions?
- Should a construction component be included in the State aid formula?
- What is the role of and impact of technology in the delivery and funding of library services?
- What collaborative efforts are currently underway in public libraries, and are there any potential areas for the development or enhancement of such partnerships or efforts?

## Research Activities

In response to this study mandate, JLARC staff undertook a variety of activities. A principal method of collecting information was conducting site visits and interviews. Staff visited 14 library systems, including county, city and regional library systems. In addition, JLARC staff interviewed 14 library directors and the staff at the Library of Virginia. JLARC staff also attended a variety of meetings, conferences, and workshops related to public libraries in general, State aid, and technology.

As part of the review, JLARC staff conducted a mail survey sent to all 90 public library systems. JLARC staff received surveys from all 90 public libraries, for a 100 percent response rate. This survey of public library directors asked for information about the State aid formula, library funding, partnerships and collaborative arrangements, technology, and library facilities and construction. A copy of the survey form that includes the results is included as Appendix C.

Extensive data were collected from other states through the Internet, phone interviews, and other relevant documents. In addition, financial and demographic data were provided by the Library of Virginia and analyzed by JLARC staff. Litera-

ture and document reviews included, but were not limited to, the *Code of Virginia*, regulations, materials related to *Infopowering*, documents concerning the requirements for and implementation of grant awards from the Bill and Melinda Gates Foundation, and the new "Planning for Library Excellence" model developed by the Library of Virginia.

JLARC staff examined several options to illustrate how various factors, and combinations of factors, affect the funding provided to the libraries. Specifically, JLARC staff examined the impact of changing the population and local expenditure caps in the current State aid formula. In addition, staff explored methods of distributing funding based upon local ability to fund services.

### **Report Organization**

This report is organized into four chapters. This chapter has presented an overview of State aid and public libraries in Virginia, and has reviewed the legislative mandate for this study. In addition, this chapter provided a comparison of Virginia's library funding formula to those employed by other states. Chapter II discusses sources of funding for public libraries as well as Virginia's current State aid formula. Chapter III discusses the potential impact of changes to the current funding formula, including a change in the population and local expenditure caps. In addition, the chapter discusses several possible funding options and policy choices that could be employed for the distribution of State aid to public libraries. Chapter IV discusses the role and funding of technology in public libraries, library construction, and collaborative efforts.



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## II. Virginia Public Library System

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In 1936, the General Assembly granted local governments the authority to establish and support various types of public libraries. Today, Virginia's 90 library systems serve all areas of the Commonwealth and are comprised of county, city, regional, and town systems. The majority of funding for public libraries is derived from local sources, including tax revenues, endowments, gifts, donations, and bequests. Historically, federal funding for public libraries has been limited. Virginia, like most other states, provides State aid to fund its public libraries. State aid to local libraries began with an appropriation in the amount of \$50,000 in 1942. In Fiscal Year 2001, State aid to public libraries amounted to more than \$20 million. While State aid currently constitutes approximately ten percent of library funding, public libraries rely heavily on this source of funds for books and materials.

### STRUCTURE OF THE VIRGINIA PUBLIC LIBRARY SYSTEM

Public libraries are primarily considered local entities established and supported by their surrounding communities. In 1936, the General Assembly granted local governments the authority to establish and support various types of public libraries. However, there is no legal requirement for a community to establish or fund library service. Currently, the State's 90 public library systems consist of four types: city, county, regional and town libraries.

City and county libraries serve the independent city or county in which they exist. There are 22 city libraries and 41 county libraries throughout the state, which serve 30 and 28 percent of the population, respectively. One county in the State, Craig County, does not have formal library service. However, Craig County is served via bookmobile by the Roanoke City library.

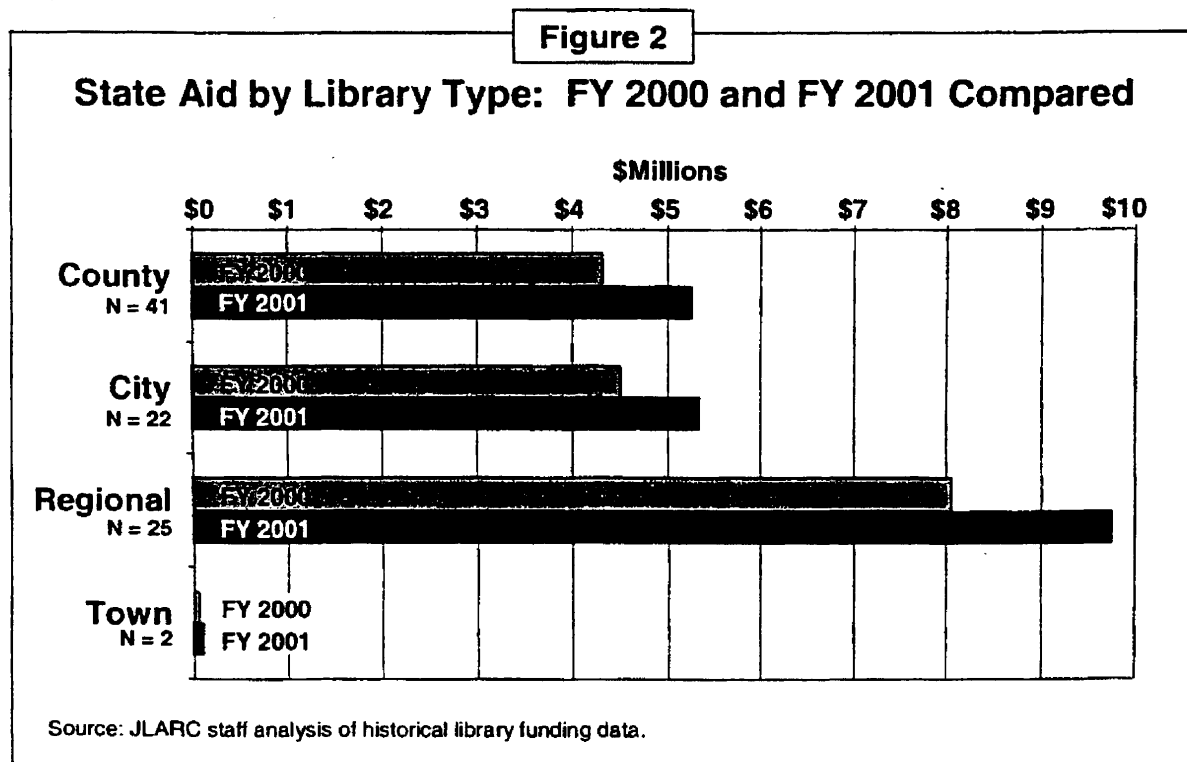
Town libraries are created and funded by local towns. Town libraries generally do not receive State aid, and they serve less than one percent of the State's population. Most town libraries in Virginia have joined larger countywide or regional library systems. Joining the larger unit of service allows the town library to become eligible for State aid. Two towns, Pearisburg and Narrows, in Giles County, do not have access to a larger unit of service, and have therefore remained town libraries. Since there is no larger unit of service to join, these town libraries are eligible for State aid. Two additional libraries serve Giles County. However, these libraries do not meet the requirements for receiving State grants-in-aid.

Regional libraries represent a combination of cities and counties that have joined together voluntarily to form a regional library system. Regional libraries may be advantageous to some localities, as they enable the combination of functions such as personnel, acquisitions, cataloging, and other administrative duties. Section 42.1-38 of the *Code of Virginia* stipulates that regional libraries are required to have a govern-

ing board. Regional library boards are responsible for formulating by-laws, rules, and regulations for the library system, and for controlling the expenditure of funds. In addition, the boards accept donations and bequests of money on behalf of the regional library systems. These libraries serve 43 percent of the State's population, and receive the highest percentage of State aid. Figure 2 displays State aid by library type for Fiscal Year 2000 and Fiscal Year 2001.

### LIBRARY FUNDING SOURCES

Public libraries receive funding from a variety of sources; however, local and State funds comprise the bulk of library budgets. Although most local monies are derived from tax revenues, they may also include endowments, gifts, donations, and bequests. State funds consist primarily of grants-in-aid, but recently have included separate funds earmarked for technology initiatives. Federal funds are available on a limited basis. Libraries may also receive grant funding from private donors and foundations, such as the Bill and Melinda Gates Foundation, which recently awarded technology grants to certain public libraries. Appendix D details the percentages of local, State, and federal funds comprising library budgets from Fiscal Years 1970-1998.





## Local Funding

Local spending comprises the vast majority of library funding. Over the last three decades, local governments have worked to consistently increase funding for library services. The requirements that libraries must meet in order to receive State aid have encouraged maintenance of and increases in local expenditures. Despite declining populations in some areas, the overall growth of local spending and average per-capita spending indicates that local governments are making an effort to meet the financial needs of public libraries.

Approximately 80 percent of funding for public libraries is derived from local tax revenues. An additional nine percent of library funding comes from local sources including privately donated gifts and bequests, and from revenues generated through library fines and fees. Generally, there are no restrictions on the types of expenditures for which local monies and private gifts may be used. The majority of local funds are used to support the library's operating expenses and personnel costs. As Figure 3 shows, over the past three decades, local aid has been the largest source of funding for public libraries.

Monies from local library patrons, community members or organizations, and groups such as Friends of the Library are considered unrestricted donations. Funds of this nature cannot comprise more than 33 percent of the total amount of local funding for a particular locality. According to the *Virginia Administrative Code*, libraries must receive 66 percent of local funding from tax dollars or endowments in order to be eligible for State aid. The intent of this restriction is to ensure that local governments continue to provide the most local support to libraries. In addition, money from unrestricted sources might not provide libraries with a stable source of funding from year to year.

Overall, it appears that local governments are making an effort to consistently increase funding for library services. Of the 14 library directors that JLARC staff interviewed during site visits, 11 stated that the relationship with their local governing body was generally positive, and that the localities recognize the need to fund library services.

Most of the librarians interviewed indicated that their local government supports the role and function of the public library.

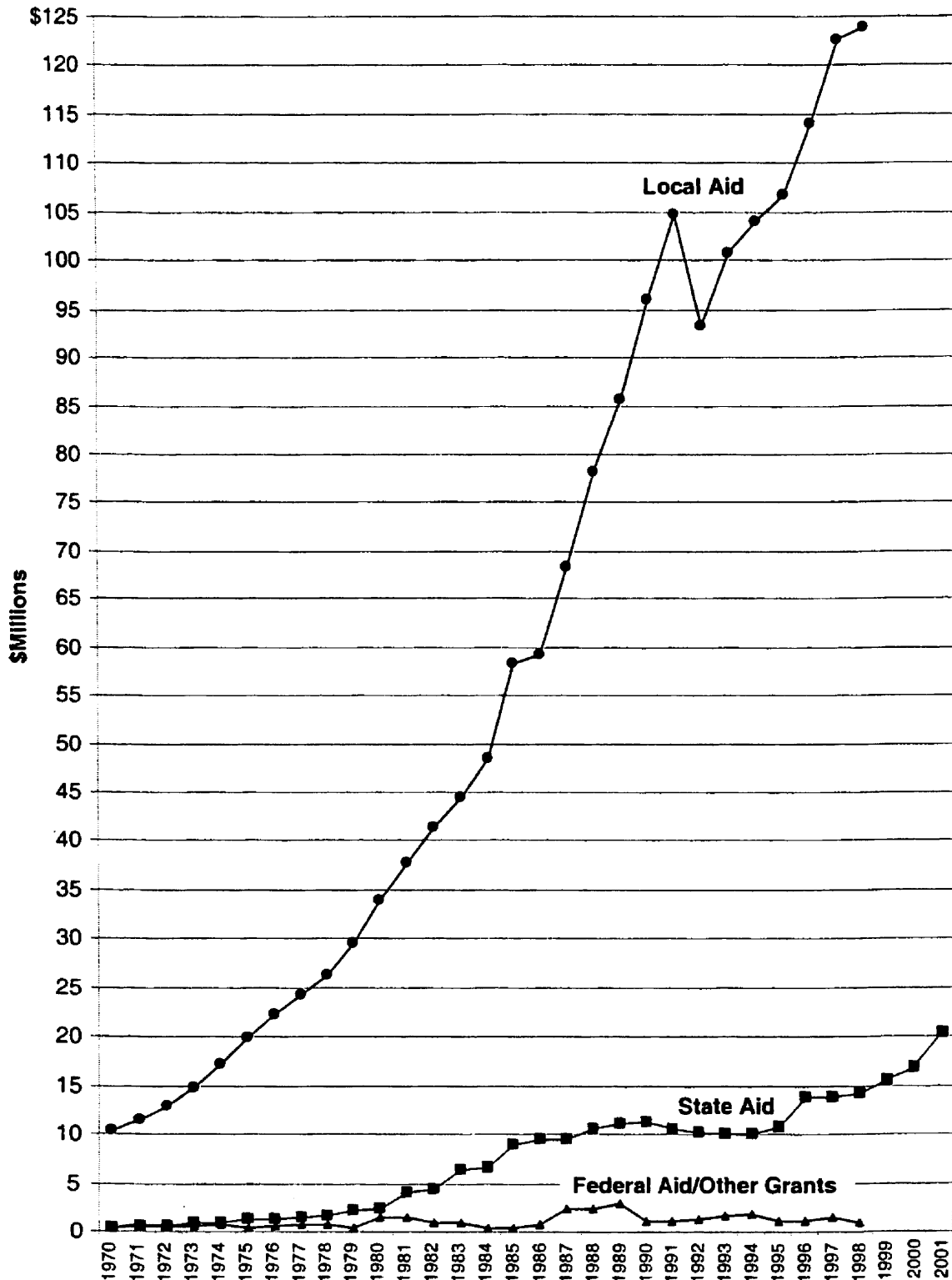
*The director of a regional library system observed that the county governments had, over the last five years, increased library funding dramatically. One town government contributed an additional \$300,000 toward construction of a new library building.*

\* \* \*

*A city library director noted the flexibility that the local government gives to the library in its budgeting. For example, the library is al-*

Figure 3

State, Local, and Federal Amounts Comprising Library Budgets, FY 1970 to FY 1998



Note: for FY 1999 - FY 2001, the amounts of local and federal/other aid could not be verified.

Source: JLARC staff analysis of historical library funding data.

*lowed to retain 60 percent of unused funds each fiscal year. Over time, these savings have allowed the library to pursue special projects that may have otherwise gone unfunded.*

The amount of local funding to public libraries has increased steadily over the years. Local government revenues committed to public library services grew from just over \$14 million in 1973 to more than \$123 million in 1998. In addition to general increases for inflation, the growth in local spending can largely be explained by two of the requirements that libraries must meet in order to receive State aid: (1) local operating expenditures shall be at least 50 percent of the median statewide local operating expenditures per capita, exclusive of federal and State aid; and (2) local expenditures shall not fall below that of the previous year.

Over the last ten years for which data are available, local spending on libraries generally increased. JLARC staff examined trends in population growth, local expenditure growth, and average per-capita growth for each of the four types of library systems for Fiscal Years 1990-1999. Overall, each type of library system (city, county, regional, and town) experienced an increase in both local spending and average per-capita spending. Figure 4 illustrates the overall growth trends in the areas of population, local spending, and average per-capita spending for the different types of library systems over the ten-year period.

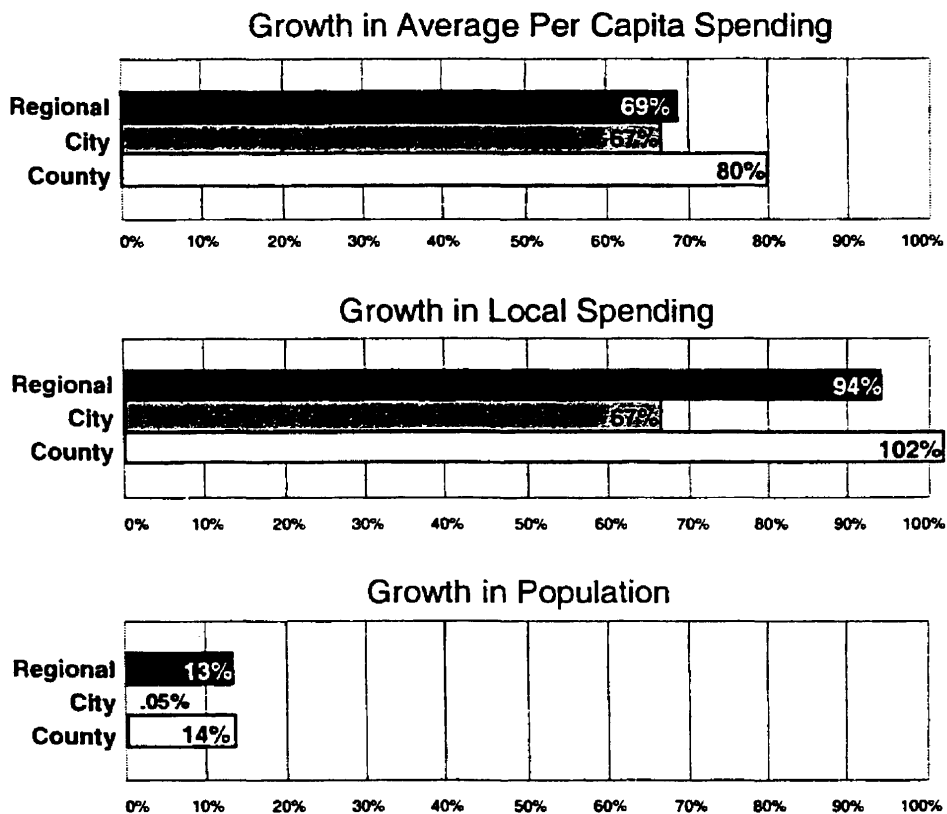
City libraries (which, for purposes of this analysis, include the two town libraries of Narrows and Pearisburg) experienced relatively flat population growth over the ten-year period. The population of city library jurisdictions grew only 0.05 percent during this time, and 12 of 24 localities actually lost population. However, the cities increased both total spending and average per-capita spending on libraries by 67 percent. It appears that, despite declining populations, city governments consistently worked to increase funding for libraries. For example, the population of the Clifton Forge library declined by 12 percent over the period; however, local spending and per-capita spending grew by 89 percent and 114 percent, respectively. Similarly, the town of Narrows increased library spending and per-capita spending by 84 percent and 121 percent, respectively, in spite of a 17 percent decline in population.

County libraries exhibited a more robust pattern of population growth during Fiscal Years 1990-1999, growing at a rate of 14 percent. Along with a general increase in population, county libraries showed overall growth in total local spending on libraries of 102 percent, and an average per-capita spending increase of 80 percent. For many counties, rapidly increasing populations have required the establishment of additional services, including new library facilities, which may partly explain the growth in local expenditures. It should be noted that five of the county library systems experienced negative population growth during the ten-year period. As with the city libraries, those county libraries with negative population growth recorded increases in both local spending and per-capita spending on library services.

Regional library systems experienced approximately the same degree of population growth as the county systems, a 13 percent increase over the ten-year period.

Figure 4

**Growth Trends Compared, FY 1990 to FY 1999**



Source: JLARC staff analysis of Library of Virginia historical funding data.

The regional library systems also had a growth rate of 94 percent in total local spending. Four of the regional library systems had negative population growth. Again, each of these four systems posted increases in total local spending and per-capita spending. However, the average per-capita growth for regional libraries was 69 percent over the period, 11 percentage points below the average growth for county library systems, and just slightly above the average growth for city libraries, which have experienced declining populations.

While the population growth of regional libraries essentially mirrors that of county systems, the slower growth in overall per-capita spending for regional systems can largely be explained by the structure of such systems. Regional libraries are comprised of multiple counties and cities, or a combination of both. Often, less affluent communities will agree to join a regional library system in order to access and share additional resources and to achieve economies of scale. On their own, some of these communities with limited resources would likely be unable to fund library services. Most communities benefit from the pooling of resources that occurs in the regional

system. However, there are some regional library systems in which one jurisdiction may shoulder a disproportionately larger share of the financial costs than the other jurisdictions in the system.

For example, the Appomattox Regional Library is composed of the city of Hopewell, Prince George County, and Dinwiddie County. All three of these jurisdictions have similar populations (about 20,000). However, the city of Hopewell, which actually maintains the smallest population base, in Fiscal Year 1999 contributed \$347,809 to the regional system. This is slightly more money than was contributed by Prince George and Dinwiddie Counties combined. Compared to the contributions of all of the participating jurisdictions, Hopewell assumed a proportionally greater financial responsibility for funding the library system.

In another case, the Charles P. Jones Regional Library is composed of the city of Covington and Allegheny County. Although Covington's population is slightly less than half of Allegheny County, in Fiscal Year 1999 Covington contributed approximately \$5,000 more to the library system than did Allegheny County. Similarly, in the Galax-Carroll Regional library system, the city of Galax contributed \$137,703 in Fiscal Year 1999 on behalf of its population of 6,700, while Carroll County contributed \$146,232 for a much larger population of 28,000. In both of these cases, the smaller city assumed a greater responsibility for funding its regional system.

While there is wide variation in the amount of local funding provided by participating localities, entering into regional agreements affords some communities with the opportunity to provide library services. For example, the library director of Central Rappahannock Regional Library (CRRL) explained: "As a regional system, CRRL is able to provide a \$7 million library system to both wealthy and poor patrons. CRRL provides library service to Westmoreland County, where [some] of the population doesn't have indoor plumbing." Without the benefits of participating in regional systems, poorer communities might be forced to eliminate library services altogether.

### **State Funding to Public Libraries**

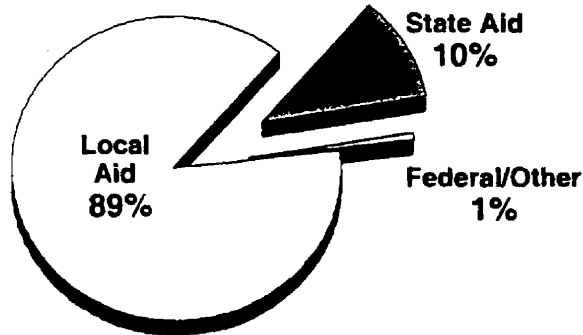
Funding for public libraries from the Commonwealth primarily consists of State grants-in-aid and a separate stream of funding for technology initiatives. At present, there are no State funds available for construction projects.

**State Grants-in-Aid.** In recent years, State grants-in-aid have represented about 10 percent of the funding for public libraries. Since 1970, however, State aid has ranged from four to nearly 14 percent of library budgets. Figure 5 compares State aid funding to the total amount of funding for libraries in Virginia during Fiscal Year 1998, the most recent year for which funding data could be verified.

State aid may be used for library materials, equipment, and furniture, and up to 25 percent of the grant may be used to fund the salaries of full-time, certified librarians. However, the majority of State funds are used to purchase books and materials.

Figure 5

### State Aid as a Percentage of Total Library Funding, FY 1998

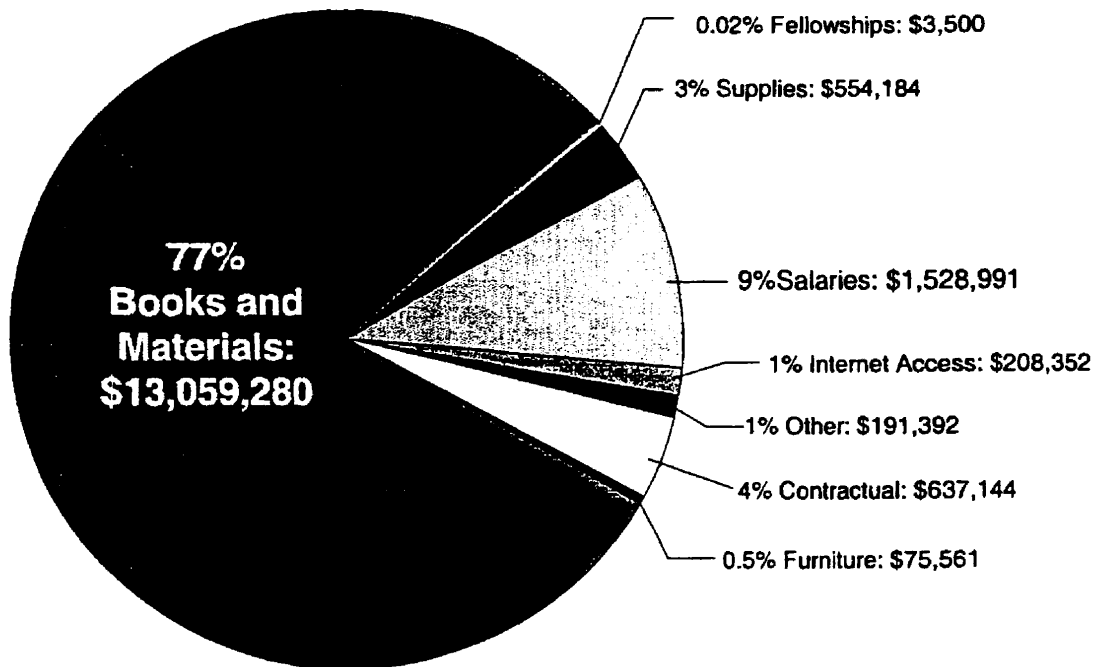


Source: JLARC staff analysis of FY 1998 library funding data.

Figure 6 shows the amount of State aid money that was allocated to various areas of expenditure during Fiscal Year 2000. An average of 77 percent of State aid was used to

Figure 6

### Comparison of Expenditures from State Aid Budgets FY 2000

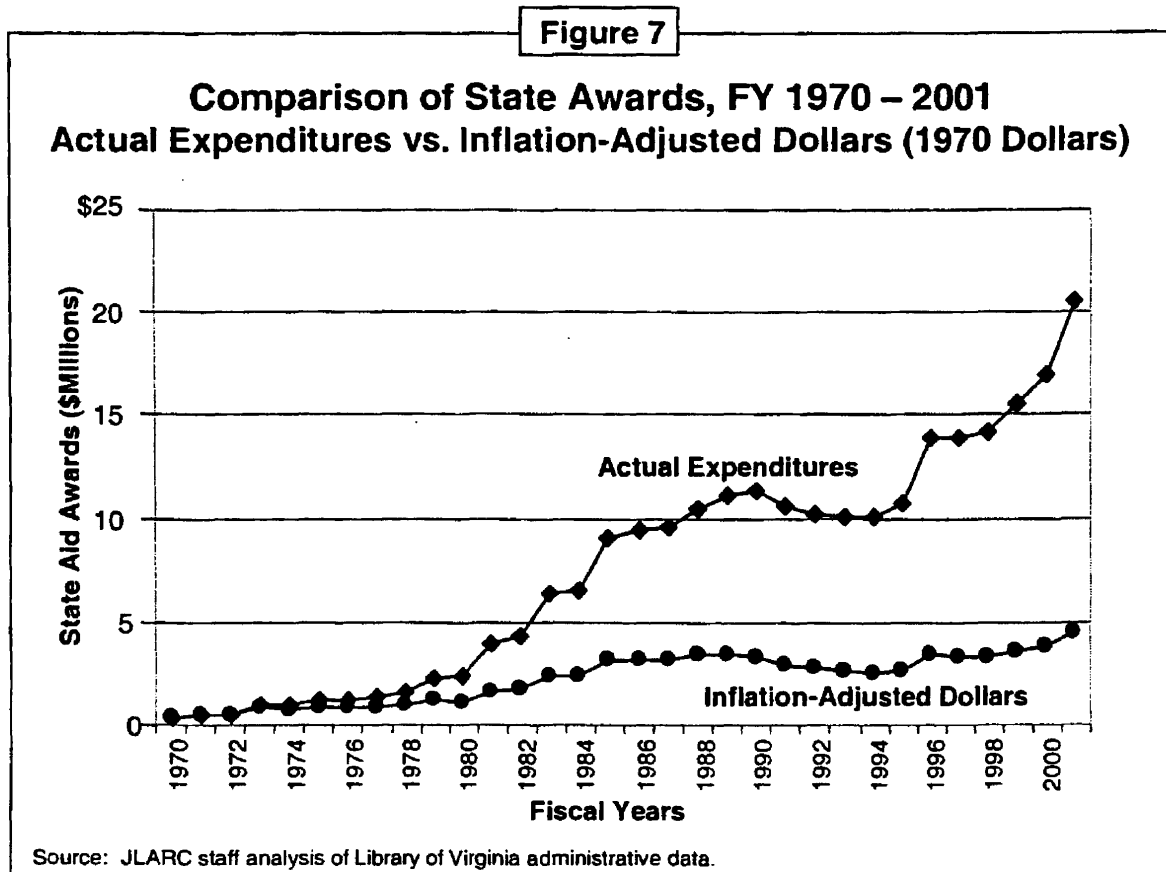


Source: Library of Virginia staff analysis of library expenditures.

purchase books and materials during this period. In fact, while 13 public library systems used less than 50 percent of their State aid budgets to purchase materials, more than twice as many (31) library systems used 90 percent or more of their State aid for this purpose. Appendix E breaks down the percentage of local expenditures on materials that came from State aid budgets in each of the 90 public library systems.

Since State aid began in 1970, the amount of aid, in actual dollars received, has increased over the years. When adjusted for inflation (to 1970 dollars), State aid awards have generally kept up with the rate of inflation since Fiscal Year 1970. Figure 7 compares the actual dollars of State aid to the inflation-adjusted amounts of State aid for the Fiscal Years 1970-2001.

**Construction Funding.** State aid may not be used to fund library construction projects. Public libraries finance all construction efforts through local expenditures, private donations, or fund-raising. The State has historically been reluctant to fund construction efforts for public libraries. A review of the *Code of Virginia* reveals that there has never been a statutory provision for general State funding of library construction projects. According to Library of Virginia staff, a major State-funded construction component runs contrary to the notion that libraries are, from their conception, primarily a local entity.



However, the 2000 General Assembly appropriated funds in both Fiscal Years 2001 and 2002 for public library construction. In response to the special needs of some libraries, the General Assembly allocated \$315,000 in Fiscal Year 2001 to eight specific libraries for construction purposes. A more formal grant program was established for Fiscal Year 2002, when the LVA was appropriated \$450,000 to fund the Public Library Construction Grant program. However, the Governor cut funding for this program as part of his March 12, 2001, budget cuts, and grants were not distributed. Chapter IV contains a more detailed discussion of library construction and funding.

**Technology Funding.** In recent years, the State has also provided a separate source of funding for technology initiatives. House Joint Resolution 444, adopted by the 1997 session of the General Assembly, directed the Library of Virginia to develop a five-year strategic information technology plan for the Commonwealth's public library system. The plan, which was formalized in November 1997, is called *Infopowering the Commonwealth (Infopowering)*. The primary goal of the *Infopowering* plan is to provide library patrons with access to the information superhighway.

Funding for the *Infopowering* plan began in Fiscal Year 2000. By the end of Fiscal Year 2002, the costs associated with implementing the first two years of the *Infopowering* plan will be \$1.625 million. These funds have been focused on the provision of computers and Internet connections to libraries lacking in computer services, the replacement of obsolete computers at other libraries, and the purchase of licenses for some electronic database resources. The main goal of *Infopowering* is to ensure that every library in Virginia has adequate and up-to-date computer services available to patrons. The specifics of the State's technology plan and funding thereof will be discussed in more detail later in Chapter IV.

## **Federal Funding**

Federal funds currently account for less than one percent of total library funding, including State, federal, local, and other sources. In the past, the Library Services and Construction Act (LSCA) provided some federal funding for library construction projects, collaborative efforts among different types of libraries, and other competitive grants. However, this program is no longer in existence. Currently, public libraries in Virginia participate in two federal programs: (1) the Library Services and Technology Act (LSTA) grant program, and (2) the federal E-Rate Fund program. The main goal of both programs is to assist libraries in increasing access to electronic sources of information.

The LSTA is a federal grant program that provides funds for the improvement of library services. LSTA grants, which are awarded on a competitive basis, are to be used primarily to increase access to electronic information networks and to target services to under-served populations. The LSTA also assists in funding the Library of Virginia's summer reading program, the digital library project, and staffing of the Library's Networking and Development Division. For Fiscal Years 2000 and 2001, LSTA funds granted to Virginia totaled more than \$6 million.



Congress intended that the LSTA serve as a replacement for the Library Services and Construction Act (LSCA) that, prior to 1996, provided a federal funding mechanism for library construction projects. From 1957-1996, public libraries in Virginia generally received between \$300,000 and \$400,000 annually through the LSCA. These funds were distributed on a competitive basis. Currently, however, there is no construction component included in the LSTA.

In addition to the LSTA, the federal Telecommunications Act of 1996 established the Schools and Libraries Universal Service Fund program, commonly known as the E-Rate fund. This program provides subsidies for Internet access and telecommunications costs in poorer public schools and libraries. The amount of the subsidy is based on the number of students participating in the free or reduced-fee school lunch program in a particular locality. After nearly four years of participation in this program, Virginia communities have received more than \$4 million in subsidies from the E-Rate fund.

### **Private Grants and Donations**

Public libraries also receive funding from a variety of other sources, including donations from individuals, local groups and organizations, and groups such as Friends of the Library; grant and charitable programs; and annual fund-raising events. Some libraries are able to carry over unused funds from year to year, which generates some income. Although these grants and donations generally do not contribute significantly to library budgets, they can provide a source of funding for special library programs and projects that may otherwise go without funding.

Most libraries have a Friends of the Library group, which organizes annual events such as book sales, auctions, and fund drives. Some Friends of the Library groups also rely on volunteers to run library gift shops or coffee kiosks. These groups use their proceeds to fund special library programming or staff training.

Some public libraries also have foundations and endowments, which can provide a steady stream of income for capital projects or other special library endeavors. Twenty libraries responding to the JLARC survey of library directors indicated that their library had an endowment. Generally, library foundations generate proceeds from copy machine fees, library fines, and fees charged for public use of library meeting rooms. User fees charged to non-residents also provide income for library foundations. Foundations may also generate income from interest earned on the library's investments, in checking accounts and CDs.

Local clubs and civic groups may also provide some direct contributions and grants to the local libraries. Some libraries have received grants from local businesses for certain programs. In one library system, the library director speaks at local civic groups and other organizations for a small fee, which is then used to support the library's budget. Charitable organizations, such as the United Way Campaign, may also serve as a source of income for some public libraries.

Libraries may also receive some income from neighboring localities or government entities for the provision of special services, such as programming for the blind and visually handicapped. Some libraries receive grants from the Department of Social Services in order to provide programming related to early childhood development and childcare programs. Other libraries receive a small amount of funding for providing bookmobile service to other localities.

Respondents to the JLARC survey indicated that they received an average of \$89,673 from other sources of funding during Fiscal Year 2000. Fines and fees and private grant programs were also listed as common types of funding sources. For example, the Pulaski County Library director noted that recently the library has received a large influx of non-governmental funds:

*The library received \$68,000 in grants during the last year. The library also received some large donations from individual donors; one gift of \$74,000 was left as a bequest for the building fund. In addition, fees from the copy machine and library fines average about \$8,000 each year.*

As mentioned earlier, the Gates Foundation awarded a substantial grant for computer hardware, software, training, and technical support to local libraries serving populations above ten percent of the poverty level. The estimated hardware grant amount for Virginia's public libraries is more than \$3.9 million; however, the software, training, technical support, and wiring assistance that were also provided by the Foundation will likely increase the magnitude of this award to more than \$6 million. The Gates grant is the largest private gift that Virginia libraries have received since the late 1930s, when Charlotte County resident David K. Bruce granted Virginia localities funds for 11 public library buildings. The Gates grant program is discussed in greater detail in Chapter IV.

## CURRENT STATE AID FORMULA

In its current form, the intent of the State aid formula is to improve library services, bolster the maintenance and development of proper standards, and encourage the formation of regional libraries to provide more economical units of service and a wider range of library services. With the exception of minor alterations made by the 1990 General Assembly, the basic structure of the current library funding formula has not changed since its approval in 1970.

For Fiscal Year 2002, the General Assembly appropriated more than \$20 million for grants to public libraries. The Fiscal Year 2002 State aid amounts to the 90 individual library systems in Virginia are shown in Appendix F.

The authority to distribute State funding to public libraries is vested in the State Library Board. The Library Board, a 15-member appointed commission, is charged with establishing standards of eligibility that must be met in order for public libraries

to qualify for State aid. In the event that State appropriations provided for such grants are not sufficient to achieve full funding of the formula to eligible libraries, the Library Board is responsible for the proration and proportional distribution of available funding as outlined in the *Code of Virginia*.

### **Requirements for Receiving Grants-in-Aid**

In order to receive grants-in-aid, libraries must apply for grants-in-aid and meet the requirements set forth by the State Library Board. The Virginia Administrative Code sets forth the requirements that must be met by libraries in order to receive State aid. For example, libraries must abide by provisions relating to planning, hours of operation, materials, and staff. As noted in the *Administrative Code*, grants-in-aid serve as supplements to local funds. Exhibit 2 details the requirements for receiving State grants-in-aid that must be met by all libraries serving more than 5,000 persons. While the Board may, at its discretion, make exceptions to these requirements, it has rarely done so. According to Library of Virginia staff, most libraries are able to meet these requirements. Similarly, only eight percent of library respondents indicated on the JLARC survey that they were not meeting all of the requirements for receiving grants-in-aid.

Separate requirements have been established for libraries serving populations of less than 5,000. Currently, there are four such libraries: R. Iris Brammer Public Library (in Narrows), Pearisburg Public Library, Highland County Public Library, and Clifton Forge Public Library. Those libraries serving populations of less than 5,000 do not have to meet the same requirements as those serving more than 5,000 persons. For example, libraries serving populations of less than 5,000 are not required to have a certified librarian in the position of Director. Also, the requirement that libraries must have local operating expenditures of at least 50 percent of the median statewide local operating expenditure per capita does not apply to these smaller libraries. While the requirements for libraries serving less than 5,000 persons are reduced or limited, the Library Board strongly recommends that libraries in this category look toward joining larger units of service in order to meet State standards.

***State Requirements Encourage Local Expenditures.*** To qualify for State aid, local expenditures must be equal to or greater than the amount expended the prior year. If the library's budget is reduced and other local agencies' budgets are not, then the library would not receive a State grant-in-aid and would be ineligible for one until local expenditures reach or exceed the local effort at the time of the last grant. Local operating expenditures must also be at least 50 percent of the median statewide local operating expenditures per capita, two thirds of which must be from taxation or endowment. Libraries that fall below 50 percent of the median in local expenditures per capita must submit a plan to the State Library Board for reaching the minimum requirement. The plan must include a schedule of annual increases in local expenditures of not less than 20 percent of the amount needed to attain local per-capita expenditures of 50 percent of the median within five years. Therefore, if a locality does not provide any support or reduces the amount of its support to its local library, the library cannot receive State grants-in-aid.

**Exhibit 2****Requirements for Receiving Grants-In-Aid**

In order to qualify for grants-in aid, all libraries serving more than 5,000 persons must meet the following requirements:

1. Be organized under the appropriate section of the *Code of Virginia*. Not more than one library in a county or regional library system or municipal government unit may receive a grant.
2. Submit to the State Library Board:
  - Charter, resolution, or other legal papers under which they are organized.
  - A copy of the by-laws of the board of trustees, a list of trustees, revised as changes occur.
  - A five-year plan, adopted annually by the governing body.
  - A written statement of policy covering such items as: service, personnel, and maintenance of book collections and other materials.
  - Statistical and financial reports including audits and statements of progress.
  - A copy submitted annually of the budget for the expenditure of local funds, not including anticipated State and federal funds
3. Have local operating expenditures of at least 50 percent of the median statewide local operating expenditure per capita, two thirds of which must be from taxation or endowment. Local operating expenditures from taxation or endowment for any library or library system shall not fall below that of the previous year.
4. Have certified librarians in positions as required by State law. Libraries failing to employ a certified librarian in the position of director will have their State aid grant reduced by 25 percent.
5. Keep open a library headquarters or centrally located branch at least 40 hours a week for a full range of library services.
6. Maintain an up-to-date reference collection and set up procedures for securing materials from other libraries through interlibrary loan.
7. Organize materials for convenient use through shelf arrangement, classification and cataloging, and provide a catalog of resources.
8. Stimulate use of materials through publicity, displays, reading lists, story hours, book talks, and other appropriate means.
9. Lend guidance in all outlets to individuals in the use of informational, educational, and recreational materials.
10. Maintain a collection of currently useful materials by annual additions to and systematic removal of items no longer useful to maintain the quality of its resources. Have a telephone.
11. Provide the basic services listed in this section free of charge to the public.
12. Every regional, county, and city library serving an area of more than 400 square miles, or more than 25,000 persons must provide some form of extension service acceptable to the board.
13. If the library has two or more service units, either branches or stations, it must maintain a scheduled, frequent delivery system.
14. The Library Board may, at its discretion, make exceptions for a specified period of time to any single requirement listed above.

***Two-thirds of Local Funding Must Come From Taxation or Endowment.***

In a recent mandates assessment of the requirements that libraries must meet in order to receive State aid, librarians from around the State discussed the possibility of raising the percentage of local expenditures that must come from taxation or endowment. While the majority of libraries far exceed the 66 percent requirement, the Library of Virginia staff indicate that this requirement will occasionally pose a problem for some libraries. For example, one respondent to the JLARC survey indicated that "an unusually large portion of our operating budget is from yearly fund-raising, not tax dollars or interest." At present, only four library systems are at risk of not meeting this requirement.

***Libraries Must Meet 50 Percent of the Statewide Median.*** In order for a locality to be eligible for State aid, local government appropriations must meet or exceed 50 percent of the statewide median for local expenditures per capita. As localities increase funding to libraries, the statewide median rises. This causes localities to increase library funding in order to meet the requirement and maintain their eligibility for State aid.

Prior to 1990, local governments were required to meet or exceed a \$2.00 per capita spending level in order to qualify for State aid. While most libraries were meeting the \$2.00 per capita level, some local libraries believed that they were not receiving large enough local appropriations to meet their growing budgetary needs. In order to gain a leveraging tool to increase local expenditures, these libraries requested that the \$2.00 per capita requirement be changed to the 50 percent of the statewide median requirement currently in place. The State Library Board approved this change in 1990.

During interviews with JLARC staff, some library directors expressed concern about the 50 percent median requirement. Their primary concern relates to the fact that because the requirement is based on a statewide median, the amount of local appropriation required each year continues to climb. Similarly, in JLARC's survey of public library directors, 12 respondents indicated that meeting the 50 percent median presented a challenge to their library. Currently, eight libraries are unable to meet this requirement: Caroline County, Central Virginia Regional, Heritage Regional, Madison County, Pittsylvania County, Powhatan County, Richmond County, and Shenandoah County. Although these libraries can, and often do, receive a waiver from the State Library Board for this requirement, some librarians expressed the concern that although their local governments have taken steps to improve funding to libraries, it is difficult for them to keep up with a moving target such as the statewide median. In many cases, the local library competes for limited local resources with other local entities, such as public safety or education. Such competing local priorities may prevent the libraries from receiving adequate funding increases.

Staff at the Library of Virginia (LVA) indicated to JLARC staff that they are aware that some libraries struggle to meet the statewide median. LVA staff work with these libraries to help them prepare waiver requests for the State Library Board, and also assist them in creating long-term plans to correct their financial situations within

five years of falling behind the median. LVA staff report that the latest mandates survey indicated that although many librarians voiced concerns regarding the possibility of poorly funded libraries actually losing State aid under the statewide median requirement, there is no plan to modify the requirement at this time.

**Maintenance of Effort.** State aid requirements mandate that local appropriations must not fall below that of the previous year. Twenty-seven states, including Virginia, require maintenance of effort. If a locality fails to meet an annually specified spending requirement, the library will become ineligible for state aid that year. In JLARC's survey of public library directors, 24 libraries responded that maintaining local expenditure levels to those of the previous year presented a challenge to their library. Exceptions to this requirement are made if a library incurs a one-time capital construction or technology project that will not require funding from year to year. As with the statewide median, libraries may receive a waiver for this requirement. However, they must strive to increase funding within five years of receiving the waiver and develop a plan on how they will do so.

For many libraries, however, the requirement provides leverage for garnering local appropriations. During an interview, for example, one library director noted that:

*"The requirement that local governments cannot reduce funding has been helpful to the library. If not for the formula, it would be difficult to keep funding levels consistent."*

**Certified Librarian.** The State aid requirements mandate that public libraries must employ a certified librarian as director. If a library fails to comply with this requirement, its State aid award will be reduced by 25 percent. Currently, three libraries are impacted by this requirement: Caroline County, Essex County, and Madison County. Four other libraries do not employ certified librarians (Clifton Forge, Pearisburg, Highland, and Narrows); however, since they serve populations less than 5,000, they are exempt from the requirement.

Eleven respondents to the JLARC survey indicated that this requirement presented a challenge to their library. Further, during a recent survey of public librarians conducted by the Library of Virginia (LVA), there was discussion about the possibility of some type of alternative process for library certification. The State Library Board has directed staff at the LVA to develop a potential model for alternative certification. This model should be completed within the next two years.

The reduction in State aid is a financial loss to affected libraries. During interviews with JLARC staff, one library director expressed concern about the 25 percent reduction in State aid. Libraries in small, slow-growing communities find it difficult to recruit qualified librarians. Further, these libraries often cannot afford to pay salaries high enough to attract qualified certified librarians. When State aid is reduced by 25 percent, this only exacerbates the library's inability to recruit and retain a qualified director. The library director suggested to JLARC staff that special requirements should be created for libraries serving populations of less than 15,000. They

believe this would better account for their specific local issues, such as slow population growth and a sluggish local economy.

In contrast, a library generally recognizes significant financial gain upon hiring a certified librarian as director. For several years, the Powhatan library was penalized for failing to employ a certified librarian. When the library recently hired a certified librarian, the library's State aid was positively impacted. The new director stated to JLARC staff that State aid has historically been the library's primary source of funding for books and other materials, and the recent influx of an additional 25 percent of State aid has been a benefit to the library.

In spite of the specific challenges facing some communities, most library directors believe that a certification requirement is an integral part of standard library practice. In fact, 58 percent of respondents to the LVA survey indicated that the certification requirement should be retained in its current form. Staff at the LVA told JLARC staff that the hiring of qualified staff is important in the improvement of public libraries.

During interviews with JLARC staff, most libraries noted that the requirements for receiving State aid should be retained. In addition, most libraries did not express dissatisfaction with the requirements for receiving State aid. For example, one library stated that "it is fairly easy to meet the requirements for receiving State aid - - they are part of good library practice." Similarly, several other libraries noted "they were satisfied with the local requirements, because they help encourage local responsibility." In addition, almost all other states maintain similar requirements and library practices. Finally, most libraries noted that the requirements concerning maintenance of effort and 50 percent of the median have continued to encourage and promote local expenditures and provide important leveraging tools for libraries with their local governments.

### **Components of Current Formula**

In addition to promoting public library service, the current funding formula is also designed to encourage standards, and the formation of regional libraries. Effective July 1, 1992, the formula for State aid has provided for the allocation of grants based on the following factors:

- Forty cents for every dollar expended, or to be expended, exclusive of State and federal aid, by the political subdivision or subdivisions operating or participating in the library or system. The grant to any county or city shall not exceed \$250,000.
- In addition, a per-capita grant based on the population of the area served and the number of participating counties or cities: Thirty cents per-capita for the first 600,000 persons to a library or system serving one city or county,

and an additional ten cents per capita for the first 600,000 persons for each additional city or county served. Libraries or systems serving a population in excess of 600,000 shall receive ten cents per-capita for the excess.

- Finally, a grant of ten dollars per square mile of area served to every library or library system and an additional grant of twenty dollars per square mile of area served to every library system serving more than one city or county.

Exhibit 3 details how the distribution of State aid is calculated for a regional library. In addition, a more detailed examination of the components of the library formula is located in Appendix G.

**Local Government Expenditures.** The local expenditure portion of the formula encourages localities to combine units of service into regional arrangements. By doing so, a regional library can receive a 40 percent match, up to a maximum of \$250,000 in State aid for each locality that contributes to the regional library. The local funding portion of the State funding formula encourages localities to join into regional arrangements. In addition, the local expenditure portion of the current State funding formula essentially rewards those localities that contribute more resources to their libraries. However, the local expenditure component does not address a locality's resources or relative ability to fund library services. In other words, the current local expenditure portion does not take into account the economic condition of participating localities.

The State will contribute forty cents for every dollar, excluding any federal or State funding, that a political subdivision spent on public library operations two years prior to the current fiscal year. Capital and construction expenditures by local governments are not reflected in the calculations for State aid. State aid is calculated against annual operating expenditures made by localities. The grant to any county or city cannot exceed \$250,000. In the case of regional libraries, each participating political unit can receive up to \$250,000 at a rate of \$0.40 for every local dollar expended. In other words, a library system can receive the maximum of \$250,000 in State aid for each participating locality that contributes in excess of \$625,000. This means that if a regional library has three political units that each contribute \$625,000, that library can receive \$750,000 in State aid for the local expenditure portion of the formula. The \$250,000 cap on the local expenditure portion of the formula has been in place since 1990. Previously, the maximum for this component of the formula was \$150,000. Some library directors noted that, once they are capped on any component of the formula, State aid ceases to be a useful leveraging tool for acquiring local funds.

For Fiscal Year 2002, the \$250,000 local expenditure cap impacts 31 libraries. Eight county libraries are capped: Arlington, Chesterfield, Fauquier, Henrico, Loudoun, Roanoke, Washington, and York Counties. Thirteen city libraries are also affected by this cap: Alexandria, Chesapeake, Falls Church, Hampton, Lynchburg, Newport News, Norfolk, Portsmouth, Richmond City, Roanoke City, Staunton, Suffolk, and Virginia Beach.



<b>Exhibit 3</b>		
<b>Steps in Calculating Total State Aid, Using the Jefferson Madison Regional Library as an Example</b>		
<b>Step 1 - Local Expenditures Grant Calculations</b>		
5 localities contribute to Jefferson Madison Regional Library		
<u>Localities Served by JMRL</u>	<u>Total Expenditures</u>	<u>40 Cents per Dollar of Local Expenditures Up to \$250,000</u>
Charlottesville	\$889,927	\$250,000
Albemarle	\$1,826,051	\$250,000
Greene	\$136,070	\$54,428
Louisa	\$180,637	\$72,255
Nelson	\$147,479	<u>\$58,992</u>
<b>Total</b>		<b>\$685,675</b>
<b>Step 2 - Per Capita Grant Calculations</b>		
Jefferson Madison Regional Library serves a population of 173,500		
30 cents per capita for serving one locality (0.30 x 173,500)		\$52,050
10 cents per capita for serving each additional locality ((0.10 x 173,500) x 4)		<u>+ \$69,400</u>
<b>Total</b>		<b>\$121,450</b>
<b>Step 3 - Mileage Grant Calculations</b>		
Jefferson Madison Regional Library's service area covers 1,861 square miles		
\$10 per square mile for serving one locality (10 x 1,861)		\$18,610
\$20 per square mile for serving additional localities (20 x 1,861)		<u>+ \$37,220</u>
<b>Total</b>		<b>\$55,830</b>
<b>Step 4 - Final Calculations</b>		
Step 1 – Local Expenditures Grant		\$685,675
Step 2 – Per Capita Grant		+ \$121,450
Step 3 – Mileage Grant		+ \$55,830
LVA Formula Adjustment*		<u>+ \$1,267</u>
<b>Final State Aid for JMRL</b>		<b>\$864,222**</b>
* LVA redistributes the funds from libraries penalized for not having a certified librarian on staff to the remaining libraries.		
** This figure assumes libraries receive full funding.		
Note: For a more detailed explanation of the State library funding formula, see Appendix G.		
Source: JLARC staff analysis of Library of Virginia Finance Division Staff, funding data for FY 2002.		

Regional libraries can receive up to \$250,000 for each political unit served. There are currently ten regional libraries that have political units contributing in excess of \$625,000 and are restricted by the formula to a maximum grant of \$250,000 per jurisdiction: Bedford, Blue Ridge, Central Rappahannock, Fairfax, Jefferson-Madison, Lonesome Pine, Montgomery-Floyd, Pamunkey, Prince William, and Williamsburg.

**Population.** Per-capita grants, employed by many states, including Virginia, recognize that there are costs associated with providing materials and services across highly populated areas. The State will contribute thirty cents per-capita for the first 600,000 persons served in a single city or county. For those libraries that serve more than one city or county, the State will contribute an additional ten cents per capita, up to 600,000 persons. Libraries or systems serving a population in excess of 600,000 shall receive ten cents per capita for the excess. Currently, the Fairfax County Library, serving a population of close to one million people is the only library system in the State that serves an area with a population greater than 600,000. Other than Fairfax, the only other library currently approaching the population cap is Virginia Beach, with a population of 421,000. Every qualifying library serving an area with a population less than 5,000 will receive its proper proportion or share, but not less than \$400.

**Service Area.** Land area is a measure commonly used by states, including Virginia, to measure the service area of a library. Square mileage represents the amount of land area that must be covered in order to provide patrons. Providing library services across many miles has a variety of inherent costs, most obviously providing physical access to materials and services. Also, libraries that cover a large land area often need to provide multiple facilities, branches, and bookmobiles. As the formula provides an additional \$20 per square mile of area served to each library serving more than one city or county, the square mileage component in the formula rewards and encourages areas to join larger units of service.

As noted previously, the State will contribute ten dollars per square mile for any single political subdivision. Libraries and systems that serve more than one county or city will receive an additional twenty dollars per square mile. This component encourages the formation of regional libraries. A goal of the State Library Board is to ensure adequate library service for every citizen in Virginia. By joining with other localities, counties, cities, and towns can enhance their funding and potentially provide more efficient or additional services to their residents.

Most states use at least one of the funding drivers contained in Virginia's State funding formula. However, Virginia is somewhat unique in using a combination of three drivers in its formula. This combination of drivers distributes funding in a way that addresses population, geographical size, and local spending. The bonus in the formula for square miles served provides funding for those libraries spanning many square miles. Providing a grant for population allows libraries that may cover few square miles but have a dense population to benefit. The local spending component of the formula serves as an incentive to encourage local funding of public libraries.

For most libraries, State aid serves to support basic library services. Similarly, the design of Virginia's current funding formula addresses legislative intent - - the encouragement of larger and more economical units of service and the maintenance and development of proper standards. In addition, the components of the formula address the wide variety in and range of public libraries as well as their diverse demographics. Overall, the formula's components serve public libraries and the public well. The State aid formula rewards cooperation, local effort, and recognizes geographical differences. In addition, the formula increases access to public library services. However, the current formula does not recognize local needs and conditions, nor does the formula address ability to pay. Chapter III will provide a more detailed discussion of ability to pay and possible funding options.

### **State Aid Per Capita**

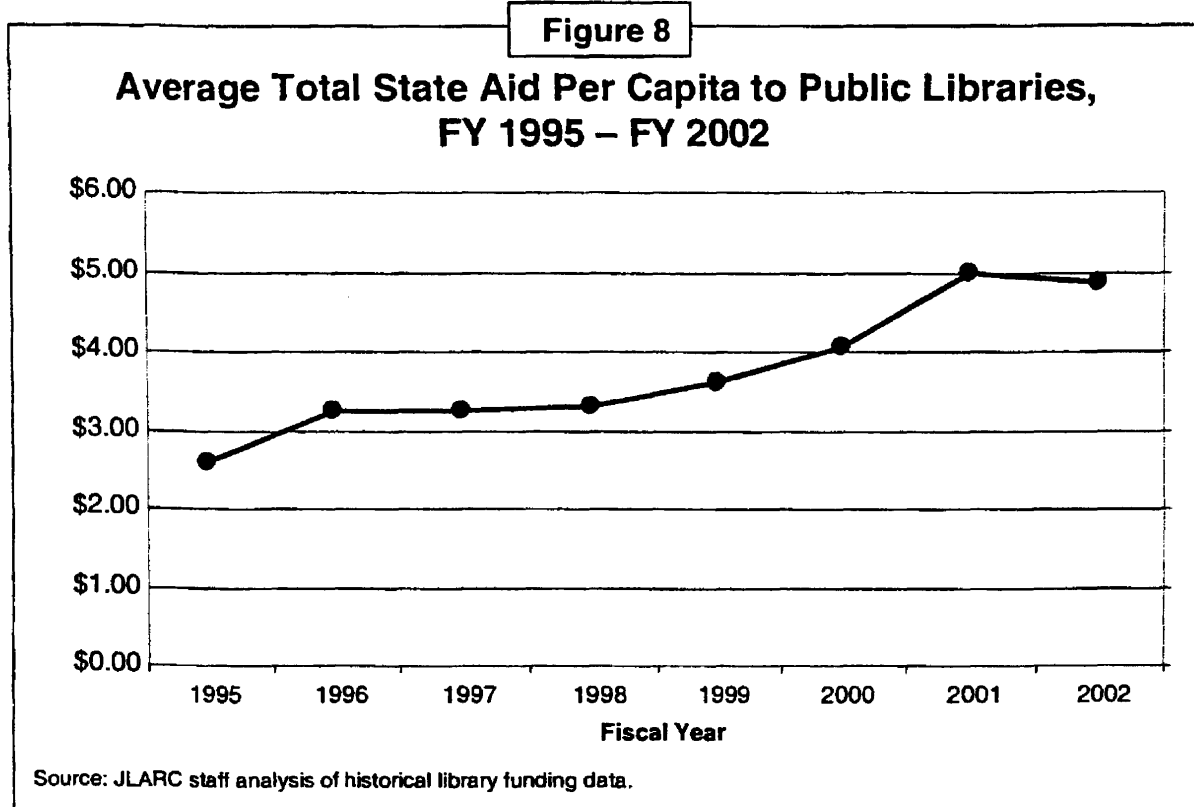
In examining the average State aid to local libraries on a per-capita basis, the team found that State spending has increased from \$2.61 per capita in Fiscal Year 1995 to an estimated \$4.94 per capita in Fiscal Year 2002. In Fiscal Year 2002, the smallest State aid grant will be an estimated \$0.79 per capita for the Fairfax County Library. Virginia Beach will receive \$0.87 per capita. The highest estimated grant per-capita to a library will be \$28.37 per capita for the Pearisburg Library. Pearisburg is a town library that serves a population of 2,128. In contrast, Fairfax is a regional library serving 962,800 people. Similarly, Virginia Beach is a city library serving a population of 421,000. Figure 8 depicts the continual increase of average State aid per capita since Fiscal Year 1995. In addition, Appendix F shows appropriated Fiscal Year 2002 State aid awards per capita. Much of this increase is due to the phasing in of full funding of the State aid formula.

The phase-in of full funding began in Fiscal Year 1999 and was scheduled for completion by Fiscal Year 2001. For the most part, full funding has been achieved. However, appropriations in Fiscal Year 2002 are slightly less than the total amount necessary to fully fund the formula.

### **Full Funding**

Although the State aid formula in its current form was established in 1970, libraries have rarely experienced full funding of the formula. Full funding of the formula has been achieved only twice: in the 1980s and in Fiscal Year 2001. Prior to full funding, library directors worked with the General Assembly to promote the additional resources needed to fully fund the State aid formula. Prior to full funding, libraries would not know the amount of the State aid grant that they would receive. From year to year, economic conditions and competing priorities would determine the State aid appropriation.

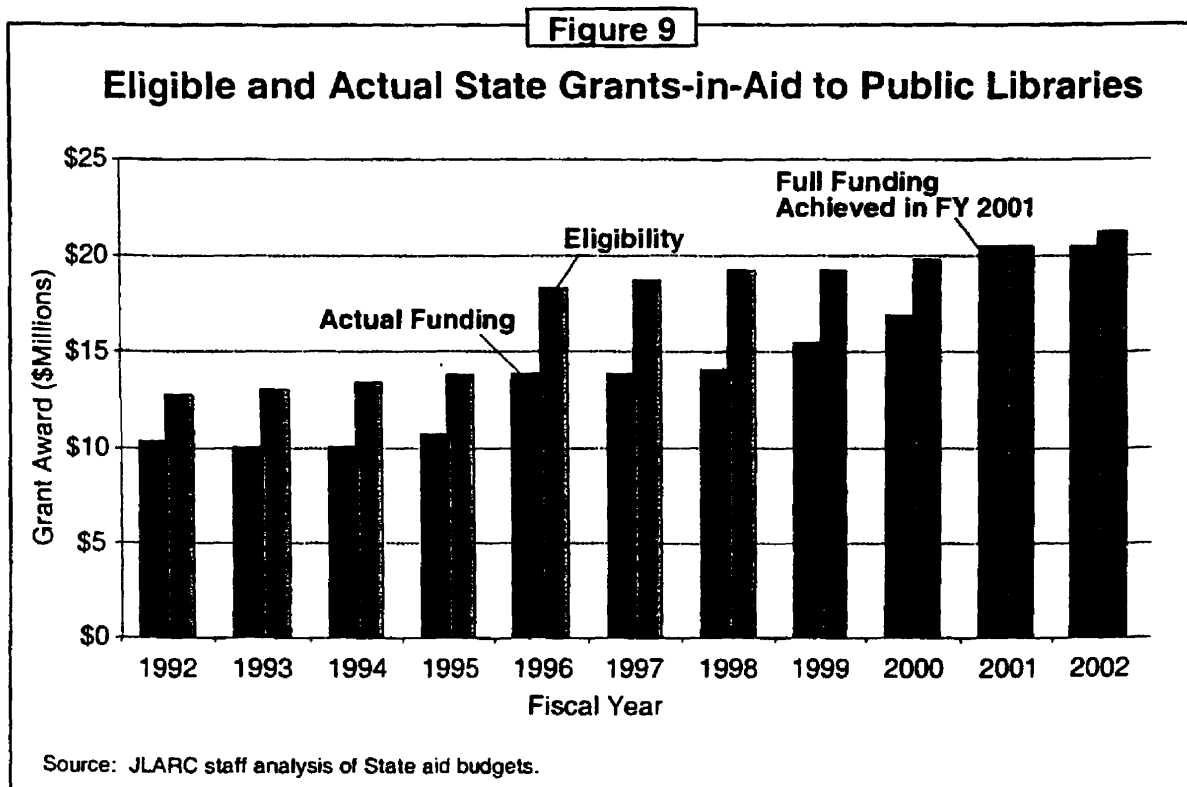
In 1970, passage of the funding bill would have required \$3.2 million dollars to fully fund the formula. In actuality, libraries received only \$400,000 in appropria-



tions that year. Each library received only 20 percent of the money for which it was eligible. A significant gap existed between the funds for which libraries were eligible under the formula and the actual dollars appropriated. In the event that the General Assembly does not appropriate sufficient funds for libraries, the *Code of Virginia* dictates that the amount each library receives must be prorated. Each library receives the same percentage of aid that they would have received under full funding. Over time, the gap between eligibility and actual funding narrowed. Prior to Fiscal Year 2001, full funding was achieved only once in the late 1980s. Through a series of legislative initiatives, Fiscal Year 2001 State aid funding increased to \$20.4 million, thereby once again achieving full funding of the State aid formula. Figure 9 illustrates the amount of eligible funds versus the actual amount appropriated for Fiscal Years 1992-2002.

### Changes to the Formula

Since the inception of the formula, there has always been some discussion surrounding the population and expenditure caps. While the population cap has remained constant since the formula's initial passage, the local expenditures component of the formula was increased in 1990. Recently, some discussion has once again been renewed among library directors regarding an increase in or the removal of the caps.



Making changes to these caps could potentially impact the amount of State funding received by nearly all of the local libraries and systems.

Assuming constant funding, the removal of the population cap in the formula would not positively impact the amount of funding received by the vast majority of libraries or library systems. Only one library system, Fairfax, serves a population in excess of 600,000 persons. As a result, Fairfax is the only library currently subject to the population cap. If the population cap were removed, Fairfax would be the only library system that would benefit from the change. Similarly, if the population cap were removed and the appropriation of State funds remained constant, the removal of the cap would decrease the amount of funding received by every library except Fairfax.

Many more libraries would be potentially impacted by changes to the local expenditure maximum (libraries may receive forty cents of state aid for every local dollar expended up to a maximum of \$250,000). Of the 90 libraries or library systems, 31 libraries have local expenditures in excess of \$625,000. Accordingly, these 31 libraries are capped at a maximum of \$250,000 in State aid for each locality contributing in excess of \$625,000 for the local expenditure portion of the formula. As noted earlier, the \$250,000 cap has been in place since 1990. Previously, the maximum for this component of the formula was \$150,000. As most libraries use State aid as a leveraging tool with their local governments, the caps serve to diminish the efficacy of this tool. As the \$250,000 cap has not been adjusted for inflation, more and more libraries

are affected by this cap. As a result, many libraries have reported either flat growth or simple inflationary increases by their contributing local governments. For many, State aid has not proportionally kept up with local expenditures.

In addition to concerns about the population and expenditure caps in the current formula, many libraries have indicated that local ability to fund library service and economic distress must be considered in the distribution of State aid. As noted earlier, the current State aid formula does not address economic conditions or ability to fund services. Chapter III will contain a more detailed discussion of various funding options, including an ability to pay component.

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### **III. Options for State Funding of Public Libraries**

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In order to provide State aid in the development of public library service throughout the Commonwealth, the State Library Board is authorized to distribute grants for the provision of library service. These State aid grants are distributed to local libraries and library systems based on a funding formula. The formula, set forth in §42.1-48 of the *Code of Virginia*, provides for the allocation of grants based on three factors: square miles served, population, and local expenditures.

Very few changes have been made to the library formula since its initial legislative passage in 1970. After 30 years, the formula's main components remain in place. For example, the funding amounts for square mileage and per-capita grants have not changed since 1970. In addition, the current population cap is the same per-capita maximum (600,000 persons) as was introduced in the 1970 legislation that proposed the new formula. In 1990, however, the match cap for local expenditures was changed from \$150,000 to \$250,000. Essentially, ten years have passed since any additional changes have been made to the formula.

Over time, the library community has raised a variety of issues related to the population and local expenditure portions of the formula. In addition, library directors have expressed concern about and placed a great deal of emphasis on the formula's adequacy in addressing local ability to fund library service as well as the equity of the current formula. In its current form, the formula does not address local economic conditions or local ability to fund services.

This chapter examines the population and local expenditure caps contained in the current formula. In addition, an examination of local ability to pay for library service is provided. Further, an illustrative funding option based upon ability to pay is provided.

#### **OVERVIEW OF THE VIRGINIA PUBLIC LIBRARIES' POSITION REGARDING THE PROVISION OF STATE AID**

While libraries have grown and changed dramatically since the State's first appropriation to public libraries in 1942, library directors have stated that the need to maintain and develop libraries, to improve standards, and to encourage more economical units of service continues to remain vital for the provision of quality services in Virginia's public libraries. Currently, the Commonwealth supports these goals through its provision of State aid. In interviews with library directors, JLARC staff found that most library directors agreed that the three main components of the formula were appropriate. For example, one library director told JLARC staff that:

Overall, the current formula works well, and provides a valuable source of funding, primarily for books and materials. Even the 'wealthy' libraries would be hurt without the State aid contribution.

Further, 97 percent of those who responded to the JLARC survey indicated that they were generally very satisfied or satisfied with the current formula. Only two library directors noted that they were dissatisfied with the current formula, and only one was very dissatisfied.

Full funding of the State aid formula was only recently achieved. As a result, Virginia's public library directors are wary of making any changes to the formula that could potentially reverse the gains that libraries have made through the achievement of full funding. In letters to JLARC, both the Virginia Library Association (VLA) and the Virginia Public Library Director's Association (VPLDA) stated that they endorsed the historical purposes of State aid, but could not support any changes made to the formula that would result in the loss of funding to any library or system. In addition, both organizations argued that any change to the variables or caps considered in the funding formula should be accompanied by or linked to increased funding. Appendix H contains the letters sent to JLARC by VLA and VPLDA.

While neither of these associations expressed dissatisfaction with the square mileage component of the State aid formula nor the funding for regional systems, both VLA and VPLDA discussed the importance of considering ability to pay in any changes that may be made to the formula. Further, VLA and VPLDA noted that the population and local expenditures components of the formula required review. In their letters to JLARC, VLA and VPLDA also noted that State aid has always served to support the basic on-going operational needs of public libraries, not unique or one-time events. While there may be a need for funds to support construction, buildings are not needed annually or by every community. Access to service, not necessarily through a physical building or structure, has always been an essential tenet of State aid. The Commonwealth of Virginia does not currently provide funding for construction in public libraries through its State aid formula. The Commonwealth also provides funds for technology initiatives outside of the State aid formula. As technology funding is not generally considered an operational expense and not needed on an ongoing or continuing basis, resources needed to support technology initiatives may be considered analogous to a capital outlay process. In addition, VPLDA stated, "New services based on technology also offer opportunities for all libraries, not just public libraries, to increase collaborative or resource-sharing efforts." If technology funding were included in the State aid formula, it might limit the enhancement or development of these new types of initiatives. In interviews with JLARC staff, library directors noted their strong preference for keeping technology and construction funding separate from State aid. Similarly, VLA and VPLDA support the maintenance of separate funding for construction and technology from State aid. In addition, VPLDA stated, "...the current State aid program should remain focused on providing or enhancing traditional library services." Technology and construction funding is discussed in more detail in Chapter IV.



## ASSESSING OPTIONS FOR CHANGES TO THE LIBRARY FUNDING FORMULA

The study mandate for the JLARC study of the library funding formula directs that the review examine the equity of the formula. Emphasizing vertical equity requires that libraries or library systems in different circumstances be treated differently. In turn, horizontal equity requires that libraries or systems in the same circumstances be treated equally. For example, emphasizing horizontal equity would imply that all library systems should have the same amount of per-capita or square mileage funding allocated to them. In contrast, heavy emphasis on vertical equity implies that localities with the greatest economic need should have more State funding allocated to them. In order to achieve free quality library service for all citizens of the Commonwealth, a balance must be achieved between horizontal and vertical equity. This section will deal with the removal of or changes to the expenditures components of the State aid formula.

### Impact of Changing the Per-Capita and Local Expenditures Grants

While the population cap has remained constant since the formula's initial passage, the local expenditures portion of the formula was increased in 1990. Over time, concerns have arisen from the public library community about the caps contained in the formula. In addition, the study mandate requires JLARC to consider the population and expenditure components of the State aid formula.

**Per-Capita Grants.** Virginia's use of a population component is not unique. Per-capita distribution methods recognize that there are costs associated with providing materials and services across highly populated areas. Many other states have some type of per-capita method of distributing aid to libraries. However, in those states that use population as a basis for determining aid, limits for localities are not imposed.

As noted previously, the State aid formula provides funding on a per-capita basis based on the population that each library services. This grant pays 30 cents per capita for each locality up to 600,000 persons served. Regional libraries, serving more than one locality, are paid an additional ten cents per capita for up to 600,000 persons for each additional city or county served. Libraries serving more than 600,000 persons receive only ten cents per capita for persons in excess of the cap. Fairfax County Library, serving a population of 962,800, is the only library serving more than 600,000 persons. While Fairfax serves approximately 14 percent of the State's population, it receives slightly less than four percent of State aid.

The current population cap is the same per-capita maximum (600,000 persons) as was introduced in the 1970 legislation that proposed the new formula, and has not been adjusted since to account for population growth. In 1970, when the formula was established, Fairfax County's population, then 455,032 persons, was the highest of any city or county in the State.

When asked whether the State aid formula should contain a population cap, responses were mixed with 51 percent (or 43 libraries) indicating yes, and 49 percent (or 42 libraries) indicating no. One city library director stated:

The current formula works and works well. It's not optimal, but it meets the needs of public libraries within the framework of the formula. However, the population cap needs to be discarded. Because the State is growing, it just doesn't make sense to set an arbitrary population limit. This doesn't take into account areas that are growing, and areas that are not growing. At certain times, some areas may need more dollars, and some may need less. The formula should look at a more flexible way to account for population and normal economic growth.

In discussions with library directors, JLARC staff found that in theory most library directors did not oppose the removal of the population cap. For practical purposes and in light of limited resources, however, the same directors expressed concern that a removal of or adjustment to the population cap would yield a decrease in the amount of overall State aid they would receive. The VPLDA stated in its letter to JLARC that capping the population component of the formula "essentially penalizes localities for population growth." However, the VLA noted:

It is essential that slow growth areas receive appropriate funding to continue to meet the needs of their citizens and continue to improve library services to them. It is equally essential that fast growth areas, wherever they are located, receive appropriate funding to meet the demands of expanding service expectations.

Taking into account that Virginia's statewide population has grown 52 percent since 1970, a per-capita cap adjusted for population growth would be 913,065. Increasing the cap on the per-capita grant to account for population growth since 1970 would increase the cost of the FY 2002 State aid formula by \$93,923. Option B in Table 1 notes the impact that making such a change would have on the formula.

Nevertheless, employing a population cap within the per-capita component of the formula does not meet the conditions of horizontal equity. Emphasis on horizontal equity requires that all persons be counted equally. Accordingly, the 600,001<sup>st</sup> person should be treated or considered no differently than those within the base amount. As noted in Option C of Table 1, the complete elimination of the population cap would increase the cost of the FY 2002 State aid formula by \$108,843.

In the absence of increased funding for State aid, the removal of the population cap would negatively impact the amount of State aid received by all libraries except Fairfax County Library. As noted earlier, removing the population cap has caused concern on the part of many library directors. For example, one respondent to the JLARC library survey noted:

<b>Table 1</b>		
<b>Options for Modifying the Library Funding Formula</b>		
<i>FY 2002 Appropriation Funding: \$20,485,543</i>		
<b>Options</b>	<b>Total Funding</b>	<b>Increase from Current Funding Levels</b>
A. Full Funding	\$21,230,728	---
B. Increase cap on per-capita grant only (based on average population growth since 1970)	\$21,324,651	\$93,923
C. Remove cap on per-capita grant only	\$21,339,571	\$108,843
D. Increase local expenditures cap only (based on inflation since 1990)	\$23,897,574	\$2,666,846
E. Remove cap on local expenditures Only	\$62,380,184	\$41,149,456
F. Increase cap on per-capita grant AND Increase local expenditures cap (B + D)	\$23,991,497	\$2,760,769
G. Remove cap on per-capita grant AND Increase local expenditures cap (C + D)	\$24,006,417	\$2,775,689
Source: JLARC staff analysis of library funding formula for FY 2002.		

State aid should not reward just growth in population. The growth areas of the State are getting richer, sometimes at the expense of the struggling areas. My concern with the removal of the population cap is that when the pie is finite, the less affluent localities are going to take yet another hit.

While concerns may be valid, horizontal equity argues to remove the cap in the population component of the formula.

**Recommendation (1).** The General Assembly may wish to consider removing the population cap contained in the current funding formula. However, in order to ensure that other libraries are held harmless by this change, some additional funding will need to be appropriated.

**Local Expenditures Grant.** The local expenditure portion of the funding formula encourages localities to combine units of service into regional arrangements. In addition, the local expenditures portion of the library funding formula essentially rewards those localities that contribute more resources to their library. However, the local expenditures grant does not take into account a locality's relative ability to fund services. While not in the majority, several other states base library funding or a portion thereof on local expenditures. However, when other states use a local expenditures component in their state aid formulas, they do not employ caps. The cap in Virginia's formula serves as an aid to ensuring that State aid funds are more evenly distributed.

Since there is no legal requirement for localities to fund library service, it could be possible for some libraries to receive no financial support from their local governments, even if the local governments have a relatively high ability to pay. However, the current formula and its requirements discourage this potentiality by requiring that State aid cannot exceed local dollars expended. In addition, local expenditures must be equal to or greater than the amount expended the prior year. Local operating expenditures must also be at least 50 percent of the median statewide local operating expenditures per capita, two thirds of which must come from taxation or endowment. Therefore, if a library does not provide any support or reduces the amount of its support to its public library, the library cannot receive State grants-in-aid. Similarly, the local expenditures portion of the State aid grant serves as a leveraging tool for libraries and as an incentive to encourage local jurisdictions to fund library services.

The local expenditures component of the formula pays libraries 40 cents for every dollar spent in the fiscal year two years prior to the current Fiscal Year, up to a maximum State expenditure of \$250,000. For county, city, and town libraries that serve only one jurisdiction, the locality's reported expenditures are multiplied by 40 percent, and the resulting figure is capped at \$250,000, if the result exceeds that amount. For regional libraries, which consist of multiple of jurisdictions, each locality's contribution is multiplied by 40 percent and then the cap is applied to each participating locality. By considering regional library expenditures according to individual local contributions, the formula does not penalize localities for working together to provide services.

When asked if the State should retain the current \$250,000 cap on the amount of local expenditures that the State will match, 60 percent of respondents to the JLARC survey indicated that the cap should not be retained. However, two libraries impacted by the cap noted the following to JLARC staff:

There is not one formula that is going to be perfect. However, the current formula is one that has worked and worked well for us. Although we are capped on the local expenditure portion of the formula, we do not have a real problem with the cap.

\* \* \*

Short of the local expenditure cap, we haven't really been disadvantaged by the funding formula. We wouldn't necessarily support a removal of the cap, because that would just increase what the big libraries get.

During interviews, JLARC staff also found that many library directors were concerned that if the cap on local expenditures were removed from the State aid formula, their overall State aid would be reduced. In some cases, libraries were so far away from reaching the cap, they were unaware that a cap even existed. For FY 2002, the local expenditure portion of the formula caps 31 out of 90 libraries.

As noted previously, the local expenditures' cap was increased in 1990. Since that time, the cap has not been adjusted for inflation. In order to recognize the increasing costs of providing library services, one option is to increase the cap based on the rate of inflation since 1990. Using the Consumer Price Index from November 1990 through November 2000, the average annual rate of inflation was 3.0 percent. Multiplying \$250,000 by 3.0 percent and compounding it for ten years derives a new cap of \$335,979. As shown in Option D of Table 1, if the cap were adjusted for inflation and the new cap employed, the cost of funding State aid for FY 2002 would be \$23,897,574 or \$2,666,846 more than the current formula amount.

Another option is to remove the local expenditures cap in its entirety. Thus, the contributions of all localities and libraries would be equally recognized. However, localities contribute widely varying amounts of local funds to their libraries and the size of operation varies enormously. Complete removal of the cap on local expenditures would approximately triple the cost of State aid for FY 2002 by raising the total to \$62,380,184.

In order to fund the removal of the cap on local expenditures, the Commonwealth would need to commit substantial new resources. If such a commitment were to take place, only 31 libraries would benefit from the change. The remaining libraries would not experience a change. However, if additional resources were not committed to State aid to fund the removal of the local expenditures cap, all libraries would be impacted with nearly two-thirds experiencing negative impacts.

While resource limitations make complete elimination of the local expenditures cap economically infeasible, the increasing costs of providing library services need to be recognized. This could be accomplished through periodic review of the local expenditures component of the formula. If additional resources were available, a less costly option would be to increase the local expenditures cap based upon inflation since 1990.

**Recommendation (2).** The General Assembly may wish to consider adjusting the local expenditures component of the formula for inflation. In future years, the local expenditures cap could then be tied to the Consumer

**Price Index (CPI).** In addition, the Library of Virginia should complete a periodic review of the local expenditures component of the State aid formula, conducted at least every ten years.

Table 1 provides a summary of the options related to changing the population or local expenditure caps in the formula, or both. In addition, Appendix I shows State Aid for each of the 90 libraries for each Funding Formula Option listed in Table 1.

### **LOCAL SPENDING ON LIBRARIES AND LOCAL ABILITY TO PAY**

One aspect of funding equity is to examine whether there is a relationship between local ability to fund library services and local spending. For purposes of this analysis, revenue capacity serves as the measure of local ability to pay. Essentially, revenue capacity measures the revenue-generating capacity of a locality, if statewide average tax rates are applied to each tax base.

More specifically, revenue capacity gauges the degree of jurisdictional affluence and, at one and the same time, indicates the collections that a locality could anticipate from taxes, service charges, regulatory licenses, privilege fees, and various other governmental revenue sources (i.e., potential revenue) if the jurisdiction imposed levies on its resource bases at statewide rates of extraction.

The revenue capacity methodology, employed by the Commission on Local Government, isolates six resource bases that capture, directly or indirectly, aspects of private sector affluence, which local governments can tap in financing their programmatic objectives. These resource bases include the real property tax, the public service corporation property tax, the tangible personal property tax, the motor vehicle license tax, and the local option sales tax. The measure also includes a residual dimension that encompasses all other instruments for the generation of own-source revenues.

As applied to any given jurisdiction, the computational procedure rests centrally upon the multiplication of each resource-base indicator (for example, real property true valuation or adjusted gross income) by the associated statewide average rate of return—that is, the revenue yield to all county and city governments per unit of the stipulated resource. Once the full set of jurisdictional wealth dimensions has been covered by this weighting operation, the six resulting arithmetic products are added to generate a cumulative measure of local capacity, the magnitude of which is then divided by the population total for the designated city or county. The latter calculation produces a statistic gauging, in per-capita terms, the collections that the target jurisdiction would realize from taxes, service charges, regulatory licenses, fines, forfeitures, and other potential revenue sources if local public officials established resource-based levies at statewide average values. Accordingly, revenue capacity was selected as the most appropriate way to represent local governments' ability to pay.

Several measures of local economic condition, as it relates to local ability to pay for library services, are available and were considered during this analysis. The three measures that are most often cited are: local poverty rate; the local per-capita income; and the local revenue capacity measure. Poverty rate is a measure of local economic condition used by the Gates Foundation, and its primary advantage is that it is computed for localities nationwide. Likewise, local per-capita income has also been estimated nationwide. However, revenue capacity more directly measures local governments' ability to generate revenue, because it measures resources that are available to Virginia localities. Therefore, among the three measures, revenue capacity appears to be the most appropriate way to represent local governments' ability to pay for libraries.

The library jurisdictions' per-capita revenue capacity can be derived from the corresponding localities' revenue capacity and population estimates. In the case of a local library from a single city or county, that locality's revenue capacity is divided by its population estimate. In the case of a regional library, the revenue capacities of its localities are summed, which is then divided by the sum of their populations.

In the case of the two town libraries serving the citizens of Giles County, a scale of operation proxy (described below) deals with how one town library serves one part of the county and the other serves another part, and how costs would be apportioned. Overall, Giles County's per-capita revenue capacity applies to both libraries as a meaningful representation of relative local ability to pay for library service.

For this project, the most recent revenue capacity numbers from the Commission on Local Government's *Report on the Comparative Revenue Capacity, Revenue Effort and Fiscal Stress of Virginia's Counties and Cities 1997/98* are used. An adjustment to local ability to pay measures that take into account local tax bases, such as the revenue capacity measure, may be needed in the future to reflect State reimbursement of personal property tax revenues. This possible adjustment to the local ability to pay measures is currently being explored by another JLARC study, which will be presented later this year. Since the revenue capacity numbers are derived from 1997/98, the first year of car tax removal implementation, the impact of the State car tax reimbursement on local revenues was minimal. Accordingly, for this study, no changes to the revenue capacity measure are assumed. In addition, this analysis was based on library expenditure data provided by the Library of Virginia to JLARC as of June 11, 2001.

In performing this analysis, JLARC staff found that in examining all libraries together, local spending appears to have some, but not a very strong, association with revenue capacity. But when city, regional, and county libraries are compared as separate groups, more striking results emerge: (1) on a per-capita basis, cities tend to spend more on libraries (compared to counties), despite their lower revenue capacities; and (2) within each separate group (that is, cities, regionals, and counties), the association between local expenditures and revenue capacity is much stronger.

## Starting Assumptions

The first decision for the analysis was whether to examine total expenditures and total revenue capacity, or whether to standardize spending and revenue capacity on a per-capita basis. These variables were standardized on a per-capita basis, because the associations between total dollar amounts and revenue capacity were very strong, but not very enlightening. For example, Fairfax County Library would always rank at the high end on all measures, because that library serves approximately 962,000 people. Highland County Library, with a population of 2,500, would always rank at the low end. Accordingly, looking at the numbers and examining their associations on a *per-capita* basis would be less predictable and more revealing.

The other key decision was to focus more on a disaggregated analysis. A one-size-fits-all regression analysis did not yield very meaningful results. But disaggregating the data by groups (city, regional, and county libraries) and comparing differences between groups, and then focusing on associations within groups, told a more revealing story.

### Between-Group Differences: Cities Try Harder

Aggregated across all jurisdictions, the overall median per-capita spending on libraries for FY 2002 is \$11.95 (the mean is \$16.29). At the same time, the median per-capita revenue capacity is \$1,139.99 (the corresponding mean is \$1,213.78).

But when these jurisdictions are disaggregated (by city, regional, county, and town libraries), a striking contrast emerges, as shown in Table 2. Compared to regional and county library jurisdictions, the cities (and the two town libraries in Giles County) are typically spending substantially more per capita on their libraries, even though their revenue capacities are typically lower. This finding appears regardless of

Type of Jurisdiction	n	Medians (\$)		Means (\$)	
		Per-Capita Spending	Per-Capita Revenue Capacity	Per-Capita Spending	Per-Capita Revenue Capacity
City	22	19.27	1,058.11	24.74	1,124.48
Regional	25	11.61	1,162.11	14.40	1,201.75
County	41	9.56	1,12.86	11.02	1,279.41
Towns	2	55.11	1,001.01	55.11	1,001.01

Source: JLARC staff analysis library spending data provided by the Library of Virginia and revenue capacity data provided by the Commission on Local Government.



whether medians are used (because they are less sensitive to outliers on the high side), or means (which tend to be higher because they are including the values of the outliers).

### Within-Group Associations Between Spending and Revenue Capacity

Examining the data on a disaggregated basis also reveals a stronger association between spending and revenue capacity, compared to when the data are aggregated. As shown in Table 3, when aggregating all 90 observations, the data show a substantial, but not very strong, association between revenue capacity and spending. The correlations were done using both raw data and log-transformed data, and the same basic pattern emerges either way. The log-transformation was used to spread the data values more evenly, in case outliers on the high end had an undue influence on the correlations. As shown in Table 3, when the data are disaggregated (by city, regional, and county library jurisdictions), the association between revenue capacity and spending is generally much stronger.

### Implications for the Library Funding Formula

The between-group differences and within-group associations indicate which localities would benefit more from different components of a funding formula. The spending-match component benefits cities more than counties in general, because they tend to spend more on their libraries out of relatively smaller revenue capacities.

However, the strong within-group associations between spending and revenue capacity show that the spending-match component would also provide more funding to localities with higher revenue capacities. This effect could be offset in part by an adjustment to the formula for low local ability to pay (represented by per-capita revenue

	n	Correlations ( <i>r</i> )	
		Raw Data	Log-Transformed Data
Total	90	.42	.30
City	22	.80	.72
Regional	25	.56	.52
County	41	.67	.58

Source: JLARC staff analysis of library spending data provided by the Library of Virginia.

capacity). Such an adjustment (like the one illustrated in the next section) could benefit a substantial number of regional and county libraries as well as city libraries.

### **ADJUSTMENT TO THE FUNDING FORMULA FOR LOCAL ABILITY TO PAY**

The study mandate for the JLARC review of the library funding formula specifies: "The review should recognize and consider...the ability of local communities to fund library services..." In order to address "ability to fund," a clearly defined, consistently reported, measurable, and objective standard must be developed. In addition, this standard needs to reflect and address changing economic conditions. In other words, any standard or criteria developed or employed to address a library's ability to fund services should not remain static.

The VLA and the VPLDA support the provision of additional resources for economically distressed communities or recognition of ability to pay or fund library services. During interviews and discussions with JLARC staff, a number of library directors stated that there should be some need-based funding available to libraries. For example, one library director noted: "There is a feeling that State aid should be used to level the playing field, especially for those with a small tax base." With respect to how the distribution of such need-based funding would be accomplished, these directors considered a supplement, based on certain factors, an appropriate method. While discussing the possibility of including an ability to pay component in the State aid formula, one library director explained:

The bigger issue lies in determining eligibility. It can't be based simply on a drop in population—our population is declining but the unemployment rate is still low. A complete analysis of economic conditions must be accounted for.

A way to represent economic need is through a measure of local government ability to pay. The assumption or basic premise here is that libraries located in local jurisdictions where the local governments have relatively greater ability to generate revenues have an economic advantage. The advantage is that these local governments can better afford to provide funding for library services. Taken a step further, local support for libraries could be considered somewhat analogous to local support for school divisions: local libraries whose jurisdictions include local governments with higher ability to pay should be expected to rely more upon local funding, so that more State grants-in-aid could be distributed to localities with lower abilities to pay.

#### **Adjustment for Local Ability to Pay as an "Add On"**

There are two ways an adjustment to the formula for local ability to pay can function. One method is to redistribute funds from localities with higher revenue ca-

capacities to localities with lower revenue capacities. As noted previously, this approach would meet considerable resistance from local library directors. In their February 28, 2001 letter submitted to JLARC staff, the VPLDA stated: "VPLDA cannot support any changes in the formula that would result in less State dollars for any jurisdiction because of changes to the formula." Similarly, VLA stated: "...changes should not result in the loss of funding for any library or library system."

The other way is to provide a mechanism for distributing supplemental (that is, additional) funds to localities with lower revenue capacities. The supplemental approach would allow the State aid formula, considered vital by public libraries, to remain essentially the same. In addition, should State resources available for libraries decline, any potential cuts to the supplement would not impact formula-based State aid. This "add-on" approach is the one used by JLARC staff in developing this illustrative funding option.

There are two main components to the proposed "add-on" formula: (1) a "size of operation" proxy, and (2) a factor representing low local revenue capacity. The "size of operation" factor is multiplied by the "revenue capacity" factor.

**Size of Operation.** This factor is necessary to take the scale of the library operation into account. Otherwise, a very small one-locality library (for example, Clifton Forge Public Library, which serves a population of 4,300 and covers a land area of 3 square miles) may receive more money to compensate for lower local revenue capacity than would a much larger regional library (such as the Lonesome Pine Regional Library, which serves a population of 108,500 and covers a land area of 1,717 square miles).

This factor represents each library's scale of operation, as determined by the population and land area served by the local jurisdiction. It consists of:

- The "population grant" component of the current library formula (which is roughly \$0.30 per capita to a library or system serving one city or county, plus an additional \$0.10 for each person in each additional county or city served by the regional library); and
- The "mileage grant" component of the library formula (\$10 per square mile for every library, plus \$20 per square mile of area served for regional libraries serving more than one city or county).

These two components are added together, as they are in the current formula. If so desired, different weights could be assigned to population in relation to local square miles.

**Revenue Capacity Factor.** Given each library's relative scale of operation, for a jurisdiction with relatively low revenue capacity, the size of operation factor is then multiplied by the revenue capacity factor. The revenue capacity factor takes into account how much lower the local per-capita revenue capacity is compared to a state-

wide baseline. The revenue capacity factor is defined as: [Median per-capita revenue capacity] divided by [Local per-capita revenue capacity].

The median per-capita revenue capacity was chosen as the statewide baseline, because half of the local library jurisdictions will fall above it and half below it. The statewide average revenue capacity was also considered as a baseline. Since more affluent localities are more heavily weighted in this measure, approximately 74 percent of the library jurisdictions fell below it.

The median per-capita revenue capacity is a constant, while the local per-capita revenue capacity varies from one jurisdiction to another. Consequently, the lower local revenue capacity is (compared to the statewide baseline), the higher the factor is. In this way, given a constant size of operation, the poorer a locality is (as represented by lower revenue capacity), the more funding it would receive under the proposed "add-on" adjustment.

## Policy Choices

There are two policy choices that must be made independently. These choices are:

- How many libraries should receive funding to compensate for low ability to pay?
- How much funding is available to compensate for low ability to pay?

***How Many Libraries Should Receive an Adjustment?*** A policy choice must be made regarding which libraries are not eligible to receive compensation for serving localities with relatively low revenue capacities. For example, the adjustment could be made for all jurisdictions with below median per-capita revenue capacity. This choice would spread out the funding to a larger number of jurisdictions, but the funding would be spread out more thinly. In contrast, a choice could be made to target the funding to the poorest jurisdictions more (such as the lowest quartile, or the lowest ten percent) on the per-capita revenue capacity measure.

***How Much Funding Is Available for Adjustment?*** Another decision relates to how much money will be available to be distributed using the adjustment. The proposed adjustment formula can be easily pro-rated, so that the statewide total can be any amount. For example, the option illustrated in Appendix J shows a total adding up to \$1,000,000. However, the statewide total could instead be specified as \$2,000,000 or \$500,000, or any other amount desired.

As shown once again in Appendix J, if the "add-on" adjustment were targeted to the lowest quartile based upon per-capita revenue capacity, eight city libraries, eight regional libraries, and five county libraries would receive funding. Providing this "add-

on” without an upper bound limitation would cost \$1,066,352. However, if funds available were limited to \$1,000,000, for example, the amounts that each library in the lowest quartile would receive would need to be prorated.

As shown in Appendix K, providing the “add-on” to those libraries that fall below the median for revenue capacity per-capita would cost \$1,698,331.

***Recommendation (3).*** The General Assembly may wish to consider addressing local ability to pay for library services by providing additional resources to fund a supplement or “add-on” to the State aid formula. This supplement would serve to address local ability to fund library services, which was not previously considered by the formula. If the General Assembly chooses to provide a supplement to the State aid formula, it will need to determine how many libraries will receive the supplement and the amount of resources it wishes to contribute toward funding the supplement.

The three drivers of the current State aid formula, population, square mileage, and local expenditures, should be maintained. These three drivers most effectively address the various situations localities may face. For example, the population element addresses the needs of small geographic areas experiencing rapid population growth. Conversely, the square mileage element assists large geographic areas that may be sparsely populated. The local expenditure component of the formula serves as a leveraging tool to encourage local governments to adequately fund public library services. In addition, the regional bonus available under the current State aid formula encourages local libraries to join together in order to achieve greater efficiencies and economies of scale.

However, the components of the current State aid formula appear to need updating, particularly in the areas of population and local expenditures. These changes will allow the formula to better address the current-day challenges facing localities in the Commonwealth. The population cap should be removed in order to ensure each citizen of the Commonwealth is equitably treated. However, removal of this cap should not take place unless additional resources are committed toward funding State aid to public libraries. In addition, the cap on local expenditures should be modified to include some type of inflationary increase, such as the Consumer Price Index (CPI). This change would best account for long-term economic changes taking place throughout the State.

While there has also been considerable debate regarding the ability of certain localities to adequately fund library services, this issue of ability to pay could be addressed through a supplement to the current State aid formula. Such a program should be based on a measure of a locality’s actual ability to fund governmental services, such as revenue capacity.



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## IV. Technology, Collaborative Efforts, and Construction in Virginia's Public Libraries

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In addition to the analysis of the State funding formula, the study mandate directed JLARC to examine three other issues related to public library services and funding:

- the impact of technological changes on library services, including but not limited to "*Infopowering the Commonwealth*," the strategic technology plan for public libraries;
- collaborative efforts among local libraries and government entities; and
- the inclusion of a construction component in the State aid formula.

In recent years, the role of public libraries has evolved from a home for books and other materials to a community resource center. Libraries have used technology and community partnerships to enhance and expand services for patrons. Library services are no longer limited to the contents of buildings; patrons can tap into library services from their homes, schools, and businesses.

At the same time, demand for traditional library services has not waned. Citizens still enjoy using the public library for leisure reading and other recreational purposes. As a result, the resources required of public libraries have been multiplied. Today's libraries need funding not only for traditional books and materials, but also for technology hardware and software, electronic information resources, increased staff expertise and training, and modernized buildings. This chapter details the current status of and challenges related to technology and construction efforts in Virginia's public libraries, as well as how libraries are using collaborative partnerships to meet some of these challenges.

### TECHNOLOGY FUNDING AND VIRGINIA'S PUBLIC LIBRARIES

The development of technology in Virginia's public libraries has become increasingly important in recent years. The need for an adequate supply of computers and other electronic resources to meet local demands created the need for a comprehensive technology plan for public libraries. This plan, called *Infopowering the Commonwealth*, has assisted public libraries in obtaining hardware, Internet access, public training labs, and some electronic databases. In addition, a major grant from the Gates Foundation helped public libraries install the appropriate infrastructure and hardware needed to provide patrons with electronic resources. Overall, the influx of technology in libraries has helped ensure that libraries throughout the State can provide patrons with the same types of electronic information resources.

However, the costs of providing technology are substantially higher than the costs of traditional library services, and some libraries risk falling behind if additional sources of funding are not provided. The implementation of the *Infopowering the Commonwealth (Infopowering)* strategic technology plan appears to have benefited a number of public libraries; however, budget cuts have been made to this program. Restoration of full funding of the *Infopowering* plan would help public libraries address the issues related to technology development and funding, as well as explore new technological initiatives.

### **Current Status of Technology Programs in Public Libraries**

Public libraries have long recognized the need for automated systems. A large number of public libraries implemented basic automation systems many years ago. These initiatives were directed primarily at automating traditional library systems, such as card catalogs. In recent years, however, librarians have identified the need to upgrade their technologies once again in order to harness the information resources available on the Internet.

***Infopowering the Commonwealth: A Strategic Technology Plan.*** The 1997 General Assembly appropriated funding for the *Infopowering the Commonwealth* strategic technology plan. The goal of this plan was to increase public access to electronic sources of information. These efforts began as a result of statewide surveys which indicated that the Commonwealth lacked a single infrastructure through which public libraries could gain access to the Internet. In 1998, there was approximately one computer for every 11,200 citizens in the 90 public library systems across the State. Additionally, staff at the Library of Virginia found that more than 60 percent of public, Internet-accessible computers were too old to provide adequate access to available technologies. The main thrust of the *Infopowering* program has been to install appropriate computer hardware and to obtain adequate connections to the Internet. After two years of implementing the *Infopowering* plan, 99 percent of public libraries responding to the JLARC survey noted that they provide Internet access to the public.

*Infopowering* was created as part of an effort to resolve some of the outstanding issues and costs associated with providing adequate access for all citizens to current, authoritative sources of information. The cost of implementing the first two years of the *Infopowering* initiatives has been \$1.625 million.

***Infopowering: The First Two Years.*** The first year of implementation for the *Infopowering* initiative began in FY 2000. At that time, \$500,000 was appropriated to fund the installation of Internet services in libraries where it did not exist. These funds were also used to replace some obsolete PCs in public libraries across the State.

Year two of *Infopowering* began in FY 2001. An appropriation of \$1.5 million was made in year two in order to continue installation of up-to-date computer hardware and software, as well as Internet access in public libraries. During year two of



*Infopowering* implementation, however, the Library of Virginia (LVA) was awarded a grant from the Gates Foundation, which provided funding for computer infrastructure upgrades in a large number of public libraries. Because the Gates grant largely eliminated the need for State infrastructure funding, the LVA modified the *Infopowering* program for year two into three other initiatives.

First, the LVA used \$350,000 to purchase a two-year, statewide license for the Electric Library electronic database. This purchase gave all public libraries free access to the resources available through the electronic database, the costs of which most libraries could not afford on their own.

Second, the LVA awarded \$231,867 in Training Lab Grants to the 17 library systems already receiving grants for training labs from the Gates Foundation. The LVA Training Lab Grants provided up to \$14,000 per library to cover the costs of wiring, installation, and furniture for the Gates labs. Since the Gates grant provided only hardware for the labs, the funds available through *Infopowering* provided a much-needed source of supplementary funding for public libraries receiving the training labs.

Third, the LVA set aside \$543,200 for a Partnership Grant program. This program, which was intended to extend the Gates grant program, provided grants to libraries serving populations with a poverty level of between five and ten percent. The eligible libraries could then use the funds to purchase computers, installation services, and technical support from the Gates Foundation. The Partnership Grant program funded the purchase of 252 new computers.

***Infopowering: The Future.*** After two years of implementation, the *Infopowering* initiative, along with substantial assistance from the Gates grant program, has assisted public libraries in creating an adequate infrastructure to support technology. The future of the *Infopowering* plan focuses on expanding the content available over the Internet, particularly in the area of electronic databases. In addition, the LVA hopes to expand access to such technologies beyond public libraries to include public schools, community colleges, and universities. However, budget cuts made to the *Infopowering* program may hinder the success of these future endeavors.

Initially, \$3.2 million was appropriated for year three of *Infopowering*, which begins in FY 2002. However, the Governor eliminated \$1.5 million in *Infopowering* funding as part of his March 12, 2001 budget cuts. As such, the LVA will operate year three of the program with a \$1.7 million appropriation. From these funds, \$37,400 will be used to complete the Partnership Grant Program for the Fairfax and Virginia Beach library systems. The remainder of the appropriation will be used to purchase licensing of additional electronic database resources, particularly a full-text periodical database.

The full-text periodical database is a cornerstone of the *Infopowering* initiative. The database would include full-text periodicals and links to web sites in areas of consumer interest. The database is meant to serve as a source of current, authoritative information. Staff at the LVA is currently conducting research to find a vendor that can provide such a resource, and a public Request for Proposals will likely be

issued by the fall of 2001. Emphasis will be placed on obtaining a license that may be shared with academic libraries, as a means of cost-sharing.

In FY 2003, *Infopowering* will enter year four of implementation. The goal of year four is to maintain current levels of service for public libraries, and also to expand services to other entities, such as public schools and institutions of higher learning. To maintain services to public libraries, the estimated cost of year four is \$3 million. An additional \$2 million will likely be needed to extend *Infopowering* services to other groups such as schools. The LVA would also like to appropriate some funds to create and expand public training labs in libraries, particularly in the Southwest and Southside regions of the State.

The final year of *Infopowering* begins in FY 2004. The goal of year five is to examine funding of a computer replacement program. The Gates grant program will provide technical assistance to participating libraries for two years; however, the Gates assistance ends in FY 2004. As such, the LVA hopes to use *Infopowering* funds to extend technical assistance to libraries, as well as to replace some older, less efficient computers. In year five, the LVA also plans to examine the feasibility of funding some type of statewide technology helpdesk that would provide public libraries with technical support.

***Additional Sources of Library Technology Funding.*** Libraries have also received funding for technology efforts from two additional sources. As noted previously, the Gates Foundation program provided technology grants to public libraries in Virginia and throughout the country. The federal government also administers the E-Rate telecommunication subsidy program.

Eighty-two percent of public library buildings in Virginia have been awarded technology grants from the Gates Foundation. The grants provided funding for computer hardware, software, wiring, training, and technical support for libraries serving populations with a poverty level of ten percent or higher. Through the Gates program, public libraries have increased public access to PCs, as well as to sources of information available on the Internet.

The Gates grant program provides cash grants to purchase computers, training, Internet connections, and technical support for eligible libraries. The actual amount of the grant award is based upon a library's service area population. Gates grant awards were distributed to Virginia public libraries in December, 2000. Eligible libraries in Fairfax and Virginia Beach received their grant awards earlier in the year. The total estimated grant award for hardware for Virginia's eligible libraries is more than \$3.9 million. When software, training, and technical support are factored in, the total estimated award from the Gates Foundation will be more than \$6 million.

The Gates Foundation uses a standard statistical methodology for determining eligibility for the grant program. First, the foundation uses a building-level statistical poverty indicator, called SPOV, to determine each library building's eligibility. Next, a statistical population indicator, called SPPOP, is determined for each building

to determine the amount of technology needed by that building. The outcome of these measures is a set of data indicating the total number of residents for a library building, and the percentage of people in poverty in the building's service area. If the percentage of people in poverty is above ten percent for a particular building, then that building is fully eligible for a grant.

In addition, the Gates Foundation performs an additional test for buildings that do not become eligible through the SPOV and SPOP analysis. In this test, a mathematical algorithm is used to determine if at least ten percent of the people living inside the exact radius of a particular building live in poverty. If a building passes this test, it is deemed eligible for a Gates grant. The exact radius of a building depends upon where that building is located: city locations have a radius of one mile; urban fringe locations have a radius of three miles; and rural locations have a radius of five miles.

Libraries may also participate in a federal telecommunications subsidy program, called the E-Rate fund. E-Rate subsidies were created as part of the Federal Telecommunications Act of 1996, which mandated universal access for all Americans not only to telephonic devices, but also to advanced communications and information systems. The E-Rate fund serves the purpose of providing affordable Internet and telecommunications access to eligible public schools and libraries. The level of the subsidy is based upon economic need and location. Currently, more than half of the State's public libraries participate in the E-Rate program.

**The Impact of Technology on Public Libraries.** During interviews with JLARC staff, most public library directors indicated that technology has enabled them to increase both the quantity and quality of information available to patrons. Technology has also helped library staff work more efficiently and effectively. In addition, several directors of the smaller library systems reported that *Infopowering* and other technology initiatives have allowed them to provide patrons with the same types of resources that were previously available only to the larger, wealthier library systems.

*One library director expressed that technology has been a "tremendous benefit" to the library. Automation has enabled staff to reduce tasks such as sorting and alphabetizing. As a result, the staff has more time to assist patrons. In addition, the resources available on the web have become a valuable reference tool.*

\* \* \*

*Another director illustrated how an increase in technology has expanded service options for patrons. Two years ago, the library had only one Internet-accessible PC. Recently, however, it has added additional PCs, including a special computer with handicapped access and special features for the blind and dyslexic. The library plans to expand the capabilities of its web site to enable patrons to check their accounts and use the card catalog from remote sites.*

\* \* \*

*The director of a rural, regional library system stated that technology has provided "an invaluable benefit" to the library. Technology has helped the library increase resources, as well as access a greater variety of information. This has helped to place the library on a "level playing field" with other wealthier communities.*

Since the advent of technology, many libraries find that they are able to reach out to a broader patron base. For example, the director of the Henrico County Library Systems stated that some residents of the western part of the county were "convinced that libraries were irrelevant" until the library got the Internet. The expansion of services available through technology has allowed libraries to reach patrons in a variety of ways.

Similarly, many libraries indicated that they have become a resource for school-age children. An increasing number of schools require that children use computers to perform research and complete homework. However, most school libraries close at the end of the school day. For children without computers in their homes, the libraries provide much-needed electronic resources that supplement those available at school.

Technology has also allowed libraries to present resources in a variety of formats, in order to better meet patron needs. For example, patrons of many library systems can access the card catalog from their homes via the Internet. This feature allows the library to be "open" around the clock in order to serve people at the time most convenient to them. In contrast, for citizens who do not have access to computers at home, the library provides a place to come and utilize technological resources that they may not otherwise be able to access. One library director told JLARC staff that libraries are the "perfect place to use technology to bridge the digital divide," because libraries have a natural role as a conduit for information.

### **Technology Has Created New Challenges for Libraries**

Technology has enabled public libraries to work more efficiently and provide a greater number of patrons with more comprehensive and current sources of information. However, technology has also brought unanticipated challenges to public libraries. Training staff and keeping up with the pace of technology have been particularly challenging to many library directors.

Ten of 14 library directors interviewed by JLARC staff cited staff training as one of the primary challenges technology has presented to their libraries. Demand for traditional library services is not decreasing, but instead is coupled with an increased demand for technological services. While technology provides patrons with valuable information resources, additional staff assistance is often needed to provide technical and reference support for computer users. In addition, library employees possess dif-

fering levels of technological sophistication and skills. As a result, library directors find it difficult to provide adequate training to enable staff to manage both traditional and electronic library services.

According to responses to the JLARC survey, however, libraries appear to be making significant progress in the area of staff training. Seventy-nine percent of responding libraries offer technology training to staff, and most libraries provide employees with training in basic use of the Internet, word and data processing software programs, and library reference services. As a result of training activities, a majority of library directors agree that their staff has the requisite skills to assist patrons with Internet access and research, word processing software programs, CD programs, and computers in general.

In addition to training issues, some public libraries have struggled to keep up with the rapidly changing pace of technology. Problems such as obsolescence of hardware, Internet connectivity issues, adequate logistical and technical support, and increasing costs have been a constant challenge to library directors. Further, the sudden influx of technology has forced libraries to re-examine their current budget structures in order to account for the recurring and increasing costs of technology.

### **Technology Initiatives in Other States Focus on Electronic Database Resources**

Virginia is not unique in providing technology funding to public libraries. A number of other states have implemented technology initiatives. Although a few of these programs provide one-time grant funds for infrastructure improvements, such as Internet connectivity, an increasing number of other states focus funding on the provision of statewide licenses for electronic databases.

JLARC staff found that of the 18 states that provide technology funding, eight provide state funding for electronic databases. Indiana, Maine, Minnesota, Missouri, Nebraska, North Carolina, Rhode Island, and Wisconsin all fund some type of statewide license for electronic database resources. In addition, Alabama, Georgia, Mississippi, and South Carolina provide access to statewide databases. Like Virginia, almost all other states received Gates funding for hardware, thereby reducing the need for state support of hardware and infrastructure to support technology. Other states have been able to focus state technology funding on more content-driven initiatives, such as electronic databases.

North Carolina has further enhanced its database licensing program to include a statewide help desk called *NC Live*. In addition to state funding of several electronic databases, the *NC Live* help desk provides a centralized source of technical and reference support for public libraries, private colleges, community colleges, and the North Carolina public university system. Staff at the Library of Virginia and some library directors have indicated an interest in examining the feasibility of providing a program such as *NC Live* in Virginia.

### **Most Public Libraries Appear to Benefit from Technology Initiatives, Particularly *Infopowering the Commonwealth***

*Infopowering the Commonwealth* appears to provide a valuable source of funding for the majority of public libraries. During interviews with JLARC staff, nearly all of the library directors indicated that *Infopowering* funds have enabled them to access new sources of information and expand services to patrons. In addition, a number of library directors stated that they would have been unable to afford such services on their own.

The Virginia Library Association (VLA) and the Virginia Public Library Directors' Association (VPLDA) submitted position papers to JLARC regarding library technology funding. Both organizations stressed the need for a separate stream of technology funds for public libraries, such as *Infopowering*, because it allows public libraries to maintain a focus on traditional library services while at the same time enhancing and expanding those services through technology. Without separate funding, budget constraints may force some libraries to choose between traditional and technological services.

Perhaps the most effective way that *Infopowering* funds can be used is in the procurement of a statewide license for various types of electronic databases. First, a statewide pricing structure for database licenses would yield more successful results than if individual libraries attempted to negotiate contracts alone. Even though procurement of a statewide license may require a more costly initial outlay of funds, over time it would be more cost-effective to purchase a license for the largest group possible. Second, the provision of electronic databases helps ensure that library patrons across the State have access to the same sources of current, authoritative information. Although there are a number of electronic databases available for libraries to purchase, the costs of individual licenses for these products are often well beyond the means of many libraries. Statewide licensing of electronic resources enables patrons of the Southside Regional Library to have access to the same quality of information as patrons of the Fairfax County Library system, without having to cut other services.

A number of library directors expressed their desire for a statewide database license during interviews with JLARC staff:

*Procurement of a comprehensive statewide database would help libraries provide resources that they could not afford on their own. Further, with the purchase of one comprehensive database, the library could take the money currently used to fund a number of separate databases and use it for other projects.*

\* \* \*

*One director stressed the need for electronic databases, stating that some materials are increasingly available only in electronic format. Databases enable libraries to extend services in a meaningful way. In*

*addition, the State can negotiate much better statewide pricing discounts than individual localities.*

\* \* \*

*Another director stated that it is a good priority to "raise the level of library technology statewide", so that everyone can access the same types of services.*

Respondents to the JLARC survey of public library directors also indicated a strong preference for the continuance of the *Infopowering* program, particularly in the area of electronic databases. Of the 90 respondents, 78 percent thought that *Infopowering* funds should be used to assist local libraries in the provision of content, rather than focus strictly on hardware and infrastructure needs. In addition, 46 percent of respondents listed software and databases as their most pressing technology need. For example, one director from the Montgomery-Floyd Regional Library stated that "the library has a real need for *Infopowering* money. The area has a lot of poverty, low SOL scores, and an overall disadvantaged tax base." Consequently, problems such as the 'digital divide' are even more real for them. Programs such as *Infopowering* can be helpful in providing the additional resources public libraries can use to meet community needs.

Technology has changed the way in which libraries access information and serve patron needs. For the most part, the influx of technology has represented a positive change for public libraries. However, the costs of hardware and other resources such as electronic databases are often greater than those of traditional library services.

The *Infopowering the Commonwealth* initiative has been helpful in extending and enhancing technology services in libraries. In addition, the Gates Foundation grant provided significant assistance for public libraries to upgrade their technological infrastructures, hardware, and Internet capabilities. However, assistance from the Gates grant will end within the next two years. Therefore, State *Infopowering* funds will likely serve as a valuable source of long-term funding for public library technology projects. In order to maximize assistance to public libraries, full funding of the *Infopowering* initiative will be needed.

**Recommendation (4).** The General Assembly may wish to consider restoring funding for the five-year, *Infopowering the Commonwealth* strategic technology plan.

## COLLABORATIVE EFFORTS IN VIRGINIA'S PUBLIC LIBRARIES

According to Section 42.1-33 of the *Code of Virginia*, the purpose of public libraries is to provide free access to public library service for the use and benefit of all

citizens. Consistent with this purpose, libraries provide a wide array of programs, services, and collections. However, to better meet patron needs, many libraries seek out and develop methods of collaboration with other libraries, local government entities, schools and institutions of higher learning, and the private sector. Collaborative efforts may enable libraries to share resources, minimize costs, and generally create a more economical unit of service. Collaboration may also enable libraries to access resources that were previously unavailable to them.

### **Collaborative Efforts Are Common and Involve a Variety of Entities**

Public libraries are currently involved in a wide variety of collaborative endeavors, both with other libraries and with governmental entities and private sector groups. Collaborative efforts range from activities such as interlibrary loan and reciprocal borrowing, to highly formalized contractual agreements. Public libraries are also engaged in a number of collaborative efforts related to technology, particularly within the public library community itself and with local governments.

***Collaboration Among Libraries.*** On the most basic level, libraries can engage with other libraries in order to share resources and costs. The structure of the regional library system provides a good example of this type of collaboration. A regional library maintains one central office that is responsible for managing personnel costs, acquisitions, and cataloging tasks. In addition, a regional library employs only one director to oversee multiple jurisdictions. The combination of various administrative functions that occurs in a regional library system is generally more cost-effective than the duplicative efforts that may take place with several separate, smaller local libraries.

Reciprocal borrowing agreements and participation in interlibrary loan programs are also common methods libraries employ in order to maximize resources. According to responses to the JLARC survey, 76 percent of libraries have reciprocal borrowing agreements with other library systems, and 98 percent participate in interlibrary loan programs. Both of these programs allow libraries and patrons to gain access to a wider range of books and materials, without the need for an additional outlay of funds.

Some libraries participate in regional consortiums that provide them with discounts on books and other library services. For example, groups of library directors in the Tidewater, Central, and Southwest regions of the State have formed informational and purchasing networks. These arrangements help libraries negotiate discounted pricing on books and materials, as well as on electronic database resources. Some consortia groups share library resources through common library automation systems and van delivery of books among the participating libraries.

***Libraries and Public Schools.*** Many public libraries are collaborating with their local school systems. Of the 14 library directors interviewed by JLARC staff, 11 noted that they work with their local schools in some capacity. Primarily, the libraries



work with the schools to provide curriculum-related materials, particularly those that support the Standards of Learning (SOL) tests. Some libraries offer special programs and services for school-age children, such as book talks, the "Reading Is Fundamental" program, and tutoring. In addition, many libraries host story hour events for pre-school children, especially those participating in local Head Start programs.

Libraries also share facilities with local schools. For example, the Southside Regional library participates in a facility-sharing agreement with the Mecklenburg County Schools. The library houses five of the school's computers, and provides space for weekly GED and tutoring classes. The schools also use the library's materials for curriculum support.

In another case, the Virginia Beach Public Library has partnered with a local elementary school that was lacking a school library. As part of a modernization project, a 4,300 square foot library facility has been constructed within the school building. The new library will operate as both a public library and a school media center. When school is not in session, public library patrons will also have access to the school's computer lab.

***Public Libraries and Local Government Entities.*** A number of libraries participate with other local government departments in various types of programs. For example, in many localities the Department of Social Services administers programs targeted to at-risk populations. Libraries cooperate with Social Services to provide educational materials and training for these programs.

Public libraries have also become involved in the technological operations of local government. Libraries are undertaking projects involving management of local government web sites, participation on technology task forces, and hosting of electronic bulletin boards for community information. For example, the Arlington Department of Libraries manages the county's website and other e-government initiatives, and the Radford Public Library acts as the host server for local government web pages.

During interviews with JLARC staff, library directors provided the following examples of technological collaboration:

*The Pulaski County library is currently forming a technology task force, which will be made up of personnel from libraries, schools, and other government agencies. The purpose of the task force will be to help public entities better share electronic resources. The library is also planning to serve as host for the Pulaski County Community Network, which is a bulletin-board type web site where community organizations can post information.*

\* \* \*

*The Fairfax County Public library has assumed the role of "informational servant" of the county government. The library is currently*

*implementing a program called "Constituent Contact Centers". These centers, which will be accessible by phone, fax, or e-mail, are computerized master files of information related to county government.*

\* \* \*

A large number of public libraries are engaged in a variety of collaborative arrangements with local schools, government entities, and each other. JLARC staff also found a number of libraries that are pursuing more formalized collaborative arrangements. The activities of the Central Rappahannock Regional Library, the Williamsburg Regional Library, and the Newport News City Library are presented below as examples:

#### *The Central Rappahannock Regional Library*

*Over the years, the Central Rappahannock Regional Library (CRRL) has pursued relationships with other organizations as a way to extend library services to more members of the community. Recently, the CRRL created a special program aimed at partnering local teachers with the library. Staff from the CRRL meet with teachers at the start of each year to get a sense of the instructional resources they will need. The library provides bibliographies, sample SOL tests, and library orientations for teachers as a way of assisting teachers with the SOL curriculum. The library has also upgraded its technology to ensure that teachers can get access to collections and electronic databases via the Internet.*

*The CRRL sees their relationships with local schools as a way to increase library patronage. By working directly with area teachers, the library is able to extend services to a larger number of children.*

*Politically, the CRRL believes that pursuing partnerships has been a smart move. By supporting programs for schools, the library is able to show the local government that it is maximizing the tax dollars that have been invested in library services. Further, participation in the wider community has increased the number of citizens that support continued funding of the library.*

\* \* \*

#### *The Williamsburg Regional Library*

*The Williamsburg Regional Library (WRL) is involved in a wide variety of collaborative activities. In fact, the WRL employs a Community Partnership Librarian, who focuses solely on the development and administration of partnerships with local organizations.*

*In 1998, the WRL, in partnership with the Williamsburg Community Hospital, established the Philip West Cancer Center project. The center, located in both the Williamsburg and James City County libraries, provides access to current and accurate cancer-related information for the public. The cancer center collection includes books, videos, audiotapes, reference materials, and magazines, in addition to a web site developed especially for the cancer center.*

*The WRL also maintains an active partnership with Thomas Nelson Community College. The library uses its own computer labs to host entry-level computer courses taught by instructors from the community college. The library staff are able to attend these training courses free of charge, and the software licenses held and paid for by Thomas Nelson Community College are extended to the WRL.*

*The WRL has recently begun a weekly program in partnership with Ukrop's grocery stores. The library holds Saturday morning story hour in the grocery stores around the area. Ukrop's staff provide space and snacks related to the story. Parents are encouraged to participate in the story hour, which helps to build adult patronage at the library.*

*The nearby York River State Park has partnered with the WRL to provide educational programming for children. A ranger from the park visits the library on a regular basis with specimens and other objects from the park, and WRL librarians go to the park for periodic story hours. The library provides patrons with Park Packs, which are kits of resources available to visitors to the York River State Park.*

\* \* \*

#### *The Newport News City Library*

*The Newport News City Library recently partnered with Virginia Space Grant Consortium and the Kid Tech organization as part of a federal grant program to develop a community technology lab. As a result of this partnership, the Newport News library recently opened a Community Technology Center at one of its branches. This lab provides regular training courses and support for patrons in many areas, including resume writing, software training, and Internet research skills.*

*The library is also in the process of erecting a wireless tower that will network services at all of the library branches. This project has required collaboration between the library and a number of other city departments and agencies.*

\* \* \*

## **Libraries Appear to Benefit from Collaborative Efforts**

Overall, JLARC staff found that public libraries appear to benefit from collaborative efforts. Although libraries are often required to expend some additional resources, particularly in terms of materials and staff time, collaboration helps libraries enhance and extend services to patrons. In response to the JLARC survey, 89 percent of library directors agreed that partnerships and collaborative arrangements have helped them to improve operations and services at their libraries.

There are a number of incentives for entering into collaborative arrangements and partnerships. The most commonly cited incentive was the increased access to individuals with expertise in certain fields. Access to additional materials was also a commonly recognized benefit of collaboration. Other incentives for collaboration are: additional funding, staff, and volunteers; improved services to patrons; increased community visibility and improved public relations; increased training opportunities for staff; and access to additional hardware or equipment for computers.

At the same time, JLARC staff found that libraries are required to contribute a minimal amount of additional resources to collaborative efforts. For example, only 32 percent of respondents to the JLARC survey reported that their library had been required to contribute additional funding for collaborative arrangements. The resources extracted from libraries appear to be of less significance to them than the overall benefits of collaboration.

Collaboration also provides libraries with some intangible benefits. One library director commented to JLARC staff that successful libraries are "becoming more a part of the community culture, and integrating library services into that culture. They see themselves as more than just books and reading, and are part of the community's regular cultural life." Another library director noted that collaboration can be an effective leveraging tool for local funding, as active participation within the community helps the local government see how the library is meeting constituent needs. Finally, collaboration allows patrons of all types and sizes of library systems to access materials and resources beyond the library building. This helps equalize library services for all citizens of the Commonwealth.

Some library directors indicated their desire for some type of financial reward for successful collaborative efforts. For example, collaboration has allowed some non-regional libraries to achieve cost-savings and other efficiencies, similar to those of regional systems. However, because they are not a part of a formalized regional system, these libraries do not receive the same financial incentives, particularly from the State aid formula.

However, despite the cost-savings and efficiencies that do appear to result from collaborative arrangements, non-regional libraries are still unable to achieve the magnitude of efficiency that regional libraries experience. Non-regional libraries may reduce costs by participating in interlibrary loan or a purchasing consortium. How-

ever, these libraries still must employ separate directors and staffs in order to support their separate systems. In contrast, because regional libraries maintain centralized administrations, they will generally function at a higher level of efficiency and achieve greater economies of scale than non-regional libraries.

Further, collaboration appears to be a standard part of good library practice. Due to the influx of technology in recent years, libraries can more easily share resources and information with each other and with other organizations. In addition, as mentioned earlier, a number of libraries indicated to JLARC staff that collaboration has helped to improve the overall quality of library services and operations, while at the same time requiring a relatively minimal amount of additional library funding. As such, while libraries should certainly be encouraged to pursue cost-saving partnerships, non-regional libraries do not appear to require additional State incentives to pursue collaborative arrangements.

## CONSTRUCTION FUNDING FOR PUBLIC LIBRARIES IN VIRGINIA

The mission of public libraries has undergone dramatic change in recent years, particularly with the advent of technology. Library facilities have had to adapt in order to facilitate these changes. However, the costs of capital and construction projects are high, and this is often a challenge for public libraries. Currently, there are few sources of funding for library construction, and most of the burden for such projects is borne by localities. Although some libraries have found adequate resources to address their facilities needs, there are a number of systems that will require substantial renovation or replacement in the near future. In the past, limited State funding for construction was provided to local libraries on an *ad hoc* basis. In order to develop a more systematic distribution method as well as criteria for the receipt of such funding, the Library of Virginia (LVA) developed a construction grant program. Due to budgetary considerations, the Governor eliminated funding for this program as part of his March 12, 2001, budget cuts.

### Sources of Library Construction Funding

The Commonwealth of Virginia does not currently provide funding for construction in public libraries through its State aid formula. State aid grants cannot be used for any capital purposes such as the construction of new library buildings or the expansion or remodeling of existing buildings. Libraries have generally relied on local sources of revenue to fund capital projects. However, other methods of funding have come from local donations and bequests, the federal government's Library Services and Construction Act, or through one-time Appropriation Act language. Recently, the General Assembly approved a pilot construction grant program that was scheduled for implementation in FY 2002. However, the Governor eliminated funding for this program as part of his March 12, 2001, budget cuts.

Historically, there have been no laws in Virginia that mandate the provision of State funding for library construction. However, the General Assembly has often passed legislation granting a one-time allocation to specific localities for capital purposes. According to LVA staff, there are no regulations for these budget allocations, nor can any locality expect to achieve regular funding through this process. The 2000 General Assembly allocated a total of \$315,000 for library construction in FY 2001. These FY 2001 grants were awarded to the following library systems: the Suffolk City Library, the Portsmouth City Library, the Charles P. Jones Memorial Library, the Appomattox Regional Library, the Buchanan County Library, the Williamsburg Regional Library, the Heritage Library, the Wythe-Grayson Regional Library, and the Franklin County Library.

For Fiscal Years 1992-1998, public libraries expended over \$127 million on capital construction projects. These projects ranged from renovation of existing buildings to construction of new facilities. Of the 90 public library systems, six libraries were involved in some type of capital endeavor during each year of this period. However, 11 of the 90 library systems did not undertake any such projects during this time. According to staff at the Library of Virginia, many library systems renovated or constructed their headquarters facilities during this time, and a number of other systems constructed one or more new branch libraries.

### **Library Construction Funding in Other States**

Like Virginia, many states do not allow libraries to use state aid for capital expenses. At present, 24 states explicitly prohibit the use of state funds for construction or remodeling purposes. Provisions exist in nine states for funds to be used for construction, and the remainder of states do not stipulate whether or not state funds are restricted.

Some states offer library construction money through competitive grant programs. Thirteen other states provide some type of construction funding for public libraries. These states are: Connecticut, Delaware, Florida, Illinois, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, New Jersey, New York, Pennsylvania, and Rhode Island. In addition, Arkansas is in the process of reviewing a new construction program.

### **Current Status of Capital and Construction Projects in Virginia's Public Libraries**

Currently, there are many library construction and capital improvement projects underway across the State. Rapid population growth in certain areas has created the need for new and upgraded library buildings. According to the JLARC survey of public library directors, 38 percent of libraries are currently undertaking a library construction project in excess of 10 percent of their operating budgets. Such projects range from the construction of new library buildings to major renovation

projects, such as replacement of HVAC systems or expansion of existing buildings. In addition, more than half of the survey respondents indicated that they were planning some type of a capital construction project.

Local government appropriations provide for the bulk of funding for library construction projects currently underway in Virginia. Private donations also provide a significant source of construction funds. Local capital improvement programs provide funding for the majority of construction projects. Seventy-four percent of the JLARC survey respondents reported receiving construction financing through the local capital improvement program. However, 50 percent of respondents listed private donations as a primary method of funding for library construction projects.

*In Henrico County, voters approved a \$20 million bond referendum in November of 2000. Out of this referendum package, the county has appropriated funding for the Henrico County Public library to construct two new library buildings. In the past, the Henrico library has received funding for library construction from two other county bond referendums.*

\* \* \*

*The Appomattox Regional library system is working to raise money to renovate the library headquarters, which is currently located in an old school building. The library has received \$1.5 million from local government appropriations so far. They will also likely receive funding from a historical tax credit program, as well as about \$100,000 from private sources.*

\* \* \*

*The Rockbridge Regional library was granted a parcel of land from its current landlord. The region plans to use this gift to build a new, 4,000 square foot branch library.*

\* \* \*

In addition to providing financing for capital improvement projects, a large number of local governments also provide general facilities maintenance services to local libraries. According to responses to the JLARC survey, the majority of libraries receive general building maintenance, utility, grounds, and housekeeping services from their local governments. Forty-eight percent of library directors responding to the survey agreed that current resources adequately address their facility maintenance needs.

***Library Facilities Needs.*** It appears that a large number of public library buildings will require some type of structural renovation or upgrade in the near future. Public library directors who responded to the JLARC survey indicated problems with

their current facilities. Nearly two-thirds (65 percent) of survey respondents noted that all, most, or some facilities have a "significant deficiency", and 43 percent reported that all, most, or some facilities are "obviously out-of-date, nonfunctional, or seriously inadequate". Table 4 summarizes the overall adequacy of library facilities, as indicated by respondents to the JLARC survey.

The most common deficiencies listed were: inadequate space for collections, public use, and storage; non-compliance with the Americans with Disabilities Act provisions for handicapped access; issues with adequate heating, cooling, and electrical systems; and public parking. One library director stated that, due to lack of space for additional shelving, for each new book purchased, one older book must be culled from the collection. Several directors also maintain libraries located in older buildings such as former schoolhouses, residences, bowling alleys, worship centers, and jails. The infrastructures of most of these facilities do not easily accommodate library services, particularly technology services.

During interviews with JLARC staff, and in response to the JLARC survey, library directors shared the following examples of facilities needs:

One library facility is a former bowling alley. The floors slope and may actually be in need of additional support. The heat is inadequate. The lighting needs improvement. There is no public meeting space.

\* \* \*

One branch library is located in a former synagogue, and another one is on the second floor of a community center. We face issues such as

	<b>All Facilities</b>	<b>Most Facilities</b>	<b>Some Facilities</b>	<b>No Facilities</b>
<b>Modern and up-to-date, meets current program's intended use</b>	24%	30%	28%	18%
<b>Functional in its present state</b>	40%	34%	22%	4%
<b>Is useful/functional, but needs attention in the near future</b>	32%	23%	35%	10%
<b>Has a significant deficiency</b>	13%	9%	43%	35%
<b>Obviously out-of-date, nonfunctional, seriously inadequate</b>	9%	7%	27%	57%

Source: Analysis of responses to JLARC survey of public library directors.



shelf overcrowding, lack of space to expand services, and lack of adequate facilities for handicapped patrons.

\* \* \*

The library is in poor condition. The siding is rotting, the basement is prone to flooding, and the windows are in need of replacement. There is inadequate space for collections, staff work space, and technology.

Library directors indicated to JLARC staff that construction of new library facilities has enhanced their ability to provide services to patrons. For example, the Powhatan County library will open a new headquarters building in the summer of 2001. The new building will offer significant improvements over the current facility, including increased space for books and materials, improved public reading spaces, and expanded parking.

Library systems across the State are housed in buildings in various states of functionality. Some systems are currently undertaking major capital construction projects, and others believe their current facilities are adequate to provide a full array of library services. However, some libraries face severe deficiencies in their facilities, and this is impacting their ability to expand and enhance basic library services.

### **State Construction Funds and the State Aid Formula**

Historically, State funding for library construction grants projects has been limited. Since library buildings have been viewed as a primarily local responsibility, the State has been reluctant to fund library construction efforts. Currently, the main goal of State aid is to provide funding for books and other materials. The emphasis on funding books and materials is predicated upon the notion that all citizens of the Commonwealth, through interlibrary loan or other means, can benefit from the resources expended on materials. In contrast, the benefits of bricks and mortar projects generally accrue only to the citizens of a particular locality rather than to citizens of the Commonwealth as a whole.

In addition, libraries rely on State aid as a regular source of funding for library materials. However, construction funds are generally not needed on a recurring basis. As such, adding a provision to the current State aid formula allowing localities to use funding for construction or capital projects would likely change the basic thrust of State aid. In fact, 69 percent of respondents to the library directors survey expressed the opinion that a construction component should not be included in the current State aid formula.

Two statewide library organizations, the Virginia Library Association (VLA), and the Virginia Public Library Directors' Association (VPLDA), submitted position papers to JLARC staff regarding the various issues surrounding State aid. The papers

are included as Appendix H. Both VLA and VPLDA requested that any State construction money remain separate from State aid. The primary philosophy behind their statements is that construction projects tend not to be recurring or annual costs. However, libraries rely on State aid to provide annual funding for the continuing costs of library books and materials. As such, the current State aid formula does not have a purpose consistent with that of a construction funding program. VLA and VPLDA submitted the following specific statements regarding State aid and library construction:

VPLDA requests that...construction funding remain separate from State aid. Though construction assistance is often needed by local jurisdictions, buildings are not annual events in every community and should be assisted by a competitive, matching grant process as the needs arise.

\* \* \*

VLA requests that "construction funding remain separate from State aid funding, as access to service, not necessarily through a physical building, is the essence of State aid. In addition, construction funding is not awarded on a continuing grant basis. This difference has historically supported its separate administration."

In spite of the fact that a majority of librarians do not wish to see construction funding added to the current State aid formula, they do support some type of State construction assistance. Nearly all (97 percent) of the library directors responding to the JLARC survey indicated that the State should commit a separate stream of resources toward public library construction.

Library construction tends to be occasional and non-recurring. In any given year many localities will have no construction or capital debt service expenses for libraries, whereas all libraries will have operational expenses and materials needs. Consequently, the State aid formula is not an appropriate vehicle for supporting library construction needs.

**Recommendation (5). A construction funding component should not be included in the current State aid formula.**

Currently, local governments are assuming most of the financial burden for library construction projects. In addition, public libraries are actively pursuing alternative sources of capital funding. However, other funding sources are limited. One library director shared the following with JLARC staff:

*The library has applied to eight private foundations for library construction funds. Within a month, we received four rejections from the foundations, all stating that public library construction is not in their*

*mission. One foundation stated that public library construction should be the role of state and local government.*

Outside of local government appropriations and private donations, there are few financial resources for public library construction projects. The \$450,000 Library Construction Grant program, which was approved by the 2000 General Assembly but was subsequently eliminated by the Governor as part of his March 12, 2001, budget cuts, would have provided some form of State assistance for library construction projects. During interviews with JLARC staff, several library directors stated that they were planning to apply for assistance from this grant program. Since the program was cut from the budget, JLARC staff are aware that at least two of these library construction and/or renovation projects have been postponed. In addition, 41 percent of respondents to the JLARC survey reported that they were planning to apply for the State construction grants.

Further, some library directors indicated that State construction funding could serve as a valuable leveraging tool for local government and private donors. In general, library directors envision State funding as "seed money" that can supplement funding from traditional sources.

The proposed Construction Grant program would have provided a source of supplemental funding for a number of library construction projects. According to LVA criteria, no more than 50 percent of the cost of any project would have been funded by State money. The grants likely would have provided the needed impetus for library construction projects. A number of library directors indicated to JLARC staff that any amount of State funding would enhance their ability to undertake library construction projects.

According to staff at the LVA, the proposed program, which was modeled after the federal Library Services and Construction Act (LSCA), would have awarded funding for library construction projects based on a systematic set of criteria, and would have ensured quality control that had been lacking in the *ad hoc* one-time appropriations that some libraries have received. Specifically, the grant program would have placed a priority on assisting areas lacking library facilities necessary to provide adequate library services.

In addition, since the program's total cost was \$450,000, most of the larger library systems would not have applied for funding. During interviews with JLARC staff, several directors of larger, more affluent library systems indicated that they were not planning to apply for State construction assistance, as the awards would have been too small for the magnitude of their projects. As a result of the LVA's criteria as well as this self-selecting process, the construction grant program would likely have targeted the libraries with appropriate plans as well as the greatest facility and funding needs.

Overall, JLARC found that most public libraries could benefit from some type of State construction grant program, but such funding should not be included in the

current State aid formula. As mentioned, there are a number of library buildings that will need replacement or substantial renovation in the near future, and a State construction grant program could serve as an important source of supplemental funding for these projects.

***Recommendation (6). Consistent with legislative intent in Item 255 C of the 2000 Appropriation Act, the General Assembly may wish to restore funding for the Construction Grant program.***

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# Appendixes

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**Appendix A**  
**Study Mandate**

**ITEM 20 I – APPROPRIATION ACT**

**FORMULA USED TO DISTRIBUTE STATE AID TO PUBLIC LIBRARIES**

The Joint Legislative Audit and Review Commission shall conduct a review of the formula used to allocate state aid to local libraries to ensure that the formula provides an equitable distribution of aid among public libraries in Virginia. The review should recognize and consider changes in funding patterns among local governments, the ability of local communities to fund library services, and collaborative efforts among local libraries and government entities. It also should address the impact of technological changes on library services, including, but not limited to, "Infopowering the Commonwealth," the strategic technology plan for public libraries. The review also should consider current population and expenditure caps used in the formula and their impact and whether a library construction component should be included in the state aid formula. The Commission shall report its findings and recommendations to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by July 1, 2001.

## Appendix B

### Library Funding in Other States

State	Number of Library Systems	Organization	Current Year Total Award	Formula	Local Funding Requirement	Standards, Restrictions, Policies	Formula used for Capital	Capital Funding Grants	Tech Funding	Other Funding
Alabama	216	Municipal	\$5,049,347 (FY 99)	Per capita	Equal match with local funds	Certified librarian, library must be open minimum amount of hours, no more than 50% can be used for salaries, audit required each year	No			
Alaska	87 Systems, 17 Branch Libraries	Municipal	\$655,200	Base grant of \$6,300	Equal match with local funds	Minimum open hours, must submit annual report, materials spending must be >=20% of grant	No			Interlibrary Cooperation Grants - \$218,400
Arizona	27	County, Municipal	\$351,400 (FY 99)	12.5% for metropolitan areas by population, 87.5% distributed equally among county libraries	Equal match with local funds	Must submit all required reports	No			
Arkansas	40	Municipal	\$4,995,789	Based on population density	Libraries must show increase in local spending each year	Certified librarian	No	Library Construction Capital Improvement Appropriation - \$1,000,000 - under review		
California	178	County, City, Joint powers	\$58,870,000	Per capita + percentage of local funding + equalization grant	Maintenance of effort	Not specified	No		Conversion to database grant - one-time \$10,000 award	
Colorado	120	Municipal, Joint, Academic	\$134,114 (FY 99)	\$3,000 to each library, excess funds to be divided among libraries based on population	Maintenance of effort	Use for materials only, must agree to interlibrary sharing	No			County Equalization Grant
Connecticut	164	Municipal	\$462,852	\$1,200 base grant + per capita amount for equalization + incentive for local expenditures	Municipal appropriation cannot be less than the average of the previous 3 years	Minimum recommended standards, participate in statewide borrowing program	No	Construction grant - \$2,500,000		Connecticut Interlibrary Sharing - \$711,792
Delaware	29	Not specified	\$1,421,800 (FY 99)	\$0.30 per capita + \$0.02 for each local dollar + \$10 per square mile	Not specified	Must provide planning and evaluation reports	Yes	Reimburse up to 50% of construction costs	Technology Assistance Act-up to 50% of costs of technology projects	
Florida	91	Municipal, Multicounty	\$31,400,000	25% of local funding	Local budget of at least \$20,000, 25% of local spending for operation and maintenance	Certified librarian, open at least 40 hours a week	No	Competitive Public Library Construction Grants-\$5,242,900	Community and Technology Grant - \$200,000	Equalization Grant-\$3,542,000, Multi-county Grants-\$2,247,400, Establishment Grants-\$50,000
Georgia	58	Single county, Multicounty	\$24,619,269 (FY 99)	Per capita + base grant	Maintenance of effort	Certified librarian, legally established library	No			
Hawaii										
Idaho										
Illinois	12 Systems, 638 Libraries	District, Municipal	\$13,136,647 (FY 98)	\$1.25 per capita	Maintenance of effort	Requires reporting of library practices, drug-free workplace, participation in interlibrary services	No	Library Construction Grants - \$1,423,996	Competitive Technology Grants - \$3,500,000, Internet Connectivity Grants \$2,000,000	Equalization Grants, Library System Grants
Indiana	239	Municipal	\$607,936 (FY 99)	Per capita	None	Certified librarian, open minimum hours, continued education for staff, base level of technology	Yes		Internet Connectivity Grant, Support of Statewide Database	
Iowa	7 Regions, 541 libraries	Regional	\$1,000,000	Per capita + base grant + 3% for rural service (based on 3 tiers)	None	Certified librarian, minimum hours open, library board	No		Technology Infrastructure Grant-\$500,000	
Kansas	324	Municipal, Regional	\$2,425,121 (FY 99)	2/3 per capita, 1/3 distributed equally among regional systems	Maintenance of effort	Must be a legally established library	No			Interlibrary Loan Development Fund-\$693,909
Kentucky	180	Municipal	\$2,972,500 (FY 99)	Per capita + base grant	Maintenance of effort	Certified librarian based on population, minimum open hours	Not specified	Competitive Discretionary Grants		
Louisiana	65	Municipal, County	\$1,500,000 (FY 99)	Per capita + base grant	None	Must be spent on either technology improvements or development of resources	Not specified	State Capital Fund		



## Appendix B

State	Number of Library Systems	Organization	Current Year Total Award	Formula	Local Funding Requirement	Standards, Restrictions, Policies	Formula used for Capital	Capital Funding Grants	Tech Funding	Other Funding
Maine	232	Municipal, Regional	\$293,000 (FY 99)	Flat rate to each municipal library, remainder to large metropolitan areas	Not specified	Not specified	No	Included on a competitive basis in the New Century Grant Program	State funds electronic database, Internet access	New Century Grant Program-\$1.2 million
Maryland	30	County, Regional	\$22,990,884 (FY 99)	Per capita	Equal match with local funds	Must meet operating procedures set forth by the State board	Not specified			
Massachusetts	348	Municipal	\$9,899,804	Per capita + equalization + non-resident circulation offset	Maintenance of effort	Certified librarian, minimum hours open, must participate in inter-library services	Yes	Competitive Construction Grants		
Michigan	388	Municipal, County, District	\$14,210,700 (FY 99)	\$.50 per capita + \$.50 per capita if minimum standards are met + \$.50 per capita if part of a cooperative + \$10 per square mile if less than 75 people per square mile	Must maintain support level of 3/10 mill on state equalized valuation	Certified librarian, minimum hours open depending on population served	Yes			
Minnesota	12	Regional	\$6,532,500	Per capita + base grant per system + square miles + adjusted net tax capacity	Maintenance of effort	Recommended standards, not required	No	Competitive Public Library Accessibility Grants	Database Access Program - \$250,000, Telecommunications Aid - \$1,200,000	Multitype System Operating Grant - \$903,000
Mississippi	47	County	\$5,688,182 (FY 99)	Awards for telecommunications and staff salaries and health insurance	Maintenance of effort	Certified librarian	Not specified			
Missouri	168	Municipal, County, District	\$2,269,974	\$.50 per capita	Equal match with local funds	None	Yes		State funds Internet access and electronic database license, additional appropriations for other technology costs	Equalization Grants, Collections Grants, Literacy Grants
Montana	82	Municipal	\$402,000 (FY 99)	Per capita, square mile	None	Certified Librarian, minimum open hours	Not specified			
Nebraska	259	Municipal	\$350,000 (FY 99)	Per capita (+ base grant, in some cases)	Maintenance of effort	Library must be accredited and submit annual statistical report	Yes		State funds database and Net Library	Children's Grants for Excellence
Nevada	88	Municipal, County	\$1,041,140 (FY99)	Base grant + % of local materials budget	Have a materials budget	Libraries must demonstrate how state aid has improved library collections	No			Library Development \$2.4 million Bookmobiles - \$77,953
New Hampshire	NO FORMAL STATE AID PROGRAM									
New Jersey	312	Municipal, Regional	\$8,578,345	Per capita, % of local expenditures	Must maintain support level of 3/10 mill on state equalized valuation	Certified librarian, minimum open hours, book collection must be at least 8,000 volumes, materials expenditure minimum	Yes	Construction Grant-\$45 million	Technology Bond - \$2,231,849, Webpec Grant - \$366,837, Digitization Grant - \$58,779	
New Mexico	25	Municipal, Regional	\$250,000 (FY 99)	Flat amount for meeting certain criteria + per capita, matching collections grant, additional amount for outreach	Minimum annual collection spending of \$1.50 per capita	Trained staff, minimum open hours, updated long range plan	No			
New York	23 Systems, 745 Libraries	Regional	\$54,227,574 (FY99)	Per capita + square mileage	None	Library director must be certified if population served is >7500, minimum open hours, must produce annual report and long range plan	Yes	Construction Grants \$800,000	Proposed Technology Grant - \$12,000,000	Central Library Aid-\$7,538,318, Adult Literacy Grants-\$200,000, Indian Libraries-\$408,751, Parent & Child-\$300,000
North Carolina	76	51 County, 15 Regional, 10 Municipal	\$15,449,669	50% of funding for equal block grants, 50% per capita income equalization grant	Equal match with local funds	Certified librarian	No			
North Dakota	90	City, County	\$440,000 (FY 99)	Per capita for city libraries + per capita and square mileage for county libraries	Maintenance of effort	None	No		State funded Internet access on competitive basis	Competitive Grants
Ohio	98 Systems, 472 Libraries	Municipal, Regional	\$382,000,000 (FY 98)	State aid is percentage of state income tax	Must have some local government support	Recommended standards, not required	Not specified			Equalization Grants, Library Information Network Grant-\$5.7 million a year

### Appendix B

State	Number of Library Systems	Organization	Current Year Total Award	Formula	Local Funding Requirement	Standards, Restrictions, Policies	Formula used for Capital	Capital Funding Grants	Tech Funding	Other Funding
Oklahoma	8 Systems, 108 Libraries	Municipal, Regional	\$1,651,484 (FY 99)	Per capita + square mileage for regional libraries	Maintenance of effort	Minimum open hours, must provide Internet access, must receive operating income from local government sources, staff must engage in continuing education, libraries must submit performance measures	No			
Oregon	125	County, City, District, Cooperative	\$704,321	Per capita based on youth population + square mile	Maintenance of effort	Awards for children's collections and programming only	No			
Pennsylvania	448	Municipal, Multi-municipal	\$30,289,000 (FY 99)	Per capita + % of total local expenditures + county coordination + base amount by outlet + equalization	\$2.00 per capita local spending	Certified librarian for populations served >20,000	No	Competitive Keystone Grant-\$1.5 million/year		
Rhode Island	39 Systems	Municipal	\$5,085,640	25% of total local expenditures 2 years prior	Maintenance of effort	Minimum open hours, collection size	No	Construction Reimbursement - \$1,847,680	Resource Sharing/Data Online Grant - \$65,000	Literacy Grant - \$65,000
South Carolina	40 Systems	County, Multi-county	\$5,231,815 (FY 99)	Per capita	Maintenance of effort	Certified librarian for populations served >10,000, minimum hours open, annual audit	No			
South Dakota						NO FORMAL STATE AID PROGRAM				
Tennessee	279	Regional systems	\$6,040,000 (FY 99)	Under review	Maintenance of effort	Certified librarian for population >25,000	Not specified			
Texas	10 Systems, 522 Libraries	Municipal, County	\$8,000,000	\$200,000 base amount + % of remaining allocation based on population	Maintenance of effort, Minimum local expenditure = \$5,000	Staffing requirements based on population, minimum open hours, materials budget must be at least 25% of total budget	Not specified		Tele-communications Infrastructure Fund - \$10,000,000	
Utah	70	City, County	\$800,000	Per capita + local effort	Maintenance of effort of at least 90% of funding of the previous year	Certified librarian, minimum open hours, encourages formation of annual plans, performance measurements	No		Internet Connectivity Grant	
Vermont						NO FORMAL STATE AID PROGRAM				
Virginia	90	Municipal, County, Regional	\$20,485,543	40% of local expenditures + per capita based on type of system + square mileage	Local expenditures must be at least 50% of the statewide median, 2/3s of local funding must come from taxes or endowments, and must not fall below previous year's amount	State aid reduces 25% if library director is not certified, minimum open hours	No	Construction grant - \$400,000	Infopowering the Commonwealth -	
Washington						NO FORMAL STATE AID PROGRAM				
West Virginia	97	County, Regional Libraries	\$6,838,884	Per capita	2/3 of library income must come from municipal appropriation	Certified Librarian, minimum open hours, recommended standards - 20% materials, 60% salaries, 20% other	No		State funds public library networking	
Wisconsin	17 Systems, 382 Libraries	Regional systems	\$14,749,800	Per capita + square mile + 7.5% of local funding	Maintenance of effort	Library director education requirement, must have technology and sharing resources plan	Yes		State funds statewide database-\$2.1 million	
Wyoming						NO FORMAL STATE AID PROGRAM				

## Appendix C



### Joint Legislative Audit and Review Commission

### Virginia Public Library Director Survey

May 1, 2001

Item 20 I of the 2000 Appropriation Act directs the Joint Legislative Audit and Review Commission (JLARC) to conduct a review of the formula used to allocate State aid to local libraries.

This survey requests information from you about the State aid formula, library funding, partnerships and collaborative arrangements, technology, and library facilities and construction. Your answers to the following questions will help us provide information to the Governor and General Assembly.

We hope that you will be candid in your responses. Information collected in these surveys will be reported primarily in aggregate form. In answering the survey, please give each question careful attention. Your input is essential for our study of the library funding formula, and we appreciate your time and effort. Please return the completed survey to JLARC by **Monday, May 14, 2001**.

If you have questions about the survey, please direct them to Tricia Bishop ([tbishop@leg.state.va.us](mailto:tbishop@leg.state.va.us)) or Kelly Gobble ([kgobble@leg.state.va.us](mailto:kgobble@leg.state.va.us)) or call (804) 786-1258.

Library Name: _____
Director's Name: _____
Director's Signature: _____
Phone Number: _____ Fax Number: _____
E-mail address: _____ Web Address: _____

## Library Requirements

1. What is your library's classification? N=90

- 42  County
- 23  City
- 23  Regional
- 2  Town

2. Is your library currently meeting all of the *Requirements for Receiving Grants-in-Aid*? N=88

- 81  Yes
- 7  No

2a. If no, which requirement(s) is/are currently unmet? Please explain.

3. Which, if any, of the requirements has presented the greatest challenge to your library?  
(Please check all that apply.) N=65

- 13  Submission of a charter, by-laws, five-year plan, written policy statement, statistical and financial reports, and/or copies of the annual budget (please specify) \_\_\_\_\_
- 12  Local operating expenditures of at least 50% of the median Statewide local operating expenditure per capita, two-thirds of which comes from taxation or endowment.
- 24  Maintaining local expenditure levels to those of the previous year.
- 11  Employment of a certified librarian as the library director.
- 2  Keeping the library headquarters or central branch open at least 40 hours per week.
- 12  Maintenance of an up-to-date reference collection, and procedures for participation in interlibrary loan.
- 2  Organization of materials through shelving, cataloging, and classification, and provision of a card catalog.
- 4  Perform annual addition to and removal of materials from the collection.
- 10  For libraries serving more than 400 square miles, or more than 25,000 persons, provision of some form of extension service.
- 8  For libraries with two or more service units, maintenance of a scheduled, frequent delivery system.
- 11  Provision of services such as publicity, displays, reading lists, story hours, or book talks (please specify) \_\_\_\_\_
- 9  Other, (please specify) \_\_\_\_\_

4. Is the public able to reserve and use library rooms for public meetings? N=90

85  Yes

5  No

### Library Facilities

5. Are you currently undertaking any major library construction projects? (For purposes of this survey, major is defined as construction-related expenditures that are in excess of 10% of your library's operating budget.) *If no, please skip to question 7.* N=87

33  Yes

54  No

5a. If yes, please provide a brief overview of your library's current principal construction projects. (Attach extra sheets if necessary.)

5b. What is the approximate cost(s) of the project(s)?

6. If you are currently undertaking a capital or construction project, what method is your library employing for funding this project(s)? (Please check all that apply.) N=34

8  Passage of a bond referendum

25  Financed through local government's capital improvement program

17  Private donation

7  Specific one-time appropriation from the State

5  Local government issued bonds to finance capital projects

8  Other, (please specify). \_\_\_\_\_

7. Is your library currently planning any capital projects? *If no, please skip to question 8.* N=86

46  Yes

40  No

7a. If yes, please explain.

7b. What is the estimated cost of the planned project(s)? \_\_\_\_\_

7c. What is/are the planned funding source(s) for the project(s)?

35  Local government appropriation N=48

13  Revenue from bond proceeds N=48

22  Private donation/grant N=47

14  Other, (please specify.) \_\_\_\_\_ N=47

8. Has your library received any federal grants or federal funding for construction? *If yes, proceed to question 9. If no, skip to question 10.* N=87

37  Yes

50  No

9. What type of federal funding did the library receive? N=40

32  LSCA (Library Services and Construction Act)

8  Other, please specify date and source of federal funds \_\_\_\_\_

10. Was your library planning to apply for the new State construction grants previously scheduled to be offered this year but are no longer in the budget? N=88

36  Yes

52  No

11. If the funding had been available, for what specific purposes were you planning to use the State construction grant?

12. In what year did you complete your last capital or construction project? \_\_\_\_\_

13. In your opinion, should the State commit resources toward public library construction? N=88

85  Yes

3  No

14. In your opinion, should a construction component be included in the current State aid formula? N=84

- 26  Yes  
 58  No

15. The Library of Virginia maintains an electronic directory of the buildings and bookmobiles located within each library system. Please review the directory for accuracy, and then check the appropriate box below. The directory may be accessed via the internet at:

<http://www.lva.lib.va.us/ldnd/dir/pub-a.htm>

N=83

- 34  The directory is accurate  
 49  The directory is inaccurate. Listed below are corrections related to my library system. (Attach additional sheets if necessary.)

16. What general services does your local governing body provide to the library? (Please check all that apply.) N=90

- 75  General building maintenance services  
 59  Utilities (heat, lighting, electricity)  
 74  General grounds keeping  
 56  General housekeeping  
 30  Telecom services  
 8  None  
 20  Other, (please specify) \_\_\_\_\_

17. Overall, to what extent would you agree that current resources adequately address your facility needs? N=89

- 7  Strongly Agree  
 43  Agree  
 28  Disagree  
 11  Strongly Disagree

18. Please assess the overall adequacy of your facilities to meet your patron needs (for each statement, please check only one).

	<u>All Facilities</u>	<u>Most Facilities</u>	<u>Some Facilities</u>	<u>No Facilities</u>
Modern and up-to-date, meets current program's intended use N=78	19 <input type="checkbox"/>	23 <input type="checkbox"/>	22 <input type="checkbox"/>	14 <input type="checkbox"/>
Functional in its present state N=80	32 <input type="checkbox"/>	27 <input type="checkbox"/>	18 <input type="checkbox"/>	3 <input type="checkbox"/>
Is useful/functional, but needs attention in the near future N=82	26 <input type="checkbox"/>	19 <input type="checkbox"/>	29 <input type="checkbox"/>	8 <input type="checkbox"/>
Has a significant deficiency N=77	10 <input type="checkbox"/>	7 <input type="checkbox"/>	33 <input type="checkbox"/>	27 <input type="checkbox"/>
Obviously out-of-date, nonfunctional, seriously inadequate N=75	7 <input type="checkbox"/>	5 <input type="checkbox"/>	20 <input type="checkbox"/>	43 <input type="checkbox"/>

19. Please use the space below to identify as specifically as possible any facility deficiencies you feel exist. (Attach additional sheets if necessary.)

**Library Funding and State Aid**

20. Does your library have reciprocal borrowing agreements with other library systems? N=87

66  Yes  
21  No

21. Does your library participate in inter-library loan programs with other library systems? N=89

87  Yes  
2  No

22. For Fiscal Year 2000 (July 1, 1999 – June 30, 2000), please indicate the amount of your library's total annual revenue received from the following sources:

Local Government Funding N=79 Mean=\$1,456,008.42

State Funding N=79 Mean=\$190,838.86

Federal Funding N=42 Mean=\$13,463.60

All Other Funding N=67 Mean=\$89,673.04

Total Funding N=76 Mean=\$1,724,690.32

23. What is included in "all other" sources of funding in question 25?  
(Please check all that apply.) N=74

20  Endowments  
9  Bequests  
60  Private Donations  
33  Private Grants  
48  Fines and fees  
29  Other, (please specify.) \_\_\_\_\_

24. Overall, to what extent are you satisfied with the State aid formula in its current form? N=87

31  Generally very satisfied  
53  Generally satisfied  
2  Generally dissatisfied  
1  Generally very dissatisfied

25. In your opinion, should the State aid formula contain a population cap? N=85

43  Yes  
42  No



26. In your opinion, should the State aid formula retain the current \$250,000 cap on the amount of local expenditures that the State will match? N=83

33  Yes

50  No

27. Do you have any recommendations to improve the stability and/or equity of library funding? If so, please note them here. (Attach additional sheets if necessary.)

### Technology

28. What, if any, are your most pressing technology needs (please check all that apply)? N=89

15  Wiring

17  Hardware

26  Connectivity

57  Training for staff

8  Automation

41  Software and databases

13  All of the above

18  Other, (please specify.) \_\_\_\_\_

4  None

29. How does your library address its technology needs? N=89

79  Use of your library's own resources

72  Assistance from the Library of Virginia

51  Assistance from your local government

75  Gates Foundation

21  Other, (please specify.) \_\_\_\_\_

30. Who in your library is responsible for providing technical support for library computers, networks, and other information technology? (Please check all that apply.) N=90

27  Local government provides information technology support

58  Library staff assigned/dedicated to information technology

31  Library Director

35  Contracted service from an outside entity

11  Other, (please specify.) \_\_\_\_\_

31. Does your library have any dedicated information technology personnel? (*If no, go to question 32.*) N=90

- 42  Yes  
 48  No

31a. If yes, how many \_\_\_\_\_

32. Does your library offer training to staff in information technology? N=90

- 71  Yes  
 19  No (*If no, go to question 34.*)

33. If yes, what type of information technology training does your library offer to staff? (Please check all that apply.) N=73

- 57  Basic use of the Internet  
 49  Word and data processing software  
 7  Networking  
 35  Research using technology  
 40  Library services  
 43  Library reference services  
 65  Workshops offered or presented by the Library of Virginia and/or its staff  
 21  Other, (please specify.) \_\_\_\_\_

34. To what extent do you agree that your staff is adequately trained or has the requisite skills to assist patrons with the following:

	<u>Strongly</u> <u>Agree</u>	<u>Agree</u>	<u>Disagree</u>	<u>Strongly</u> <u>Disagree</u>	<u>NA</u>
Accessing the Internet N=90	22 <input type="checkbox"/>	59 <input type="checkbox"/>	8 <input type="checkbox"/>	1 <input type="checkbox"/>	<input type="checkbox"/>
Performing research using the Internet N=90	11 <input type="checkbox"/>	58 <input type="checkbox"/>	18 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="checkbox"/>
Word processing software N=90	8 <input type="checkbox"/>	56 <input type="checkbox"/>	19 <input type="checkbox"/>	2 <input type="checkbox"/>	5 <input type="checkbox"/>
Data processing software N=87	3 <input type="checkbox"/>	29 <input type="checkbox"/>	41 <input type="checkbox"/>	9 <input type="checkbox"/>	5 <input type="checkbox"/>
Computers in general N=90	9 <input type="checkbox"/>	61 <input type="checkbox"/>	17 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Using CD-Roms and other databases N=90	9 <input type="checkbox"/>	52 <input type="checkbox"/>	23 <input type="checkbox"/>	5 <input type="checkbox"/>	1 <input type="checkbox"/>
Other technology services N=81	2 <input type="checkbox"/>	31 <input type="checkbox"/>	28 <input type="checkbox"/>	5 <input type="checkbox"/>	15 <input type="checkbox"/>

35. Does your library have word and data processing software on PCs available to patrons?  
(Please check the most appropriate box.) N=90

- 25  Word processing only
- 1  Data processing only
- 57  Word and data processing
- 9  No word or data processing

36. Does your library offer a computer training lab and training to patrons? N=90

- 28  Yes
- 62  No (*If no, go to question 38*)

37. How was your computer lab funded? (Please check as many as apply.) N=34

- 17  Local government funds
- 15  Infopowering funds
- 25  Gates Foundation funds
- 13  Private donations and/or in-kind gifts
- 4  Federal funds
- 5  Other, (please specify) \_\_\_\_\_

38. Does your library have difficulty accessing the Internet? N=88

- 13  Yes
- 75  No (*If no, skip to question 39*)

38a. If yes, please describe as specifically as possible the type of difficulties you have encountered.

39. Does your library currently provide Internet access to the public? N=90

- 89  Yes
- 1  No

39a. If yes, how many stations are available for public Internet access? \_\_\_\_\_

40. Which of the following library services are available on-line *in your library*? (Please check all that apply.) N=85

- 77  Card catalog
- 54  Electronic journals
- 18  News services (e.g., Lexis Nexis)
- 67  Book availability
- 70  Full-text articles
- 5  Reserve a room
- 31  Librarian/reference assistance
- 14  Library card sign-up
- 37  Library calendar
- 16  Interlibrary loan request
- 50  Book reservation and renewal services
- 50  User profile (e.g, fines owed, books checked out and on reserve, materials overdue)
- 11  Other, (please describe) \_\_\_\_\_

41. Which of the following library services are also available on-line *from remote locations* ? (Please check all that apply.) N=66

- 57  Card catalog
- 42  Electronic journals
- 12  News services (e.g. Lexis Nexis)
- 51  Book availability
- 50  Full-text articles
- 1  Reserve a room
- 28  Librarian/reference assistance
- 5  Library card sign-up
- 36  Library calendar
- 13  Interlibrary loan request
- 35  Book reservation and renewal services
- 34  User profile (e.g. fines owed, books checked out and on reserve, materials overdue)
- 8  Other (Please describe) \_\_\_\_\_

42. In what ways do you think *Infopowering* funds should be used to assist local libraries? (Please check all that apply.) N=88

- 69  Provision of content
- 54  Hardware
- 70  Software contracts
- 14  Other (Please specify.) \_\_\_\_\_

43. How has the infusion of technology in your library impacted more traditional library services (Please check all that apply)? N=88

- 55  Increased traditional services
- 17  Decreased traditional services
- 44  Increased reference service requests
- 10  Decreased reference service requests
- 7  No impact
- 27  Other (Please specify.) \_\_\_\_\_

**Collaborative Efforts**

44. Are you currently engaged in any type of collaborative effort or partnership with any of the following entities? (Please check all that apply.) N=88

- 12  Not currently engaged in a collaborative arrangement
- 48  Other public libraries
- 25  Local governments
- 47  Public schools (elementary and secondary)
- 22  Community colleges
- 14  Colleges and universities (including academic libraries)
- 12  Private businesses
- 24  Civic organizations
- 23  Other, (please specify) \_\_\_\_\_

45. If you checked any of the above, please describe the nature of these collaborative effort(s) in the space provided below. (If needed, please attach additional sheet(s).)

46. Has participating in partnership or collaborative arrangements improved operations and/or services at your library? N=76

- 68  Yes
- 8  No

47. If yes, please describe the improvements and/or how collaboration enabled you to access resources that were previously unavailable to you. If needed, please attach additional sheet(s).

48. What, if any, additional resources has your library been required to contribute in order to participate in collaborative efforts (please check all that apply)? N=76

- 32  Materials
- 14  Additional staff members
- 34  Additional staff hours
- 24  Additional funding required
- 18  None
- 11  Other, (please specify) \_\_\_\_\_

49. What are the incentives for entering into collaborative arrangements (please check all that apply)? N=80

- 35  Additional funding
- 48  Additional materials
- 48  Increased access to individuals with expertise in certain fields
- 25  Additional hardware or equipment for computers
- 11  Additional staff
- 17  Additional volunteers
- 33  Additional training opportunities provided to staff
- 24  Other, (please specify.) \_\_\_\_\_

50. If you have any additional comments that you feel are important for us to consider, please note them in the space provided.

**THANK YOU FOR YOUR TIME AND COOPERATION.**

**Please return the completed survey by mail at the address listed below or by fax to (804) 371-0101 by Monday, May 14, 2001.**

<p style="text-align: center;"><b>JLARC</b></p> <p style="text-align: center;"><b>Suite 1100, General Assembly Building Capitol Square Richmond, VA 23219</b></p> <p style="text-align: center;"><b>ATTN: Kelly Gobble</b></p>
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**Appendix D**

**Percentages of State, Local, Federal and Other Grant Incomes Comprising Library Budgets (FY 1970-1998)**

<b>Year</b>	<b>\$ State Aid</b>	<b>% State</b>	<b>\$ Federal Aid/Other Grants</b>	<b>%Federal/Other</b>	<b>\$ Local Aid</b>	<b>% Local</b>	<b>Grand Total (\$)</b>
1970	\$402,153.00	3.61	\$290,839.00	2.61	\$10,435,712.00	93.77	\$11,128,704.00
1971	\$530,613.00	4.18	\$717,472.00	5.65	\$11,441,211.00	90.16	\$12,689,296.00
1972	\$529,509.00	3.79	\$559,308.00	4.01	\$12,864,912.00	92.20	\$13,953,729.00
1973	\$973,946.00	6.02	\$515,296.00	3.19	\$14,681,544.00	90.79	\$16,170,786.00
1974	\$988,793.00	5.24	\$795,532.00	4.21	\$17,101,226.00	90.55	\$18,885,551.00
1975	\$1,231,166.00	5.75	\$300,683.00	1.40	\$19,873,900.00	92.84	\$21,405,749.00
1976	\$1,248,427.00	5.21	\$541,042.00	2.26	\$22,168,458.00	92.53	\$23,957,927.00
1977	\$1,437,822.00	5.43	\$794,227.00	3.00	\$24,238,902.00	91.57	\$26,470,951.00
1978	\$1,599,178.00	5.61	\$753,713.00	2.64	\$26,149,229.00	91.74	\$28,502,120.00
1979	\$2,249,196.00	6.99	\$367,313.00	1.14	\$29,564,702.00	91.87	\$32,181,211.00
1980	\$2,372,564.00	6.31	\$1,393,181.00	3.71	\$33,807,588.00	89.98	\$37,573,333.00
1981	\$3,951,275.00	9.17	\$1,381,964.00	3.21	\$37,735,132.00	87.62	\$43,068,371.00
1982	\$4,370,968.00	9.38	\$934,464.00	2.00	\$41,314,748.00	88.62	\$46,620,180.00
1983	\$6,402,961.00	12.39	\$833,456.00	1.61	\$44,457,937.00	86.00	\$51,694,354.00
1984	\$6,534,498.00	11.79	\$442,085.00	0.80	\$48,465,326.00	87.42	\$55,441,909.00
1985	\$9,015,340.00	13.31	\$360,373.00	0.53	\$58,364,290.00	86.16	\$67,740,003.00
1986	\$9,427,534.00	13.59	\$681,946.00	0.98	\$59,244,033.00	85.42	\$69,353,513.00
1987	\$9,545,535.00	11.91	\$2,292,319.00	2.86	\$68,332,283.00	85.23	\$80,170,137.00
1988	\$10,499,163.00	11.53	\$2,350,815.00	2.58	\$78,228,063.00	85.89	\$91,078,041.00
1989	\$11,071,714.00	11.12	\$2,931,496.00	2.94	\$85,583,014.00	85.94	\$99,566,224.00
1990	\$11,370,077.00	10.49	\$1,042,442.00	0.96	\$95,940,467.00	88.54	\$108,352,986.00
1991	\$10,525,115.00	9.01	\$1,148,307.00	0.98	\$104,714,468.00	89.62	\$116,841,749.00
1992	\$10,174,003.00	9.72	\$1,307,700.00	1.25	\$93,220,342.00	89.03	\$104,702,045.00
1993	\$10,065,613.00	8.95	\$1,622,700.00	1.44	\$100,812,976.00	89.61	\$112,501,289.00
1994	\$10,065,611.00	8.69	\$1,739,584.00	1.50	\$103,987,495.00	89.80	\$115,792,690.00
1995	\$10,756,578.00	9.06	\$1,123,529.00	0.95	\$106,812,505.00	89.99	\$118,692,612.00
1996	\$13,893,113.00	10.77	\$1,004,164.00	0.78	\$114,087,305.00	88.45	\$128,984,582.00
1997	\$13,891,306.00	10.08	\$1,440,224.00	1.04	\$122,544,279.00	88.88	\$137,875,809.00
1998	\$14,143,113.00	10.17	\$960,561.00	0.69	\$123,977,035.00	89.14	\$139,080,709.00
1999	\$15,543,113.00						
2000	\$16,943,113.00						

Note: Federal and local funding could not be verified for FY 1999 and FY 2000.

Source: JLARC staff analysis of library funding data provided by the Library of Virginia.

## Appendix E

### Percentage of State Aid Budgets Committed to Library Materials (FY 1998)

Library Name	Mat. Exp. from State Aid	Total Exp.on Mat.	% Mat. Exp. From State Aid
Alexandria Library	\$120,372.00	\$634,986.00	18.96
Amherst County Public Library	\$59,378.00	\$64,620.00	91.89
Appomattox Regional Library (Hopewell, Dinwiddie County, and Prince George)	\$124,000.00	\$138,551.00	89.50
Arlington Department of Libraries	\$223,133.00	\$1,054,804.00	21.15
Augusta County Library	\$164,248.00	\$196,093.00	83.76
Bedford Public Library (Bedford City and Bedford County)	\$122,937.00	\$140,174.00	87.70
Blue Ridge Regional Library (Martinsville, Henry County, and Patrick County)	\$258,797.00	\$303,781.00	85.19
Botetourt County Library	\$56,955.00	\$67,698.00	84.13
Bristol Public Library	\$121,403.00	\$154,843.00	78.40
Buchanan County Public Library	\$39,745.00	\$50,867.00	78.14
Campbell County Public Library	\$110,062.00	\$117,674.00	93.53
Caroline Library, Inc.	\$23,894.00	\$24,719.00	96.66
Central Rappahannock Regional Library (Fredericksburg, Spotsylvania County, Stafford County, and Westmoreland County)	\$410,512.00	\$743,567.00	55.21
Central Virginia Regional Library (Buckingham and Prince Edward Counties)	\$36,025.00	\$37,502.00	96.06



Library Name	Mat. Exp. from State Aid	Total Exp.on Mat.	% Mat. Exp. From State Aid
Charles P. Jones Memorial Library (Covington and Alleghany County)	\$36,379.00	\$46,843.00	77.66
Charlotte County Public Library	\$24,811.00	\$25,998.00	95.43
Chesapeake Public Library	\$179,310.00	\$886,527.00	20.23
Chesterfield County Public Library	\$239,513.00	\$866,484.00	27.64
Clifton Forge Public Library	\$16,281.00	\$18,671.00	87.20
Colonial Heights Public Library	\$59,883.00	\$70,609.00	84.81
Culpeper Town and County Library	\$45,293.00	\$75,324.00	60.13
Cumberland County Public Library	\$12,769.00	\$15,084.00	84.65
Danville Public Library	\$85,569.00	\$168,166.00	50.88
Eastern Shore Public Library (Accomack and Northampton County)	\$67,743.00	\$70,262.00	96.41
Essex Public Library	\$17,247.00	\$19,361.00	89.08
Fairfax County Public Library (Fairfax City and Fairfax County)	\$557,339.00	\$4,251,702.00	13.11
Fauquier County Public Library	\$199,709.00	\$202,032.00	98.85
Fluvanna County Library	\$39,141.00	\$47,129.00	83.05
Franklin County Public Library	\$70,625.00	\$105,819.00	66.74
Galax-Carroll Public Library (Galax and Carroll County)	\$38,034.00	\$44,742.00	85.01
Gloucester Library	\$53,116.00	\$58,291.00	91.12
Halifax County/South Boston Regional Library (South Boston and Halifax County)	\$68,458.00	\$71,267.00	96.06
Hampton Public Library	\$214,510.00	\$289,790.00	74.02

Library Name	Mat. Exp. from State Aid	Total Exp. on Mat.	% Mat. Exp. From State Aid
The Handley Library (Winchester, Clarke and Frederick Counties)	\$149,549.00	\$170,532.00	87.70
Henrico County Public Library	\$237,471.00	\$750,613.00	31.64
Heritage Library (Charles City and New Kent County)	\$27,567.00	\$28,257.00	97.56
Highland County Public Library	\$8,261.00	\$9,757.00	84.67
J. Robert Jamerson Memorial Library (Appomattox County)	\$27,871.00	\$31,093.00	89.64
James L. Hamner Public Library (Amelia)	\$21,377.00	\$21,377.00	100.00
Jefferson-Madison Regional Library (Charlottesville, Albemarle, Greene, Louisa, and Nelson Counties)	\$603,633.00	\$615,354.00	98.10
Lancaster County Public Library	\$31,491.00	\$33,521.00	93.94
Lewis Egerton Smoot Memorial Library (King George)	\$41,105.00	\$55,687.00	73.81
Lonesome Pine Regional Library (Wise, Dickenson, Lee, Norton, and Scott Counties)	\$275,849.00	\$291,630.00	94.59
Loudoun County Public Library	\$212,747.00	\$711,918.00	29.88
Lynchburg Public Library	\$169,823.00	\$171,617.00	98.95
Madison County Library, Inc.	\$15,936.00	\$17,136.00	93.00
Mary Riley Styles Public Library (Falls Church)	\$160,000.00	\$172,956.00	92.51
Massanutten Regional Library (Harrisonburg, Page, and Rockingham Counties)	\$9,406.00	\$156,792.00	6.00
Mathews Memorial Library	\$19,421.00	\$26,066.00	74.51

Library Name	Mat. Exp. from State Aid	Total Exp.on Mat.	% Mat. Exp. From State Aid
Meherrin Regional Library (Emporia and Greenville County)	\$78,049.00	\$92,002.00	84.83
Middlesex County Public Library	\$15,294.00	\$25,760.00	59.37
Montgomery-Floyd Regional Library (Montgomery and Floyd Counties)	\$161,452.00	\$186,273.00	86.67
Newport News Public Library System	\$208,876.00	\$480,604.00	43.46
Norfolk Public Library	\$236,076.00	\$797,129.00	29.62
Northumberland County Public Library	\$21,115.00	\$36,515.00	57.83
Nottoway County Library	\$18,141.00	\$23,283.00	77.92
Orange County Public Library	\$86,339.00	\$99,387.00	86.87
Pamunkey Regional Library (Goochland, Hanover, King and Queen, and King William Counties)	\$349,035.00	\$384,549.00	90.76
Pearisburg Public Library (Pearisburg and Giles County)	\$25,458.00	\$30,342.00	83.90
Petersburg Public Library	\$98,338.00	\$107,289.00	91.66
Pittsylvania County Public Library	\$66,900.00	\$72,524.00	92.25
Poquoson Public Library	\$65,333.00	\$69,452.00	94.07
Portsmouth Public Library	\$164,132.00	\$220,944.00	74.29
Powhatan County Public Library	\$14,605.00	\$19,672.00	74.24
Prince William Public Library (Manassas Park, Manassas, and Prince William Counties)	\$552,458.00	\$1,849,924.00	29.86
Pulaski County Library	\$51,221.00	\$56,555.00	90.57
R. Iris Brammer Public Library (Narrows)	\$8,621.00	\$8,621.00	100.00

Library Name	Mat. Exp. from State Aid	Total Exp.on Mat.	% Mat. Exp. From State Aid
Radford Public Library	\$53,857.00	\$69,895.00	77.05
Rappahannock County Library	\$17,552.00	\$18,128.00	96.82
Richmond County Library	\$8,428.00	\$9,908.00	85.06
Richmond Public Library	\$227,460.00	\$472,776.00	48.11
Roanoke City Public Library (Roanoke City and Craig County)	\$205,145.00	\$312,840.00	65.58
Roanoke County Public Library	\$203,786.00	\$323,508.00	62.99
Rockbridge Regional Library (Buena Vista, Lexington, Bath and Rockbridge Counties)	\$105,613.00	\$145,387.00	72.64
Russell County Public Library	\$23,611.00	\$24,989.00	94.49
Salem Public Library	\$122,472.00	\$150,253.00	81.51
Samuels Public Library (Warren County)	\$47,645.00	\$71,756.00	66.40
Shenandoah County Library	\$34,843.00	\$34,843.00	100.00
Smyth-Bland Regional Library (Bland and Smyth County)	\$96,075.00	\$96,693.00	99.36
Southside Regional Library (Lunenburg and Mecklenburg Counties)	\$81,991.00	\$92,348.00	88.78
Staunton Public Library	\$157,400.00	\$165,152.00	95.31
Suffolk Public Library System	\$161,392.00	\$250,164.00	64.51
Tazewell County Public Library	\$54,570.00	\$56,006.00	97.44
Virginia Beach Public Library	\$278,046.00	\$1,566,038.00	17.75
Walter Cecil Rawls Library and Museum (Franklin City, Isle of Wight, Southampton, Surry, and Sussex Counties)	\$176,315.00	\$198,397.00	88.87
Washington County Public Library	\$88,974.00	\$128,832.00	69.06

<b>Library Name</b>	<b>Mat. Exp. from State Aid</b>	<b>Total Exp.on Mat.</b>	<b>% Mat. Exp. From State Aid</b>
Waynesboro Public Library	\$153,393.00	\$153,393.00	100.00
Williamsburg Regional Library (Williamsburg and James City County)	\$373,905.00	\$486,332.00	76.88
Wythe-Grayson Regional Library (Wythe and Grayson Counties)	\$52,445.00	\$62,763.00	83.56
York County Public Library	\$175,408.00	\$176,907.00	99.15

Source: *Bibliostat* software analysis and JLARC staff analysis of historical funding data.

**Appendix F**

**Appropriated State Aid Per Capita by Library, FY 2002**

<b>Library Name</b>	<b>Library Type</b>	<b>Appropriated State Aid, FY 2002</b>	<b>Population 1999</b>	<b>Appropriated State Aid Per Capita, FY 2002</b>
Alexandria	City	\$276,483	119,900	\$2.31
Amelia(Hamner)	County	\$33,164	10,600	\$3.13
Amherst	County	\$188,691	30,400	\$6.21
Appomattox Regional	Regional	\$348,035	77,400	\$4.50
Appomattox(Jamerson)	County	\$43,937	13,400	\$3.28
Arlington	County	\$294,272	180,900	\$1.63
Augusta	County	\$260,080	62,400	\$4.17
Bedford	Regional	\$341,947	63,900	\$5.35
Blue Ridge	Regional	\$527,176	89,900	\$5.86
Botetourt	County	\$157,603	29,500	\$5.34
Bristol	City	\$227,062	17,200	\$13.20
Buchanan	County	\$117,146	28,400	\$4.12
Campbell	County	\$221,980	49,800	\$4.46
Caroline	County	\$38,395	21,700	\$1.77
Central Rappahannock	Regional	\$946,401	214,500	\$4.41
Central Virginia	Regional	\$84,524	33,900	\$2.49
Charles P Jones	Regional	\$78,825	19,400	\$4.06
Charlotte	County	\$50,134	12,900	\$3.89
Chesapeake	City	\$301,984	197,000	\$1.53
Chesterfield	County	\$318,808	252,200	\$1.26
Clifton Forge	City	\$32,300	4,300	\$7.51
Colonial Heights	City	\$133,263	16,600	\$8.03
Culpeper	County	\$141,127	33,400	\$4.23
Cumberland	County	\$24,648	8,400	\$2.93
Danville	City	\$247,806	50,200	\$4.94
Eastern Shore	Regional	\$151,542	45,700	\$3.32
Essex	County	\$27,246	9,300	\$2.93
Fairfax	Regional	\$761,787	962,800	\$0.79
Falls Church(Sty)	City	\$244,440	9,800	\$24.94
Fauquier	County	\$263,370	53,500	\$4.92
Fluvanna	County	\$61,523	19,600	\$3.14
Franklin	County	\$144,586	46,000	\$3.14
Galax-Carroll	Regional	\$145,068	34,700	\$4.18
Gloucester	County	\$133,207	34,500	\$3.86
Halifax-South Boston	Regional	\$146,959	37,100	\$3.96
Hampton	City	\$281,566	136,200	\$2.07
Handley Library	Regional	\$452,727	92,100	\$4.92

Library Name	Library Type	Appropriated State Aid, FY 2002	Population 1999	Appropriated State Aid Per Capita, FY 2002
Henrico	County	\$316,121	249,200	\$1.27
Heritage Library	Regional	\$60,962	20,300	\$3.00
Highland	County	\$18,293	2,500	\$7.32
Jefferson-Madison	Regional	\$833,888	173,500	\$4.81
King George(Smoot)	County	\$80,408	17,000	\$4.73
Lancaster	County	\$63,825	11,300	\$5.65
Lonesome-Pine	Regional	\$646,611	108,500	\$5.96
Loudoun	County	\$291,799	155,900	\$1.87
Lynchburg	City	\$260,780	64,600	\$4.04
Madison	County	\$24,093	12,700	\$1.90
Massanutten	Regional	\$441,685	122,500	\$3.61
Mathews	County	\$38,262	9,200	\$4.16
Meherrin	Regional	\$157,777	35,500	\$4.44
Middlesex	County	\$46,292	9,600	\$4.82
Montgomery-Floyd	Regional	\$354,045	91,700	\$3.86
Narrows(Brammer)	Town	\$14,166	1,977	\$7.17
Newport News	City	\$294,388	179,900	\$1.64
Norfolk	City	\$307,530	225,700	\$1.36
Northumberland	County	\$51,854	11,700	\$4.43
Nottoway	County	\$47,143	15,200	\$3.10
Orange	County	\$157,564	25,300	\$6.23
Pamunkey	Regional	\$568,561	121,600	\$4.68
Pearisburg	Town	\$60,367	2,128	\$28.37
Petersburg	City	\$237,302	34,000	\$6.98
Pittsylvania	County	\$174,452	59,000	\$2.96
Poquoson	City	\$125,134	11,400	\$10.98
Portsmouth	City	\$270,076	97,200	\$2.78
Powhatan	County	\$49,191	22,300	\$2.21
Prince William	Regional	\$773,115	309,700	\$2.50
Pulaski	County	\$148,791	34,700	\$4.29
Radford	City	\$130,240	16,100	\$8.09
Rappahannock	County	\$32,427	7,600	\$4.27
Richmond City	City	\$297,616	191,300	\$1.56
Richmond County	County	\$21,946	8,700	\$2.52
Roanoke City	City	\$269,187	93,800	\$2.87
Roanoke County	County	\$268,269	83,700	\$3.21
Rockbridge	Regional	\$334,854	38,800	\$8.63
Russell	County	\$85,079	28,900	\$2.94
Salem	City	\$190,694	24,400	\$7.82
Shenandoah	County	\$74,871	36,300	\$2.06

<b>Library Name</b>	<b>Library Type</b>	<b>Appropriated State Aid, FY 2002</b>	<b>Population 1999</b>	<b>Appropriated State Aid Per Capita, FY 2002</b>
Smyth-Bland	Regional	\$269,188	39,600	\$6.80
Southside	Regional	\$208,823	43,400	\$4.81
Staunton	City	\$248,817	24,300	\$10.24
Suffolk	City	\$263,853	63,500	\$4.16
Tazewell	County	\$198,506	45,900	\$4.32
Virginia Beach	City	\$366,021	421,000	\$0.87
Walter Cecil Rawls	Regional	\$483,158	74,400	\$6.49
Warren(Samuels)	County	\$130,515	29,600	\$4.41
Washington	County	\$261,669	50,500	\$5.18
Waynesboro	City	\$231,171	19,200	\$12.04
Williamsburg	Regional	\$510,099	58,300	\$8.75
Wythe-Grayson	Regional	\$184,980	43,600	\$4.24
York	County	\$259,273	57,500	\$4.51
	<b>Totals:</b>	<b>\$20,485,543</b>	<b>6,855,705</b>	



## Appendix G

### Example of Library Study Funding Formula

#### DETAILED EXAMPLE OF LIBRARY FUNDING FORMULA CALCULATIONS APPLIED TO THE JEFFERSON-MADISON REGIONAL LIBRARY

This appendix provides a detailed description of how the Library of Virginia (LVA) applies the statutory library funding formula to determine the annual amount of State aid to libraries. There are four basic steps in the library funding formula to calculate final state aid: (1) calculating the Local Expenditures Grant, (2) calculating the Per Capita Grant, (3) calculating the Mileage Grant, and (4) calculating the Total State Aid based on the grants and two other criteria. Additionally, the variations on two LVA formula grant components (the Local Expenditures and Per Capita Grants) developed by JLARC staff are also explained. Since the funding formula is designed at the local level, regional libraries serving multiple jurisdictions require additional calculations. These steps are demonstrated here by applying the formula to the Jefferson Madison Regional Library (JMRL).

#### Step 1 – Calculating the Local Expenditures Grant

**The LVA formula.** The first component of the funding formula is to calculate the Local Expenditures Grant. This grant pays libraries forty cents for every dollar spent in the two fiscal years prior to the current fiscal year (without an adjustment for inflation), up to \$250,000. In the more simple case of non-regional libraries, this first step involves multiplying a locality's reported expenditures by 40 percent, and capping the figure at \$250,000, if the result exceeds that amount. Since all libraries report one figure for their total expenditures, additional calculations are necessary for regional libraries (which by definition serve more than one locality) to estimate expenditures at the locality level.

Exhibit G-1 demonstrates the additional calculations required for JMRL. In Step 1-A, the proportion of revenue that localities contribute to JMRL's total budget is determined (see Exhibit G-1, Step 1A). JMRL's total expenditures amount is multiplied by this proportion to estimate each locality's share of the total expenditures. In Step 1-B, each locality's expenditures are then multiplied by 40 percent to calculate the amount of State aid by locality. If this calculation exceeds the cap of \$250,000 for a locality, the State aid based on that locality's expenditures is set to the cap (this is the case for Charlottesville and Albemarle). The resulting State aid amounts by localities are summed to derive JMRL's Local Expenditure Grant of \$685,675.

By breaking down regional library expenditures according to local contribution, the formula does not penalize individual localities for working

**Exhibit G-1**

**Step 1: How the Local Expenditures Grant is Calculated for Regional Libraries, Using the Jefferson Madison Regional Library as an Example**

**Step 1-A  
Estimating Locality Expenditures Based on Their Proportional Contribution**

<b>Localities Served</b>	<b>Contribution to Regional Revenues a</b>	<b>Percent of Contribution to Regional Revenues</b>	<b>Other Regional Revenues * b</b>	<b>Unused Revenues * c</b>	<b>Total Expenditures * (a+b)-c</b>
Charlottesville	\$866,662	27.98%	\$136,343	\$113,079	\$889,927
Albemarle	\$1,778,314	57.42%	\$279,765	\$232,027	\$1,826,051
Greene	\$132,513	4.28%	\$20,847	\$17,290	\$136,070
Louisa	\$175,915	5.68%	\$27,675	\$22,953	\$180,637
<u>Nelson</u>	<u>\$143,624</u>	<u>4.64%</u>	<u>\$22,595</u>	<u>\$18,739</u>	<u>\$147,479</u>
<b>Total</b>	<b>\$3,097,028</b>	<b>100.0%</b>	<b>\$487,225</b>	<b>\$404,088</b>	<b>\$3,180,165</b>

**Step 1-B  
Summing Locality Expenditures Estimates to Determine the Regional Local Expenditures Grant**

	<b>Total Expenditures * d</b>	<b>Local Expenditures Grant d*0.40</b>	
Charlottesville	\$889,927	\$250,000 **	<b>JMRL's Local Expenditures Grant \$685,675</b>
Albemarle	\$1,826,051	\$250,000 **	
Greene	\$136,070	\$54,428	
Louisa	\$180,637	\$72,255	
<u>Nelson</u>	<u>\$147,479</u>	<u>\$58,992</u>	
<b>Total</b>	<b>\$3,180,165</b>	<b>\$685,675</b>	

\* Proportioned according to localities' revenue contribution

\*\* Local Expenditures Grant capped at \$250,000.

Note: Numbers in italics were provided by JMRL, numbers not in italics are derived from formula calculations.

Source: Library of Virginia Finance Division staff.

together to provide services since the cap is less likely to be applied. Rather, the formula encourages cooperation and consolidation between and among local libraries.

**Increases to the Expenditure Cap to Reflect Inflation.** The LVA local expenditures formula applies a cap that was set at \$250,000 in 1990, however, since that time it has not been adjusted for inflation. In order to recognize the

increasing costs of providing library services, one option is to increase the cap based on the rate of inflation since 1990. Using the Consumer Price Index from November 1990 through November 2000, the average annual rate of inflation was 3.0 percent. Multiplying \$250,000 by 3.0 percent, and compounding it for ten years, derives a new cap of \$335,979. With the only change to the formula being the inflated cap, the new JMRL grant would be \$857,633.

**The Effect of Removing the Local Expenditures Cap.** Another way to allow for increasing costs is to remove the local expenditures cap altogether. Thus the contributions of all of the localities and libraries would be equally recognized. Except for removing the cap, the formula calculations remain the same. Under this scenario, the JMRL grant would be \$1,272,066.

## **Step 2 – Calculating the Per-Capita Grant**

**The LVA Formula.** The second step in applying the library funding formula involves calculating the Per-Capita Grant based on the population that each library services. This grant pays libraries thirty cents per capita for up to 600,000 persons served. Regional libraries serving more than one locality are paid an additional ten cents per capita for up to 600,000 persons for each additional city or county served. Finally, libraries serving more than 600,000 persons receive ten cents per capita for persons in excess of the 600,000 cap. Fairfax County Library is the only locality serving more than 600,000 persons.

Exhibit G-2 illustrates how the per-capita grant is calculated. JMRL serves 5 localities with a total population of 173,500, and thus receives \$121,450 for the Per-Capita Grant. For these calculations LVA uses population data from the Center for Public Service. This example used 1999 data.

**The Effect of Removing the 600,000 Population Cap.** The per-capita cap of 600,000 was set in 1970, and has not been adjusted since for population growth. Taking into account that Virginia's statewide population has grown 52 percent since 1970, a per-capita cap adjusted for population growth would be 913,065. JMRL cannot be used to illustrate this option because their population does not exceed this cap. Fairfax County Library is the only library that exceeds the per-capita cap, with a 1999 population of 962,800. In the current LVA formula, Fairfax receives \$276,280 for the per capita grant. Applying the adjusted cap to the funding formula, Fairfax would receive \$370,200.

An alternative option is to remove the per capita cap from the funding formula. This would mean that libraries would be paid thirty cents per capita for their first locality, and an additional ten cents per capita for each additional city or county served. Fairfax County Library is the only library affected by this option, and would receive \$385,120

## Exhibit G-2

### Step 2: How the Per-Capita Grant is Calculated for Regional Libraries, Using the Jefferson Madison Regional Library as an Example

#### Per-Capita Grant Data

Jefferson Madison Region Library's Population	173,500
Number of Localities Served	5

#### Per-Capita Grant Calculation

30 cents per capita for the first locality served ( $0.30 \times 173,500$ )	\$52,050
10 cents per capita for each additional locality served ( $(0.10 \times 173,500) \times 4$ )	\$69,400

**Total Per-Capita Grant \$121,450**

Source: Library of Virginia Finance Division staff.

### Step 3 – Calculating the Mileage Grant

The third funding formula component entails calculating the Mileage Grant based on the number of square miles served. This grant pays libraries ten dollars per square mile of area served. The formula provides an incentive to regional libraries serving more than one locality, by paying them an additional twenty dollars per square mile served. Exhibit G-3 illustrates that JMRL serves five localities covering 1,861 square miles, and is eligible for \$55,830 in Mileage Grant. JLARC staff did not develop alternatives to this formula component.

### Step 4 – Calculating the Total State Aid

The final step in calculating the amount of state aid requires assessing the total possible amount for which each library is eligible and then making adjustments based on three criteria. The total possible amount for which libraries are eligible is simply the sum of the Local Expenditures Grant, Per-Capita Grant, and Mileage Grant.

The first criterion specifies that the total eligible amount will be reduced by 25 percent for libraries without a certified librarian on staff. The sum of the

### Exhibit G-3

#### Step 3: How the Mileage Grant is Calculated for Regional Libraries, Using the Jefferson Madison Regional Library as an Example

##### Mileage Grant Data

Jefferson Madison Region Library's Square Miles	1,861
Number of Localities Served	5

##### Mileage Grant Calculation

\$10 per square mile for the first locality served (10 x 1,861)	\$18,610
\$20 per square mile for all additional localities served (20 x 1,861)	\$37,220

**Total Mileage Grant \$55,830**

Source: Library of Virginia Finance Division staff.

dollars withheld across all libraries affected are then redistributed to the remaining libraries in proportion to their share of the total amount eligible for all libraries (before the 25 percent reduction). JMRL has a certified librarian on staff and receives about 4.1 percent of the total State Aid for all libraries. Therefore, the amount added to their total State aid based upon this criterion is \$1,267.

The second criterion is only in effect when the State budget does not provide full funding for libraries. In this case, the total amount of State aid for libraries is distributed to libraries based on their share of the adjusted total amount eligible (or after the funds from the first criteria are redistributed).

The sum of the LVA formula components presented in this section is shown in Exhibit G-4. Allowing for full funding, JMRL is eligible for \$864,222 in total State aid in FY 2002 using the LVA formula.

**Exhibit G-4**

**Step 4: Final Funding Formula Calculations for Total State Aid  
Using Jefferson Madison Regional Library as an Example**

Step 1 – Local Expenditures Grant	\$685,675
Step 2 – Per-Capita Grant	+ \$121,450
Step 3 – Mileage Grant	+ \$55,830
<u>Criterion 1 – No Certified Librarian Funds</u>	<u>+ \$1,267</u>
<b>Final State Aid</b>	<b>\$864,222</b>

Source: Library of Virginia Finance Division Staff.

## **Appendix H**

### **Agency Responses**

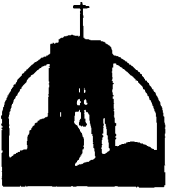
As part of an extensive data validation process, State agencies and other relevant entities involved in a JLARC assessment effort are given the opportunity to comment on an exposure draft of the report. Appropriate technical corrections resulting from written comments have been made in this version of the report. Page references in the agency responses relate to an earlier exposure draft and may not correspond to page numbers in this version.

This appendix contains the following responses::

- Virginia Library Association
- Virginia Public Library Directors' Association
- Library of Virginia







# FERRUM COLLEGE

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Stanley Library

December 29, 2000

JAN 4 - 2001


Patricia S. Bishop  
JLARC  
Suite 1000 General Assembly Building  
Capitol Square  
Richmond, VA 23219

Dear Trish:

Here is the Virginia Library Association's position on State Aid to Public Libraries with supporting tables. Carolyn Barkley, Past President, was the primary author, but it has been approved by the Association. I hope the statement will be helpful to JLARC as you complete your study.

Thank you for your attention, and best wishes to you and George in the New Year.

Sincerely,

  
Cy Dillon, President  
Virginia Library Association

Virginia Library Association  
and  
State Aid to Virginia's Public Libraries



**VIRGINIA LIBRARY ASSOCIATION**

P. O. Box 8277  
Norfolk, Virginia 23503-0277

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**Virginia Library Association  
and  
State Aid to Virginia's Public Libraries**

**BACKGROUND**

The Virginia Assembly established an "act to appropriate certain funds for State aid in the development of certain public library services, particularly for rural communities, and to prescribe the powers and duties of the State Library Board and of certain other persons with respect to the expenditure of such funds and of similar future appropriations" with S.B. 51, approved by the General Assembly on 31 March 1942. *The Acts of Assembly* (1942, Chapter 350, page 523) established the following:

Section 1. In order to provide State aid in the development of public library service throughout the State, particularly in rural communities, there is hereby appropriated to the Virginia State Library, out of the general fund of the State treasury, in addition to any other funds appropriated for library purposes, the sum of fifty thousand dollars (\$50,000.00) for each year of the biennium beginning July first, nineteen hundred and forty-two...

Section 2. The State Library Board shall use such part of the funds hereinabove appropriated, and such funds as may be appropriated for like purposes in the future, to provide county and regional free library systems, established subsequent to the date when this act becomes effective...with minimum collections of books necessary to undertake county-wide or region-wide library service (construed as one-fourth (1/4) book per capital of the rural inhabitants of the county or region, as shown by the last preceding United States census, at one dollar and seventy-five cents (\$1.75) new per book); provided the amount of State aid from this appropriate for any county free library system shall not exceed five thousand dollars (\$5,000.00), and for any regional free library system ;shall not exceed fifteen thousand dollars (\$15,000.00). Not more than one library in a county or region shall receive aid under this act and such library shall serve as an administrative center for county or regional free library service to the whole county or region; provided that in the case of a contract for library service between the board of trustees of a county or regional free library system and an adjacent city, town, or State-supported institution of higher learning in the county or region, or with a library not owned by a public corporation but maintained for free public use...such aid shall be given to the library contracting to give such service, which library shall then be the administrative center for a county or regional free library system.

Section 3. The obligations of the county or regional free library system, or contracting library, shall consist in supplying adequate quarters, personnel, equipment, supplies, and means of distribution, in accordance with standards set up by the State Library Board; provided that a bookmobile for the distribution of books in all sections of the county or region may be supplied from State aid funds in lieu of an equal cost of books; and provided further that personnel standards shall conform to the provisions of section three hundred and sixty-three of the Code of Virginia for the certification of librarians, and with rules and regulations prescribed by the State Board for ht e Certification of Librarians in accordance with said section.

Section 4. In the case of any qualified county free library system established prior to the date when this act becomes effective, or of any qualified municipal library system, State aid shall be made available by the State Library Board in an amount equal to that expended by any such library system in its current fiscal year for books, or a bookmobile or additional personnel, as approved by the State Library Board, but not to exceed one thousand dollars (\$1,000.00), to any one library system in any one year. Any municipal library system contracting for library service...may qualify separately for State aid..

Section 5. As of joining of two or more counties to establish and maintain a regional free library system enables rural inhabitants to provide the necessary and satisfactory facilities for library service at the least cost per capita, regional free library systems are to be encouraged, especially to include counties having less than ten thousand (10,000) rural inhabitants. To this end, contiguous counties combined or combining for regional free library systems, as approved by the State Library Board shall be allotted their respective parts of State aid...but not to exceed fifteen thousand dollars (\$15,000.00) for any regional free library system.

Section 6. The State Library Board shall establish standards under which library systems shall be eligible for State aide and may require reports on the operation of all libraries receiving State aid.

Section 7. As long as funds are available, grants shall be made to the various library systems or contracting libraries applying for State aid in the order in which they meet the standards established by the State Library Board. Not to exceed two thousand five hundred dollars (\$2,500.00) per annum of this appropriation may be used by the State Library Board to defray the expenses of administering the provisions of this act.

Section 8. All proposals for books and bookmobiles to be purchased with State aid funds shall be submitted for approval to the State Library by the Library systems or contracting libraries applying for State aid...

Section 9. The service of books in library systems receiving State aid shall be free and given to all parts of the county, region or municipality.

Section 10. The term "books" as used in this act shall be interpreted to mean books, magazines, newspapers and other printed library matter.

On 29 March 1944, the General Assembly approved H.B. 121 with amended and re-enacted chapter 350 of the *Acts of Assembly* with regard to state aid. Section one included funding for any new county free library system at the 1942 maximum of \$5,000.00, but funds available to new regional free library systems were reduced by \$5,000 over 1942, to a maximum of \$10,000. In addition, Section 2 outlined the following elements of a formula for state aid:

In order to encourage the maintenance and development of proper standards, including the standards of the American Library Association for books per capita (one to three volumes in inverse ratio to population of library service unites), and the combination of library systems or libraries into larger and more economical unites of service, in the case of regional, county and city library systems established in any prior State fiscal year, and in the case of town libraries established in any prior State fiscal year in any county where no county or regional free library system exists, grants of State aid may be made by the State Library Board to any such qualifying library system or qualifying library lacking

the prescribed ratio of books per capita to an amount equal to that expended, exclusive of State aid funds, by any such library system or library in its current fiscal year for books, or a bookmobile, or additional personnel...but not to exceed , in any year of the biennium, five thousand dollars (\$5,000.00) to any one regional library system, one thousand dollars (\$1,000) to any one county library system, five hundred dollars (\$500.00) to any one city library system, and one hundred dollars (\$100.00) to any one town library serving a population of less than five thousand in a county where no county of regional free library system exists...

More substantial revisions to state aid funding were approved by the General Assembly in H.B. 121, approved 12 March 1946 and enacted as Chapter 170 of the *Acts of Assembly*). That Chapter stated that:

Section 1. In order to provide State aid in the development of public library service throughout the State, particularly in rural communities, the State Library Board...shall grant from such appropriations as are made for this purpose funds to provide books to county and regional free library system, established pursuant to the provisions of section three hundred sixty-five of the Code.

Original grants shall be limited to seventy-five cents (\$.75) per capita of the inhabitants of the county or region as shown by the last preceding United States census, excluding therefrom the number of inhabitants of municipalities having a population of five thousand (5,000) or more, and shall not exceed five thousand dollars (\$5,000.00) to any county free library system and ten thousand dollars (\$10,000.00) to any regional free library system...

Section 2. In order to encourage the maintenance and development of proper standards, including the standards of the American library Association for books per capita (one to three volumes in inverse ratio to population of library service units), and the combination of library systems or libraries into larger and more economical units of service, grants of State aid may be made by the Board to any qualifying library system or qualifying library, established in any prior State fiscal year, which lacks the prescribed ratio of books per capita. Such grants shall be limited to matching the amount expended or to be expended, exclusive of State aid funds, by any such library system or library in its current fiscal year for books, or a bookmobile, or additional personnel, as approved by the Board, but not to exceed, in any State fiscal year, five thousand dollars (\$5,000.00) to any one regional library system, one thousand dollars (\$1,000.00) to any one county library system, five hundred dollars (\$500.00) to any one library of a municipality with a population of five thousand or more, and one hundred dollars (\$100.00) to any one library to any one library of a municipality with a population of less than five thousand in a county where no county or regional free library system exists...

Since the 1946 General Assembly action, the basic tenets of state aid have remained the same, although wording has been clarified. Current law [*Code of Virginia*, Chapter 3, §42.1-48] states that state aid is granted "to encourage the maintenance and development of proper standards, including personnel standards, and the combination of libraries or library systems into larger and more economical units of service..."

In comparison to this constancy of purpose, the elements of the formula determining distribution have been altered several times throughout the intervening decades, the latest change occurring in 1988.

## CURRENT REALITY

The current formula includes the following three elements:

- Forty cents of state aid for every dollar expended, or to be expended, exclusive of state and federal aid, by the political subdivision or subdivisions operating or participating in the library or system. The grant to any county or city shall not exceed \$250,000;
- A per capita grant based on the population of the area served and the number of participating counties or cities: Thirty cents per capita for the first 600,000 persons to a library or system serving one city or county, and an additional ten cents per capita for the first 600,000 persons for each additional city or county served. Libraries or systems serving a population in excess of 600,000 shall receive ten cents per capita for the excess;
- A grant of ten dollars per square mile of area served to every library or library system, and an additional grant of twenty dollars per square mile of area served to every library system serving more than one city or county.

In FY2001, the Library of Virginia distributed \$20,485,543 in state aid funds to 90 county, city and town libraries throughout the commonwealth. This figure represents the first time that the formula has been fully funded since 1985 and culminates a three year legislative effort by the Virginia Library Association in partnership with the Virginia Public Library Directors Association and the Library of Virginia. According to figures from the Library of Virginia, grants for the 2001 fiscal year ranged from \$14,026 to \$945,012. Libraries use an estimated 78% of state aid funds to supplement local funds for books and materials, 9% for professional salaries, and the remaining 13% for contractual services, automated services, and other related library initiatives.

The 2000 General Assembly (Item 20i of the Appropriation Act) directed JLARC to review:

- The equity of the formula used to allocate State aid among public libraries in Virginia;
- The impact of technological changes on library services

In addition, JLARC was directed to consider:

- The population and expenditure caps used in the current formula;
- The possible inclusion of a construction component in the state aid formula;
- The ability of local governments to fund library services.

## REVIEW OF THE ISSUES

In a perfect world, Virginia's public libraries would not have recommended a review of the state aid formula at this time. After achieving full funding of the formula for the first time in 12 years, it appeared more effective to experience the impact that full funding might have on library service and to use this experiential data to direct a future review of the formula. The General Assembly's direction to JLARC to review the formula at this time does not allow that more conservative approach to the issue.

The Virginia Library Association recognizes that consideration of the formula is neither simple nor straightforward. There are complexities caused by a rapidly changing library environment, by political sensitivities at all levels, by specific needs, by a myriad of perceptions and misperceptions, by tensions between large and small libraries, by the gap between the “haves and have-nots”, by a fear of taking a risk with so necessary a funding source and a fear of the loss of funding – the list of variables affecting objective analysis is lengthy.

The Virginia Library Association endorses a series of principles with regard to the granting of state aid to public libraries in Virginia. Rather than provide specific solutions to the issues, our purpose in this report is to share those principles, to outline the basic issues we have identified and to share our exploration of the various aspects of specific issues. Our desired outcome is to provide JLARC staff with the benefit of the association’s critical analysis of the issues.

Several overall principles support the Virginia Library Association's review of state aid issues:

- State aid supplements a locality's ability and willingness to fund library service.
- Any change in state aid should not be based *solely* on a formula that appears to reward growth in population or local expenditure.
- No library or library system should experience a reduction in funding *due to any change to the formula*. This philosophy is essentially one of "do no harm". The desired outcome is one in which all libraries benefit.
- Any change to the state aid formula should come from *new monies*.
- Traditional state aid and Infopowering are two separate entities and should remain so.
- State aid should be available exclusively to public libraries, either individually or in multi-jurisdictional partnerships.
- Infopowering rewards collaborative efforts that use new technologies, often in multi-type library partnerships.
- Construction funding should remain separate from state aid funding, as access to service, not necessarily through a physical building, is the essence of state aid. In addition, construction funding is not awarded on a continuing grant basis. This difference has historically supported its separate administration.

## **WHY STATE AID?**

State aid provides all citizens with access to a statewide minimum level of competent library service.

Public libraries are an essential service in the lives of Virginia’s citizens, whether in support of formal education, the pursuit of life-long learning, recreational reading, listening or viewing, community dialogue, preschool learning or access to electronic resources and other technologies. Libraries are instrumental in the creation of an informed citizenry, in the exercise of the democratic process, and in the enhancement of the quality of life of individuals and communities.



The basic purposes of state aid, established 54 years ago, remain valid into the 21<sup>st</sup> century. While libraries have grown and changed dramatically during the intervening several decades, the need to develop libraries and to improve standards remains vital to the provision of quality library service to Virginia's citizens.

The Virginia Library Association endorses the historical purposes of state aid: to encourage the maintenance and development of proper standards, and the combination of libraries or library systems into larger and more economical units of service.

The issue of state aid is *not* one of large libraries versus small libraries, or counties versus cities, or regional libraries versus town libraries.

The issue of state aid is *not* one of making changes to the formula within current appropriations.

The issue of state aid is *not* to increase funding to one library at the cost of another.

The essential issue *is* to identify what is required to provide every citizen with access to a minimum level of competent library service, to develop the cost of meeting that goal, and to develop a legislative package and legislative support to accomplish that goal over a specified period of time. Successful change will require appropriation of new monies.

The Virginia Library Association endorses equity of access to a statewide minimum level of competent library service for all Virginia citizens through their public libraries.

## WHY A STATE AID FORMULA?

The formula for granting state aid to Virginia's public libraries seeks to establish a balance in the dispersal of state aid funding among public libraries in Virginia by establishing grants based on local expenditures, population and square mileage. Application of the current formula results in negative funding impacts for small and large libraries alike. The impacts are not relegated to either rural or urban library systems. The formula's impact is felt throughout the spectrum of size, ability to pay, willingness to fund, and geography. A review of these three elements, therefore, is key.

The Virginia Library Association endorses changes to the state aid formula that will not result in a loss of funds to any library or library system as a result of the formula's revision.

1. **Local Expenditures.** The current formula specifies forty cents of state aid for every dollar expended, or to be expended, exclusive of state and federal aid, by the political subdivision or subdivision operating or participating the library or system, not to exceed \$250,000. This figure was increased following the 1988 review of the formula.

An important issue, to which much discussion has been devoted, focuses on a locality's "ability to fund", an ambiguous phrase at best. Alternatives have been identified during discussions. An assessed value formula was proposed – but not approved – in the 1988 review of the formula. Other options include use of a type of socio-economic/demographic based measurement or the use of a fiscal stress formula. Any inclusion of the concept of "ability to fund" would require a clearly defined, consistently reported, measurable standard whose objective application would both provide incentive as well as support excellence.

An important issue is the need to create new dollars to support public libraries in Virginia. An increase in the cap figure would increase funding to some libraries, but would leave others unimproved. An increase over the current forty cents per dollar expended would benefit libraries more equitably.

The Virginia Library Association endorses changes to the local expenditures portion of the formula that would provide incentives to those localities that are not yet funding their libraries to meet standards of competent service, while also supporting those who are meeting or exceeding standards. These changes should not result in the loss of funding to any library or library system. Any improvement should be accomplished with increased funding.

- b. **Per capita.** The current formula specifies thirty cents per capita for the first 600,000 for libraries serving 1 city or county; plus ten cents for the first 600,000 for each additional city or county served; plus ten cents for population in excess of 600,000.

The per capita ceiling on state aid funding impacts only one library system in Virginia. The Fairfax County Public Library system, with a 1998 estimated population of 949,800 loses \$69,960 in state aid dollars due to the imposition of the per capita cap. The next library system close to the cap is Virginia Beach, still 181,700 people below the cutoff based on its estimated 1998 population of 418,300.

At first glance, it would appear that removal of the per capita dual funding levels would create a more equitable situation. Simply remove the cap, increase the appropriation by \$70,000, and resolve the problem. Citizens who are in the group over the 600,000 cap are no different than those within the base amount. The provision of library service to these individuals in terms of books and materials is no less expensive.

The issue, however, is not about Fairfax, or Virginia Beach, or \$69,960. Rather, it is about the ability of libraries of all sizes in Virginia to provide their citizens with access to a statewide minimum level of competent library service. Regardless of the number of citizens in a jurisdiction, libraries have the same difficulties in funding necessary services, in purchasing needed materials, and in providing equitable access to their customers. Neither largeness nor smallness makes the job any easier. The compelling issue is growth and how state aid can be allocated to address the central tension between areas that have shrinking or stable populations and those areas that are experiencing population growth. It is essential that slow growth areas receive appropriate funding to continue to meet the need of their citizens and to continue to improve library services to them. It is equally essential that fast growth areas, wherever they are located, receive appropriate funding to meet the demands of expanding service expectations. One half of the equation cannot be funded at the expense of the other.

The Virginia Library Association endorses changes to the per capita funding formula that support both the needs of slow growth areas and the needs of growing jurisdictions in order to provide equitable access to their customers to a statewide minimum level of competent library service. These changes should not result in the loss of funding to any library or library system. Any improvement should be accomplished with increased funding.

- c. **Square mileage.** The current formula specifies \$10.00 per square mile for libraries serving 1 city or county, plus \$20.00 per square mile for libraries serving more than 1 city or county.

The square mileage element of the current state aid formula is an appropriate method of providing additional funding to library systems providing service over large distances.

The Virginia Library Association endorses the position that no change be made in the square mileage provisions of the current state aid formula.

*Approved, Virginia Library Association Council  
14 December 2000*



# FERRUM COLLEGE

Stanley Library

JUL 9 - 2001

July 2, 2001

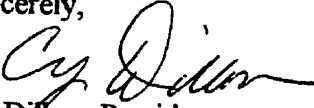
Patricia S. Bishop  
Joint Legislative Audit and Review Commission  
Suite 1100 General Assembly Building  
Capitol Square  
Richmond, Virginia 23219

Dear Ms. Bishop:

I write on behalf of the members of the Virginia Library Association to express our unqualified support for the recommendations of your study committee concerning State Aid to Public Libraries in Virginia.

In addition to expressing agreement with all your recommendations, we wish to commend you and your colleagues for the thoroughness of your investigation and the accuracy of the information gathered and presented. In our experience it is rare that investigators outside the library profession understand the mission and environment of public libraries, but you and your co-workers are obviously exceptions. We want to assure the Commission that we are in complete agreement with your findings and urge that this important report be used to plan legislation for more appropriate state funding of public libraries in the Commonwealth.

Sincerely,

  
Cy Dillon, President  
Virginia Library Association



**APPOMATTOX REGIONAL LIBRARY SYSTEM**

**Office of the Regional Library Director**

245 East Cawson Street • Hopewell, Virginia 23860-2814

804-458-0110 Fax: 804-452-0909 804-861-0322

July 6, 2001

JUL 5 - 2001

Ms. Patricia Bishop  
Joint Legislative Audit and Review Commission  
Capital Square  
Richmond, VA 23219

Dear Ms. Bishop:

The Executive Committee of the Virginia Public Library Directors' Association (VPLDA) highly endorses the JLARC report as summarized to us by Sam Clay, Carolyn Barkley, and Phil Abraham. The report accurately addresses VPLDA's concerns about the present status and future of state aid to libraries.

A preliminary study of the report indicates that the current state aid formula for public libraries in Virginia needs to be maintained and at the same time must be flexible enough to allow for the needs and concerns of all libraries, including the largest and the smallest. As the report demonstrates, public libraries greatly depend on state funding to supplement other sources of revenues. Local revenues have increased and the need for state funding to keep pace is a very important issue.

VPLDA looks forward to discussing the results of the JLARC report with elected legislators and other government officials. The report will be most helpful in conducting these discussions.

Sincerely,

**Chuck Koutnik**  
President, Virginia Public Library Directors' Association

Maude Langborne  
Nelson Library  
804-458-6329  
Fax: 804-458-4349

Carson Library  
804-246-2900

Dinwiddie Library  
804-469-9450

Disputanta Library  
804-991-2403

McKenney Library  
804-478-4866

Prince George Library  
804-732-0652

Rohoic Library  
804-732-4119



MAR 2 - 2001

February 28, 2001

Library Administration  
12000 Government  
Center Parkway  
Suite 324  
Fairfax, VA 22035  
  
(703) 324-3100  
www.co.fairfax.va.us  
/library

Fax (703) 222-3193  
TTY (703) 324-8365

Meeting  
informational,  
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and  
recreational  
needs  
in  
Fairfax  
County  
and  
Fairfax  
City

R. Kirk Jonas  
Deputy Director  
Joint Legislative Audit and Review Commission  
of the Virginia General Assembly  
Suite 1100, General Assembly Building  
Capitol Square  
Richmond, Virginia 23219

Dear Mr. Jonas:

After considerable discussion and debate, I have been authorized to submit the attached document: Virginia Public Library Directors' Association and State Aid.

This statement represents a consensus among Virginia public library directors regarding the initial role of state aid and its impact on public libraries in the Commonwealth.

VPLDA's (Virginia Public Library Directors Association) statement also addresses the issue(s) of whether or not construction and technology funds should be folded into the state aid program.

Finally, the statement suggests a modification to the state aid formula that would recognize the "ability to pay" of a locality.

Thank you for the opportunity to submit this information. Please feel free to contact me if you have questions regarding the statement.

Cordially,

Edwin S. Clay, III  
President, VPLDA

Attachment

## VIRGINIA PUBLIC LIBRARY DIRECTORS' ASSOCIATION AND STATE AID

WHEREAS, nearly 58% of people in the Commonwealth have library cards and these citizens borrow more than 51 million materials every year,

WHEREAS, society continues to affirm the education role of public libraries in the digital age,

WHEREAS, State Aid has since its inception encouraged, supported and enhanced public library services throughout the Commonwealth,

WHEREAS, State Aid continues to effectively encourage local support for quality public library service and common service goals,

WHEREAS, State Aid is sufficiently flexible to allow each library to concentrate on those areas of development most important to the local community,

WHEREAS, State Aid to public libraries is used primarily to support the more traditional services offered by libraries — more than three-fourths of state aid is currently used to purchase print materials,

The Virginia Public Library Directors' Association reaffirms its support of the original purpose of State Aid as valid, viable and vital to the continuance and growth of exemplary public service across the Commonwealth.

---

In response to the charge to the Joint Legislative Audit and Review Commission, VPLDA affirms the original purpose of State Aid and affirms funding for the regional systems and the square mileage formulas as they currently exist. In addition, VPLDA recommends changes in the population and expenditure variables and requests that technology and construction funding remain separate from State Aid.

- The State Aid formula continues to meet its original purpose to provide an equitable as possible distribution of aid in the following areas: 1) the basic formula that supports basic library service, 2) support of 24 regional systems, and 3) aid based on a jurisdiction's size (square miles).
- If State Aid is to remain dynamic and responsive, the formula must be adjusted so that it can systematically accommodate demographic changes over time: the population and expenditures caps require modification, and additional support is needed for economically distressed communities, i.e., a recognition of the ability to pay. These changes are needed to meet 21st century requirements:

1. Population

In the last ten years, the population of Virginia has increased overall by 11%. The population cap needs to be raised or lifted so that localities are not penalized for population growth.

2. Expenditures

State Aid has been successful in encouraging many local governments to increase funding for their libraries, but expenditure caps currently affect 24% of systems, acting as a deterrent for further local spending. Measures such as biennial review of the cap, incremental adjustments, or indexing should be initiated to allow this variable to remain responsive and capable of dealing with economic growth.

3. Economic Distress

Even in times of prosperity, not all communities benefit equally. 31.8% of Virginia's jurisdictions have experienced a decline in population in the past 10 years. Some localities have lost large employers. These situations impact the local tax base and affect a municipality's ability to pay. The issue of ability to pay needs to be examined and distribution criteria developed.

- Formula-driven allocation systems such as State Aid are most successful when they address recurring, basic needs, not unique events, and when these needs do not require collaborative activities, often among multitype institutions, for success and economy: construction and technology support should remain separate from State Aid.
  - ◆ Though construction assistance is often needed by local jurisdictions, buildings are not annual events in every community and should be assisted by a competitive, matching grant process as the needs arise.
  - ◆ The Commonwealth's citizens are increasingly requesting more technologically-based services. New services based on technology also offer opportunities for all libraries, not just public libraries, to increase collaborative and resource-sharing efforts. To meet demands for traditional services and new services through technology, the current State Aid program for public libraries should remain focused on providing and enhancing traditional library services. Funding for technology, including, but not limited to *Infopowering the Commonwealth*, should focus on encouraging and achieving economies of scale for collaborative efforts among multitype libraries in the Commonwealth and for leveraging new opportunities in a timely manner.
  - ◆ Any change to the variables and caps in State Aid will require additional funds and such changes should be linked to increased funding. After the many years of broad effort required to achieve full funding of the current formula, VPLDA affirms that no public library at this time should receive less actual State Aid dollars because of changes to the State Aid formula.

VPLDA cannot support any changes in the code that would result in less actual state dollars for any jurisdiction because of changes to the formula.





COMMONWEALTH of VIRGINIA  
THE LIBRARY of VIRGINIA

*serving the archival and research needs of Virginians since 1823*

NOLAN T. YELICH  
Librarian of Virginia

June 27, 2001

JUN 28 2001

Mr. R. Kirk Jonas, Deputy Director  
Joint Legislative Audit and Review Commission  
General Assembly Building, Suite 1100  
Capitol Square  
Richmond, Virginia 23219

Dear Kirk:

Thank you for the copies of the exposure draft of your report, *Review of State Aid to Public Libraries*, which were delivered to my office last Friday.

You and your staff have done an outstanding job of summarizing the history, complexities, and current issues involved with Virginia's state aid program. We are particularly grateful for the time that your team spent in discussing the program with Nelson Worley, Libby Lewis, and other members of our Library Development and Networking Division, and your willingness to incorporate their suggestions and concerns into the exposure draft.

We concur with the report's assessment that the state-aid formula has been "largely effective in achieving its objectives," and we look forward to working with the General Assembly with regard to any refinements it may wish to make and in seeking restoration of funding in several areas.

Sincerely,

Handwritten signature of Nolan T. Yelich in cursive script.  
Nolan T. Yelich

jct

**Appendix I: State Aid for Each Funding Formula Option by Library, FY 2002**

<b>LibraryName</b>	<b>Appropriated</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>	<b>Option D</b>	<b>Option E</b>	<b>Option F</b>	<b>Option G</b>
Alexandria	\$276,483	\$286,540	\$286,538	\$286,538	\$372,584	\$1,508,053	\$372,582	\$372,582
Amelia(Hamner)	\$33,164	\$34,370	\$34,370	\$34,370	\$34,365	\$34,337	\$34,365	\$34,365
Amherst	\$188,691	\$195,555	\$195,554	\$195,553	\$195,523	\$195,365	\$195,522	\$195,521
Appomattox Regional	\$348,035	\$360,695	\$360,693	\$360,692	\$360,636	\$360,345	\$360,634	\$360,634
Appomattox(Jamerson)	\$43,937	\$45,535	\$45,534	\$45,534	\$45,527	\$45,491	\$45,527	\$45,527
Arlington	\$294,272	\$304,977	\$304,975	\$304,975	\$391,018	\$3,550,745	\$391,016	\$391,016
Augusta	\$260,080	\$269,541	\$269,540	\$269,539	\$269,497	\$269,280	\$269,496	\$269,495
Bedford	\$341,947	\$354,386	\$354,383	\$354,383	\$387,151	\$386,840	\$387,149	\$387,149
Blue Ridge	\$527,176	\$546,352	\$546,349	\$546,348	\$595,949	\$595,469	\$595,946	\$595,946
Botetourt	\$157,603	\$163,336	\$163,334	\$163,334	\$163,309	\$163,177	\$163,308	\$163,308
Bristol	\$227,062	\$235,322	\$235,321	\$235,320	\$235,283	\$235,094	\$235,282	\$235,282
Buchanan	\$117,146	\$121,407	\$121,406	\$121,406	\$121,387	\$121,289	\$121,386	\$121,386
Campbell	\$221,980	\$230,055	\$230,054	\$230,054	\$230,018	\$229,832	\$230,016	\$230,016
Caroline	\$38,395	\$39,792	\$39,792	\$39,792	\$39,792	\$39,792	\$39,792	\$39,792
Central Fappahannock	\$946,401	\$980,820	\$980,814	\$980,813	\$1,152,841	\$2,096,044	\$1,152,835	\$1,152,834
Central Virginia	\$84,524	\$87,599	\$87,599	\$87,599	\$87,585	\$87,515	\$87,585	\$87,585
Charles P Jones	\$78,825	\$81,691	\$81,690	\$81,690	\$81,677	\$81,612	\$81,677	\$81,677
Charlotte	\$50,134	\$51,958	\$51,958	\$51,958	\$51,950	\$51,908	\$51,949	\$51,949
Chesapeake	\$301,984	\$312,969	\$312,967	\$312,967	\$399,009	\$2,045,751	\$399,007	\$399,006
Chesterfield	\$318,808	\$330,405	\$330,402	\$330,402	\$416,441	\$2,041,514	\$416,439	\$416,439
Clifton Forge	\$32,300	\$33,475	\$33,475	\$33,475	\$33,470	\$33,443	\$33,469	\$33,469
Colonial Heights	\$133,263	\$138,111	\$138,110	\$138,110	\$138,088	\$137,977	\$138,087	\$138,087
Culpeper	\$141,127	\$146,261	\$146,260	\$146,259	\$146,236	\$146,119	\$146,236	\$146,236
Cumberland	\$24,648	\$25,545	\$25,545	\$25,545	\$25,541	\$25,521	\$25,541	\$25,541
Danville	\$247,806	\$256,820	\$256,818	\$256,818	\$256,777	\$256,571	\$256,776	\$256,776
Eastern Shore	\$151,542	\$157,055	\$157,054	\$157,054	\$157,029	\$156,903	\$157,029	\$157,029
Essex	\$27,246	\$28,237	\$28,237	\$28,237	\$28,237	\$28,237	\$28,237	\$28,237
Fairfax	\$761,787	\$789,498	\$883,550	\$898,491	\$941,086	\$11,902,943	\$1,035,123	\$1,050,061
Falls Church(Sty)	\$244,440	\$253,332	\$253,330	\$253,330	\$339,381	\$424,608	\$339,379	\$339,379
Fauquier	\$263,370	\$272,950	\$272,949	\$272,948	\$358,997	\$375,512	\$358,995	\$358,994
Fluvanna	\$61,523	\$63,761	\$63,760	\$63,760	\$63,750	\$63,699	\$63,750	\$63,750
Franklin	\$144,586	\$149,846	\$149,845	\$149,845	\$149,821	\$149,701	\$149,820	\$149,820
Galax-Carroll	\$145,068	\$150,345	\$150,345	\$150,344	\$150,321	\$150,200	\$150,320	\$150,320
Gloucester	\$133,207	\$138,053	\$138,053	\$138,052	\$138,031	\$137,920	\$138,030	\$138,030
Halifax-South Boston	\$146,959	\$152,305	\$152,304	\$152,304	\$152,280	\$152,158	\$152,280	\$152,279
Hampton	\$281,566	\$291,808	\$291,806	\$291,806	\$377,851	\$865,317	\$377,849	\$377,849
Handley Library	\$452,727	\$469,196	\$469,193	\$469,193	\$469,119	\$468,741	\$469,117	\$469,116
Henrico	\$316,121	\$327,620	\$327,618	\$327,618	\$413,658	\$2,829,607	\$413,656	\$413,655

**Appendix I: State Aid for Each Funding Formula Option by Library, FY 2002**

<b>LibraryName</b>	<b>Appropriated</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>	<b>Option D</b>	<b>Option E</b>	<b>Option F</b>	<b>Option G</b>
Heritage Library	\$60,962	\$63,180	\$63,179	\$63,179	\$63,169	\$63,118	\$63,169	\$63,169
Highland	\$18,293	\$18,958	\$18,958	\$18,958	\$18,955	\$18,939	\$18,955	\$18,955
Jefferson-Madison	\$833,888	\$864,222	\$864,217	\$864,216	\$1,036,262	\$1,450,068	\$1,036,257	\$1,036,256
King George(Smoot)	\$80,408	\$83,333	\$83,333	\$83,333	\$83,320	\$83,252	\$83,319	\$83,319
Lancaster	\$63,825	\$66,147	\$66,147	\$66,147	\$66,136	\$66,083	\$66,136	\$66,136
Lonesome-Pine	\$646,611	\$670,132	\$670,127	\$670,127	\$716,212	\$715,635	\$716,208	\$716,207
Loudoun	\$291,799	\$302,414	\$302,412	\$302,411	\$388,455	\$1,823,313	\$388,453	\$388,453
Lynchburg	\$260,780	\$270,266	\$270,265	\$270,264	\$356,313	\$490,191	\$356,311	\$356,311
Madison	\$24,093	\$24,969	\$24,969	\$24,969	\$24,969	\$24,969	\$24,969	\$24,969
Massanutten	\$441,685	\$457,752	\$457,749	\$457,749	\$457,677	\$457,309	\$457,675	\$457,674
Mathews	\$38,262	\$39,654	\$39,654	\$39,654	\$39,648	\$39,616	\$39,647	\$39,647
Meherrin	\$157,777	\$163,516	\$163,515	\$163,515	\$163,489	\$163,357	\$163,488	\$163,488
Middlesex	\$46,292	\$47,976	\$47,976	\$47,976	\$47,968	\$47,930	\$47,968	\$47,968
Montgomery-Floyd	\$354,045	\$366,924	\$366,922	\$366,921	\$452,955	\$601,821	\$452,953	\$452,952
Narrows(Brammer)	\$14,166	\$14,681	\$14,680	\$14,680	\$14,678	\$14,666	\$14,678	\$14,678
Newport News	\$294,388	\$305,097	\$305,095	\$305,095	\$391,138	\$1,214,892	\$391,136	\$391,136
Norfolk	\$307,530	\$318,717	\$318,715	\$318,715	\$404,756	\$1,943,631	\$404,754	\$404,754
Northumberland	\$51,854	\$53,740	\$53,739	\$53,739	\$53,731	\$53,688	\$53,731	\$53,731
Nottoway	\$47,143	\$48,858	\$48,857	\$48,857	\$48,850	\$48,810	\$48,849	\$48,849
Orange	\$157,564	\$163,296	\$163,295	\$163,295	\$163,270	\$163,138	\$163,269	\$163,269
Pamunkey	\$568,561	\$589,243	\$589,239	\$589,239	\$675,237	\$994,997	\$675,234	\$675,233
Pearisburg	\$60,367	\$62,563	\$62,562	\$62,562	\$62,552	\$62,502	\$62,552	\$62,552
Petersburg	\$237,302	\$245,934	\$245,932	\$245,932	\$245,893	\$245,695	\$245,892	\$245,892
Pittsylvania	\$174,452	\$180,798	\$180,797	\$180,797	\$180,768	\$180,623	\$180,767	\$180,767
Poquoson	\$125,134	\$129,686	\$129,685	\$129,685	\$129,665	\$129,560	\$129,664	\$129,664
Portsmouth	\$270,076	\$279,900	\$279,899	\$279,898	\$365,946	\$674,956	\$365,944	\$365,943
Powhatan	\$49,191	\$50,980	\$50,979	\$50,979	\$50,971	\$50,930	\$50,971	\$50,971
Prince William	\$773,115	\$801,239	\$801,234	\$801,233	\$973,289	\$4,599,238	\$973,284	\$973,284
Pulaski	\$148,791	\$154,204	\$154,203	\$154,203	\$154,179	\$154,055	\$154,178	\$154,178
Radford	\$130,240	\$134,978	\$134,977	\$134,977	\$134,956	\$134,847	\$134,955	\$134,955
Rappahannock	\$32,427	\$33,607	\$33,607	\$33,607	\$33,602	\$33,575	\$33,602	\$33,602
Richmond City	\$297,616	\$308,442	\$308,440	\$308,440	\$394,483	\$1,536,989	\$394,481	\$394,480
Richmond County	\$21,946	\$22,744	\$22,744	\$22,744	\$22,741	\$22,722	\$22,740	\$22,740
Roanoke City	\$269,187	\$278,979	\$278,977	\$278,977	\$365,024	\$1,146,957	\$365,022	\$365,022
Roanoke County	\$268,269	\$278,028	\$278,026	\$278,026	\$364,073	\$703,464	\$364,071	\$364,071
Rockbridge	\$334,854	\$347,034	\$347,032	\$347,031	\$346,977	\$346,698	\$346,975	\$346,975
Russell	\$85,079	\$88,174	\$88,174	\$88,174	\$88,160	\$88,089	\$88,159	\$88,159
Salem	\$190,694	\$197,631	\$197,630	\$197,629	\$197,598	\$197,439	\$197,597	\$197,597

## Appendix I: State Aid for Each Funding Formula Option by Library, FY 2002

LibraryName	Appropriated	Option A	Option B	Option C	Option D	Option E	Option F	Option G
Shenandoah	\$74,871	\$77,595	\$77,594	\$77,594	\$77,582	\$77,520	\$77,582	\$77,582
Smyth-Bland	\$269,188	\$278,980	\$278,978	\$278,978	\$278,934	\$278,710	\$278,933	\$278,933
Southside	\$208,823	\$216,419	\$216,418	\$216,418	\$216,384	\$216,210	\$216,383	\$216,383
Staunton	\$248,817	\$257,868	\$257,867	\$257,866	\$267,689	\$267,473	\$267,687	\$267,687
Suffolk	\$263,853	\$273,451	\$273,449	\$273,449	\$359,497	\$402,468	\$359,495	\$359,495
Tazewell	\$198,506	\$205,727	\$205,725	\$205,725	\$205,693	\$205,527	\$205,692	\$205,692
Virginia Beach	\$366,021	\$379,336	\$379,334	\$379,333	\$465,365	\$4,638,679	\$465,363	\$465,362
Walter Cecil Rawls	\$483,158	\$500,735	\$500,732	\$500,732	\$500,653	\$500,250	\$500,650	\$500,650
Warren(Samuels)	\$130,515	\$135,263	\$135,262	\$135,262	\$135,241	\$135,132	\$135,240	\$135,240
Washington	\$261,669	\$271,188	\$271,186	\$271,186	\$313,948	\$313,695	\$313,946	\$313,946
Waynesboro	\$231,171	\$239,580	\$239,579	\$239,579	\$239,541	\$239,348	\$239,540	\$239,540
Williamsburg	\$510,099	\$528,655	\$528,652	\$528,651	\$627,326	\$1,412,710	\$627,323	\$627,322
Wythe-Grayson	\$184,980	\$191,708	\$191,707	\$191,707	\$191,677	\$191,522	\$191,676	\$191,675
York	\$259,273	\$268,704	\$268,702	\$268,702	\$268,764	\$268,548	\$268,763	\$268,762
<b>Total</b>	<b>\$20,485,543</b>	<b>\$21,230,728</b>	<b>\$21,324,651</b>	<b>\$21,339,571</b>	<b>\$23,897,574</b>	<b>\$62,380,184</b>	<b>\$23,991,493 *</b>	<b>\$24,006,412*</b>

Note: "Appropriated" refers to funds approved for appropriation for FY 2002

Key to Options:

A. No Change

B. Increase cap on per capita grant only (based on average population growth since 1970)

C. Remove cap on per capita grant only

D. Increase local expenditures cap only (based on inflation since 1990)

E. Remove cap on local expenditures only

F. Increase cap on per capita grant AND Increase local expenditures cap (B + D)

G. Remove cap on per capita grant AND Increase local expenditures cap (C + D)

\* These summary figures differ than those reported in Table 1 due to rounding.

Source: JLARC staff analysis of library funding formula for FY 2002.

**Appendix J: Add-On Adjustment for Libraries in the Lowest Quartile of Per-Capita Revenue Capacity**

							Lowest		
	Population	Sq. Miles	Pop. Grant	Mileage	Per Capita	Relative	Quartile	Add-on	Add-on
				Grant	Rev. Cap.	Rev. Cap.	Rev. Cap?	Formula	Formula
						Factor		One	Two
Portsmouth Public Library	97200	33	29160	330	704.00	1.61930	1	47,753	44,782
Petersburg Public Library	34000	23	10200	230	713.70	1.59729	1	16,660	15,623
Radford Public Library	16100	10	4830	100	732.42	1.55648	1	7,673	7,196
Clifton Forge Public Library	4300	3	1290	30	748.02	1.52402	1	2,012	1,887
Norfolk Public Library	225700	54	67710	540	803.46	1.41885	1	96,836	90,811
Lonesome Pine Regional Library	108500	1717	75950	51510	803.83	1.41821	1	180,764	169,517
Nottoway County Library	15200	315	4560	3150	833.47	1.36777	1	10,545	9,889
Buchanan County Public Library	28400	504	8520	5040	835.21	1.36492	1	18,508	17,357
Meherrin Regional Library	35500	869	17750	26070	842.32	1.35339	1	59,306	55,615
Smyth-Bland Regional Library	39600	811	15840	24330	854.69	1.33381	1	53,579	50,245
Central Virginia Regional Library	33900	934	13560	28020	881.69	1.29296	1	53,761	50,416
Russell County Public Library	28900	475	8670	4750	888.62	1.28289	1	17,216	16,145
Tazewell County Public Library	45900	520	13770	5200	894.60	1.27431	1	24,174	22,669
Newport News Public Library System	179900	68	53970	680	896.60	1.27146	1	69,485	65,162
Hampton Public Library	136200	52	40860	520	897.97	1.26953	1	52,533	49,264
Danville Public Library	50200	43	15060	430	899.72	1.26705	1	19,627	18,405
Charlotte County Public Library	12900	475	3870	4750	904.23	1.26073	1	10,867	10,191
Montgomery-Floyd Regional Library	91700	770	36680	23100	961.26	1.18594	1	70,895	66,484
Appomattox Regional Library	77400	780	38700	23400	964.87	1.18150	1	73,371	68,806
Pittsylvania County Public Library	59000	971	17700	9710	970.39	1.17477	1	32,201	30,197
Pulaski County Library	34700	321	10410	3210	984.61	1.15781	1	15,769	14,788
Wythe-Grayson Regional Library	43600	906	17440	27180	989.84	1.15170	1	51,389	48,191
Blue Ridge Regional Library	89900	876	44950	26280	997.25	1.14314	1	81,426	76,359
Galax-Carroll Public Library	34700	485	13880	14550	998.21	1.14204	0	0	0
Pearisburg Public Library	2128	2	638	20	1001.01	1.13884	0	0	0
R. Iris Brammer Public Library	1977	1	593	10	1001.01	1.13884	0	0	0
Staunton Public Library	24300	20	7290	200	1001.86	1.13787	0	0	0
Amherst County Public Library	30400	475	9120	4750	1002.06	1.13765	0	0	0
Southside Regional Library	43400	1056	17360	31680	1014.34	1.12387	0	0	0
Bristol Public Library	17200	12	5160	120	1015.56	1.12252	0	0	0
Campbell County Public Library	49800	505	14940	5050	1035.30	1.10112	0	0	0
Eastern Shore Public Library	45700	662	18280	19860	1041.18	1.09491	0	0	0
J. Robert Jamerson Memorial Library	13400	334	4020	3340	1054.53	1.08105	0	0	0
Suffolk Public Library System	63500	400	19050	4000	1055.75	1.07979	0	0	0

**Appendix J: Add-On Adjustment for Libraries in the Lowest Quartile of Per-Capita Revenue Capacity**

						Relative	Lowest		
	Population	Sq. Miles	Pop. Grant	Mileage	Per Capita	Rev. Cap.	Rev. Cap?	Add-on	Add-on
				Grant	Rev. Cap.	Factor		Formula	Formula
								One	Two
Lynchburg Public Library	64600	49	19380	490	1060.47	1.07499	0	0	0
Washington County Public Library	50500	564	15150	5640	1064.55	1.07087	0	0	0
Charles P. Jones Memorial Library	19400	450	7760	13500	1069.17	1.06624	0	0	0
Cumberland County Public Library	8400	299	2520	2990	1075.75	1.05972	0	0	0
Roanoke City Public Library	93800	43	28140	430	1083.31	1.05232	0	0	0
Caroline Library, Inc.	21700	533	6510	5330	1089.91	1.04595	0	0	0
Waynesboro Public Library	19200	14	5760	140	1096.14	1.04001	0	0	0
Chesapeake Public Library	197000	341	59100	3410	1120.40	1.01748	0	0	0
Richmond County Library	8700	192	2610	1920	1126.49	1.01199	0	0	0
Massanutten Regional Library	122500	1180	61250	35400	1130.96	1.00798	0	0	0
Virginia Beach Public Library	421000	248	126300	2480	1131.11	1.00785	0	0	0
Gloucester Library	34500	217	10350	2170	1148.87	0.99227	0	0	0
Shenandoah County Library	36300	512	10890	5120	1150.48	0.99088	0	0	0
Richmond Public Library	191300	60	57390	600	1165.75	0.97791	0	0	0
Fluvanna County Library	19600	287	5880	2870	1171.52	0.97309	0	0	0
Halifax County/South Boston Regional Lib	37100	820	14840	24600	1193.25	0.95536	0	0	0
Lewis Egerton Smoot Memorial Library	17000	180	5100	1800	1195.49	0.95358	0	0	0
Madison County Library, Inc.	12700	322	3810	3220	1198.45	0.95122	0	0	0
James L. Hamner Public Library	10600	357	3180	3570	1212.86	0.93992	0	0	0
Samuels Public Library	29600	214	8880	2140	1225.49	0.93024	0	0	0
Culpeper Town and County Library	33400	381	10020	3810	1236.17	0.92220	0	0	0
Salem Public Library	24400	15	7320	150	1243.98	0.91641	0	0	0
Powhatan County Public Library	22300	261	6690	2610	1246.18	0.91479	0	0	0
Augusta County Library	62400	972	18720	9720	1247.42	0.91388	0	0	0
Franklin County Public Library	46000	692	13800	6920	1247.52	0.91381	0	0	0
Roanoke County Public Library	83700	251	25110	2510	1264.67	0.90141	0	0	0
Poquoson Public Library	11400	16	3420	160	1268.14	0.89895	0	0	0
Central Rappahannock Regional Library	214500	911	128700	27330	1271.57	0.89653	0	0	0
Orange County Public Library	25300	342	7590	3420	1272.26	0.89604	0	0	0
Bedford Public Library	63900	762	25560	22860	1278.53	0.89164	0	0	0
York County Public Library	57500	106	17250	1060	1282.67	0.88876	0	0	0
Walter Cecil Rawls Library and Museum	74400	1694	52080	50820	1282.90	0.88861	0	0	0
Prince William Public Library	309700	350	154850	10500	1305.94	0.87293	0	0	0
Chesterfield County Public Library	252200	426	75660	4260	1343.61	0.84846	0	0	0

**Appendix J: Add-On Adjustment for Libraries in the Lowest Quartile of Per-Capita Revenue Capacity**

							Lowest		
	Population	Sq. Miles	Pop. Grant	Mileage	Per Capita	Relative	Quartile	Add-on	Add-on
				Grant	Rev. Cap.	Rev. Cap.	Rev. Cap?	Formula	Formula
					Factor			One	Two
Botetourt County Library	29500	543	8850	5430	1364.35	0.83555	0	0	0
Mathews Memorial Library	9200	86	2760	860	1381.37	0.82526	0	0	0
Handley Library, The	92100	601	46050	18030	1381.39	0.82525	0	0	0
Heritage Library	20300	393	8120	11790	1393.25	0.81823	0	0	0
Essex Public Library	9300	258	2790	2580	1437.82	0.79286	0	0	0
Colonial Heights Public Library	16600	8	4980	80	1452.01	0.78511	0	0	0
Henrico County Public Library	249200	238	74760	2380	1528.83	0.74566	0	0	0
Rockbridge Regional Library	38800	1142	23280	34260	1542.09	0.73925	0	0	0
Jefferson-Madison Regional Library	173500	1861	121450	55830	1542.77	0.73893	0	0	0
Pamunkey Regional Library	121600	1349	72960	40470	1576.74	0.72301	0	0	0
Highland County Public Library	2500	416	750	4160	1643.17	0.69378	0	0	0
Middlesex County Public Library	9600	130	2880	1300	1678.27	0.67927	0	0	0
Northumberland County Public Library	11700	192	3510	1920	1696.32	0.67204	0	0	0
Lancaster County Public Library	11300	133	3390	1330	1714.12	0.66506	0	0	0
Williamsburg Regional Library	58300	152	23320	4560	1754.82	0.64963	0	0	0
Fauquier County Public Library	53500	650	16050	6500	1824.56	0.62481	0	0	0
Rappahannock County Library	7600	267	2280	2670	1836.84	0.62063	0	0	0
Loudoun County Public Library	155900	520	46770	5200	1955.79	0.58288	0	0	0
Fairfax County Public Library	962800	402	276280	12060	1970.93	0.57840	0	0	0
Alexandria Library	119900	15	35970	150	2067.47	0.55139	0	0	0
Arlington Department of Libraries	180900	26	54270	260	2191.16	0.52027	0	0	0
Mary Riley Styles Public Library	9800	2	2940	20	2580.68	0.44174	0	0	0
Statewide Add-on Total Target									1,000,000
TOTAL								1,066,352	1,000,000
Notes:									
Add-on Formula One: (Population Grant + Mileage Grant) * (Rev. Cap. Factor * Lowest Quartile?)									
Add-on Formula Two: (Population Grant + Mileage Grant) * (Rev. Cap. Factor * Lowest Quartile?) * (Total Dollar Adjustment)									
Median per capita revenue capacity:	1139.99								

**Appendix K: Add-On Adjustment for Libraries Below the Median Revenue Capacity Per Capita**

	Population	Sq. Miles	Pop. Grant	Mileage Grant	Per Capita Rev. Cap.	Relative Rev. Cap. Factor	Below Mdn Rev. Cap.?	Add-on Formula One	Add-on Formula Two
Portsmouth Public Library	97200	33	29160	330	704.00	1.61930	1	47,753	28,118
Petersburg Public Library	34000	23	10200	230	713.70	1.59729	1	16,660	9,809
Radford Public Library	16100	10	4830	100	732.42	1.55648	1	7,673	4,518
Clifton Forge Public Library	4300	3	1290	30	748.02	1.52402	1	2,012	1,185
Norfolk Public Library	225700	54	67710	540	803.46	1.41885	1	96,836	57,018
Lonesome Pine Regional Library	108500	1717	75950	51510	803.83	1.41821	1	180,764	106,437
Nottoway County Library	15200	315	4560	3150	833.47	1.36777	1	10,545	6,209
Buchanan County Public Library	28400	504	8520	5040	835.21	1.36492	1	18,508	10,898
Meherrin Regional Library	35500	869	17750	26070	842.32	1.35339	1	59,306	34,920
Smyth-Bland Regional Library	39600	811	15840	24330	854.69	1.33381	1	53,579	31,548
Central Virginia Regional Library	33900	934	13560	28020	881.69	1.29296	1	53,761	31,655
Russell County Public Library	28900	475	8670	4750	888.62	1.28289	1	17,216	10,137
Tazewell County Public Library	45900	520	13770	5200	894.60	1.27431	1	24,174	14,234
Newport News Public Library System	179900	68	53970	680	896.60	1.27146	1	69,485	40,914
Hampton Public Library	136200	52	40860	520	897.97	1.26953	1	52,533	30,932
Danville Public Library	50200	43	15060	430	899.72	1.26705	1	19,627	11,556
Charlotte County Public Library	12900	475	3870	4750	904.23	1.26073	1	10,867	6,399
Montgomery-Floyd Regional Library	91700	770	36680	23100	961.26	1.18594	1	70,895	41,744
Appomattox Regional Library	77400	780	38700	23400	964.87	1.18150	1	73,371	43,202
Pittsylvania County Public Library	59000	971	17700	9710	970.39	1.17477	1	32,201	18,960
Pulaski County Library	34700	321	10410	3210	984.61	1.15781	1	15,769	9,285
Wythe-Grayson Regional Library	43600	906	17440	27180	989.84	1.15170	1	51,389	30,258
Blue Ridge Regional Library	89900	876	44950	26280	997.25	1.14314	1	81,426	47,945
Galax-Carroll Public Library	34700	485	13880	14550	998.21	1.14204	1	32,468	19,118
Pearisburg Public Library	2128	2	638	20	1001.01	1.13884	1	749	441
R. Iris Brammer Public Library	1977	1	593	10	1001.01	1.13884	1	687	404
Staunton Public Library	24300	20	7290	200	1001.86	1.13787	1	8,523	5,018
Amherst County Public Library	30400	475	9120	4750	1002.06	1.13765	1	15,779	9,291
Southside Regional Library	43400	1056	17360	31680	1014.34	1.12387	1	55,115	32,452
Bristol Public Library	17200	12	5160	120	1015.56	1.12252	1	5,927	3,490
Campbell County Public Library	49800	505	14940	5050	1035.30	1.10112	1	22,011	12,961
Eastern Shore Public Library	45700	662	18280	19860	1041.18	1.09491	1	41,760	24,589
J. Robert Jamerson Memorial Library	13400	334	4020	3340	1054.53	1.08105	1	7,956	4,685
Suffolk Public Library System	63500	400	19050	4000	1055.75	1.07979	1	24,889	14,655



**Appendix K: Add-On Adjustment for Libraries Below the Median Revenue Capacity Per Capita**

	Population	Sq. Miles	Pop. Grant	Mileage Grant	Per Capita Rev. Cap.	Relative Rev. Cap. Factor	Below Mdn Rev. Cap.?	Add-on Formula One	Add-on Formula Two
Lynchburg Public Library	64600	49	19380	490	1060.47	1.07499	1	21,360	12,577
Washington County Public Library	50500	564	15150	5640	1064.55	1.07087	1	22,263	13,109
Charles P. Jones Memorial Library	19400	450	7760	13500	1069.17	1.06624	1	22,668	13,347
Cumberland County Public Library	8400	299	2520	2990	1075.75	1.05972	1	5,839	3,438
Roanoke City Public Library	93800	43	28140	430	1083.31	1.05232	1	30,065	17,703
Caroline Library, Inc.	21700	533	6510	5330	1089.91	1.04595	1	12,384	7,292
Waynesboro Public Library	19200	14	5760	140	1096.14	1.04001	1	6,136	3,613
Chesapeake Public Library	197000	341	59100	3410	1120.40	1.01748	1	63,603	37,450
Richmond County Library	8700	192	2610	1920	1126.49	1.01199	1	4,584	2,699
Massanutten Regional Library	122500	1180	61250	35400	1130.96	1.00798	1	97,421	57,363
Virginia Beach Public Library	421000	248	126300	2480	1131.11	1.00785	1	129,791	76,423
Gloucester Library	34500	217	10350	2170	1148.87	0.99227	0	0	0
Shenandoah County Library	36300	512	10890	5120	1150.48	0.99088	0	0	0
Richmond Public Library	191300	60	57390	600	1165.75	0.97791	0	0	0
Fluvanna County Library	19600	287	5880	2870	1171.52	0.97309	0	0	0
Halifax County/South Boston Regional Lib	37100	820	14840	24600	1193.25	0.95536	0	0	0
Lewis Egerton Smoot Memorial Library	17000	180	5100	1800	1195.49	0.95358	0	0	0
Madison County Library, Inc.	12700	322	3810	3220	1198.45	0.95122	0	0	0
James L. Hamner Public Library	10600	357	3180	3570	1212.86	0.93992	0	0	0
Samuels Public Library	29600	214	8880	2140	1225.49	0.93024	0	0	0
Culpeper Town and County Library	33400	381	10020	3810	1236.17	0.92220	0	0	0
Salem Public Library	24400	15	7320	150	1243.98	0.91641	0	0	0
Powhatan County Public Library	22300	261	6690	2610	1246.18	0.91479	0	0	0
Augusta County Library	62400	972	18720	9720	1247.42	0.91388	0	0	0
Franklin County Public Library	46000	692	13800	6920	1247.52	0.91381	0	0	0
Roanoke County Public Library	83700	251	25110	2510	1264.67	0.90141	0	0	0
Poquoson Public Library	11400	16	3420	160	1268.14	0.89895	0	0	0
Central Rappahannock Regional Library	214500	911	128700	27330	1271.57	0.89653	0	0	0
Orange County Public Library	25300	342	7590	3420	1272.26	0.89604	0	0	0
Bedford Public Library	63900	762	25560	22860	1278.53	0.89164	0	0	0
York County Public Library	57500	106	17250	1060	1282.67	0.88876	0	0	0
Walter Cecil Rawls Library and Museum	74400	1694	52080	50820	1282.90	0.88861	0	0	0
Prince William Public Library	309700	350	154850	10500	1305.94	0.87293	0	0	0
Chesterfield County Public Library	252200	426	75660	4260	1343.61	0.84846	0	0	0

**Appendix K: Add-On Adjustment for Libraries Below the Median Revenue Capacity Per Capita**

	Population	Sq. Miles	Pop. Grant	Mileage Grant	Per Capita Rev. Cap.	Relative Rev. Cap. Factor	Below Mdn Rev. Cap.?	Add-on Formula One	Add-on Formula Two
Botetourt County Library	29500	543	8850	5430	1364.35	0.83555	0	0	0
Mathews Memorial Library	9200	86	2760	860	1381.37	0.82526	0	0	0
Handley Library, The	92100	601	46050	18030	1381.39	0.82525	0	0	0
Heritage Library	20300	393	8120	11790	1393.25	0.81823	0	0	0
Essex Public Library	9300	258	2790	2580	1437.82	0.79286	0	0	0
Colonial Heights Public Library	16600	8	4980	80	1452.01	0.78511	0	0	0
Henrico County Public Library	249200	238	74760	2380	1528.83	0.74566	0	0	0
Rockbridge Regional Library	38800	1142	23280	34260	1542.09	0.73925	0	0	0
Jefferson-Madison Regional Library	173500	1861	121450	55830	1542.77	0.73893	0	0	0
Pamunkey Regional Library	121600	1349	72960	40470	1576.74	0.72301	0	0	0
Highland County Public Library	2500	416	750	4160	1643.17	0.69378	0	0	0
Middlesex County Public Library	9600	130	2880	1300	1678.27	0.67927	0	0	0
Northumberland County Public Library	11700	192	3510	1920	1696.32	0.67204	0	0	0
Lancaster County Public Library	11300	133	3390	1330	1714.12	0.66506	0	0	0
Williamsburg Regional Library	58300	152	23320	4560	1754.82	0.64963	0	0	0
Fauquier County Public Library	53500	650	16050	6500	1824.56	0.62481	0	0	0
Rappahannock County Library	7600	267	2280	2670	1836.84	0.62063	0	0	0
Loudoun County Public Library	155900	520	46770	5200	1955.79	0.58288	0	0	0
Fairfax County Public Library	962800	402	276280	12060	1970.93	0.57840	0	0	0
Alexandria Library	119900	15	35970	150	2067.47	0.55139	0	0	0
Arlington Department of Libraries	180900	26	54270	260	2191.16	0.52027	0	0	0
Mary Riley Styles Public Library	9800	2	2940	20	2580.68	0.44174	0	0	0
Statewide Add-on Total Target									1,000,000
TOTAL								1,698,331	1,000,000
Notes:									
Add-on Formula One: (Population Grant + Mileage Grant) * (Rev. Cap. Factor * Below Mdn?)									
Add-on Formula Two: (Population Grant + Mileage Grant) * (Rev. Cap. Factor * Below Mdn?) * (Total Dollar Adjustment)									
Median per capita revenue capacity:	1139.99								

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**ADMINISTRATIVE AND RESEARCH SUPPORT STAFF:**

● **KELLY J. GOBBLE**

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**BECKY C. TORRENCE**

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● **ELIZABETH PEIFFER, INTERN**

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● Indicates JLARC staff with primary assignment to this project

(Note: All indicated personnel functioned in a part-time capacity on this project)

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## Recent JLARC Reports

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