

## MEMO

March 21, 2012

**To: Jennie Stapp, Montana State Librarian**  
**Fr: State Aid Task Force**  
**Re: Recommendations for State Aid Formula**

Dear Jennie,

The State Aid Task Force shares the following summary and resulting recommendation with you, regarding the current formula for state aid funding to Montana public libraries.

The Task Force recommends continuing the current formula to calculate direct state aid to public libraries for per capita and for per square mile served. The formula is not perfect, but an exploration of other options did not reveal a better alternative.

### Task Force process:

- We began with a discussion of the charges from Darlene Staffeldt, former Montana State Librarian, a review of the timeline, and the current formula (ARM 10.102.4003).
- Our charges were:
  - Recommend changes to the state aid formula that are fair to all public libraries, as consistent as possible, and uses some sort of outside number as verification (i.e. Census data)
  - Recommend a frequency for how often the numbers for the formula are updated. For example should the population estimates be updated every 5 years, 10 years, or something else.
- We identified our concerns:
  - Population figures change frequently, so it would be good to update more frequently
  - Gives people a big shock when we use 10 year numbers
  - Could we consider a base grant for all libraries
  - How or can we recognize out of county population esp. important for libraries near county borders
  - What about libraries that share patrons/community
  - Do census estimates include school districts? - yes
  - Are school/community libraries going to be considered public libraries for state aid? -yes
  - Library districts and changes
  - What solution is going to be the most stable and flexible?
- We came up with ideas for addressing our concerns which included:
  - Researching what other states have done
  - Updating the data more frequently to see how that impacts libraries – anywhere from annually to every 5 years
  - Consider offering base grants and dividing the money equally amongst the libraries.
- The next several months were spent working through each of these ideas.

### Task Force findings:

- After researching what other states have done we decided to explore looking at a base or equalization grant and then dividing the leftover money by using the per capita formula. Concerns and comments about using this method were:
  - Large libraries subsidize many of the consortia efforts in Montana and might not appreciate the cuts.
  - It seemed like adding a base grant didn't really provide a lot of assistance to the small libraries unless you added so much that the large libraries took big cuts.
  - What would the additional money and/or cuts mean for small and large libraries?

- This formula did not address libraries that are close to county boundaries and that might be serving people from other counties.
- For the above reasons we decided that this formula was not the best choice.
- We then discussed the issue of libraries that serve patrons from other counties and decided that there was no clear solution and that libraries might need to pursue interlocal agreements or other options for addressing out of county patron use of the library.
- Throughout our meeting the task force frequently discussed the issue of using census estimates versus actual census data. This was the most difficult issue for us to address and will be summarized in its own section.
- We next looked at the possibility of dividing leftover money equally among libraries in a county rather than using the current formula. That formula also seemed to be unfair to libraries causing some of them to lose significant amounts of funding while not adding much to other libraries' budgets. The task force decided against using that formula.
- The rest of our time was spent looking at using census projections versus actual census data and addressing the concern about public library districts. We decided not to recommend changes for public library districts as they seemed to be treated as fairly as other libraries in the current formula.

**Census Estimates Versus Actual Census Data:** This was the most difficult decision for the state aid task force members. We talked about using census projections versus the ten year census many times going back and forth about what was best for small libraries versus larger libraries. Here's a summary of our discussion about this issue:

- Large libraries and those libraries that are in fast growing areas would like to see the population figures for the state aid formula updated more frequently. The service area population that is calculated in the state aid formula is also used in the public library statistics. Many libraries use these statistics to compare themselves to other libraries, so there is some frustration with using data that eventually is ten years old. The other reason given for changing the numbers more frequently is that larger libraries do serve a significant portion of Montana's population.
- Small public libraries and those libraries in areas that are stable and/or losing population like the stability of using the 10 year census numbers. There are concerns with the accuracy of numbers for small places in Montana. What we found was that the census would estimate increasing population for a small place over the 10 years and yet when the actual census count came out that library would lose population thereby seeing a bigger cut than if we had used the 10 year census numbers.

After several discussions, a tied vote, and a vote where not enough task force members were present, we finally voted via email on this issue and the result was: 5 for using the 10 year census; 3 for using projections; and 2 abstentions.

The task force, based on these discussions and votes, therefore makes the following recommendation: that the State Library continue to utilize the existing formula to calculate state aid Montana public libraries

**Our ongoing concerns:** We do have some additional concerns that we would like to share with you regarding this formula and state aid in general.

- Funding for all sizes of libraries is an issue in Montana. Part of our discussions about state aid centered on the fact that it was a relatively small pot of money which meant that changes to the formula would have to be drastic in order to see a difference. We hope that others will explore the possibility of increasing state funding for libraries.
- We are still concerned about the fairness of the current formula in counties where there is more than one public library, but we cannot identify a better alternative at this time.
- We would like to ask the state library to offer census estimates and/or projections for the online statistics center.