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STATE AID TO PUBLIC LIBRARIES – WHITE PAPER

**PREPARED FOR THE
MASSACHUSETTS BOARD OF LIBRARY COMMISSIONERS**

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STATE AID TO PUBLIC LIBRARIES – WHITE PAPER

EXECUTIVE SUMMARY

From the extensive resources of the Boston Public Library, which has the second largest collection of materials in the United States, to the small village libraries on Cape Cod and in western Massachusetts, state residents can borrow library materials from nearly 98% of the state's 370 public libraries. Underlying the reciprocity at the heart of this statewide system is the State Aid program administered by the Massachusetts Board of Library Commissioners (MBLC). In September 2014, the MBLC contracted with the Collins Center located at UMass Boston to research and prepare a "White Paper" describing the program's current condition. A principal audience for the White Paper is the MBLC commissioned State Aid study committee.

CURRENT PRACTICES

Laws and regulations underlying the State Aid program have evolved since 1890 when the concept of a Municipal Appropriation Requirement (MAR) was first used to incent municipal spending on public libraries. Since 1987, state aid has been awarded to municipal libraries if the municipality meets the following library appropriation requirement: "The current year's appropriation had to be at least the average of the prior three years, increased by 2.5%." In addition to meeting the MAR, libraries must meet standards for materials expenditure and hours open.

SUCCESS OF THE PROGRAM

The State Aid program has been a success in elevating the professionalism of public library operations. The adoption of a waiver program during the recent periods of financial exigency has reflected sound judgment by the MBLC, and it appears that the number of waivers is dropping significantly as the financial crisis recedes.

OBSERVATIONS AND CONSIDERATIONS

For some libraries that repeatedly ask for waivers, there is a new normal. As a consequence of budget cuts during the recession, a level of funding for these libraries has been established that will never recover to pre-recession levels. Despite this fact, for most libraries the State Aid program has served the valuable functions of providing extra money for library services and projects, and buttressing the argument for library funding at the local level. Municipalities are loath to lose state money and will, on the whole, continue to try to meet State requirements. The continued success of the program is

evidenced by the increase in the number of applicants¹, from 322 in 1994 to 344 in 2013. Now virtually all Massachusetts public libraries participate in the program.

The consulting team proposes five main themes for enhancing the State Aid program. They all center on a theme of shifting to meet the realities of the mid twenty-first century. The first four themes will need to be considered for medium to longer-term implementation:

Theme 1:

Redefine the MAR so that it bears some relation to adequate service provision, rather than simply to historic appropriation levels.

Theme 2:

Secure additional money from the legislature and governor to incent struggling municipalities to prioritize *bootstrapping* their library budgets. Focus would be on communities below the new MAR or in the lowest quartile of per capita library expenditures.

Theme 3:

Consider a library consolidation pilot program that would consolidate libraries particularly in areas with small towns/small libraries. Consider partnering with Administration and Finance's Community Innovation Challenge Grant program, which provides funding for inter-municipal cooperation and functional regionalization.

Theme 4:

Be proactive about educating librarians, library trustees, municipal officials, and legislators about the State Aid program, ensuring they understand the Program's four main goals. Educate municipal officials about the value of Commonwealth-wide reciprocity and the threat to reciprocity that may result from severe cuts to their own community's library.

Theme 5:

Ensure State Aid Awards are used as intended. Require that town accountants sign off that the money is being put in a separate account for direct expenditure by the library.

¹ Applicants are municipalities, some of which have more than one library.

THE STATE AID WHITE PAPER – ORIGINS AND CONCEPT

In Spring 2014, the Executive Director of the MBLC invited staff of the Edward J. Collins, Jr. Center for Public Management at UMass Boston to discuss how the Center could assist the MBLC. After reviewing the Center's capabilities, the Executive Director of the MBLC invited the Center to prepare and submit a Scope of Service for the preparation of a White Paper on the State Aid program. The White Paper concept focused on taking a *fresh look* at the State Aid program. Rather than serve as a *study* that would make formal definitive recommendations, the White Paper was conceived of as input to the work of a State aid Review Committee that would be formed late in 2014 and be composed of members of the Massachusetts Library Community.

In August 2014, the MBLC voted to approve the Project.

The preparation of the White Paper was carried out by staff of the Collins Center, specifically Richard Kobayashi, Senior Associate, and James Sutton, Associate. Mr. Kobayashi has extensive knowledge of state-local relations in Massachusetts, and Mr. Sutton was formerly the Director of the Andover Public Library.

There are certain abbreviations and terms that are used in this White Paper and in library circles in Massachusetts. For ease of reading, they are identified here:

BLC staff: The Executive Director and subordinate staff.

Certification: A municipality and its library must be certified by the Massachusetts Board of Library Commissioners as meeting statutory and regulatory requirements to receive State Aid to Public Libraries. Any municipality without public library service is automatically ineligible to apply for certification. The three (3) reasons why a municipality and its library may not be certified for State Aid to Public Libraries are:

- Its library may not have applied;
- Its library may have been ineligible to apply because it is not meeting either the Materials Expenditure and/or the Hours Open requirements;
- Its library did not receive a waiver of the Municipal Appropriation Requirement.

Consulting Team: The team assigned by the Collins Center to prepare the White Paper.

LIG: The purpose of the Library Incentive Grant is to provide an incentive for public libraries to develop improved services. It is awarded on a per capita basis, except for municipalities with populations less than 2,500 that receive a flat allocation of \$ 1,850.

LSTA and IMLS Funds: Federal funds used by the states to support statewide initiatives.

<i>MAR:</i>	Municipal Appropriation Requirement - The first Municipal Appropriation Requirement for public library funding in Massachusetts was established in 1890 by the <i>Act to Promote the Establishment and Efficiency of Public Libraries</i> . Today's Municipal Appropriation Requirement was established in 1987 by <i>An Act to Improve Public Libraries</i> . The Act was codified as Massachusetts General Law Chapter 78, sections 19A and 19B. Massachusetts General Law (M.G.L., c.78, s.19A) states that a municipality must appropriate a figure of at least the average of the last three (3) years' municipal appropriations to the library for operations, increased by 2.5%, in order to be certified for State Aid to Public Libraries.
<i>MBLC:</i>	The Massachusetts Board of Library Commissioners – the actual members functioning as a Board - The Massachusetts Board of Library Commissioners is the state agency statutorily charged to support, develop, coordinate, improve and promote library services throughout the Commonwealth. The Board was established in 1890 under Chapter 78 of the Massachusetts General Laws and consists of nine Commissioners appointed by the Governor.
<i>MEG:</i>	The purpose of the Municipal Equalization Grant is to encourage municipalities to maintain minimum levels of public library services and resources. Awards are calculated using an adaptation of the formula used to disburse proceeds from state lottery sales to municipalities.
<i>NRC:</i>	The Nonresident Circulation Offset award is intended to offset the costs a library incurs when it circulates materials to residents of other Massachusetts communities.
<i>State Aid to Libraries:</i>	Refers only to amounts appropriated to line item Account 7000-9501. The consulting team recognizes that other line items in the state budget also support local libraries.
<i>TAMI:</i>	Total Appropriated Municipal Income - The amount appropriated for library services by a municipality. A municipal appropriation is a municipality's legally allocated sum of money for a given department.

In this White Paper, the laws and regulations relating to State aid are described. Additional information and specific laws and regulations are available on the MBLC website. Key web addresses are shown in the footnotes.

MASSACHUSETTS PUBLIC LIBRARIES WORK TOGETHER

Massachusetts Public Libraries work together as one system in making their resources freely available to all the Commonwealth's citizens. With the exception of one small town with no library service, all of the Commonwealth's municipalities have invested (often with aid of donors) in the construction, equipping, and operation of free public libraries. The Commonwealth supported this 19th century impetus to establish municipal libraries by creating the Massachusetts Board of Library Commissioners (MBLC) in 1890. At the outset and continuing to the present, the legislature has appropriated modest sums of money to support local libraries. A long-term beneficial consequence of this farsighted support is the present-day result, which allows Massachusetts residents to utilize the resources of any public library in the Commonwealth.

Over generations, the municipal library has become part of a *statewide system* that provides not only books but also all kinds of physical and electronic media to residents. Contributing to the current *statewide system* that is often taken for granted are the statutory structure and policies of the MBLC and municipal libraries, the funding of the system, and the civic values of professional librarians, trustees, elected officials, and citizens. Through the careful distribution of federal LSTA and IMLS funds and annual state funds in line 7000-9506, the MBLC has fostered the development of the nine automated resource-sharing networks that provide the backbone for sharing materials, eBooks, and downloadable audio and video.

The practice of reciprocity lies at the heart of this statewide system. This mutual agreement to allow the exchange of resources enables a library to lend a book to a patron of a different library without hesitation. While there are significant differences in municipal *ability to pay* for library operations, through its management of the State-Aid Program, the MBLC has fostered near-universal reciprocity among libraries.

The State Aid program has been a significant contributor to the climate that enables reciprocity. While it is not a large program, its influence is far-reaching, since securing money from the program, which is formula driven, depends on meeting certain standards. Two types of standards are of particular importance in fostering the climate of trust that enables reciprocity: 1) a minimum municipal appropriation and 2) professional library management/leadership.

Library services are a discretionary municipal service. Unlike schools, police, or fire protection, a municipality does not have to provide library services. As a consequence, in hard fiscal times library budgets get squeezed. Since FY2000 there have been two serious recessions. In both recessions municipal budgets, and consequently library budgets, took serious hits. This White Paper will take an initial look at the effects of those hits on libraries, how the State Aid program has helped to mitigate adverse effects of those hits on the value of reciprocity that is the cornerstone of the statewide library system, and any adjustments to the program that might strengthen the public library system in the Commonwealth.

The State Aid program for Public Libraries, responsible for monetary distributions and establishment of the standards for library service and professionalism, demonstrates how modest funds, carefully crafted standards, and an engaged constituency can leverage and support very significant enhancements to a discretionary municipal service.

THE WHITE PAPER METHODOLOGY

The consulting team reviewed State Aid program legislation, regulations, and statistical and financial data regarding the State Aid program. Additionally, the team interviewed four (4) members of the MBLC and 26 Library Directors and senior staff associates. (Please see Appendix 2 for list of interviewees.) Based on this information and conversations with MBLC staff, the consulting team has:

- Documented the how the current program works;
- Prepared observations based on interviews and the team's analysis; (Appendices 3 and 4 display the memo received by all interviewees prior to interviews and discussions, and detailed comments from those discussions.)
- Suggested an agenda for the State Aid Study Committee, and recommended specific actions to be taken by the MBLC.

THE 2007 REVIEW OF THE STATE AID PROGRAM

In 2007, a detailed review of the State Aid program was undertaken by a relatively large committee from the library community. *The report recognized that modernizing the program would require a step up to a twenty million dollar annual appropriation.* The financial crisis of 2008-2010 commenced shortly after the publication of the report, and the recommendations were not implemented. The report is available at http://mblc.state.ma.us/grants/state_aid/review/index.php.

HOW THE STATE AID PROGRAM WORKS, THE BASIC PARAMETERS, AND THE LEGAL BASIS

The State Aid program is authorized by section 19A of Chapter 78 of the Massachusetts General Laws (MGL) and specific language in the annual State Appropriation Act. The language in the appropriation for FY2015 is included in Appendix 1. The appropriation language specifies the following:

- The amount of state aid appropriated - Set at \$9,000,000, but this amount was reduced by \$135,000 to \$8,865,000 after the cuts of November 2014;
- The method of calculating the MAR;
- The number of waivers the MBLC may grant (unlimited for FY2015);
- How the appropriation is calculated among the LIG, MEG, and NRC components; and
- The segregation of state aid funds in municipal accounts.

The basic parameters of the State Aid program have been consistent and mainly include the preconditions for obtaining monetary disbursements from the program. What have varied year to year are the parameters established in the Annual Appropriations Act: funding level and number of waivers. The overall parameters of the program are shown in Appendices 1 and 4 and are available on the MBLC website.

THE MUNICIPAL APPROPRIATION REQUIREMENT (MAR)

The appropriation language for the State Aid line item specifies a minimum municipal appropriation requirement, which is the average of the previous three fiscal years appropriation multiplied by 102.5%. It is the broad and long term consensus that the MAR, serving almost as a floor for each municipality's financial commitment to libraries, is the principal reason that the members of the library community feel so comfortable with the near universal reciprocity for library patrons. A principal role of the MAR has been to engender comfort in the library community that there are no *free riders*.

The MAR specifies a minimum municipal appropriation. The penalty for not meeting the MAR is not being certified, and the consequences of not being certified are:

- Ineligibility to receive state aid;
- Threat of patrons losing reciprocal privileges;
- Ineligibility for construction grants; and
- Ineligibility for LSTA grants.

For many years the MAR was effective in putting a floor under library appropriations. That changed with the recent recessions, as many municipalities made cuts to their library budgets, despite the risk of reductions or loss of State Aid.

THE MUNICIPAL APPROPRIATION REQUIREMENT (MAR) AND WAIVERS

HISTORY OF THE MAR

Some variations of the MAR have been used to incent municipal spending on libraries since 1890.

- Until 1960, the MAR was based on a flat amount of dollars in the library budget.
- From 1960 to 1970, state aid was awarded to municipalities, “If the prior year's appropriation was less than the average of the preceding four years, the appropriation had to be at least \$3 per capita.”
- From 1971 to 1986 state aid was awarded, “If the prior year's appropriation was less than the average of the preceding four years, the appropriation had to be at least \$6 per capita.”
- From 1987 to the present, state aid has been awarded to libraries if they meet this requirement: “The current year's appropriation had to be at least the average of the prior three years, increased by 2.5%.” Over that same time, the number of waivers awarded to municipalities by the MBLC has changed and will be discussed in a separate paragraph below. A more complete history of changes in the MAR and in the allowable number of waivers can be found in at this hyperlink:
http://mblc.state.ma.us/grants/state_aid/faqs/mar_history.php.

EFFECT OF THE MAR ON MUNICIPAL FUNDING

The Municipal Appropriation Requirement (MAR) has been successful in encouraging municipal financial support of public libraries. The success of the program is supported by the consulting team's conversations with library directors throughout the state and by the evidence of a slow but steady overall increase in municipal library budgets over the last thirteen years. In the FY2001 to FY2014 period, Massachusetts municipalities have increased funding for public libraries from 178 million dollars to 241 million dollars.

Table 1 shows the annual changes in state aid appropriations and aggregate local appropriations over the thirteen-year period from FY2001 to FY2014. Aggregate local appropriations for libraries shows a more stable pattern than state aid, increasing in all but two years by very low percentages. Aggregate local appropriations for FY2014 are 35% above the FY2001 level, representing an annual absolute growth rate of 2.6%. Of course, the aggregate municipal totals do not indicate the significant variation in appropriation trends among municipalities.

It is impossible to tell what the amount of municipal funding for libraries would have been without the MAR. It is certain, however, that library advocates in municipalities do utilize the MAR requirement of

the State Aid program to bolster their argument for local appropriations, and that municipal financial officials are familiar with the State Aid program's requirements.

Table 1: State Aid and Municipal Appropriation Trends 2011-2014				
Fiscal Year	\$ State Aid to Libraries	Percent Change	\$ State Total municipal appropriation for libraries	Percent Change
2001	9,949,000	N/A	178,000,000	N/A
2002	9,212,000	-7.0	190,000,000	7.0
2003	7,830,000	-15.0	192,000,000	1.0
2004	7,339,000	-6.0	187,000,000	-3.0
2005	8,539,000	16.0	196,000,000	5.0
2006	9,039,000	9.0	207,000,000	6.0
2007	9,289,000	3.0	216,000,000	4.0
2008	9,489,000	2.0	226,000,000	5.0
2009	9,989,000	5.0	229,000,000	1.0
2010	6,823,000	-31.0	226,000,000	-1.0
2011	6,823,000	N/C	229,000,000	1.0
2012	6,823,000	N/C	229,000,000	N/C
2013	6,823,000	N/C	233,000,000	1.0
2014	6,823,000	N/C	241,000,000	3.0
2015	8,865,000	47.0	N/A	N/A

WAIVERS AND THE EFFECT OF THE "FINANCIAL CRISIS" ON WAIVERS

According to the MBLC website, the waiver of the Municipal Appropriation Requirement (MAR) is exactly that, a waiver of that statutory requirement for the current fiscal year within the guidelines approved by the Board of Library Commissioners.²

When the Board of Library Commissioners votes to approve applications for waivers of the MAR (annually at their February Board meeting), the municipalities are certified as meeting the requirements of the State Aid to Public Libraries program and are awarded funds from the State Aid to Public Libraries account.

In FY2008, the Board of Library Commissioners granted **13** waivers, the lowest number granted over the previous eleven years. The number of waivers increased to **24** in FY2009, **97** in FY2010, and **123** in

² http://mblc.state.ma.us/grants/state_aid/blog/category/state-aid-to-public-libraries/mar-waivers/

FY2011, before decreasing to **121** in FY2012, **91** in FY2013, **72** in FY2014 and **55** in FY2015. These numbers reflect the erosion of financial funding of library budgets during the worst of the financial crisis and the continued lower levels of funding in the years following.

The fifty-five waivers granted last year remains a high number. The number of waivers allowed (currently unlimited) is determined by each year's state budget language and could be reduced in any year to the statutory limit of ten.

HOW THE MAR IS CALCULATED

When a library applies for state aid, it must submit an "Application and Compliance Form" signed by the Director and Chairperson of the Board of Trustees. Included in the form is a worksheet showing the calculations required to determine that library's MAR.

The statutory Municipal Appropriation Requirement (MAR) established in 1987 for the State Aid to Public Libraries Program is calculated as follows:

- Add together either the MAR or TAMI appropriations (whichever are higher) that have been received by a library for operating expenses for the three (3) prior fiscal years (capital has always been excluded);
- Take the average of this sum;
- Multiply the average by 1.025 to arrive at an appropriation amount that is 2.5% over the three-year average.

Therefore, the MAR is individualized for each city and town, and based on historical funding by the municipality for the provision of library services to the residents of the community. It does not require a 2.5% increase over the prior year's appropriation alone.

Once the MAR has been determined, it is compared to the actual appropriation (TAMI), for the library. If the MAR is less than or equal to the TAMI, the library meets the MAR requirement. If the TAMI is less than the MAR, the library may apply for a waiver of the requirement.

Establishing a MAR for a library has the effect of establishing a floor for the library budget. In some municipalities where the library budget has been substantially reduced, this has had the effect of creating a widening gap between the MAR and the TAMI in subsequent years. For example, one urban library had a budget of approximately \$1,100,000 in FY2008 before it was significantly reduced by \$300,000. Because the formula establishing the MAR requires that the number used to calculate future MARs be the higher of the MAR or the TAMI, this library has been unable to make any progress toward meeting the MAR. The library's TAMI has increased since that time, but the MAR has increased as well. The gap between the TAMI and the MAR at this library was 30.72% of the library's budget in FY2014. As the initial \$300,000 budget cut represented such a significant share of TAMI, subsequent moderate increases have not reduced the gap between the library's TAMI and the MAR.

In FY2014, ten other libraries had a gap between the TAMI and the MAR of greater than 20%. Another ten libraries had gaps of 10-20%. All of these libraries will likely continue to require waivers to remain certified and qualify for state aid.

Some libraries are much better funded than others, but there is comfort in the existence of a floor. One professional librarian pointed out that the MAR doesn't actually reflect adequacy of funding. It is only a reference to itself. One way to think of the MAR is as an *anti-erosion measure*; it arms library advocates with an argument during the municipal appropriation process that while cutting the library budget may save local dollars, it may cost the municipality state dollars (state aid to libraries).

Table 2 (following page) illustrates some of the disparities in local library per capita budgets and per capita MAR. In essence, the MAR is a number that is based on each municipality's cumulative decisions on how much to spend on library services over time, as expressed by city and town officials and voters that participate in the appropriation process.

Table 2: Comparison of Per Capita Appropriation by Selected Municipalities			
Municipality	Per Capita \$ Appropriation	Percent from MAR	Dollar amount from MAR
Billerica	1,342/40 = 33	0.9%	12,400
Blackstone	332/9 = 36	2%	7,600
Fall River	1,089/89 = 12	22%	315,000
Falmouth	1,739/31 = 56	3%	52,000
Franklin	637/31 = 20	32%	301,000
Haverhill	1,178/61 = 19	20%	292,700
Lawrence	1,014/76 = 13	31%	449,900
Lenox	248/5 = 49	21%	66,800
Lynn	989/90 = 11	5%	54,000
Medford	1,069/56 = 19	19%	260,000
Mendon	155/5.8 = 26	21%	64,500
Monson	225/8.5 = 26	20%	58,500
Newbury	223/6.6 = 31	44%	178,000
No. Adams	296/13 = 22	25%	100,000
Tewksbury	949/28 = 33	21%	245,000
Per capita appropriation is library appropriation (\$000) divided by population (000). All municipalities listed are in waiver status.			

ADDITIONAL SPECIFIC OPERATIONAL REQUIREMENTS

In addition to the general requirements for state aid eligibility, there are two specific operational requirements: minimum hours³ and minimum expenditure⁴ on materials.

The Requirements are shown in Table 3 and described extensively on the MBLC website. Minimum standards of library service, which libraries must meet to participate in the State Aid program, are contained in 605 CMR 4.00: Free Public Library Service.

Table 3: Material Expenditure and Hours Requirements by Population		
Population	Material Percentage	Hour Requirements
Under 2,000	20.0	10 hours, some evening, days not specified
2,000-4999	19.5	15 hours, some evening, days not specified
5,000-9,999	19.0	25 hours, some evening, days not specified
10,000-14,999	16.0	40 hours, 5 days, some evening
15,000-24,999	15.0	50 hours, 5 days, some evening
24,000-49,999	13.0	59 hours, 6 days, some AM, some PM, some evening
Over 50,000	12.0	63 hours, 6 days, some AM, some PM, some evening

The MBLC continued the Materials Expenditure and Hours Open Accommodation Policy into FY2015. As stated in the policy, it “...seeks to certify as many municipalities as possible while still reinforcing the principles of library service.” The policy page describes in detail how much the award will be adjusted according to the library’s level of compliance:

A municipality will receive certification for FY2015 State Aid to Public Libraries if it:

- Meets the FY2015 Municipal Appropriation Requirement (MAR), or receives a waiver of the FY2015 MAR;
- Meets the materials expenditure and hours open standard at either a full (100%), mid-level (90%), or minimum (80%) amount; and
- Meets all other statutory and regulatory requirements for State Aid to Public Libraries as contained in 605 CMR 4.01.

State Aid to Public Libraries grants will be awarded to all certified municipalities.

³ http://mblc.state.ma.us/grants/state_aid/policies/sa_hrs_policy2014.php

⁴ http://mblc.state.ma.us/grants/state_aid/policies/sa_mat_exp_policy2014.php

A municipality may meet a reduced standard of as low as 80% of the materials expenditure and hours open requirement contained in regulation (605 CMR 4.01), while continuing to remain certified and receive State Aid to Public Libraries. Award amounts will be unchanged for municipalities meeting 100% of both standards.

Awards for municipalities meeting accommodated standards will be reduced. Each standard that is met at a lower level will result in a 12.5% reduction to the full award for each level of reduction, but will be no less than 50% of the full award for meeting the minimum (80%) of both standards. If funds remain at the end of the FY2015 grant-round, no additional award of State Aid to Public Libraries will be made to a municipality using this policy of accommodation.⁵

The 28 libraries using the accommodation policy last year received \$677,314 in state aid, while forfeiting \$150,761 in additional funding available had they fully complied. Of the 28 libraries, 12 were also Waiver Applicants in FY2014.

The 28 libraries represent approximately 8 percent of all libraries in the State Aid program. Discussions with libraries did not reveal any overwhelming support for eliminating the requirements. Indeed, some libraries expressed fear that they might lose funding in their municipal budget's materials line if this requirement were eliminated or reduced.

There is some flexibility in the materials expenditure requirement. Libraries that are open more than the required hours may apply for approval to spend less on materials as part of their annual State Aid application.

WHAT THE CONSULTING TEAM LEARNED THROUGH INTERVIEWS

OVERALL SATISFACTION LEVELS WITH THE STATE AID PROGRAM

Not surprisingly, libraries liked the state aid that was available and wanted to see more of it. Ideally, the money that comes through state aid is used for projects and services that otherwise would be unaffordable. Specific comments from meetings held with libraries regarding the State Aid program are listed in Appendix 4.

The consulting team interviewed twenty-two librarians from the Massachusetts library community to assess their views on the State Aid program. The interview pool included librarians from municipalities of all sizes and from all parts of the state. Appendix 2 lists all interviewees.

Library Directors interviewed mentioned using state aid appropriations for the following:

- Facilities improvements, including building repairs, furniture, and planning for renovations and expansions;
- Technology infrastructure including network membership;

⁵ http://mbic.state.ma.us/grants/state_aid/policies/accompolicy2015.php

- Staff training and professional development;
- Programming including story hours;
- Additional materials;
- Digitization of historical materials;
- Strategic planning; and
- Temporary staff to maintain hours.

Libraries in continuing waiver status have experienced deep cuts in their budgets. These library directors see no hope of having those cuts reversed. For them, state aid is often used to meet the basic minimum requirements of Hours Open and Materials Expenditures.

The most common complaint was the low level of state aid. Libraries need and want more so they can bring up the level of services for their patrons. Libraries meeting the MAR and Minimum Requirements emphasized that consistency in the program is important. Libraries in continuing waiver status had concerns about the MAR and its impact on their operations.

The success of the State Aid program is also evidenced by the increase in the number of applicants, up 7% from 322 in 1994 to 344 in 2013.

THE MUNICIPAL APPROPRIATION AND WAIVERS

While the Municipal Appropriation Requirement (MAR) is almost universally regarded as the backbone of the State Aid program, it affects libraries in varying ways depending upon their financial situation. Some libraries have been able to stem the tide and get out of “waiver status.” Other libraries, more severely cut in the latest financial crisis, have seen a *new normal* set in, and it is hard for them to see how they will ever again qualify for state aid without a waiver. The formula has a provision which says that the municipality must appropriate the average of the last three years TAMI or the Municipal Appropriation requirement, whichever is higher. These libraries see the possibility of attaining their MAR becoming more remote.

It is important not to overstate the MAR/Waiver problem.

In 2014, twenty libraries were off their MAR by more than 10%, with ten of these off by 20% or more. However, some libraries with significant funding gaps, like Haverhill, off 20%; Fall River, off 22%; Lawrence, off 31%; and North Adams, off 25%, serve significant populations. An examination of the waiver table⁶ will provide a full picture of waiver patterns among municipalities.

A general approach regarding the topic of waivers is to consider libraries that miss their MAR by 10% or less not to be of major concern, whereas libraries that miss their MAR by more than 10% AND

⁶ Waiver Table is shown in Appendix 7.

demonstrate a growing gap between their MAR and actual appropriation levels are of concern, especially where the library serves a significant population.

If the State Aid program and/or the MBLC is going to be able to help these libraries, alternatives recognizing this *new normal* need to be considered. A thorough discussion of the alternatives needs to occur, and a solution needs to be found which incents increased municipal funding for these libraries.

One concept might be to utilize a special additional appropriation to the State Aid account that, for a period of 3-5 years, would match increments in local library appropriations. Example: If a municipality had a \$250,000 gap, the MBLC would match municipal efforts, dollar for dollar, to close the gap. If the municipality agreed to close the gap over a five-year period it would increase its appropriation by \$25,000 per year matched by \$25,000 from MBLC. At the end of the fifth year, MBLC would begin to withdraw its subsidy at the rate of \$25,000 per year and the municipality would appropriate funds to plug this gap. The arrangement would be contractual, with provisions for MBLC to recover its subsidy if the municipal appropriation was not sustained.

Another option might be to award the MEG and NRC portion of state aid to all public libraries, and award the LIG only to certified libraries. Libraries not meeting the MAR could be ineligible to apply, thus obviating the need for waivers. This option would require a change in Massachusetts General Law (M.G.L., c.78, s.19A) that states that a municipality must appropriate a figure of at least the average of the last three (3) years' municipal appropriations to the library for operations, increased by 2.5%, in order to be certified for State Aid to Public Libraries.

The consulting team views the MBLC policy, supported by the legislature, of adopting a waiver policy in the context of acute and prolonged fiscal exigency to have been correct. The policy has sustained the monetary incentives for municipalities to participate in the program, sustained the professional standards requirements, and reinforced the value of reciprocity.

MUNICIPALITIES AND THE STATE AID MUNICIPAL ACCOUNT

Towns and Cities handle state aid money in different ways. While in most municipalities, the payments are placed in separate accounts for expenditure by the library without further appropriation; some towns use the money as an offset against the general library budget. In one case, it was reported that a town puts the money into the general revenue fund. This way of handling the money subverts the intent of state aid to be utilized directly to improve library services. One of the major positives of the State Aid program as gleaned from the consulting team's discussions was the opportunity that state aid money has provided for libraries that have been able to fund projects that would otherwise be unfunded. Some directors mentioned the value of being able to "save up" several years' allocations for a relatively big project; however, one director interviewed made the comment "Our city has always used it to offset the library budget. There seems to be no teeth in the language that says it shall be put in a separate account and spent by the library without further appropriation." He went on to say, "What argument is there to increase state aid as the city will just withhold that money." If his experience is repeated in other municipalities, support for state aid will be diminished.

WAIVERS

Libraries in waiver status are not meeting the MAR. Due to inadequate budgets they are also the libraries having the hardest time meeting the minimum standards regarding hours and materials. As a result, they need the state aid money for staffing, to keep the library open the minimum number of hours, and for the purchase materials to meet the Materials Expenditure Requirement. The libraries that have a history of meeting the MAR are able to use the state aid money for innovative projects, which enhance services. A library spending every dollar it has to meet minimum standards is operating at a different level than libraries that have this money available for new technology, furniture, and facility improvements.

As noted at one interview, the MAR is acting as an “anti-erosion measure” with no necessary relationship to a determined level of adequate funding. A library with less than adequate funding could still be inadequate even if the MAR is met. *The MAR is a historical standard, self-set by a municipality.*

For the most part, libraries *not* in waiver status had no particular issue with the MAR and most people interviewed found it was a helpful tool useful for arguing against having the library budget cut disproportionately.

Libraries in waiver status are often spending their state aid to meet the minimum requirements of hours and materials. They are not able to spend the money for new and innovative services, the very things most appealing to the libraries out of waiver status. While not ideal, state aid is literally keeping the doors open and new books on the shelves in many libraries with waivers. Without significant additional municipal or state money for libraries, this situation is likely to continue for libraries with significant gaps between their budget and the MAR.

MINIMUM STANDARDS

Among interviewees no overall consensus was found for abandoning the minimum hours open and expenditure requirements on libraries materials. As much as libraries saw the value of making the program simpler, many felt that it was a useful tool to help maintain their line item amounts, especially if they were over the MAR.

Libraries did express a preference for more flexibility for the Material Expenditure Requirement. Expenditures for technology, in particular, are appropriately taking an increasingly large share of the library’s budget, and libraries want these expenditures to count for something toward meeting their requirements.

Another point worth mentioning concerning the Materials Expenditure Requirement is the share of the total budget to be expended by smaller communities. In the smallest population group, under 2,000, 20% must be spent on materials for full compliance. This percentage goes down in seven (7) steps to 12% in municipalities over 50,000. The list of 28 libraries needing accommodation includes only one town with population under 2,000. Libraries of all sizes are included in the list. Increased options for meeting the requirement might take care of concerns about the percentages. Also, as noted earlier in this White Paper, there is some flexibility in meeting this requirement now.

OBSERVATIONS AND CONSIDERATIONS

In some, but not all municipalities, there is a new normal. That is, the cuts imposed as a consequence of the 2008-2010 recession resulted in budgets that demonstrate a new level of fiscal stringency. This makes it harder to obtain budgetary appropriations for what are perceived as discretionary functions like library services. The consulting team's view is that libraries in some municipalities will never regain the budget and operational profile that existed in the pre-recessionary period. This is the *new normal* for these libraries.

Despite the relatively small size of the State Aid program in comparison with other state programs, this program serves two valuable purposes. 1) The money itself and the materials and hours requirements serve to buttress the local library community's arguments in the municipal budget process. Local political actors are loath to "lose" state aid. 2) Where money is very tight, state aid provides a backstop that enables some libraries to keep their doors open and/or purchase sufficient materials to remain certified and sustain participation in the reciprocal arrangements that make the statewide system so vital.

The consulting team proposes five main themes for enhancing the State Aid program. They all focus on recognizing the realities of the mid twenty-first century. These realities include:

- The digital age is fully upon libraries;
- Moving toward equity in access is important;
- The program should incent municipal action, as it has in the past; and
- Collaborative approaches to providing library services should be examined and piloted.

Theme 1:

Redefine the MAR so that it bears some relation to adequate service provision rather than simply to historic appropriation levels.

Theme 2:

Secure additional money from the legislature and governor to help struggling communities prioritize *bootstrapping* their library budgets. Focus would be on communities below the new MAR or in the lowest quartile of per capita library expenditures.

Concept: Increases in state aid would be utilized to incent municipalities to increase their appropriations to libraries. In essence, the MBLC would continue state aid as it is operated now and provide additional money on a matching basis until the municipality reached the MAR, at which point it would wean the municipality off *extra state aid over a three year period*.

Proviso: If the municipality participated by increasing its effort toward reaching the MAR it would get a waiver automatically. If it didn't, it would receive the MEG and NRC funds but not the LIG.

Theme 3:

Consider a pilot program that would consolidate libraries, particularly in areas with small towns/small libraries. Consider partnering with Administration and Finance's Community Innovation Challenge Grant program that provides funding for inter-municipal cooperation and functional regionalization. Consider incentives and subsidies that would enable a large library to provide service to a smaller town. Topical questions may be: *Could one library provide comprehensive library services to another municipality's residents? What would the cost be? What institutional requirements would be required? What are the incentives for municipalities to pursue this path?*

Theme 4:

Be proactive about educating librarians, library trustees, town officials, and legislators about the State Aid program. Ensure they understand the Program's four main goals. Educate municipal officials about the value of Commonwealth-wide reciprocity and the threat to reciprocity that may result from severe cuts to their own community's library. Members of the local library community (Trustees, staff, Friends, etc.) need to be prepared to play an advocacy role in the local budgetary process. The Wareham story describing the first decertification in many years of a populous town is a cautionary tale. Wareham is a town with limited resources, but it seems the library had very limited political support and advocacy.

Theme 5:

Ensure State Aid awards are used as intended. Require that Town Accountants/City Controllers sign off that the money is being put in a separate account for direct expenditure by the library.

APPENDIX 1: RELEVANT STATUTES AND REGULATIONS

CHAPTER 165 OF THE ACTS OF 2014 (APPROPRIATION ACT FOR FY2015) ACCOUNT 7000-9501

For state aid to public libraries; provided, that notwithstanding any general or special law to the contrary, no city or town shall receive funds from this item in any year when the appropriation of the city or town for free public library services is below an amount equal to 102.5 per cent of the average of the appropriations for free public library service for the 3 years immediately preceding; provided further, that notwithstanding any general or special law to the contrary, the board of library commissioners may grant waivers in excess of the waiver limit set forth in the second paragraph of section 19A7 of chapter 78 of the General Laws in fiscal year 2015 for a period of not more than 1 year; provided further, that notwithstanding any general or special law to the contrary, of the amount by which this item exceeds the amount appropriated in chapter 194 of the acts of 1998, funds shall be distributed under the guidelines of the municipal equalization grant program, the library incentive grant program, and the nonresident circulation offset program; and provided further, that notwithstanding any general or special law to the contrary, any payment made under this item shall be deposited with the treasurer of the city or town and held in a separate account and shall be expended by the public library of that city or town

without appropriation.....\$9,000,000.

THE TEXT OF SECTION 19A OF CHAPTER 78 MGL FOLLOWS:

The state treasurer shall annually, on or before July first, pay from monies appropriated from the Local Aid Fund for that purpose, to each city or town certified by the board of library commissioners to have met certain minimum standards of free public library service established by said board, an amount to be used for the free public library or libraries of said city or town, to be determined as follows:

- (1) to each town having a population of less than two thousand five hundred, a sum equivalent to the amount appropriated by it for free public library service during the preceding year, but in no event more than one thousand two hundred and fifty dollars;
- (2) to each city and to each town having a population of two thousand five hundred or more, a sum not exceeding fifty cents for each resident therein; provided, however, that such city or town appropriates during the preceding year for its free public library service at least one thousand two hundred and fifty dollars;
- (3) to each city and town, in addition to the amount specified in paragraph (1) or (2), a sum determined by allocating the remaining available amount among the cities and towns according to the provisions of section eighteen C of chapter fifty-eight;
- (4) in addition to the amounts specified in paragraphs (1), (2) and (3), to each city or town whose library is designated a major nonresident lender by said board, an amount for the purpose of offsetting the costs of extending said service to nonresidents. Said amount shall be determined by said board by allocating the sum appropriated for this purpose according to criteria and formulae developed by said board in consultation with the regional public

⁷ The text of Section 19A of Chapter 78 referred to above is on the next page.

library systems established under section nineteen C.

No city or town shall receive any money under this section in any year when the appropriation of said city or town for free public library services is below an amount equal to the average of its appropriation for free public library service for the three years immediately preceding, increased by two and one-half per cent of said average. Said board may, upon petition of a community, waive aforesaid requirement upon demonstration of fiscal hardship. Said waiver may only be granted by said board in a given fiscal year to not more than ten cities and towns in the commonwealth.

For a joint public library, the board may approve, at the request of the cities or towns served by the joint public library, a single appropriation requirement in determining amounts under this section. The amount shall be calculated by aggregating the appropriations of the cities or towns administering the library. Upon petition by all of the cities or towns served by a joint public library, the board may waive the single appropriation requirement upon a demonstration of fiscal hardship. A joint public library shall be an undertaking of 2 or more cities or towns to provide public library service to their residents through a single administrative entity.

THE TEXT OF SECTION 19B OF CHAPTER 78 MGL FOLLOWS:

The board of library commissioners, in setting up minimum standards of free public library service and in certifying such libraries for aid under section nineteen A shall require the filing of an annual report and shall require that such public libraries:

- (1) be open to all residents of the commonwealth,
- (2) make no charge for normal library services,
- (3) be kept open a minimum number of hours per week,
- (4) employ trained personnel in accordance with regulations promulgated by the board of library commissioners; provided, however, that in cities of more than one hundred and fifty thousand residents, nothing in said regulations shall prevent the appointing authority from employing a chief executive officer of the library system in addition to the chief librarian,
- (5) expend a reasonable portion of the library's total budget on library materials,
- (6) lend books to other libraries in the commonwealth and extend privileges to the holders of cards issued by other public libraries in the commonwealth on a reciprocal basis,
- (7) include in their annual report the total number of nonresident loans and nonresident circulation as a percentage of the library's total circulation, as certified by the librarian and subject to an audit by the state auditor.

APPENDIX 2: INTERVIEW LIST

Lawrence Public Library

- Maureen Nimmo, Director

Tewksbury Public Library

- Diane Giarusso, Director

Lucius Beebe Memorial Library, Wakefield

- Sharon Gilley, Director
- Catherine McDonald, Assistant Director

Westborough Public Library

- Maureen Ambrosino, Director

Massachusetts Board of Library Commissioners

- Gregory J. Shesko, Chairman
- Mary Ann Cluggish, Vice-Chairman
- Carol B. Caro, Secretary
- Francis R. Murphy

Boston Public Library

- Michael Colford, Director of Library Services
- Jen Inglis, Chief of Public Services
- David Leonard, Director of Administration and Technology
- Ed Maheigan, Budget and Procurement Manager

Cotuit Library/Barnstable

- Jennie Wiley, Director

Plymouth Public Library

- Dinah O'Brien, Director

Framingham Public Library

- Mark Contois, Director

Western Region, Small Libraries Group

- Sue SanSoucie, Former Director, Montague Public Library System
- Sara Woodbury, Director, Tilton Library, South Deerfield
- Karen Stinchfield, Director, Cushman Library, Bernardston
- Eliza Langhans, Director, Hatfield Public Library

Western Region, Larger Libraries Group

- Molly Fogarty, Director, Springfield City Library
- John Ramsay, Assistant Director, Springfield City Library
- Ron Latham, Director, Berkshire Athenaeum, Pittsfield
- Joe Rodio, Director, South Hadley Public Library
- Sharon Sharry, Director, Amherst Public Library
- Lisa Downing, Assistant Director, Forbes Library, Northampton

APPENDIX 3: MEMO TO INTERVIEWEES

To: Interviewees from the Library Community

From: Richard Kobayashi, Senior Associate and James Sutton, Associate

Subject: Mass Board of Library Commissioners – State Aid White Paper Information for Interviewees

Date: October 14, 2014

The Massachusetts Board of Library Commissioners (MBLC) has contracted with the Collins Center for Public Management at UMASS Boston (www.collinscenter.umb.edu) to write a *White Paper* on the State Aid to Libraries Program. The *White Paper* is intended to assist the MBLC as it works with the State Aid Review Committee to consider ways to change to the program and increase funding for libraries. The White Paper will offer alternatives that have the potential to:

- Bring the program more in line with current conditions
- Where possible, reduce complexity without jeopardizing goals of the program
- Develop strategies for sustained and increased state and local funding for municipal libraries

Your participation in completing the *White Paper* is requested. We will be contacting you to set up a time to talk with you. In preparation for the interview, we ask that you consider the following statements about the State Aid program and decide whether you agree, disagree, or need more information to respond.

- State Aid helps increase local funding for libraries
- State Aid is such a small amount of money that it is not worth the effort
- State Aid is effective in encouraging reciprocal borrowing in local libraries
- Public Library users benefit from State Aid
- Municipal Officials such as town managers and finance directors understand the purpose of State Aid
- I have talked to my state legislators about the State Aid program to encourage their support
- State Aid makes a positive difference in library services
- State Aid has too many regulations attached and needs to be simplified

We are interested in your perspective on the State Aid program from the viewpoint of your library and also your viewpoint on the Commonwealth's local library system as a whole.

Any other thoughts you have about the value of the State Aid program will be appreciated. In addition to making the State Aid program, as it is currently constituted, work better, we would like to discuss ways to increase funding. Here are some further statements that we would like to gauge your reaction to:

- Public Libraries serve as centers of learning for pre-school learning. State legislators will respond to request for increases in State aid for this activity.

- Significant changes in the State Aid program should only be made if there are no losers.
- The MBLC should be more aggressive in denying waivers of the Municipal Appropriation Requirement.

The UMASS Boston consulting team anticipates that a final draft *White Paper* will be presented to the Board shortly after Thanksgiving.

About the Consulting team:

Mr. Sutton was formerly Director of the Andover Public Library and Director of the Library in Natick. Mr. Sutton holds an AB Degree from Dartmouth College, an MPA from Framingham State University and an MLS from Simmons College. He was a Board member and President of the Massachusetts Library Association, 2001-2002. He also served terms as president of the Minuteman Library Network while Director of Natick's Library and president of the Merrimack Valley Library Consortium while Director of Andover's Library. While Director in Andover, he served several years as a member of the State Advisory Council on Libraries.

Mr. Kobayashi has over thirty years of public management experience including service as a manager in a Massachusetts state agency, planning and development director for an economically distressed Massachusetts city, chief planner for a major water/wastewater utility and as chief aide to the Mayor of a densely populated urban city. For eleven years he managed the Commonwealth's technical assistance services to municipalities. He is expert in state-local relations in Massachusetts. Mr. Kobayashi has also served as an elected official in his hometown of Belmont, Massachusetts and as a consultant under USAID auspices in Eastern Europe.

Mr. Kobayashi holds a BA in Economics from UMass Amherst, a Masters degree in Public Administration from Northeastern University and was a Loeb Fellow at Harvard University. Mr. Kobayashi has served as Senior Associate with the Collins Center since 2008 and has managed over forty projects for the Collins Center.

APPENDIX 4: COMMENTS REGARDING THE STATE AID PROGRAM

The sub-headings identify the kind of library the interviewee represented:

URBAN LIBRARY IN WAIVER STATUS SINCE 2009:

- <The library> Depends mightily upon state aid – it pays for anything above salaries and upkeep...based on an equation – grows every year, once you’ve been cut <as we were> in 2008.
- It’s impossible to ever meet the Municipal Appropriation Requirement (MAR) once you miss it.
- When waivers increase, something is wrong.
- <When asked if it helps in the budget process> ...yes, it is valuable the city knows...just want it to be more realistic. <The library has> half the staff the library had in 2005.
- Board needs to improve its math skills. <It is> not in touch.
- The waiver situation defeats the purpose of the MAR because it puts the library in the perpetual waiver situation. Look at the formula.

MEDIUM SIZED SUBURBAN LIBRARY IN WAIVER STATUS SINCE 2008:

- My funding and budgeting situation is now the “new normal.” Library was cut \$300,000 - \$400,000...devastating, particularly with new building....15 FTEs now compared to 20 FTEs earlier. Maintained materials at \$60,000 – 80,000 from accumulated state aid ...as a result only get 50% of full state aid ...smaller increases each year now, but will never be off waiver status unless town funds to 2006 level.
- Not sure what the value of the current State Aid program <editor: I believe this comment is directed at the MAR>, it doesn’t help, that ship has sailed.
- Doesn’t work any more...not a carrot, not a stick.
- State aid does help promote reciprocal borrowing.
- Does make sense to remove specific regulations, maybe have a minimum.
- Love to see something more performance based, i.e. count innovative programs and services.

MEDIUM SIZED SUBURBAN LIBRARY IN WAIVER STATUS 2010-2012:

- Most people don’t understand how important the Municipal Appropriation...Hours of service more important than materials.
- Having state standards can be useful. The MAR did matter to the Finance Committee and the Board shouldn’t back down from its role as a certifying authority. <A neighboring library can be overtaxed with serving another town’s patrons if that library is not providing service because of disproportionate cuts.>
- As long as waivers are done consistently, it’s okay. Important for the Town Accountant to be involved.
- Lines are unclear regarding what counts toward meeting the Materials Expenditure Requirement. ARIS doesn’t have a standard way of measuring use of online services such as Morningstar.
- Need consistency in standards.

MEDIUM SIZED ROUTE 495 AREA LIBRARY IN WAIVER STATUS 2010-2014:

- The State Aid program is really important.
- Issue of how towns treat state aid money is important. <In short, it is treated differently in different towns and some town officials will let the money continue to be used inappropriately even after the point is raised. Sometimes, after the issue has been raised enough, the money is handled appropriately by being in a separate account for use by the library.>
- Money is a real positive, especially when it is used for pilot projects. Being able to carry it from one year to the next is important.
- Important to the town officials that the library is certified. They are knowledgeable and supportive.
- Materials Standards actually help to increase that budget line.
- Electronic Materials need to be counted better. Need a comprehensive list.
- Thinks tying libraries with pre-school literacy is a terrific idea.
- Used state funds to help people find jobs.

LARGE URBAN LIBRARY IN WAIVER STATUS 10 OF THE LAST 12 YEARS:

- Should hold towns accountable.
- Should be a reset process at some point for towns unable to meet MAR
- Important to be clear
- Does help increase funding for libraries – cities are aware of it. Is a real carrot.
- Money used for facilities and IT, can be used over several years for a project.
- The Materials Requirement is challenging, the library has to spend restricted funds for special collections. Would like to step back and spend for increasing access and digitization.
- Liked the direction the earlier study was going in.
- If there wasn't a requirement for hours, libraries would shut down some hours.
- State aid enhances reciprocity.
- If libraries <or municipalities> knew they had to make a presentation to get state funds, they just might appropriate needed funds,
- Like life-long learning as a hook. Also, early literacy and the aging.
- <As was said in several other libraries> people who make funding decisions don't recognize what libraries do – need an image make-over.
- Need to be more grass roots.

MEDIUM SIZED CAPE LIBRARY WITH MULTIPLE VILLAGES:

- Consensus there is that the Library Incentive Grant (LIG) doesn't work so well for resort towns having fluctuating populations. The Non-Resident Circulation (NRC) offset is not enough to compensate for the additional demand on services. The LIG should include something more than the census population. Size of budget could be considered.
- Local official has claimed that libraries are micro-managed from the state level. Consensus among village libraries is to toss out the materials requirement. Do think the hours requirement is an incentive.
- Don't lose the Director's requirement.
- Some of the libraries feel the 2.5% increase is difficult in lean years. MAR can be an incentive, or

it could be an ax.

- Requirements don't reflect the changing nature of materials. The count of materials in electronic form is ineffective. In magazine databases, they count the database as one title.
- Any money is positive, but because the money is split between the villages, it doesn't amount to much for any one village.
- Should be training for municipal officials so they understand what the money is intended for.
- Discouraging that state aid hasn't at least returned to its former level.

SMALL LIBRARIES IN THE WESTERN REGION:

(MET WITH DIRECTORS OF FOUR SMALL LIBRARIES PLUS JOHN RAMSAY (THESE COMMENTS MAY BE CONTRADICTIONARY AS THEY ARE FROM DIFFERENT PEOPLE):

- Town is always supportive, relieved to have state aid requirements as well as materials requirement.
- Hear from some colleagues in smaller libraries who are not always enamored with the materials requirement. Sometimes they have too many materials in their small spaces.
- Forms can be daunting, especially to one-person libraries.
- One person commented that (s)he never heard the rationale for different levels of materials requirements.
- Don't need to spend 19.5%.
- State requirement gives justification for buying more materials.
- Hope that decertification continues to work.
- Reciprocity is the biggest thing,
- Be nice to have a category for processing materials.
- On-line inter-face to the form is difficult to use, not user-friendly.
- TAMI vs MAR is a problem.
- Examples of innovative collaborations with other area non-profits were described, some of which helped fund additional story hours, homework help, and business and job centers.
- One person demonstrated the graphics used in the "Emerging Stories of California Libraries." Possible model for a similar effort in Massachusetts.
- Idea mentioned of keeping the MAR and having less specific materials and hours requirement.

LARGE URBAN LIBRARY IN WAIVER STATUS 2010 – 2014, CURRENTLY OUT OF WAIVER STATUS, CERTIFIED IN 2015; FOUR LARGER LIBRARIES IN THE WESTERN REGION (THESE COMMENTS MAY BE CONTRADICTIONARY AS THEY ARE FROM DIFFERENT PEOPLE):

- Being open 63 "unique" hours has been a problem. Would be more useful to have main library and branches open the hours they are most needed by their clientele. For example, being open at 9 AM is not necessarily the best time to provide library services, but a library must open that early for the system to meet the hours requirement. It might be preferable to have several branches open 10-6. The hours requirement should be more flexible.
- A municipality has always used the state aid money to offset the library budget. It seems that the law has 'no teeth.' Other towns mentioned the same thing. The money is not put in a separate line and use by the library without appropriation. The money is used as an offset.
- Towns see it as Cherry Sheet money. Perhaps if it were seen as a grant instead, the intent of the

program would be clearer. Even a restricted grant.

- Feared getting rid of materials requirement because that line might be cut, especially if you met the MAR already.
- One librarian mentioned that the Board should de-certify more libraries.
- The MAR has no correlation to anything other than the library budget itself. A library can have a very low budget and meet the requirement. No standard for what is an appropriate amount.
- Perhaps there could be a per capita amount based on the demographic and socio-graphic characteristics of a municipality.
- The goal of the requirements should be to improve library service.
- Library concerned that the municipality would just withhold money if state aid were increased.
- What if state aid was increased and libraries could use it in a number of ways – Pre-school literacy, work-force training more hours, etc.

MEDIUM-LARGE PUBLIC LIBRARY NOT IN WAIVER STATUS FOR THE LAST 10 YEARS:

- Likes the State Aid program and has used it to support salaries of temporaries in the past and most currently using it for leveraging capital projects, such as planning a new branch library.
- MAR requirement good.
- Materials and Hours Requirement positive.
- Supports idea of finding some other way than the MAR to reward libraries.
- Past library used state aid to offset basic library budget, not so good.

MEDIUM-LARGE PUBLIC LIBRARY NOT CURRENTLY IN WAIVER STATUS:

- There has to be a way for libraries to be supported by their community. We need to look at the problems creatively. It might not be the program we have.
- Municipalities where there are budget shortfalls are poking at Community Services (including the library).
- Municipalities sometimes look at ways to work together to combine services. There needs to be some sort of defined option or that.
- Problem with the number of waivers – it should not be assumed by the funding authority that it's easy.
- Libraries are a heavily used public service, the most used outside Public Works. This has not been acknowledged.
- The amount of state aid needs to increase to be effective in its goals. There's sometimes just not enough to justify it.

APPENDIX 5: THE CALCULATION OF STATE AID FOR LIBRARIES

Adapted from the MBLC website

The calculation of state aid for each municipality is carried out as follows:

- Cherry sheet estimates are calculated assuming the “full funding” best year amount (FY2001) of \$9,989,844.
- LIG is calculated multiplying the population of each municipality by \$0.75. If the municipality’s population is 2,500 or less, \$1,875 is their LIG award, unless their appropriation is less than \$1875, in which case the award equals the appropriation.
- The statutory language for state aid allocates \$1,329,605 to support non resident circulation. The NRC allocation to libraries are calculated by dividing \$1,329,605 by the statewide total of prior year NRC transactions and then multiplying the resulting per transaction amount by each municipality’s number of NRC transactions.
- The sum of LIG awards and the \$1,329,605 for NRC awards are then subtracted from the \$9,989,844 to determine the amount available for calculating the MEG.

The MEG formula is used to determine each municipality’s minimum MEG estimate.

MUNICIPAL EQUALIZATION GRANT FORMULA

$$\text{MEG} = [(X/Y * X) / \sum (\text{all municipalities}) (X/Y * X)] * \text{SEG}$$

MEG = Municipal Equalization Grant for any given municipality

X = municipal population as percent of state population

Y = Municipal Equalized Valuation as percent of statewide equalization

Σ = sum of

SEG = statewide equalization grant (total funds available for distribution)

LIG and MEG awards are adjusted by the percentage difference of the actual dollars available for state aid. The NRC offset state total is never adjusted to be less than \$1,329,605.

For FY 14 allocations were:

\$1,329, 065 for NRC,
\$3,081,456 for LIG, and
\$2,413,136 for the MEG.

BLC staff has detailed information on calculation methodology.

APPENDIX 6: SUMMARY OF STATE AID PROGRAM

The State Aid program is designed to incent municipalities and their libraries to serve the public to a certain standard by:

- providing adequate local funding,
- maintaining a minimum number of open hours,
- utilizing a specific share of the budget for materials, and
- staffing the library with a qualified librarian as Director.

The purpose of State Aid to Public Libraries is⁸:

- to encourage municipalities to support and improve public library service,
- to encourage reciprocal resource sharing among libraries across Massachusetts,
- to compensate for disparities among municipal funding capacities,
- to offset additional costs to municipalities whose libraries circulate materials to patrons from other certified Massachusetts municipalities.

In order to be eligible for state aid, municipalities must comply with the Municipal Appropriation Requirement in the current year and meet certain minimum standards including the following:

- Be open to all residents of the Commonwealth,
- Make no charge for normal library services,
- Be kept open a minimum number of hours per week which varies according to the size of the community,
- Employ trained library personnel,
- Expend a reasonable portion of the library's total budget on library materials,
- Lend books to other [certified] libraries in The Commonwealth and extend privileges to holders of cards issued by other [certified] public libraries in The Commonwealth on a reciprocal basis.

These are prerequisites for receiving state aid. However, in the recent context of acute fiscal constraint the legislature has given the MBLC the authority to issue an unlimited number of waivers. Previously there was a maximum of ten waivers allowed per year. Note the waiver enables libraries to maintain certification even though they do not meet MAR. The waiver does not affect minimum hours or materials purchase requirements. If these requirements are not met there is a financial penalty.

⁸ http://mblc.state.ma.us/grants/state_aid/index.php

**APPENDIX 7 MUNICIPAL APPROPRIATION REQUIREMENT –
WAIVER APPLICANTS**

(Please see following pages)

Massachusetts Board of Library Commissioners
FY2015 State Aid to Public Libraries
Municipal Appropriation Requirement - Waiver Applicants

	Municipality	2012 Population	FY2014 TAMI	FY2015 TAMI	Percent Change	FY2015 MAR	Needed to Meet FY2015 MAR	Percent Not Meeting FY2015 MAR	FY2014 Adjusted Mun. Budget	FY2015 Adjusted Mun. Budget	Percent Change	Library Municipal Comparison
1	Abington 12 11 10 05 04R	16,060	\$ 452,714	\$ 455,005	0.51%	\$ 458,217	\$ 3,212	0.70%	\$ 9,906,983	\$ 9,383,744	-5.28%	Increase
2	Attleboro 14 13 12 11 10 09 04	43,837	\$ 1,033,595	\$ 1,033,542	-0.01%	\$ 1,056,703	\$ 23,161	2.19%	\$ 30,599,622	\$ 29,312,194	-4.21%	4.20%
3	Carver 14 13 12 11 10	11,521	\$ 370,467	\$ 358,409	-3.25%	\$ 381,861	\$ 23,452	6.14%	\$ 7,751,120	\$ 7,771,031	0.26%	-3.51%
4	Chelsea 14 13 12 11 10 07 06 05 04	36,828	\$ 297,962	\$ 287,710	-3.44%	\$ 316,176	\$ 28,466	9.00%	\$ 33,725,924	\$ 33,040,461	-2.03%	-1.41%
5	Clarksburg 14 13 12 11 10	1,689	\$ 57,901	\$ 60,249	4.06%	\$ 63,710	\$ 3,461	5.43%	\$ 817,557	\$ 846,194	3.50%	Increase
6	Clinton 14 13 12 11 10	13,668	\$ 312,798	\$ 343,620	9.85%	\$ 359,024	\$ 15,404	4.29%	\$ 7,046,941	\$ 7,613,553	8.04%	Increase
7	Dartmouth 14 13 12 11R 10R 09 08R	34,448	\$ 1,040,822	\$ 1,097,313	5.43%	\$ 1,171,392	\$ 74,079	6.32%	\$ 16,230,429	\$ 16,899,607	4.12%	Increase
8	East Bridgewater 14 13 12	13,955	\$ 425,002	\$ 413,586	-2.69%	\$ 453,032	\$ 39,446	8.71%	\$ 9,555,334	\$ 9,478,454	-0.80%	-1.89%
9	Fairhaven 14 13R 12 06	15,900	\$ 582,672	\$ 595,519	2.20%	\$ 652,198	\$ 56,679	8.69%	\$ 11,619,857	\$ 12,686,437	9.18%	Increase
10	Fall River 14 13 12 11 10 08 07 06 05 04 03	88,945	\$ 1,127,864	\$ 1,055,906	-6.38%	\$ 1,422,388	\$ 366,482	25.77%	\$ 86,917,559	\$ 84,180,620	-3.15%	-3.23%
11	Florida 14 12 11 10 09 08 07 06 05R	749	\$ 27,078	\$ 27,910	3.07%	\$ 28,356	\$ 446	1.57%	\$ 1,126,446	\$ 1,141,780	1.36%	Increase
12	Franklin 14 13 12R 11 10 05 04	32,374	\$ 637,949	\$ 676,076	5.98%	\$ 950,487	\$ 274,411	28.87%	\$ 23,997,863	\$ 24,688,418	2.88%	Increase
13	Haverhill 14 13 12 11 10 09 05 04	61,797	\$ 1,178,685	\$ 1,200,090	1.82%	\$ 1,489,756	\$ 289,666	19.44%	\$ 43,421,072	\$ 43,707,046	0.66%	Increase
14	Holbrook 14 13 12 11R 10R 05 04 03	10,899	\$ 324,675	\$ 341,134	5.07%	\$ 398,070	\$ 56,936	14.30%	\$ 7,185,984	\$ 7,627,567	6.15%	Increase
15	Huntington 14 13 12 11 10	2,172	\$ 62,222	\$ 66,377	6.68%	\$ 68,430	\$ 2,053	3.00%	\$ 1,519,609	\$ 1,386,724	-8.74%	Increase
16	Lawrence 14 13 12 11 10 09R	77,326	\$ 1,014,599	\$ 973,891	-4.01%	\$ 1,483,241	\$ 509,350	34.34%	\$ 43,825,846	\$ 42,037,749	-4.08%	0.07%
17	Leicester 14 13 12	11,110	\$ 157,579	\$ 165,335	4.92%	\$ 171,243	\$ 5,908	3.45%	\$ 4,913,015	\$ 4,849,875	-1.29%	Increase
18	Lenox 14 13 12 11 10 09 08 07R 06 05 04	5,000	\$ 248,350	\$ 253,317	2.00%	\$ 319,094	\$ 65,777	20.61%	\$ 4,098,438	\$ 4,129,569	0.76%	Increase
19	Leverett	1,867	\$ 75,237	\$ 75,629	0.52%	\$ 77,831	\$ 2,202	2.83%	\$ 1,317,487	\$ 1,369,550	3.95%	Increase

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20	Longmeadow 14 13 12 05 04	15,835	\$ 636,901	\$ 647,900	1.73%	\$ 712,121	\$ 64,221	9.02%	\$ 11,301,811	\$ 11,514,935	1.89%	Increase
21	Lynn 14 13 12 11 10 06 04R	91,253	\$ 989,879	\$ 989,879	0.00%	\$ 1,057,257	\$ 67,378	6.37%	\$ 71,944,052	\$ 75,907,777	5.51%	Increase
22	Malden 14 13 12 11 10	60,374	\$ 1,333,849	\$ 1,363,778	2.24%	\$ 1,449,976	\$ 86,198	5.94%	\$ 38,650,641	\$ 38,325,175	-0.84%	Increase
23	Medford 14 13 12 11 10	57,033	\$ 1,069,812	\$ 1,077,283	0.70%	\$ 1,345,306	\$ 268,023	19.92%	\$ 38,570,283	\$ 40,265,814	4.40%	Increase
24	Mendon 14 13 12 11 10 09	5,876	\$ 159,242	\$ 163,248	2.52%	\$ 222,986	\$ 59,738	26.79%	\$ 5,345,203	\$ 5,508,529	3.06%	Increase
25	Middleborough 14 13 12	23,395	\$ 566,586	\$ 573,339	1.19%	\$ 616,771	\$ 43,432	7.04%	\$ 15,246,704	\$ 14,674,945	-3.75%	Increase
26	Millbury 14 13 12 11 10	13,305	\$ 369,286	\$ 368,152	-0.31%	\$ 396,201	\$ 28,049	7.08%	\$ 7,599,126	\$ 7,282,482	-4.17%	3.86%
27	Monson 14 13 12 11 10 09R	8,679	\$ 225,425	\$ 226,748	0.59%	\$ 278,225	\$ 51,477	18.50%	\$ 4,762,060	\$ 4,998,114	4.96%	Increase
28	Newbury 14 13 12 11 10 09 08 07 06 05 04R	6,771	\$ 223,033	\$ 229,194	2.76%	\$ 406,198	\$ 177,004	43.58%	\$ 4,767,392	\$ 4,769,494	0.04%	Increase
29	North Adams 14 13 12	13,583	\$ 296,751	\$ 297,510	0.26%	\$ 403,580	\$ 106,070	26.28%	\$ 14,047,637	\$ 13,814,392	-1.66%	Increase
30	North Attleborough 14 13 12 11 10	28,806	\$ 565,661	\$ 562,001	-0.65%	\$ 619,698	\$ 57,697	9.31%	\$ 16,999,768	\$ 16,413,521	-3.45%	2.80%
31	Northborough 14 13 12 11 10	14,724	\$ 700,971	\$ 726,615	3.66%	\$ 742,272	\$ 15,657	2.11%	\$ 9,922,497	\$ 10,786,826	8.71%	Increase
32	Norwell 14 13 12 11 10	10,574	\$ 572,926	\$ 572,210	-0.12%	\$ 592,616	\$ 20,406	3.44%	\$ 12,035,588	\$ 11,924,651	-0.92%	0.80%
33	Oak Bluffs 14 13	4,642	\$ 467,519	\$ 468,389	0.19%	\$ 478,781	\$ 10,392	2.17%	\$ 7,721,719	\$ 8,069,990	4.51%	Increase
34	Oakham 13 12	1,913	\$ 54,131	\$ 54,131	0.00%	\$ 54,581	\$ 450	0.82%	\$ 1,112,213	\$ 1,112,871	0.06%	Increase
35	Palmer 14 13 12 11 10	12,152	\$ 703,322	\$ 719,480	2.30%	\$ 793,425	\$ 73,945	9.32%	\$ 6,598,509	\$ 6,188,857	-6.21%	Increase
36	Paxton 14 13 12 11 10	4,860	\$ 155,259	\$ 164,149	5.73%	\$ 168,237	\$ 4,088	2.43%	\$ 3,452,990	\$ 3,787,338	9.68%	Increase
37	Pepperell 14 13 12	11,797	\$ 442,267	\$ 421,852	-4.62%	\$ 465,778	\$ 43,926	9.43%	\$ 5,791,096	\$ 5,517,079	-4.73%	0.11%
38	Pittsfield 14 13 12 11 10 03	44,168	\$ 898,216	\$ 918,373	2.24%	\$ 988,502	\$ 70,129	7.09%	\$ 25,684,927	\$ 26,129,153	1.73%	Increase
39	Plainville 14 13 12	8,440	\$ 200,849	\$ 206,648	2.89%	\$ 218,427	\$ 11,779	5.39%	\$ 6,965,292	\$ 7,742,707	11.16%	Increase
40	Provincetown 14 13 12	2,968	\$ 304,328	\$ 308,969	1.53%	\$ 330,271	\$ 21,302	6.45%	\$ 10,468,006	\$ 10,665,107	1.88%	Increase

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41	Scituate	18,173	\$ 956,456	\$ 943,404	-1.36%	\$ 968,082	\$ 24,678	2.55%	\$ 16,561,319	\$ 16,653,374	0.56%	-1.92%
42	Somerset 14 13 12 06	18,270	\$ 561,857	\$ 497,504	-11.45%	\$ 595,522	\$ 98,018	16.46%	\$ 11,082,484	\$ 10,581,988	-4.52%	-6.93%
43	Somerville 14 13 12 11 10 09 08 07 05 04	77,104	\$ 1,947,090	\$ 1,964,651	0.90%	\$ 2,256,865	\$ 292,214	12.95%	\$ 81,584,206	\$ 80,130,954	-1.78%	Increase
44	Spencer	11,749	\$ 392,280	\$ 306,532	-21.86%	\$ 384,077	\$ 77,545	20.19%	\$ 6,179,483	\$ 6,394,889	3.49%	-25.35%
45	Tewksbury 14 13 12 11 10 09R 08	29,669	\$ 949,412	\$ 955,660	0.66%	\$ 1,209,831	\$ 254,171	21.01%	\$ 37,841,286	\$ 41,101,976	8.62%	Increase
46	Uxbridge 14 13 12 05 04	13,560	\$ 332,511	\$ 340,000	2.25%	\$ 360,611	\$ 20,611	5.72%	\$ 6,197,946	\$ 5,833,316	-5.88%	Increase
47	Ware 14 13 12 11 10	9,859	\$ 187,338	\$ 178,308	-4.82%	\$ 240,631	\$ 62,323	25.90%	\$ 6,131,386	\$ 5,882,576	-4.06%	-0.76%
48	Warren 14 13 12 11 10	5,142	\$ 156,742	\$ 156,742	0.00%	\$ 178,535	\$ 21,793	12.21%	\$ 2,780,658	\$ 2,866,498	3.09%	Increase
49	Wayland	13,285	\$ 1,000,378	\$ 983,300	-1.71%	\$ 990,450	\$ 7,150	0.72%	\$ 14,737,745	\$ 14,612,370	-0.85%	-0.86%
50	West Springfield 13 12 04	28,574	\$ 861,820	\$ 844,320	-2.03%	\$ 870,629	\$ 26,309	3.02%	\$ 23,487,007	\$ 23,519,448	0.14%	-2.17%
51	Wilbraham 14 13 12 11 10	14,337	\$ 654,039	\$ 662,830	1.34%	\$ 735,146	\$ 72,316	9.84%	\$ 9,880,818	\$ 10,202,406	3.25%	Increase
52	Windsor 14 13 12	902	\$ 2,300	\$ 2,500	8.70%	\$ 2,577	\$ 77	2.99%	\$ 619,518	\$ 580,340	-6.32%	Increase
53	Winthrop 14 13 12 09R 04	17,940	\$ 479,871	\$ 480,871	0.21%	\$ 526,933	\$ 46,062	8.74%	\$ 10,615,403	\$ 11,820,172	11.35%	Increase
54	Woburn 14 13 12 11 10	38,949	\$ 1,083,461	\$ 1,089,077	0.52%	\$ 1,190,158	\$ 101,081	8.49%	\$ 28,033,577	\$ 28,416,894	1.37%	Increase
55	Yarmouth 14 13 12 11 10 09R	23,703	\$ 652,776	\$ 662,921	1.55%	\$ 817,125	\$ 154,204	18.87%	\$ 24,318,813	\$ 24,933,684	2.53%	Increase

XX= Years Waiver Received R = with Reservation