

Strategies for Sustainable Funding: A metadata review of the Independent Library District Model

Matthew Goldman

*University of Washington Information School
Seattle, Washington, USA*

Public libraries have seen a decline in public funding, relying on a mixture of external types of funding to keep services running. With state and local governments continuing to face financial pressures, some libraries have explored alternative ways to maximize funding, by forming library districts. This report aimed at exploring library districts in three states; Colorado, Michigan and Oregon, which have similar funding structures. The report found more stable and predictable funding patterns in library districts versus their counterparts and provides evidence that is a strong alternative for public libraries seeking a change in the way they obtain funds.

KEYWORDS *public libraries, library districts, public library funding, independent library districts*

Public funding has always been an important part of the definition of a public library. According to the American Library Association (ALA), libraries of all kinds need secure financial support. People from all walks of life continue to use public libraries, but in a country with a pronounced and still growing wealth gap, many people truly depend on them. Library funds are accumulated from a mixture of local, state, federal, and other sources. According to the ALA Appropriations (2017), the amount of funding that a library receives directly influences the quality of its services, with the majority of funding for libraries coming from state and local sources. According to the Pew Research Center, more than 90 percent of Americans say public libraries are important to their communities (Ulaby 2013). With that said, financial support for libraries varies hugely from state to state.

As noted before, funding for public libraries comes from sources at national, state and local levels of government. A technical report produced by Miller et al. (2011) and on behalf of the Institute of Museum and Library Services (IMLS 31) states:

“Fifty-three percent of public libraries were part of a municipal government; 15% were nonprofit association libraries or agency libraries; 14% were separate government units known as library districts; 10% were part of a county/parish; 3% had multi-jurisdictional legal basis under an intergovernmental agreement; 2% were part of a school district; 1% were part of a city/county; and 1% reported their legal basis as other.”

In 2007, a report cited by Owens and Sieminski (2007) and prepared by RPA, Inc., an executive recruitment and consulting firm, examined the blueprint for improving and stabilizing funding for Pennsylvania’s public libraries and for improving the quality of services delivered to Pennsylvania’s 12 million residents. The Pennsylvania Library Association and Pennsylvania Citizens for Better Libraries were interested in how these monies were distributed to public libraries across the United States (US). Public libraries continue to be funded by a mixture of private donations, but the majority of the funding comes from government sources – mainly at the local level. Looking back and examining the whole picture indicates that only 1 percent of the operating revenue of public libraries is derived from federal sources, 10 percent from state sources, and the majority of the funding, 82 percent, from local government sources. The remaining 8 percent comes from monetary gifts and donations, grants, interest, library fines, and fees for library services. Updated funding statistics for public library services are sure to have declined after the 2009 recession.

FUNDING PROBLEM

The IMLS, an independent federal agency, sends out an annual survey for librarians in all 50 states about the state of their enterprise. The most recent data is from FY2014, indicate a downward trend in revenues that began amid the great recession in 2009. The report found that even though investments might have declined, any decreases in use did not drop by the same magnitude. People continue to use their public libraries for services. If libraries have more funding, they can retain more staff, offer more community classes, and stay open for longer periods of time.

With local governments continuing to face financial pressures, some libraries have explored ways to supplement public funding. Additional library fees may offset some costs, but do not make up for the changes in adjustment costs. There are reasons that public libraries need to explore more options in securing a more stable source of funding. Public libraries in the US have many forms of governance, organization and funding. Although not thoroughly researched or documented, it is assumed that the independent library district model provides the most stable funding and organization.

INDEPENDENT LIBRARY DISTRICT MODEL

The independent library district model has been implemented in municipalities across the country. Two examples that gained large media coverage are in McLean County in Kentucky and Ronan Public Library in Montana. Both were municipalities where residents supported this model; to become a self-governed library district. In 2005, McLean County became one of almost 100 county library systems in Kentucky operating as a special taxing district after a 3-year court battle regarding local opponents and lawsuits against the formation. The library tax in McLean County is 3.8 cents per \$100 of valuation. As a special taxing district, the library is allowed to set that tax rate without voter approval (Warburton 2015) as a way of increasing public funding.

The Ronan Public Library District was formed in 2013 and the residents have taxing authority for increasing the library budget from about \$15,000 to \$200,000 (Rosa 2013). In the face of a massive recession, the City of Ronan was forced to cut library funding from around \$51,000 in 2007 to \$17,000 in 2013 (Martynowicz 2013). Residents stood up and expressed their support, by saying that they wouldn't mind paying taxes to help keep the library open.

Research on Library Funding and Districts

One of the few recent reports that examine different types of funding in public library systems within New York State is by Elliott (2013). The author concluded that while library districts did demonstrate more reliable funding across a 10-year period, they did not see improved per capita funding as compared to association and other non-district libraries. A more comprehensive report conducted by McClure, Bordonaro, and Smith (2001) studied public library funding around the State of Michigan. Both qualitative and quantitative findings suggest that there is considerable support for a combined short-term and long-term strategic effort, but more importantly recommend possible approaches for addressing the specific public library funding problems. While not explicitly stated that library districts are the main solution, the authors layout a strategic plan regarding proposed goals and objective that will help address overhauling public library laws and more importantly, bring awareness to the vast differences in funding public library services across the State of Michigan.

Opposition

The formation of independent library districts may engender disapproval. As written in a newspaper article by Marbut (2013), Florida voters rejected a taxing district model for the City of Jacksonville Public Libraries. The library felt like the formation was a “complex issue” and it came down to how people feel (about taxing). Many librarians and library boards believe that this model will help eliminate the challenges of single and multiyear planning, when libraries are reliant on annual appropriation from local governments (Anderson 2003).

On the contrary to forming library districts, in a policy report cited by the Goldwater Institute (2014), the report examined special taxing districts and how they are the fastest growing form of government. “These often-unnoticed local governments have the power to tax and spend like municipalities and are set up to provide a specific service.” The number of special districts has grown rapidly because special districts are not subject to many of the spending and debt limits municipal governments face. The report also describes that library districts are another example of a high-cost, single-purpose government with bloated overhead and less desirable services than those offered by general-purpose governments. As cited in their report, a study conducted by Berry, C.R. (2009) examined over 100,000 library districts and found that “Library districts do spend significantly more

than other types of libraries.” Furthermore, their study also found that these library districts have fewer books. These districts have a comparable number of employees, although their employees are less likely to be actual librarians, relative to libraries operated by general-purpose governments. Berry and Gerson also indicate that library districts spend about 10 percent more per patron visit than comparable municipal libraries.

As noted in the previous examples and despite the wide support for public library districts, very little research has been published in academic journals or found in the public domain to test the hypothesis that the independent library district model provides improved funding for libraries; hence it is assumed this model will provide the most stable funding and organization. As referenced in Elliott (2013) concluded that there is a need for an in-depth analysis for discovering new models of funding because libraries contemplating a switch to another model of funding, such as the library district, often take on additional costs when they make the transition, including library district fiscal and other administrative services that are provided to the library. This report was formed as a way to fill this gap in the existing research and give greater insight on libraries who seek information about funding. The findings in this report should also provide leverage into public libraries who are undecided with regards to the independent library district model and whether or not this model will have a greater impact in library funding.

METHODOLOGY

To test the hypothesis that independent library districts with taxing authority have more stable funding over their non-district counterparts, this report tries to cover a thorough metadata analysis of materials across three different states. The data examined was found in the public domain and on state government websites as cross-references. For the purposes of this report, the main source of data was examined in the most recent year of the Public Library Survey (PLS) 2014; however, data was examined and taken from previous PLS between FY 2009–FY 2013. As authorized by the Museum and Library Services Act of 2003, IMLS collects data from 97 percent of public libraries across the country, provides information that policymakers and practitioners can use to make informed decisions about the support and strategic management of libraries (Census 2017). This IMLA data serve as a comprehensive source for this report.

The initial review of the literature determined that not all states allow the formation of independent library districts (or special districts) under

state law. Two examples are Maryland and Wyoming, which were automatically excluded from further analysis. Oregon, Colorado, and Michigan were selected primarily because of their similar governance, allowing municipalities to form library districts, but also states in similar size and demographics. As for comparison of library districts to nonlibrary districts, this was determined by pairing library districts and nonlibrary districts with the same “locale code” and service population size: one large, one medium and one small in each of the three states. Locale codes are a classification based on the physical location to describe a location from a “large city” to a “rural” and against a geographic database maintained by the Census Bureau (National Center for Education Statistics 2017). Although this report examines three different states, using the previously mentioned comparison method would help maintain an overall representation between libraries that have similar service population sizes and patron demographics. Moreover, it was also important to compare variables, such as average service population size, local revenue, total revenue, patron visits, audio downloads, and computer users per capita – developing an average for both library districts and nonlibrary districts to calculate a cumulative comparison.

Oregon

According to the 2014 PLS data there are 129 public libraries in Oregon and as of 2017, 28 of those public libraries are library districts. Total service area population ranged from 756,530 in Multnomah County Library, which services the Portland area to 140, located in Agness Community Library District. Likewise, the local revenue in the same service area populations ranged from roughly \$63 million to \$1,000 respectively. Six libraries within the same locale codes and similar service population areas were selected:

Table 1: The Six Library Districts Examined in Oregon

Library Name	Locale Code	Service Population
Deschutes Public Library District	12	462,525
Beaverton City Library	12	151,149
Crook County Library	32	20,690

Jefferson County Library District	32	18,141
Beaver Island District Library	43	1,040
Langlois Library District	43	771

Caption: A comparison of Library Districts with similar services populations and geographic regions within the state.

Colorado

According to the PLS data from FY2014 there are 134 public libraries in Colorado, of which 51 are library districts. Total service area population ranged from 648,937 in Denver Public Library to 352 in Wetmore Community Library. Likewise, the local revenue in the same service area populations ranged from \$39 million to just \$5,100 respectively. Six libraries within the same locale codes and similar service population areas were selected:

Table 2: The Six Library Districts Examined in Colorado

Library Name	Locale Code	Service Population
Pikes Peak Library District	11	607,457
Aurora Public Library	11	344,637
Park County Public Library	43	16,192
Grand County Library District	43	14,287
Las Animas-Bent County Library District	33	4,917
Yuma Public Library	33	3,547

Caption: A comparison of Library Districts with similar services populations and geographic regions within the state.

Michigan

According to the PLS data from FY2014, there are 388 public libraries

in Michigan, of which there are 121 library districts. Total service area population ranged from 713,777 in the Detroit Public Library to 492 in the Mackinac Island Public Library. Total local revenue ranged from \$30 million to just \$7,000 respectively. Six libraries within the same locale codes and similar service population areas were selected:

Table 3: The Six Library Districts Examined in Michigan

Library Name	Local Code	Service Population
Ann Arbor District Library	12	163,590
Grand Rapids Public Library	12	188,040
Allegan District Library	32	17,401
Big Rapids Community Library	32	20,141
Beaver Island District Library	43	657
Carp Lake Township Library	43	722

Caption: A comparison of Library Districts with similar services populations and geographic regions within the state.

Information was extracted from the PLS FY2009 – FY2014 datasets for both library and non-districts and calculations were prepared in Excel. These calculations acted as a baseline for determining whether selected library districts had greater or lesser funding over non-districts.

FINDINGS

Proponents of the independent library district model base their conclusions on 1) more stable and overall funding for their library and 2) greater per capita support. Findings based on this author’s calculations support proponent’s claims that both are true, as well as the findings in Elliott (2013). Though, given the small sample size of selected libraries used as comparisons in this report, this analysis cannot provide concrete evidence that this will be the same outcome for every library district. It is imperative to note that while

examining data from the past 6 years reveal an overall greater per capita and total revenue for library districts over their counterparts, the margin is consistent and does not provide larger increases or decreases in dollars. This will vary among local library districts as residents have the authority to vote on increasing or decreasing measures on overall budgets.

Funding Calculations

Based on the information provided from the most recent PLS, I was able to determine that selected library districts serviced more people than in non-library districts. The average population of the nine library districts was 109,972, while the average population of non-districts was 82,912; a difference of roughly 27,000. Both libraries with the most population serviced were located in Colorado, outside the Denver region. Local revenue was overall higher in library districts over nonlibrary districts, with the total being \$48,000,000 for library districts and \$22,000,000 for nonlibrary districts. Overall, total revenue between districts and nonlibrary districts was roughly a gap of \$26,000,000, which was a surprise comparison. Other calculations between districts and non-districts showed that there was higher per capital in library audio downloads, patron visits and also computer sessions, which gathers evidence that patrons living in these districts rely on their local library resources (Tables 4 and 5).

Table 4: Local Revenue in Library Districts over six years

	2009	2010	2011	2012	2013	2014
Deschutes	\$8,729,145	\$9,355,017	\$9,567,942	\$9,668,167	\$9,584,247	\$9,962,366
Jefferson	\$492,440	\$498,415	\$504,224	\$520,172	\$520,912	\$530,940
Langlois	\$57,137	\$58,908	\$58,989	\$66,266	\$64,666	\$64,441
Pikes Peak	\$21,872,030	\$22,199,204	\$22,783,130	\$23,588,456	\$23,930,259	\$23,823,621
Grand	\$2,147,046	\$2,327,346	\$2,352,900	\$1,956,030	\$1,937,841	\$1,682,899
Las Animas	\$73,540	\$83,496	\$79,332	\$72,031	\$82,189	\$81,547
Ann	\$14,903,622	\$12,049,622	\$11,392,543	\$11,070,673	\$11,361,509	\$11,573,864

Arbor						
Allegan	\$371,541	\$349,248	\$702,117	\$517,451	\$491,491	\$809,457
Beaver Island	\$85,516	\$117,978	\$108,567	\$110,347	\$101,210	\$101,292
Total	\$48,732,017	\$47,039,234	\$47,549,744	\$47,569,593	\$48,074,324	\$48,330,427

Caption: Library District revenue remained steady throughout the six years.

Table 5: Revenue in Non-Library Districts over six years

	2009	2010	2011	2012	2013	2014
Beaverton	\$6,500,471	\$6,099,869	\$7,093,841	\$7,514,749	\$7,685,372	\$7,579,397
Crook	\$507,399	\$496,878	\$524,028	\$615,839	\$616,857	\$686,884
Gilliam	\$27,900	\$31,832	\$32,079	\$22,931	\$26,100	\$49,655
Aurora	\$5,886,339	\$3,016,547	\$3,227,014	\$3,711,527	\$3,921,325	\$4,234,947
Park	\$191,342	\$183,374	\$188,500	\$184,605	\$199,605	\$172,102
Yuma	\$129,523	\$125,572	\$129,331	\$134,382	\$139,854	\$129,397
Grand Rapids	\$9,987,426	\$9,857,475	\$9,491,759	\$8,872,370	\$8,575,963	\$8,595,944
Big Rapids	\$379,793	\$318,895	\$290,670	\$280,837	\$292,533	\$285,287
Carp Lake	\$0	\$14,328	\$24,946	\$22,976	\$22,873	\$23,971
Total	\$23,610,193	\$20,144,770	\$21,002,168	\$21,360,216	\$21,480,482	\$21,757,584

Caption: Non-Library District revenue remained steady but lower throughout the six years.

*Carp Lake Township Library did not report a local revenue filing for 2009, but this does not reflect a significant outcome in total local revenue for non-library districts.

Per Capita Funding

Per capita in local and total revenue in library districts was higher than nonlibrary districts. FY2014 showed that library districts averaged almost twice the per capita funding, a trend that would have most likely been the same if calculated between FY2009–FY2013. Higher per capita was also true in nonfinancial computations, such as total visits, computer use and audio downloads (Table 6).

Table 6: Per Capita Comparison FY2014 Between Districts and Non-Districts

	District	Non-District
Local Revenue	\$48.83	\$29.16
Total Revenue	\$54.75	\$30.29
Visits Per Capita	6.42	4.21
Computer Use Per Capita	1.51	1.09
Audio Downloads Per Capita	0.23	0.18

Caption: There is an overall higher per-capita comparison between the library districts and non-districts examined in this report.

LIMITATIONS

There is little evidence-based research on models used in funding public library districts in the public domain or in publications, which hindered the ability of this author to make a clear and concrete conclusion that the independent library district model is really the best model in providing the most stable funding. Additionally, if this author had more time and resources to examine a larger sample size of library districts, it would provide greater credibility on the original assumption. On the other hand, the available datasets examined in this report provide insight and strong evidence that the nine selected library districts across three states have more stable funding over nonlibrary districts; a convincing argument for public libraries to consider.

As this author found, the availability of data on public library funding and library districts is not consistent across state governments, very difficult to find and may not be updated with recent datasets. Moreover, regional variations in local jurisdictions and their taxing authority may have an impact on conforming comparisons and may not provide the greater picture of the independent library district model and public library funding.

DISCUSSION

Public funding has always been an important topic of debate and included in the discussion of public libraries and their future. The increased use of public libraries and their services outpaces their funding. There has been a push for funding public libraries at the local level, with tax revenues (DeRosa and Johnson 2008) taking into consideration the independent library district model.

As raised by voters and in recent media coverage, the independent library district model has been implemented across the country as an argument for obtaining more sustainable funding and keeping services afloat for patrons. Furthermore, the taxing authority held by municipalities and by voters provides more accountability by the residents who reside in a library district. Supported by this claim, this author found that library districts had more stable, predictable and consistent funding over nonlibrary districts in the same states. As noted as a limitation, comparing and contrasting of 18 public libraries out of over 9,000 in the US is not a comprehensive sample and thus, a further examination of public library districts included in the sample size is required.

Lastly, during a 6-year period, library districts saw more stable and predictable budgets than their counterparts, with roughly \$48,000,000 in total revenue during each of the years. This is relatively important for public libraries and local governments to provide a benchmark to public libraries in case of an unpredictable natural disaster or in times of severe budget crises, per Ronan Public Library District's situation.

In general, this report adds to the current research and provides strong evidence that the independent library district model of funding public libraries can be an alternative model, if allowed to be formed and implemented by state governments and local municipalities. A sustainable and reliable funding source is the key for keeping public libraries open, maintaining their services and fulfilling their mission to the public.

AUTHOR

Matthew Goldman is a Library and Information Science candidate (June 2017) in the Information School at the University of Washington in Seattle. He holds a B.S. in Psychology and B.A. in Social Work. Matthew has spent several years working in academic libraries, but has recently grown an interest in advocating for increasing library funding for all libraries. Address correspondence to Matthew Goldman. Email: goldman3@uw.edu

ORCID

<http://orcid.org/0000-0003-0657-2387>

ACKNOWLEDGEMENT

My acknowledgement is to Susan H. Hildreth, Distinguished Practitioner in Residence (Professor of Practice) at the Information School at the University of Washington for sponsoring this report.

RECOMMEND MATERIALS ON LIBRARY DISTRICTS AND FUNDING

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- **Impact of the Public Library District Model on Local Funding of Public Libraries in New York State (2013).** Mara Elliott
- **Appropriations Fact Sheet.** American Library Association
- **Public Library Districts: An Introduction.** New York State Library. <http://www.nysl.nysed.gov/libdev/libs/pldtools/>

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