

Strategies for Sustainable Funding

Westchester Library System | October 2013



Rebekkah Smith Aldrich | Coordinator for Library Sustainability | Mid-Hudson Library System

Strategies for Sustainable Funding



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What you do is essential
to your community.

<input type="checkbox"/>	YES
<input type="checkbox"/>	NO
<input type="checkbox"/>	MAYBE





PR Audit

- ✦ How do you currently get the word out?
- ✦ How far into the community is your reach?



Consistency is key.

Keys to Success

- ☐ **Regular communication**
with current users/ supporters
- ☐ **Consistent effort**
made to gain new users/ supporters
- ☐ **Increased visibility**
within the community

Continued...

Keys to Success, *continued...*

- ☐ **Proactive communication**
with community leaders
- ☐ **Strategic thinking**
about everything you do
- ☐ Practice **Word-of-Mouth Marketing**
"Thank you, please tell a friend."





Operating Funds





4 Types
of Libraries



 Association Libraries
 Municipal Public
 School District Public
 Special District Public

Sustainable Funding Models

1

- Chapter 414
- 259 School District Ballot
- Association Library District (possibly calls for a charter amendment)

2

- School District Public Library
- Special District Public Library

Recommendation 3

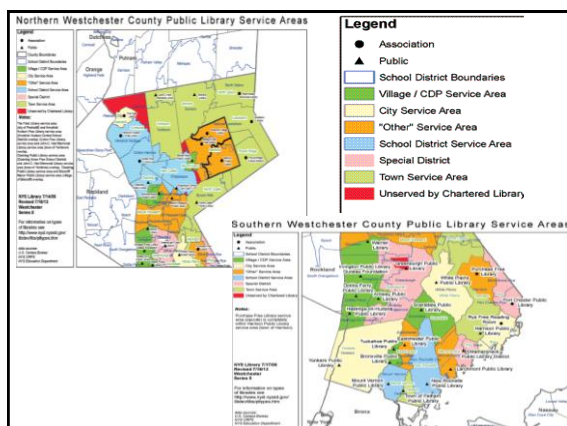
"Promote the availability of local public library service to all New Yorkers and improve local support for public libraries **through the formation of Public Library Districts.**"

*-Meeting the Needs of All New Yorkers: Library Service in the New Century,
Final Report of the Regents Commission on Library Services, 2000*

Recommendation 1

"The further proliferation of the Regents' **Public Library District Model** to enable all public libraries to become fully funded and governed through **citizen participation and public vote.**"

-Creating the Future: a 2020 Vision Plan for Library Service in NYS, Recommendations of the New York State Regents Advisory Council on Libraries to the New York State Board of Regents, 2012



Benefits of a District

- Predictable Funding Stream
- Potential to bond for capital projects
- Increases the library's
 - Autonomy
 - Accountability
 - Community Ownership



Options

	414	259	School District	Special District
Annual Vote	No	No	Yes	Yes
Trustees Elected	Yes or No*	Yes or No*	Yes	Yes
Process	Petition each time an increase is needed	Petition each time an increase is needed	Petition + Vote + Charter Change Thereafter, annual vote	Legislation + Vote + Charter Change Thereafter, annual vote
Area	Municipal	School District	School District	Municipalities Other districts
Vote Administration	Board of Elections	School District or Library	School District or Library	Board of Elections or Library
Bond for capital expenditures	No	No	Yes	Yes

*If more than 40% of operating budget comes from one of these options + trustees are elected = Association Library District



Chapter 414

Municipal Ballot Proposition

- **Petition** signed by at least **10% of voters** in the last gubernatorial election
- Vote held on **Election Day** (November)
- If passed, town must fund the library at the level approved by voters **until changed by another 414 vote.**

414 Timeline

Month	Action Item
January - March	Exploratory / Fact Finding
April	<ul style="list-style-type: none"> •Board agrees to move forward •Decides on an amount •Sit down with local officials •Drafts petition
May	Strategize for: <ul style="list-style-type: none"> •Petition drive •PR timeline •Get Out the Vote Efforts
June-August	•Petition Drive & Submission
September-October	<ul style="list-style-type: none"> •Public PR Campaign •Monitor public notice
November	<ul style="list-style-type: none"> •Get Out the Vote efforts •General Election •Aftermath

Inch by Inch, Row by Row: Implementing Chapter 414 of New York State's 1995 laws, the "local votes law" for public libraries, <http://mshudson.org/trustee/414mhis.pdf>

259 School District Ballot

- Petition signed by 25 or more registered voters in the district.
- Vote held on the school budget vote date or in the library (and administered by the school district.)
- If approved this is an annual appropriation to the library until changed by another 259 vote.

259 Timeline

Month	Action Item
January	<ul style="list-style-type: none"> •Library board votes to pursue a ballot measure •Crafts petition and obtains necessary signatures
February/March	<ul style="list-style-type: none"> •Present petition to the school board •Public notice of the vote
March-May	<ul style="list-style-type: none"> •PR Campaign •Get Out the Vote efforts •Vote Date = 3rd Tuesday in May

School Ballot Referendum Toolkit for Libraries, North Country Library System

Association District

- More than 60% of operating budget comes from a 414 or 259 vote
- Bylaws, or charter, state that trustees are elected
- Exempt from Civil Service requirements

School District Public Library

- Petition signed by 25 or more registered voters in the district.
- Trustee candidates use a nominating petition
(Number of signatures required: 25 or 2% of the voters who voted in the last school district election)
- Vote held on the school budget vote date to establish district, fund the district, elect the board
- If successful, former charter is dissolved, district library registers with the state

o Timeline follows 259 timeline

Special District Public Library

- Legislation passed at the state level and signed by the Governor
- Vote held to establish district, initially fund it and elect the board. Vote date is established in the legislation.
- If successful, former charter is dissolved, district library registers with the state

Special District Timeline

Action Item	Suggested Timeline
•Library board reaches consensus and decides to move ahead	August/September
•Reach out to stakeholders for support	October – December
•Draft legislation	
•Letter of home rule from municipality	January/February
•Legislation introduced	
•Legislation passed/signed into law	End of Legislative session: late June
•Education & Advocacy Campaign	Legislation passage – vote date

Potential Costs when forming a district

- Legal counsel
- Audit Firm (CPA)
- Education & Advocacy Campaign
- Asset transfer and dissolution costs

Accountability

- Trustee Elections *[all "district" options]*
- Civil Service
- Freedom of Information Law
- Comptrollers Report

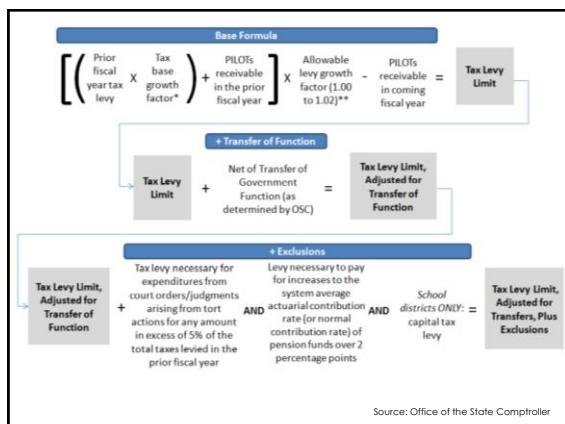
Advisory Opinion on Tax Cap Impact on Libraries

New York Library Association



Tax Cap Basics

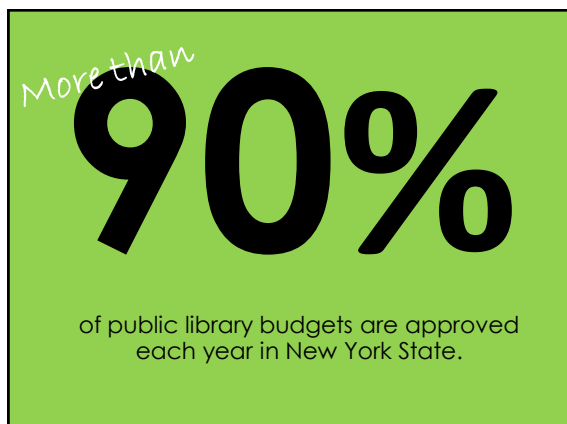
- Who it applies to
- How to comply
- Calculating the Tax Levy Limit
- Override Procedure



What's next?

- ☐ **Survey** the community's feelings and attitudes toward library services.
- ☐ Update the library's **long-range plan**
- ☐ Choose a **stainable funding option**
- ☐ Develop a **timeline and implementation plan**
- ☐ **Assess** your chances for a successful outcome
- ☐ **Remain positive** – regardless of the outcome

Adapted from "Where to Start," NYS Division of Library Development,
<http://www.nysl.nysed.gov/libdev/libspldtools/guide/3where.htm>



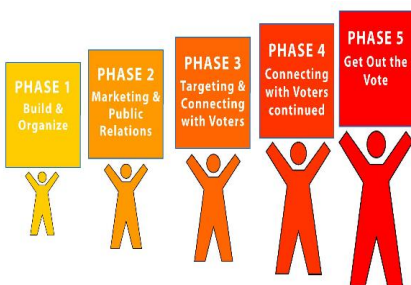




Building Your Base

- Choose
- Explore
- Contact
- Partner







- ✓ Sample Campaign Timeline (MS Word)
- ✓ Sample campaign materials
- ✓ Return on Investment Calculator (MS Excel)
- ✓ Education vs. Advocacy



Resource List

http://www.diigo.com/user/rebekkah/sustainable_funding



"A public library is a public service
and *stable, reliable public funding* is
the most appropriate way to pay for it."

Thank you for attending!

Rebekkah Smith Aldrich | Sustainable Libraries, LLC | Rebekkah@SustainableLibraries.org

Handbook for New Public Library Directors in New York State

Libraries by Type [Modified from the NYS Division of Library Development's "Types of Public Libraries – a comparison found at <http://www.nysl.nysed.gov/libdev/lib/pltypes.htm>]

	Association Library	Municipal Public Library	School District Public Library	Special District Public Library
Establishment:	By vote of association members or as trustees operating under a will or deed of trust.	By vote of county, city, town or village board; or by petition and referendum.	By vote of school district voters.	By special act of State legislature and vote of special district voters.*
Tax Funds:	May receive appropriation from units of government. Also tax levy by vote of municipal** or school district voters***. Library should sign contract with appropriating unit. May petition municipal and/or school district taxpayers for funds.**	Budget approved by county, city, town, or village board. Also tax levy by vote of municipal** or school district voters***. May petition municipal and/or school district taxpayers for funds.	Budget approved by school district voters. May also petition for a tax levy from municipalities.**	Budget approved by district voters. May also petition for a tax levy from municipalities**, unless enactment legislation specifies otherwise.
Bond Authority:	Not permitted. Requires a special act of legislation through Dormitory Authority of the State of New York (DASNY)	Municipal government may bond if it owns the library building.	School district may bond if it owns the library building.	A municipality may bond on behalf of district if legislation allows.*
Trustees:	Number: 5-25. Elected by association members as defined in bylaws. Term of office: set by charter. Responsible to association membership and to Regents. Residential requirements may be established in bylaws.	Number: 5-15. Approved by municipal governing board. Term of office: three or five years if established after 1921. Responsible to municipal government, public, and Regents. Must be residents of municipality (except village library).	Number: 5-15. Elected by school district voters. Term of office: three or five years (if established after 1921). Responsible to school district voters and Regents. Must be residents of school district.	Number: determined by enabling legislation. Elected by residents of special district. Term of office: five years or as defined by legislation. Responsible to special district voters and Regents. Residency requirements determined by enabling legislation.
Community Involvement:	Public can join association and may vote for trustees.	Public "owns" library; votes for elected officials who are sympathetic to library needs.	Public "owns" library and votes directly for trustees and budget.	Public "owns" library and votes directly for trustees and budget.
Civil Service:	Employees not covered by Civil Service.	Employees subject to Civil Service Law.	Employees subject to Civil Service Law.	Employees subject to Civil Service Law.
Retirement Benefits:	May purchase retirement benefits from private vendor. Some may be in State Retirement System if specified in statute.	State Retirement System benefits through municipality.	State Retirement System benefits through school district or independently.	State Retirement System benefits if library district opts to participate.
Reporting:	Must file annual statistical report with DLD through their public library system. Must report Summer Reading Program Statistics to their System.	Must file annual statistical report with DLD through their public library system. Must file annual financial report with the NYS Comptrollers Office. Must report Summer Reading Program Statistics to their System.	Must file annual statistical report with DLD through their public library system. Must file annual financial report with the NYS Comptrollers Office. Must report Summer Reading Program Statistics to their System.	Must file annual statistical report with DLD through their public library system. Must file annual financial report with the NYS Comptrollers Office. Must report Summer Reading Program Statistics to their System.
	May also file with NYS Office of the Attorney General's office if registered as a charity. ****May also file 990 with IRS if registered as a charitable organization.			

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Area	Municipal	School District	School District	Municipalities Other districts
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Bond for capital expenditures	No	No	Yes	Yes

*If more than 60% of operating budget comes from one of these options + trustees are elected = Association Library District

Tax Cap Information for MHLS Member Libraries

In June 2011 the Real Property Tax Levy Limit bill was signed into law in New York State. While there is no specific mention of libraries in the bill, the Governor's office, Division of Budget (DOB) and the Office of the State Comptroller (OSC) have made it clear that the intent is for the law to apply to public libraries as well.

So what does this mean for your library?

Which libraries does it apply to?

Libraries that have had a public vote on their budget - special district public libraries, school district public libraries and those municipal public libraries and association libraries that have used the 414 municipal ballot or 259 school district ballot options fall directly under the new regulation.

Does the cap apply to our whole budget or our levy amount?

The law applies to the amount of taxes levied on behalf of your library at the local level. The law states that the tax levy may not be raised more than **"2%," or the Consumer Price Index (CPI) whichever is lower**, unless 60% of your board approves a request to the taxpayers above this level and a simple majority of voters approves the request at the level you propose.

If our budget vote is a 414 (municipal ballot) or 259 (school district ballot) do we have our own cap or are we under the cap of the municipality / school district?

Guidance provided to OSC from the NYS Division of Budget clearly states that libraries with their own boards of trustees that can use the 414 or 259 process have their own cap. This is cited on the OSC web site in their Frequently Asked Questions section under *"Applicability"*: <http://www.osc.state.ny.us/localgov/realprop/faqs.htm>

How do we calculate the "2%"?

The actual dollar amount of the "2%" tax levy limit for your library is calculated using a formula . Each year your library is now required to file an online form, with OSC, prior to the adoption of your budget. The information you submit in this form will be combined with a variety of data elements (see page 4 for an explanation of the formula) to calculate the dollar amount of your tax levy limit or "2%." This number is likely to be different from just doing a raw 2% calculation with a calculator based on the amount you have previously asked taxpayers for.

*This is information provided as of August 2012. Please note that some issues are "in flux" and could change within a few months or years so be sure you are operating off of the most current information.

When is the online form available?

For libraries with a calendar fiscal year (January 1 – December 31): Early September

For Libraries with a school fiscal year (July – June): Mid-January

When is the online form due?

For libraries with a calendar fiscal year (January 1 – December 31): prior to the adoption of the budget

For Libraries with a school fiscal year (July – June): March 1st

Can the library ask for more than a 2% increase if necessary?

Your board can put forth an amount to the voters that is over the calculated 2% figure if it needs by using an override procedure. The **override procedure** involves passing a resolution by 60% of eligible voting members of your board *prior to the approval of your budget by your board*. If the resolution at the board level passes you may put up a levy request that goes above the tax levy limit you have calculated through the Comptroller's online form.* Once this has been done you will follow the same procedures for enacting a public vote on your budget as usual, the public vote still would need to pass by a simple majority. *[Sample override resolution language is available from Rebekkah Smith Aldrich, MHLS Coordinator for Library Growth & Sustainability: rsmith@midhudson.org]*

Can our board do an override resolution that would cover all future library budget votes?

No, your board may not do a "blanket override" that would apply to future years.

***Our budget cycle does not align with the release of the data necessary to fill out the OSC online form to calculate the 2% amount, what should we do?**

Until regulation is developed to address this situation it was suggested at workshops held around the state in 2011, by staff from OSC, that it is **allowable, possibly advisable, to pass an override resolution regardless of the amount you ultimately ask the public for each year** to "protect" your library. They made this suggestion in light of the fact that should your library, accidentally or knowingly, be approved for funds beyond your tax levy limit (for example, if your calculations are off) without the override resolution in place, **your library is liable for the difference in the amount, plus interest**, should you be audited. Currently, OCS is verbally encouraging libraries to adjust their vote date or fiscal year so that they can file the form prior to the adoption of the budget.

Our library does not have a public vote on our budget; do we need to fill out the online form?

Libraries that have never had a public vote on any portion of their budget do not need to fill out the online form from the Comptroller. Your situation remains the same as it always has in that you will need to negotiate with your municipality for funds for your library. The amount your library receives will be a part of your municipality's tax cap calculation - you do not have a separate cap calculation from them.

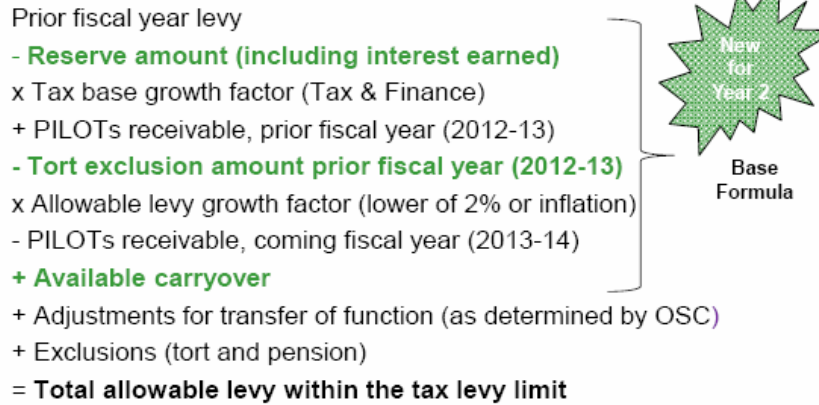
*This is information provided as of August 2012. Please note that some issues are "in flux" and could change within a few months or years so be sure you are operating off of the most current information.

For more information:

- Office of the New York State Comptroller: <http://www.osc.state.ny.us/localgov/realprop/index.htm>
 - OSC Property Tax Hotline: 518.473.0006
 - Frequently Asked Questions: <http://www.osc.state.ny.us/localgov/realprop/fags.htm>
 - User Guide for the Real Property Tax Calculation Form:
<http://www.osc.state.ny.us/localgov/realprop/pdf/instructions.pdf>
- The Property Tax Cap Guidelines for Implementation from the New York State Department of Taxation and Finance and the New York State Department of State:
<http://www.tax.ny.gov/pdf/publications/orpts/capguidelines.pdf>
- New York Library Association Tax Cap Resources:
<http://www.nyla.org/displaycommon.cfm?an=1&subarticlenbr=6>
- Rebekkah Smith Aldrich, MHLS Coordinator for Library Growth & Sustainability:
rsmith@midhudson.org, 845.471.6060 x239

Tax Levy Limit (“2%”) Formula Explained

Calculation for FYs Beginning in 2013



- **Prior fiscal year tax levy:** provided by the library
- **Tax base growth factor:** provided by the Department of Taxation & Finance
<http://www.tax.ny.gov/research/property/cap.htm>
- **PILOTs Receivable:** A PILOT is a *payment in lieu of taxes*. These are payments made to compensate a local government for some or all of the tax revenue that it loses because of the nature of the ownership or use of a particular piece of real property. Usually it relates to the foregone property tax revenue negotiated to entice a business into your area. Special District, School District public libraries and Municipal libraries may be due funds through PILOT. Check with your local Industrial Development Agency (IDA).
- **Allowable levy growth factor:** Lesser of 1.02 or inflation factor (percent change in CPI for the 12 month period ending 6 months before the start of the coming fiscal year over the prior 12-month period), but never lower than 1.00. Provided by the Office of the State Comptroller:
<http://www.osc.state.ny.us/localgov/realprop/index.htm>
- **Available Carryover:** You are permitted to carryover up to 1.5 percent of the prior year levy limit if you were under your tax levy limit. In accordance with guidelines issued by the Department of Taxation and Finance, there is no carryover permitted for unused exclusions associated with growth in pension costs or tort judgments.
- **Transfer of Government Function:** Unlikely to apply, refers to if “government functions are transferred between governments.” However, if you think this may apply to you an OSC regional office would calculate the figure for you.
- **Exclusions**
 - **Court Orders / Judgments arising from tort action in excess of 5% of the total taxes levied in the prior fiscal year**
 - **Increases to the system average actuarial contribution rate:** For libraries with employees in the NYS Retirement System only: Pension costs resulting from growth in any pension system’s average actuarial or normal contribution rate that exceed two percentage points may be excluded from the property tax levy limit. OSC provides an Excel tool that will help you in calculating the amount of pension costs that may be excluded: <http://www.osc.state.ny.us/localgov/realprop/index.htm>

Resource List | Sustainable Funding Solutions

Rebekkah Smith Aldrich, Rebekkah@SustainableLibraries.org

Clickable Links Available Online: http://www.diigo.com/user/rebekkah/sustainable_funding

Introduction

- ❑ **Types of Public Libraries: A Comparison** [NYS Division of Library Development]
<http://www.nysl.nysed.gov/libdev/libs/pltypes.htm>
- ❑ **Handbook for New Public Library Directors in New York State**, by Rebekkah Smith Aldrich
http://midhudson.org/directors_handbook.pdf
- ❑ **Handbook for Library Trustees in New York State**, by Gerald Nichols
<http://www.nysl.nysed.gov/libdev/pltrust/handbook/index.html>
- ❑ **Meeting the Needs of All New Yorkers: Library Service in the New Century**, 2000 [Regents Commission on Library Services] <http://www.nysl.nysed.gov/rcols/finalrpt.htm>

Recommendation 3: Promote the availability of local public library service to all New Yorkers and improve local support for public libraries through the formation of Public Library Districts.*

All New Yorkers should live in a community that has access to, and supports, a quality public library, and all libraries must have adequate local support.

Funding Models

- ❑ **School Districts and Taxes for Public and Association Libraries: How the Partnership Works** [NYS Division of Library Development] <http://www.nysl.nysed.gov/libdev/libs/sdtaxes.htm>
 - **School Ballot Toolkit** [North Country Library System] <http://ncls.northcountrylibraries.org/node/162>
- ❑ **Municipal Ballot (414)** [NYS Division of Library Development]
<http://www.nysl.nysed.gov/libdev/libs/pldtools/guide/1bltmuni.htm>
 - **Inch by Inch, Row by Row: Implementing Chapter 414 of New York State's 1995 Laws, the "local votes for public libraries"** by Josh Cohen & Rebekkah Smith Aldrich
<http://midhudson.org/trustee/414mhls.pdf>
- ❑ **What is a Public Library District?** By Panz Library Consulting
<http://www.nysl.nysed.gov/libdev/libs/pldtools/guide/cre8pld.pdf>
 - **School District Public Library Model** [NYS Division of Library Development]
<http://www.nysl.nysed.gov/libdev/libs/pldtools/guide/1mdlpsd.htm>
 - **Special Legislative District Model** [NYS Division of Library Development]
<http://www.nysl.nysed.gov/libdev/libs/pldtools/guide/1mdlpsld.htm>

Property Tax Cap

- ❑ **Advisory Opinion on Tax Cap Impact on Libraries** (October 2011) [New York Library Association]
http://www.nyla.org/uploads/documents/1318863452_NEWS-taxcapadvisorymemo4.pdf
- ❑ **Guidelines for Implementation** [NYS Taxation and Finance and Department of State]
<http://www.tax.ny.gov/research/property/capguidelines.pdf>
- ❑ **Overview of the Real Property Tax Levy Limit ("Tax Cap" Law)** [NYS Office of the State Comptroller (OSC)]
<http://www.osc.state.ny.us/localgov/realprop/pdf/taxcaplaw.pdf>
- ❑ **Office of the State Comptroller's Real Property Tax Cap Information**
<http://www.osc.state.ny.us/localgov/realprop/index.htm>
 - **Formula for Determining Tax Levy Limit** [Office of the State Comptroller (OSC)]
<http://www.osc.state.ny.us/localgov/realprop/pdf/formula.pdf>
- ❑ **Sample Override Resolution, Rebekkah Smith Aldrich** [Rebekkah@SustainableLibraries.org]

"Getting to Yes" [Mid-Hudson Library System]

- ❑ **Your Public Vote: A Jumpstart Guide to Success** <http://midhudson.org/vote/Toolkit/voter-guide.pdf>
- ❑ **Public Library Vote Toolbox: Know-how for your library's vote** <http://midhudson.org/vote>
- ❑ **Building Your Base... Tools for Connecting with Your Community** <http://midhudson.org/byb/>