

## Introduction

For over a half a century, State Library Administrative Agencies (SLAAs) have played a key role in the development and delivery of library services in the United States. While the organization and responsibilities of these agencies vary from state to state, they have two things in common: state-level planning for library services and administration of federal Library Services and Technology Act funds. These agencies bolster learning opportunities in their states, improve library services with cutting edge technologies and resources, and encourage resource sharing among all types of libraries across the state.

Like many state-level agencies, SLAAs are experiencing serious cuts to their budgets. These cuts come at a time when record numbers of people, across a wide range of social and economic circumstances, are turning to libraries to meet some very basic information needs. Whether they are seniors looking for health information, job seekers looking for a place to improve their skills or submit a job application, or primary school students looking for afterschool and summer enrichment opportunities, citizens in communities large and small are using public libraries in greater numbers and a wider variety of ways than ever before. Cuts to SLAAs raise the important questions about how services that are in high demand in urban, rural, and suburban communities across the country may be affected.

SLAAs are important to assuring that everyone, regardless of where they live, has access to high-quality library services. SLAAs are essential parts of the information infrastructure of the United States. They are conduits between a host of federal programs (Broadband Technology Opportunities Program grants, E-Rate and Library Services and Technology Act funding) and the people of the state. Each is responsible for preparing a plan for statewide library services every five years and for reporting and evaluating the effectiveness of federal and state investments. SLAAs also often serve as intermediaries between

a variety of federal and state agencies and private foundations, such as the Bill & Melinda Gates Foundation, and libraries in their states. While each SLAA provides a different constellation of services, the following is a sampling of their activities:

- Coordinating library development activities
- Collecting data about their state's libraries and analyzing state conditions
- Identifying unmet needs using input from local communities
- Publishing and disseminating information and other resources useful to government officials, library professionals, and others interested in community development
- Working in partnership with various stakeholders to modernize library services throughout the state
- Providing library services for the blind and physically handicapped
- Making recommendations for improving library services statewide
- Some SLAAs also function as the state's public library at large, providing library services to the general public<sup>1</sup>

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<sup>1</sup> In Hawaii, the library collection is reported on the Institute of Museum and Library Services (IMLS) Public Libraries Survey (PLS). In Maryland, Enoch Pratt Central, the central library of the Enoch Pratt Free Library, is designated by state law as the State Library Resource Center. In the District of Columbia, the Martin Luther King Memorial Library, the central library of the District of Columbia Public Library, functions as a resource center for the municipal government. These collections are reported on the IMLS PLS (collections of public libraries that serve as state resource centers are not reported on the State Library Agencies Survey, because these data are more appropriately reported on the PLS). Due to administrative restructuring, Minnesota and Idaho no longer actively maintain collections.

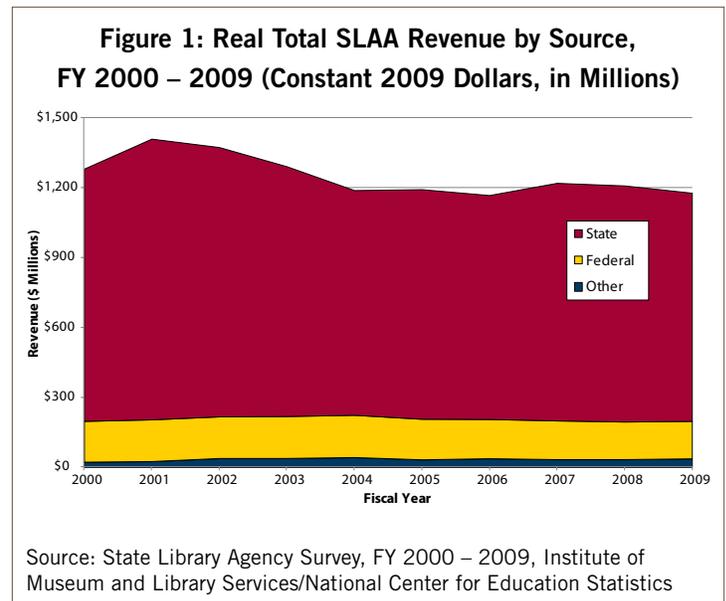
- Keeping librarians and library staff skills current through continuing education programs
- Facilitating interlibrary cooperation and resource-sharing agreements that make the broadest possible range of library services and materials available to all residents of the state
- Forming partnerships between libraries and other state agencies such as workforce development agencies, K to 12 education, higher education, and environmental management

### Findings from the State Library Agency Survey

Results from the most recent State Library Agency Survey (fiscal year [FY] 2009),<sup>2</sup> which was released in March of 2010, paint a stark picture of the budget and staffing realities faced by these agencies. Overall, budgets were reduced by 2.6 percent and staff cut by 6.7 percent from the previous year. This represents a particularly significant and sudden reduction in staff and revenues for many state agencies. This brief is intended to provide policymakers at the local, state, and federal level with a detailed look at the current budget situation and its impact on library services and to share some strategies that individual states are pursuing to adjust to the new fiscal reality.

<sup>2</sup> SLAAs are official agencies charged by state law with the extension and development of library services throughout the state; they have authority under state law to administer state plans in accordance with the provisions of the Museum and Library Services Act (S. 3984). The 2009 fiscal year includes parts of 2008 and 2009; for the vast majority of states (total of 46), the 2008 fiscal year started on July 1, 2008, and ended on June 30, 2009. The timing of the reporting period allows us to observe the impact of the economic downturn on state library agencies.

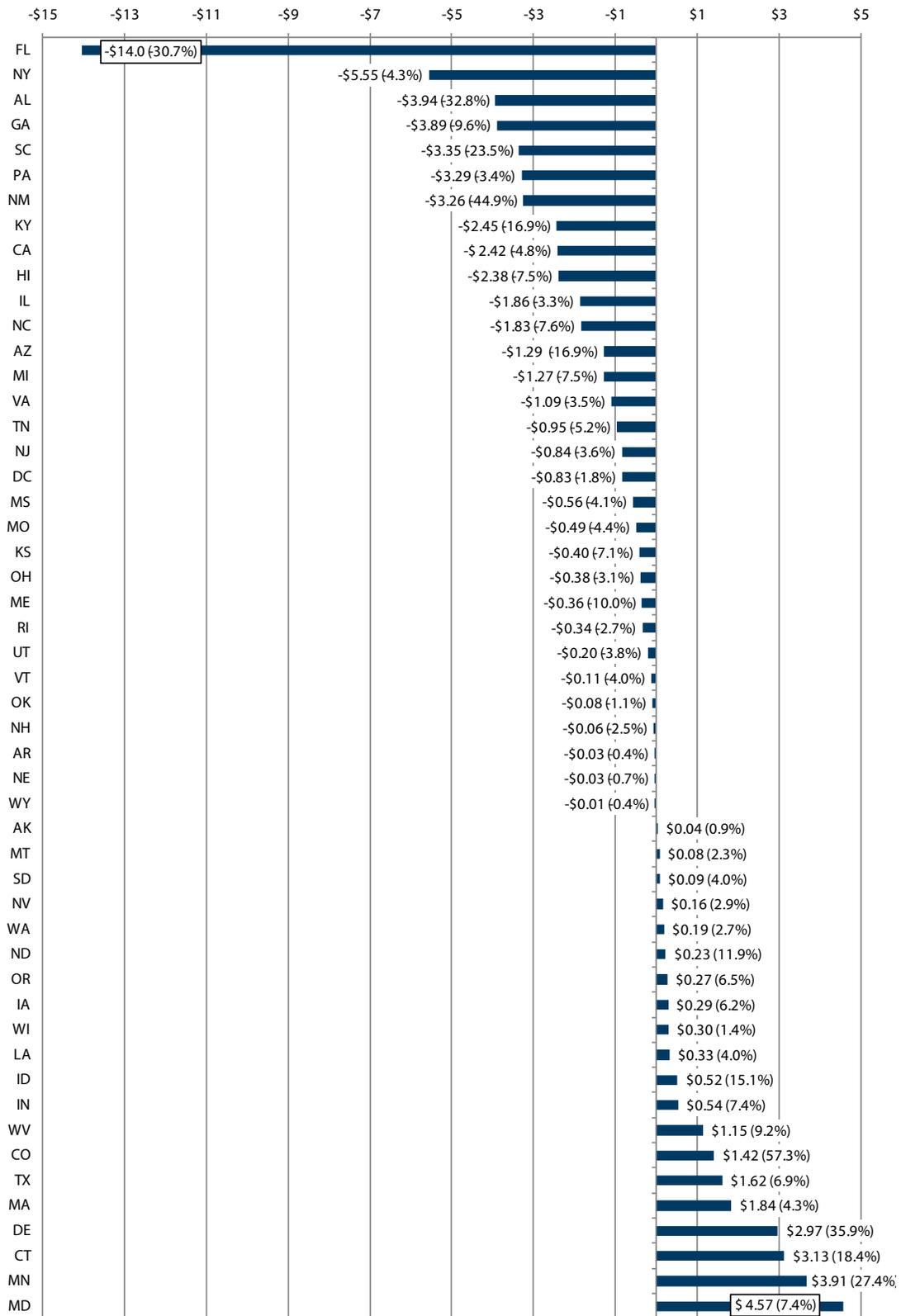
### Revenue



In the most recent State Library Agency survey (FY2009), the 51 state library agencies reported \$1.18 billion in total revenues for FY2009 (Figure 1). While total revenues include contributions from federal and other sources, the vast majority of funding for state libraries comes from state sources. During FY2009, state sources accounted for 83.2 percent of total revenue. During the past 10 years for which data is available (FY2000 to FY2009), state contributions as a proportion of all revenues ranged from 81.2 percent to 85.5 percent. Federal revenues ranged from 12.7 percent to 15.3 percent, and revenue from other sources ranged from 1.8 percent to 3.6 percent during the same time period.<sup>3</sup> Because SLAAs are funded primarily by states and states have varying degrees of fiscal health, focusing on state revenue variations provides a more detailed picture of how individual SLAAs are faring. By focusing on state revenue sources, we also exclude the effects of large, one-time contributions from non-state/non-federal sources from our analysis; states cannot consistently count on such revenue, so including it in our analysis can obscure state revenue variations and give us a false picture of states' fiscal health.

<sup>3</sup> These numbers are nationwide averages; there is considerable variation among states in the proportion of total revenues that come from federal sources.

**Figure 2: State Revenue, FY 2008 – 2009 Change**  
 (Constant 2009 Dollars, in Millions; Percentage Change in Parenthesis)



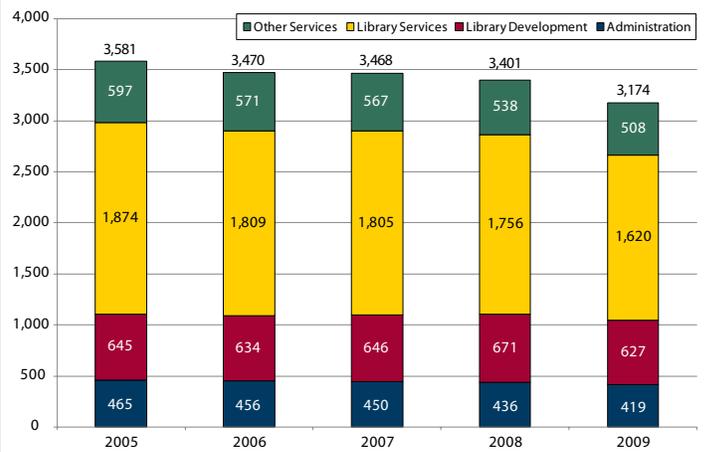
Source: State Library Agency Survey, FY 2008 – 2009, Institute of Museum and Library Services

Overall, the 51 state library agencies collected \$34 million less in state revenue in FY2009 than they did in FY2008, a one-year decrease of 3.3 percent. While this overall loss seems relatively modest, the aggregate revenue figure obscures significant changes at the state level (Figure 2). Six states reported one-year losses in state revenue of greater than 15 percent; New Mexico's state revenues declined by 44.9 percent, Alabama's by 32.8 percent, Florida's by 30.7 percent, South Carolina's by 23.5 percent, Kentucky's by 16.9 percent, and Arizona's by 16.9 percent. Florida reported the biggest loss in absolute state revenue; its state revenues declined by just over \$14 million from FY2008 to FY2009. Other states with large absolute revenue losses included New York (\$5.6 million), Alabama (\$3.9 million), Georgia (\$3.9 million), South Carolina (\$3.4 million), Pennsylvania (\$3.3 million), New Mexico (\$3.3 million), Kentucky (\$2.4 million), California (\$2.4 million), and Hawaii (\$2.4 million). Arizona, one of the states with the largest percentage declines, reported revenues of \$1.3 million less than they did in FY2008.

While the majority of states (30 states and the District of Columbia) reported state revenue losses, 20 states increased revenue from FY2008 to FY2009. Five states reported state revenue increases of 15 percent or more: Colorado (57.3 percent), Delaware (35.9 percent), Minnesota (27.4 percent), Connecticut (18.4 percent), and Idaho (15.1 percent). The five largest absolute revenue gains occurred in Maryland (\$4.6 million), Minnesota (\$3.9 million), Connecticut (\$3.1 million), Delaware (\$3.0 million), and Massachusetts (1.8 million). Colorado and Idaho, two states that reported large percentage increases in revenues, increased their state revenues by \$1.4 million and \$0.5 million, respectively.

## Staffing

**Figure 3: FTE Staff by Type of Service, FY 2005 – FY2009**



Source: State Library Agency Survey, FY2005-2009, Institute of Museum and Library Services/National Center for Education Statistics

One of the biggest impacts that declining funding has had on SLAAs is reductions in staff (Figure 3). Staff reductions were particularly large between FY2008 and FY2009. During this period, SLAAs lost 227 full-time employee (FTE) staff, a one-year decrease of 6.7 percent. Declines since FY2005 have been even more pronounced. Between FY2005 and FY2009, SLAAs lost 407 FTE staff, a decline of 11.4 percent.

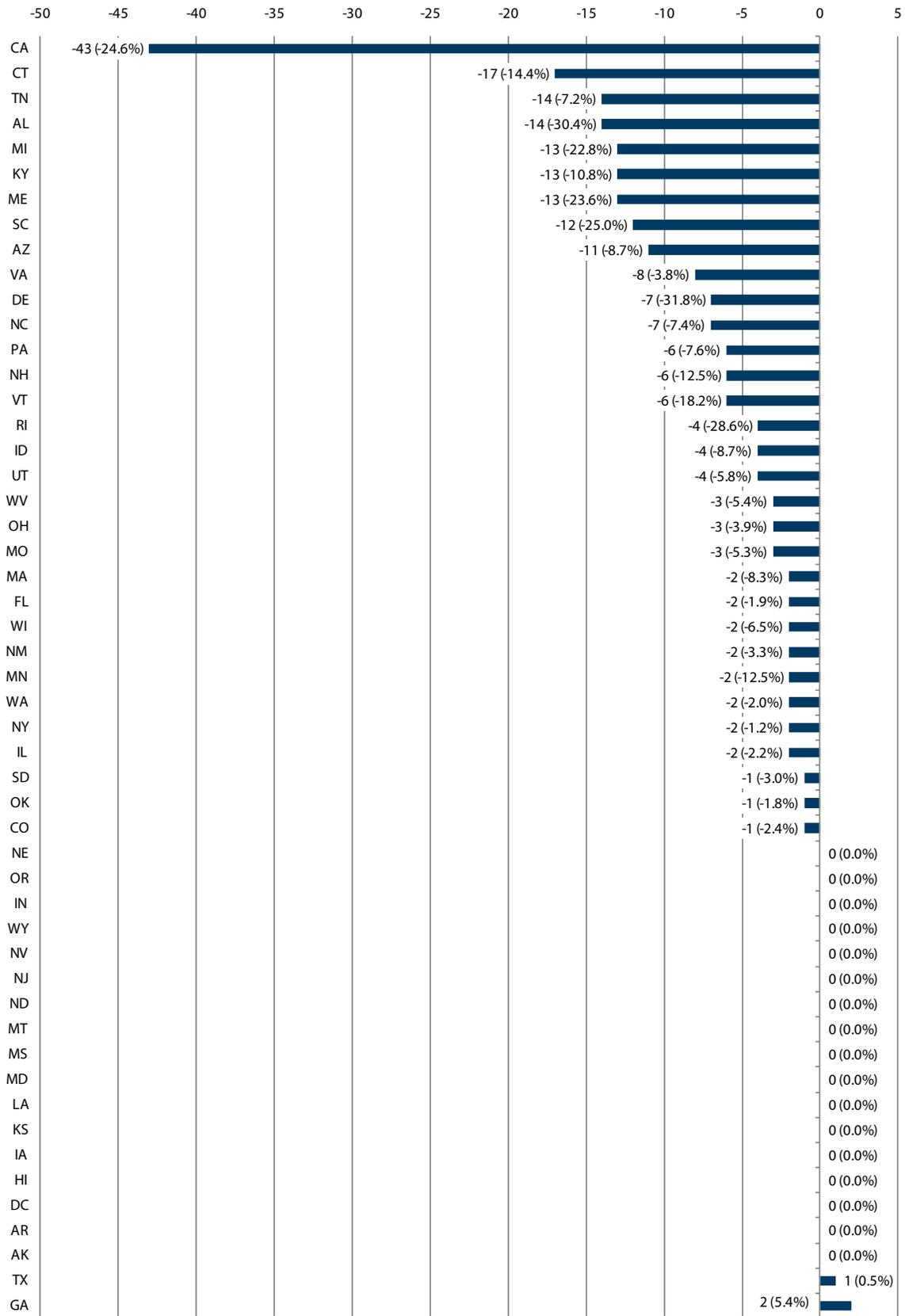
Breaking down the FY2008-FY2009 staff losses by category, SLAA staff<sup>4</sup> was reduced by 3.9 percent, library development<sup>5</sup> staff declined by 6.7 percent, library services staff<sup>6</sup> fell 7.7 percent and "other" services staff fell by 5.6 percent. As a percentage of the overall FY2008-FY2009 staffing decline, administrative staff accounted for 7.5 percent of overall losses, library development accounted for 19.4 percent of staff losses, library services accounted for 59.9 percent of losses, and other services accounted for 13.2 percent of total losses.

<sup>4</sup> Administrative staff usually includes the chief officer of the SLAA and his or her immediate staff. It may also include officers responsible for the State Library Agencies' fiscal affairs, public relations, planning, evaluation, or research.

<sup>5</sup> Library development includes staff responsible for the development of public library services and may include staff responsible for administering state and Library and Technology Services Act grant programs, providing consulting and continuing education services, and promoting resource sharing and other forms of interlibrary cooperation.

<sup>6</sup> Library services staff are responsible for providing library service from the SLAA; this includes public, technical, and other library services.

**Figure 4: Change in FTE Staff, FY 2008 – 2009 (Percentage Change in Parenthesis)**



Source: State Library Agency Survey, FY 2008 – 2009, Institute of Museum and Library Services

Examining the FY2005-FY2009 staff losses by category, administrative staff declined by 9.9 percent, library development staff fell by 2.8 percent, library services staff decreased by 13.6 percent, and other services staff fell by 14.9 percent. As a percentage of the overall staffing decline during this period, administrative staff accounted for 11.3 percent of the total decline, library development staff accounted for 4.4 percent of the decline, library services staff accounted for 62.4 percent of the decline, and other services accounted for 21.9 percent of the decline.

When we look at Figure 4, we see that most states lost FTE staff between FY2008 and FY2009; 32 states lost at least one FTE position, 16 states and the District of Columbia reported no change in staffing, and only 2 states (Georgia and Texas) gained at least one FTE staff person. Although the majority of states lost FTE staff, the degree of change varied widely among these states. California had the largest absolute staffing loss by far; they lost 43 FTE staff, a decrease of 24.6 percent. The next largest absolute loss occurred in Connecticut, which lost 17 FTE staff, a decrease of 14.4 percent. The other 8 states that make up the top 10 in staff losses were Alabama (14 FTE staff), Tennessee (14 FTE staff), Kentucky (13 FTE staff), Maine (13 FTE staff), Michigan (13 FTE staff), South Carolina (12 FTE staff), Arizona (11 FTE staff), and Virginia (8 FTE staff). Because SLAAs vary so widely in size, the absolute sizes of staff losses do not provide a full picture of the impact of staff losses within a state. To get a better idea of the relative impact of staffing losses, we have to look at percentage changes. The three largest percentage losses in staff did not occur in California or Connecticut, but in Delaware (31.8 percent decrease, 7 FTE staff), Alabama (30.4 percent decrease, 14 FTE staff), and Rhode Island (28.6 percent decrease, 4 FTE staff). Other states with notably high percentage losses in FTE staff were South Carolina (25.0 percent, 12 FTE staff), California (24.6 percent, 34 FTE staff), Maine (23.6 percent decrease, 13 FTE staff), Michigan (22.8 percent decrease, 13 FTE staff), and Vermont (18.2 percent decrease, 6 FTE staff). Only two states increased their staffing levels: Georgia (added 2 FTE staff) and Texas (added 1 FTE staff).

## Discussion

These SLAA losses in revenue and cuts in staff are not occurring in a vacuum; they are a part of a larger, national trend of declines in state tax revenues and overall reductions in state employment. The Rockefeller Institute of Government's analysis of Census Bureau data showed that the first three quarters of 2009 marked the largest decline in state tax collections in more than four decades.<sup>7</sup> Early evidence indicated that in 2010, state revenues still did not rebound completely from those 2009 declines; preliminary second quarter 2010 data from 47 states showed that while collections from major tax sources increased by 2.2 percent (nominally), relative to the second quarter of 2009, they were still 17.2 percent (nominally) below second quarter 2008 revenues.<sup>8</sup> These revenue losses have led to reductions in state employment; as of September 2010, state employment outside of the education sector has fallen by 75,000 jobs, or 2.7 percent, since August 2008.<sup>9</sup>

In order to better understand the consequences of reductions in SLAA staffing and revenue, the Institute of Museum and Library Services (IMLS) conducted interviews with SLAA personnel in seven states that were among the hardest hit by declines in staffing and/or state revenue from FY2008 to FY2009. One theme that arose from these conversations is that generally, the FTE staff reductions in states were a result of attrition (individuals leaving positions and not being replaced because of budgetary reasons or hiring restrictions) rather than layoffs. Another theme is the cuts in revenue and staffing have sometimes provided SLAAs with the opportunity to review and make needed changes to programs or services—for example, discontinuing bookmobile service to communities that needed service in the past but have since built public libraries and no longer do. Several interviewees noted that state library staff is working harder than ever, with fewer resources (both staff and revenue), to try to meet the needs of the people and organizations they support in their states.

<sup>7</sup> [www.rockinst.org/pdf/government\\_finance/state\\_revenue\\_report/2010-01-07-SRR\\_78.pdf](http://www.rockinst.org/pdf/government_finance/state_revenue_report/2010-01-07-SRR_78.pdf)

<sup>8</sup> [www.rockinst.org/pdf/government\\_finance/state\\_revenue\\_report/2010-08-30-State\\_Revenue\\_Flash.pdf](http://www.rockinst.org/pdf/government_finance/state_revenue_report/2010-08-30-State_Revenue_Flash.pdf)

<sup>9</sup> [www.rockinst.org/newsroom/data\\_alerts/2010/10-12-cuts\\_in\\_govt\\_employment.aspx](http://www.rockinst.org/newsroom/data_alerts/2010/10-12-cuts_in_govt_employment.aspx)

Different states dealt with their revenue and/or staffing reductions in the following different ways.

### **Cutting Funding for State Grant Programs**

Florida's overall state revenue declined by 30.7 percent; state grant programs were cut by 53 percent. Reductions were made in each of the four state grant programs. The State Aid to Libraries grant program was cut by 25 percent, Community Libraries in Caring grant program was cut by 1 percent, Library Cooperative Grants (state funding for multitype library cooperatives) was cut by 37.5 percent, and the Public Library Construction grant program was cut 100 percent. The effects of this reduction in financial aid were particularly pronounced in rural libraries, which tend to have a larger percentage of their overall budgets in state dollars. Florida's State Aid to Libraries grant program is used primarily for salaries/staffing and collections; reductions in this program's funding has resulted in staff reductions, fewer public service hours, and fewer new materials for library collections.

### **Reorganizing**

Alabama's FTE staff declined by 14 and its state revenues decreased by \$3.9 million. The \$3.9 million decline in state funding happened primarily because responsibility for administering the statewide virtual library was transferred to another state department; it actually did not have an effect on the agency's other programs and services. The state library also made a significant service change; it decided to stop functioning as a lending library and donated the majority of its collection to public libraries across the state, keeping a smaller collection available for statewide interlibrary loan. This eliminated most of the jobs of the individuals who worked in the lending library.

### **Reducing Services**

Minnesota's state revenue actually increased by \$3.9 million; these additional funds came from a state program that funds financial assistance to Minnesota's arts and cultural heritage programs, including public libraries. The reductions in permanent staffing (2 FTE staff, a 12.5 percent decrease) occurred at the state's Braille and Talking Book Library (BTBL), in the customer service area. The

most direct impact was on telephone coverage at BTBL; there were now fewer hours during which callers could reach a live person, a particular challenge given the current transition to digital talking books and the associated questions and need for training. This caused the library to get complaints about its customer service, complaints that it had never had before. In response to staffing needs, two temporary positions were allocated in 2009. One customer service temporary position was made permanent and a previously unfilled position was approved for an upgrade to a librarian.

Delaware's reduction in staff (7 FTE staff, a 31.8 percent decrease) came at a time when the agency actually had increased program monitoring responsibilities, so the remaining staff was stretched to its capacity. It has also led to the agency having to reduce its professional development activities as well as put the Delaware Book Festival on hiatus. In order to deal with its loss of staff persons (4 FTE staff, a 28.6 percent reduction), Rhode Island's state library agency stopped doing site visits, combined young adult and children's services, did very little collection development in the state library, and curtailed the media services part of its mandate. Arizona reported a decrease of 11 FTE staff as well as a \$1.29 million decrease (16.9 percent) in state revenue from FY2008 to FY2009. The reported loss in staff actually occurred because the state changed the way it calculated positions. They dealt with the loss in revenue by reducing services, cutting library hours, and putting employees on furlough. They prioritized what services they would continue to offer by uniqueness; for example, service hours at the Library for the Blind and Physically Handicapped were not reduced because the library is a one-of-a-kind resource for the population that it serves. New Mexico's reported decline in state revenue (\$3.26 million, a 44.8 percent decrease) is actually an artifact of their funding cycle. Every two years, the SLAA receives state funding from state General Obligation Bonds; the agency has three fiscal years in which to spend these funds, but all of this revenue is reported in the same fiscal year in which the bond funding was received. This can lead to large year to year changes in state revenue, as was the case here.

## Partnership Strategies

Losses in funding can cause government agencies to more actively seek out partnerships with nonprofits and other government agencies to maximize the effect of their budget resources. This was the case in many of the SLAAs that we talked to. Alabama's state library is currently partnering with Auburn University and Tuskegee University to provide more than 1,000 replacement computers for the state's public libraries, as well as put 20 videoconferencing centers in Alabama public libraries. Rhode Island is currently partnering with the state's Department of Labor and Training around one-stop career centers, employee cross-training, and online resources for job-seekers. The Delaware state library partnered with some of the organizations in their Community Resources Exchange program in submitting a successful Broadband Technology Opportunities Program grant. While the states we talked to generally value collaboration highly, some felt that staff reductions made it harder to find new opportunities for collaboration because they no longer had the staff time to pursue such opportunities.

## Conclusion

Using the recent past as a guide, if state governments continue to experience large declines in revenues, SLAAs will be forced to adapt in a few basic ways. SLAAs will respond to budget decreases either by eliminating functions wholesale (as in the case of Alabama, which decided to cease functioning as a lending library), or rationing cuts, either by spreading them out widely among a large number of programs or targeting the cuts in specific areas, such as financial aid to public libraries. Staffing levels will likely continue to shrink, not because of large-scale layoffs, but because agencies will not have the resources to replace departed employees. As staffing levels are reduced, the remaining employees will have increased workloads and be spread more thinly; which in turn will lead to agencies being able to devote smaller amounts of time to functions such as visiting sites to monitor programs and services. While SLAAs will continue to build and develop partnerships with other government agencies and nonprofits as they have in the past, such partnerships may actually be harder to develop than they were before because of the reduction in staff. These issues and more will challenge SLAAs as they incorporate the new legislative priorities of the Library

Services and Technology Act of 2010 and develop state plans for library services in their state to meet the needs of residents for years to come.

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**About the Institute of Museum and Library Services:** The Institute of Museum and Library Services is the primary source of federal support for the nation's 123,000 libraries and 17,500 museums. The Institute's mission is to create strong libraries and museums that connect people to information and ideas. The Institute works at the national level and in coordination with state and local organizations to sustain heritage, culture, and knowledge; enhance learning and innovation; and support professional development.

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The **State Library Agency Survey** is a national census of state library agencies. It is conducted annually by IMLS in partnership with the U.S. Census Bureau and the Chief Officers of State Library Agencies (COSLA). A state library agency is the official agency of a state that is charged by state law with the extension and development of public library services throughout the state. StLA's coordinate library development activities, collect data about libraries, analyze state conditions, and identify unmet needs with input from local communities. This data set provides information on the range of roles played by state library agencies and the various combinations of fiscal, human, and informational resources invested in such work. The survey universe is comprised of the state library agencies in the 50 states and the District of Columbia (51 total) and is administered via a Web-based survey tool.