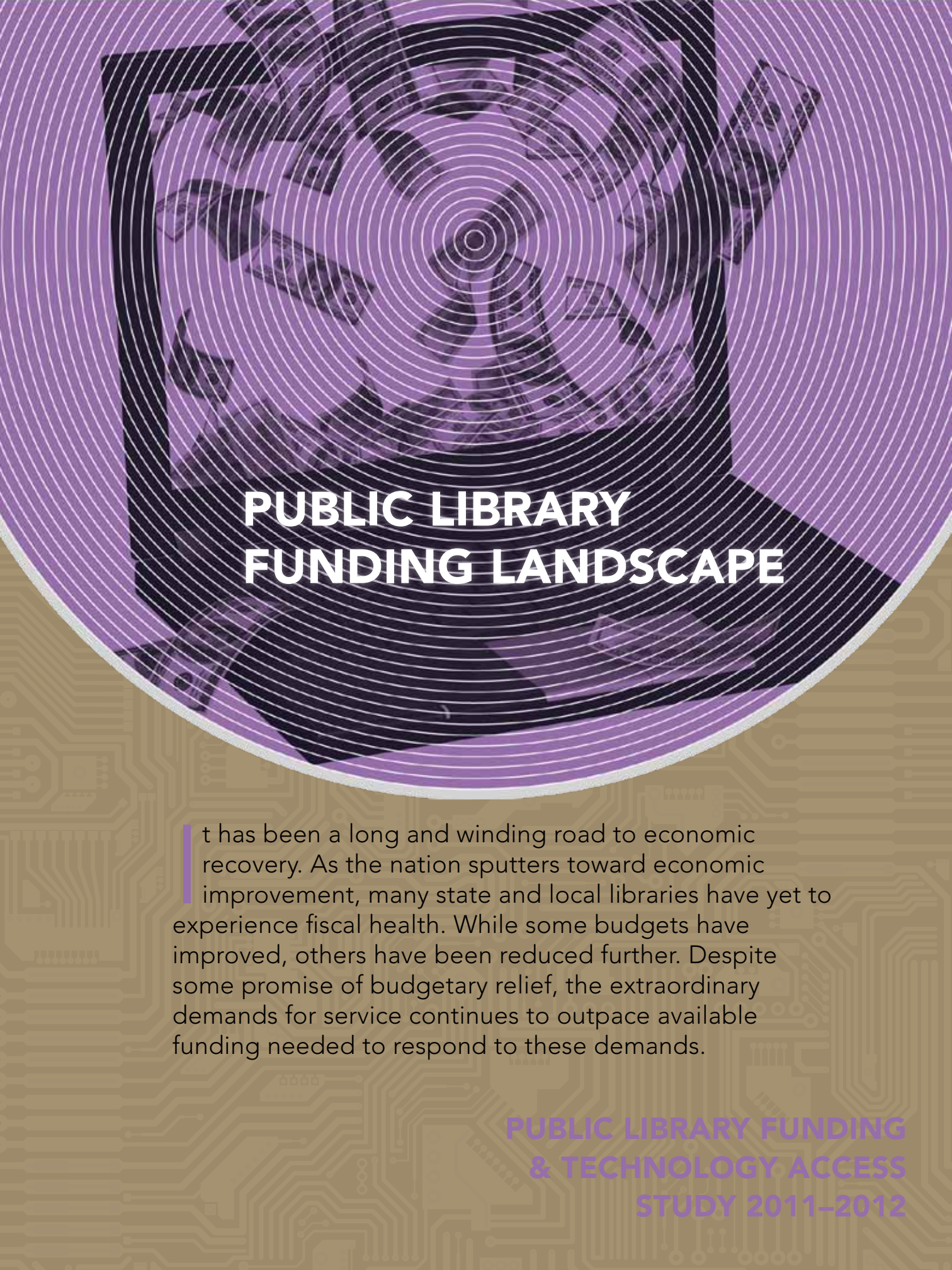




PUBLIC LIBRARY FUNDING LANDSCAPE

It has been a long and winding road to economic recovery. As the nation sputters toward economic improvement, many state and local libraries have yet to experience fiscal health. While some budgets have improved, others have been reduced further. Despite some promise of budgetary relief, the extraordinary demands for service continues to outpace available funding needed to respond to these demands.

**PUBLIC LIBRARY FUNDING
& TECHNOLOGY ACCESS
STUDY 2011–2012**

Responses to the 2011-2012 Public Library Funding & Technology survey indicate that the funding volatility that libraries have faced over the past four fiscal years has created tremendous challenges for service planning and funding allocations.

Key findings include:

- A majority of public libraries (56.7 percent) report flat or decreased operating budgets in FY2012, a slight improvement from 59.8 percent reported in FY2011.

- Full-time equivalent (FTE) staffing levels declined for all libraries during the last three years (-7.2 percent), with a decrease of 10.3 percent in FTE at urban libraries.

- Twenty-three states report cuts in state funding for public libraries between FY2011 and FY2012. For three years in a row, more than 40 percent of states have reported decreased public library support.

- After falling 41.8 percent in FY2009, decreases in operating expenditures slowed in FY2012 to -2.4 percent, and a greater decrease (-5.3 percent) is reported to be anticipated for FY2013.

This is the sixth year in which the study has asked public libraries about their operating budgets and financial support for public access computing services. [Detailed responses are available online.](#)

Reduced Expenditures for Collections Not Offset by Salaries, Staffing Cuts

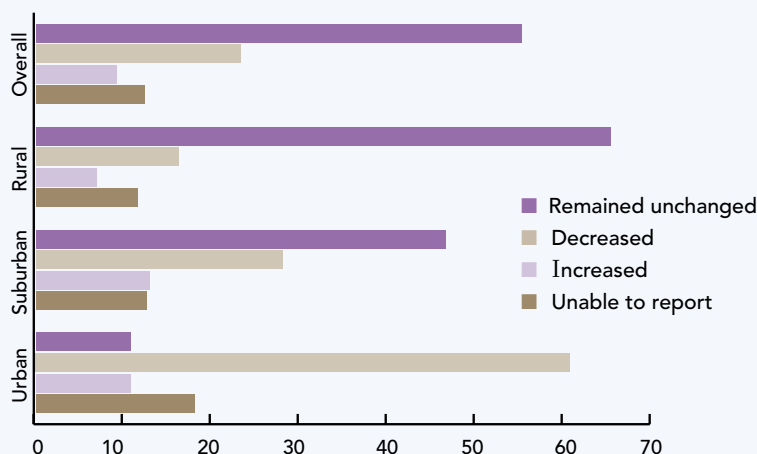
Operating budget expenditures reported in 2012 show indications of modest improvement from 2011, with overall decreases of about 2.4 percent, as compared with 3.8 percent in 2011 (Figure B-1). Libraries anticipate reductions continuing into FY2013, decreasing about 5.3 percent overall from FY2012 reported budget figures.

Anticipated operating expenditures for FY2012-2013 indicate continued losses in many expenditure categories, with rural libraries reporting the most significant reductions (-6.6 percent),

FIGURE B-1: PUBLIC LIBRARY SYSTEMS AVERAGE TOTAL OPERATING EXPENDITURES CHANGE FY2008 TO FY2013

	FY2008-2009	FY2009-2010	FY2010-2011	FY2011-2012	FY2012-2013 (anticipated)
Reported average total change, all funding sources	5.0%	-41.8%	-3.8%	-2.4%	-5.3%

FIGURE B-2: PUBLIC LIBRARY SYSTEMS CUMULATIVE CHANGE IN FULL TIME EQUIVALENT STAFF FY2010-FY2012, BY METROPOLITAN STATUS



resulting largely from losses in salary expenditure (the largest budget category). Urban libraries anticipate modest overall improvements (1.3 percent), and suburban libraries anticipate little change (-0.5 percent) next fiscal year. The five-year actual and anticipated operating budget figures (FY2008-2009 to FY2012-13) by type of expenditure highlight the areas where the most severe reductions have occurred, illustrating the year-to-year volatility that libraries face in planning for services and allocating available resources (Figures B3-B6). Notwithstanding the significant reductions reported in FY2009-2010 due to the severity of the recession, it is clear libraries are still struggling to recover from the dramatic reductions experienced during that fiscal year.

Libraries also face significant challenges in maintaining and/or expanding collections and services.

- Rural libraries continue to make double-digit reductions in collections (e.g., the highest cuts reported are between -33.9 percent and -45.4 percent), reallocating funds to other expenditure categories.

- Suburban libraries reduced other expenditures (e.g., facilities maintenance, staff travel, programming, etc.) to protect salaries and collections.

- Urban libraries continue to report across-the-board reductions in FY2012, with only a small increase for collections.

- Operating budgets in FY2012-2013 are anticipated to decrease for both rural (-6.6 percent) and suburban (-0.5 percent) libraries, while urban libraries anticipate modest (1.5 percent) budget improvements.

Preliminary findings from the 2012 American Library Association-Allied

FIGURE B-3: AVERAGE PERCENTAGE CHANGE FY2008 TO FY2013 TOTAL OPERATING EXPENDITURES BY TYPE

	Reported average total change, all funding sources				
	FY2008-2009	FY2009-2010	FY2010-2011	FY2011-2012	FY2012-2013 (anticipated)
Salaries (including benefits)	7.31%	-43.25%	-8.60%	7.57%	-6.37%
Collections	3.01%	-47.53%	-6.71%	-1.64%	-4.61%
Other Expenditures	0.24%	-34.30%	9.22%	-23.01%	-2.42%
Overall	5.04%	-41.79%	-3.81%	-2.40%	-5.26%

FIGURE B-4: AVERAGE PERCENTAGE CHANGE FY2008 TO FY2013 URBAN TOTAL OPERATING EXPENDITURES BY TYPE

	Reported average total change, all funding sources				
	FY2008-2009	FY2009-2010	FY2010-2011	FY2011-2012	FY2012-2013 (anticipated)
Salaries (including benefits)	8.3%	-30.7%	-6.7%	-3.3%	0.9%
Collections	9.6%	-35.8%	-16.3%	3.2%	1.6%
Other Expenditures	4.5%	-22.5%	-4.5%	-16.7%	2.4%
Overall	7.6%	-29.4%	-7.3%	-6.2%	1.3%

FIGURE B-5: AVERAGE PERCENTAGE CHANGE FY2008 TO FY2013 SUBURBAN TOTAL OPERATING EXPENDITURES BY TYPE

	Reported average total change, all funding sources				
	FY2008-2009	FY2009-2010	FY2010-2011	FY2011-2012	FY2012-2013 (anticipated)
Salaries (including benefits)	8.5%	-45.0%	4.0%	16.4%	-2.7%
Collections	3.3%	-49.3%	-0.9%	12.6%	0.8%
Other Expenditures	-2.5%	-33.9%	42.0%	-20.9%	5.4%
Overall	5.5%	-43.5%	11.9%	5.3%	-0.5%

Professional Association Librarian Salary Survey indicate that salaries have declined since 2010 (the last year of

this salary study). These findings are aligned with the reductions in salary expenditures reported in the 2011-

2012 PLFTAS study. (For more information on the salary surveys, see <http://ala-apa.org>.)

This year's study asked a new question about the cumulative changes in full-time equivalent (FTE) staffing over the last three fiscal years (Figure B-2). Overall, a majority of responding libraries (55.2 percent) indicate that staffing levels have remained unchanged during the last three fiscal years; 23.2 percent indicate that staffing has decreased; 9.2 percent indicate that staffing has increased; and 12.3 percent report that they are unable to respond to this question.

■ Urban libraries (60.7 percent) lead in decreases to staffing levels, followed by suburban libraries (28.0 percent) and rural libraries (16.2 percent).

■ Suburban libraries (12.9 percent) lead in staffing increases, followed by urban libraries (10.7 percent) and rural libraries (6.9 percent).

■ Of those reporting unchanged staffing levels, the majority are suburban (46.5 percent) and rural (65.3 percent) libraries. Only 20.7 percent of urban libraries report unchanged staffing.

More than 70 percent of those reporting increases or decreases in staffing levels indicate these are permanent changes (details available on Study website, Figures 61 and 63.)

Reduced staffing levels resulted in reductions in public service hours. A new question in the 2012 study asked about changes in open hours during the last three fiscal years (Details available on Study website, Figures 62 and 64). Overall, the mean (average) hours declined slightly during the last three fiscal years (down 0.6 percent), with suburban libraries reporting the largest decrease in hours (down 2.8 percent), compared with urban libraries (down 0.6 percent) and rural libraries (down 1.2 percent).

■ Nearly 60 percent of libraries report no change in hours, while 21.5 percent indicate reductions and 15.9 percent indicate increased hours.

■ For libraries reporting increased hours, reasons noted included new outlets opening (23.9 percent overall, and 69.2 percent of urban libraries).

■ For libraries reporting decreased hours, the reasons noted included responding to budget reductions (78.5 percent overall) and reducing staff (42.7 percent overall).

Budget Stability – A Little Less is More

From 2011 to 2012, about 3.2 percent more rural libraries reported operating budget increases of up to 6 percent, the largest proportion for any type of metropolitan area (Figure B-7). Operating budgets for suburban libraries were largely unchanged from 2011, with fewer reporting increases or decreases in 2012 than in 2011, and the proportion that reported level funding remained about the same in 2012 as in 2011. There was positive news reported by urban libraries: a slowing in operating budget reductions, with a 9.4 percent uptick among those reporting flat funding from 2011 (25.6 percent in 2012, compared with 16.2 percent

in 2011) and fewer libraries reporting budget decreases greater than 6 percent (14.7 percent in 2012, compared with 22.6 percent in 2011).

Three-Year Operating Budget Stability Varied By Metropolitan Status

In the 2011-2012 survey, libraries were asked to estimate the cumulative effect over three-years of changes in operating budgets (Figure B-8). The majority experienced increases of 4 percent or less for the entire three-year period. Of those that reported decreases, there was no clear major-

ity with some libraries reporting three-year decreases above 15 percent. Urban libraries experienced the greatest budget fluctuations and rural libraries experienced the fewest.

Technology Expenditures Volatile for Urban and Rural Libraries

In FY2012, a majority of libraries (52.4 percent) report technology budgets remained unchanged from the prior fiscal year (Figure B-9). This is especially true for rural libraries (55.6 percent), as compared with their suburban (48 percent) and urban (43

FIGURE B-6 AVERAGE PERCENTAGE CHANGE FY2008 TO FY2013 RURAL TOTAL OPERATING EXPENDITURES BY TYPE

	Reported average total change, all funding sources				
	FY2008-2009	FY2009-2010	FY2010-2011	FY2011-2012	FY2012-2013 (anticipated)
Salaries (including benefits)	-36.4%	3.1%	-8.4%	3.2%	-7.4%
Collections	-15.0%	-45.4%	-33.9%	-37.0%	-4.9%
Other Expenditures	-7.8%	-37.2%	-16.1%	1.9%	-5.6%
Overall	-25.1%	-19.5%	-4.7%	-4.4%	-6.6%

FIGURE B-7: PUBLIC LIBRARY SYSTEMS OPERATING BUDGET CHANGE, FY2009 - FY2012, BY METROPOLITAN STATUS

	Urban				Suburban				Rural				All			
	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
Increased up to 6%	47.3%	28.2%	25.2%	26.1%	51.1%	35.1%	35.3%	32.0%	50.6%	38.8%	35.8%	39.0%	50.5%	37.0%	35.0%	38.4%
Increased 6% or more	10.6%	5.2%	4.2%	1.9%	9.0%	5.2%	5.2%	4.9%	9.4%	7.2%	5.4%	4.8%	9.4%	6.7%	5.3%	4.8%
Decreased less than 6%	14.7%	24.2%	31.9%	30.9%	13.0%	24.2%	22.0%	21.9%	8.9%	15.5%	17.3%	15.9%	10.6%	17.1%	19.7%	18.7%
Decreased more than 6%	7.4%	30.4%	22.6%	14.7%	3.6%	17.4%	14.2%	10.2%	3.3%	11.0%	9.6%	6.7%	3.7%	14.3%	11.9%	8.3%
Stayed same	19.9%	11.4%	16.2%	25.6%	23.3%	22.7%	23.2%	23.3%	27.8%	27.5%	32.0%	33.7%	25.9%	25.0%	28.2%	29.7%

FIGURE B-8: PUBLIC LIBRARY SYSTEMS CUMULATIVE BUDGET CHANGE FY2010-FY2012, BY METROPOLITAN STATUS

Operating Budget	Metropolitan Status			Overall
	Urban	Suburban	Rural	
Increased more than 40%	*	1.0%	*	*
Increased 35.1-40%	1.4%	*	*	*
Increased 30.1-35%	*	*	*	*
Increased 25.1-30%	1.0%	*	*	*
Increased 20.1-25%	1.0%	*	*	*
Increased 15.1-20%	3.4%	1.5%	1.6%	1.7%
Increased 10.1-15%	4.3%	3.4%	3.5%	3.5%
Increased 6.1-10%	5.8%	5.4%	5.3%	5.3%
Increased 4.1-6%	4.3%	7.7%	7.1%	7.1%
Increased 2.1-4%	6.7%	15.2%	14.7%	14.4%
Increased up to 2%	10.6%	17.9%	24.0%	21.2%
Stayed the same	7.2%	8.6%	15.2%	12.5%
Decreased up to 2%	13.9%	8.4%	9.5%	9.4%
Decreased 2.1-4%	9.6%	7.3%	5.2%	6.2%
Decreased 4.1-6%	6.7%	5.6%	2.8%	4.0%
Decreased 6.1-10%	6.7%	5.1%	2.9%	3.8%
Decreased 10.1-15%	5.3%	4.7%	2.4%	3.3%
Decreased 15.1-20%	3.4%	1.9%	*	1.3%
Decreased 20.1-25%	3.4%	1.8%	*	1.3%
Decreased 25.1-30%	1.4%	1.3%	*	1.0%
Decreased 30.1-35%	1.0%	*	*	*
Decreased 35.1-40%	1.0%	*	*	*
Decreased more than 40%	1.0%	*	*	*

Key: *: Insufficient data to report

FIGURE B-9: PUBLIC LIBRARY SYSTEMS TECHNOLOGY BUDGET CHANGE FY 2012, BY METROPOLITAN STATUS

Operating Budget	Metropolitan Status			Overall
	Urban	Suburban	Rural	
Increased more than 6%	10.7%	9.7%	7.2%	8.2%
Increased up to 6%	22.6%	28.4%	27.6%	27.6%
Stayed the same	43.0%	48.0%	55.6%	52.4%
Decreased less than 6%	14.0%	8.8%	5.5%	7.1%
Decreased more than 6%	9.7%	5.1%	3.2%	4.7%

percent) counterparts. Slightly more than a third of respondents (35.8 percent) report increased technology operating budgets (all ranges). When considered by metropolitan categories, response totals were closely aligned. (details available on Study website, Figure 69).

Nearly 12 percent of all respondents report decreases in their technology operating budgets. A greater proportion of urban libraries (23.7 percent) report decreases, which is nearly 10 percent more than suburban libraries (13.9 percent) and about 15 percent more than rural libraries (8.7 percent). Similar to operating expenditures overall, urban libraries were more likely to report smaller increases and larger decreases in their technology operating budgets than their suburban and rural counterparts (Figure B-7).

The three-year budget (Figure B-10) comparison presents some sobering results that demonstrate the impact of cumulative budget reductions on a critical subsection of expenditures for technology infrastructure and public access computing.

Urban and rural libraries saw significantly more volatility in technology operating expenditures, while suburban libraries rebounded after only one year of declines (FY2010 to FY2011). Specifically,

- Urban libraries report decreases in all technology expenditures since FY2010, with the most significant reductions in expenditures between FY2010 and FY2011 for telecommunications (-88 percent), outside vendors (-73 percent), and computer hardware/software (-63.3 percent).

- Suburban libraries report declines only between FY2010 and FY2011, and report strong recovery in all technology-related operating expenditure categories between

FIGURE B-10: AVERAGE PERCENTAGE CHANGE, FY2010-FY2012 TOTAL TECHNOLOGY-RELATED OPERATING EXPENDITURES, BY TYPE AND METROPOLITAN STATUS

	Urban			Suburban			Rural			Overall		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Salaries (including benefits)	99.5%	-42.0%	-18.3%	48.2%	-37.2%	32.1%	170.5%	-69.0%	-12.0%	101.9%	-50.7%	15.1%
Outside Vendors	255.7%	-73.0%	-21.1%	70.8%	-65.3%	5.2%	175.5%	-80.3%	-13.9%	130.4%	-74.3%	-6.4%
Computer Hardware/Software	69.6%	-63.3%	-20.3%	18.4%	-57.6%	41.8%	31.0%	-74.2%	-18.6%	49.0%	-67.9%	-7.4%
Telecommunications	269.1%	-88.0%	-8.2%	41.7%	-50.4%	19.4%	120.9%	-81.7%	-35.1%	151.2%	-81.3%	-8.2%

FY2011 and FY2012. Further, in FY2012 suburban libraries have now recovered nearly to FY 2010 levels in in two specific expenditure categories: salaries and computer hardware/software.

■ Rural libraries, like their urban counterparts, report reductions in technology-related operating expenditures between FY2010 and FY2011, and again between FY2011 and FY2012.

As libraries seek to offer high-demand services that rely on a strong technology infrastructure—supporting job seeking, homework resources, technology training, and access to e-government services—their inability to secure stable funding for technology negatively affects their ability to adhere to public access workstation replacement schedules ([details available on Study website, Figures 35–37](#)).

■ A majority of public libraries (63.2 percent) report that they do not have replacement schedules and only replace workstations as needed.

■ For libraries with replacement schedules, it is unclear if they are replacing all workstations that would normally be scheduled: 49.9 percent report that they did not know how many workstations/laptops would be replaced at the outlet (branch) level.

■ Urban libraries (16.1 percent) are slightly more likely than suburban (11.4 percent) and rural (13.4

FIGURE B-11: AVERAGE PERCENTAGE OF PUBLIC LIBRARY SYSTEMS THAT APPLIED FOR AN E-RATE DISCOUNT, FY2012

	Metropolitan Status			
	Urban	Suburban	Rural	Overall
Yes, applied	58.9%	32.4	44.6%	41.3%
Yes, another organization applied on the library's behalf	11.2%	22.8%	14.5%	17.1%
No, did not apply	27.2%	40.6%	36.5%	37.4%
Unsure	2.7%	4.2%	4.4%	4.2%

percent) libraries to report that they could not maintain workstation replacement schedules.

E-Rate Applications Increase

In FY2012, 58.4 percent of libraries (Figure B-11) report applying for an E-rate discount, whether directly (41.3 percent) or as part of another organization's application (17.1 percent), an increase from the prior fiscal year (54.4 percent). As with last year, the highest percentage of libraries applying for E-rate discounts are in urban areas (70.1 percent), followed by rural (59.1 percent) and suburban (55.2 percent) libraries.

The highest percentage of discounts is applied to the telecommunications category, both overall (84.7 percent) and for all types of metropolitan status: urban (85.4 percent), suburban (82.2 percent), and rural libraries

(85.7 percent). This is consistent with the 2010–2011 report findings. Discounts for Internet connectivity reflected the largest change for suburban libraries, increasing to 61.3 percent this year, from 57.3 percent last year and 49.8 the year before. ([Details available on Study website, Figures 51–52](#)).

Federal Stimulus Grants Fund Public Computer Centers and Broadband Connectivity

This year's survey asked public libraries about applications and receipt of grant awards from the National Telecommunications and Information Administration (NTIA) Broadband Technology Opportunity Program (BTOP) and the Broadband Initiatives Program (BIP). Both programs, which were announced in July 2009, were funded through the

FIGURE B-12: REGIONAL CHANGES IN STATE FUNDING FOR PUBLIC LIBRARIES, FY2012

	Decrease = 23							Increase = 2				
Census Region	1-2%	3-4%	5-10%	Greater than 10%	Budget not Final	No Direct Aid	No Change	1-2%	3-4%	5-10%	Greater than 10%	By Region
Midwest	5			1	2		3	1				12
Northeast	1	2			2		4					9
South	3	1	3	4	1	4						16
West	1		0	2	4		5				1	13
Total FY12	4	2	10	7	1	8	16	1			1	50
Total FY11	2	2	5	10	1	8	14	1	1	0	2	46

American Recovery and Reinvestment Act of 2009 (ARRA).

Nearly 39 percent of libraries report receiving a BTOP or BIP grant either directly or indirectly, as part of another entity's application. Awards are highest in urban libraries (46.2 percent), followed by rural (40.5 percent) and suburban libraries (37.5 percent). The highest percentage of received awards is for public computer centers (39.7 percent), followed by sustainable broadband (12.1 percent) and middle mile applications (10.1 percent). (For more details, see the Study website, Figures 53-54.)

In the 2010 COSLA survey, 36 states reported applying for BTOP or BIP funding, either solely or in partnership with others. In the 2011 survey, 26 states report receiving BTOP or BIP funding, in a total of 33 awards, with the vast majority for BTOP Public Computer Center funding (21), followed by BIP/BTOP Infrastructure (6), BTOP Sustainable Broadband Adoption (3), and State Broadband and Data Development (3).

State Libraries Funding Declines Continue

In a November 2011 survey, the Chief Officers of State Library Agencies (COSLA) reported reduced funding affecting public libraries. Chief Of-

ficers in 49 of 50 states and the District of Columbia (98 percent) responded to the survey. Overall, funding for public libraries continues to be reduced: 46 percent reported decreased state funding for public libraries in FY2012, compared to 41.5 percent in FY2011 (Figure B-12), a distressing reversal after the hoped-for recovery projected by results reported in FY2011.

Of the 23 states reporting cuts in state funding for public libraries, over one-third indicate decreases of 5 percent or higher, and 14 percent report cuts greater than 10 percent.

From FY2011 to FY2012, 16 states report no change in funding, and two states (North Dakota and Oregon) report increased funding. However, Oregon reports the state experienced two funding cuts the previous year, followed by legislative action to reset its program to a lower funding level. Seven states and the District of Columbia do not provide direct state aid to public libraries.

For many states, the FY2012 cuts exacerbated the cumulative impact of

cuts that began in FY2009. A number of states that may have fared better during the early years of the recession now report double digit and, in one case, triple digit decreases. For the second year in a row, Iowa, Louisiana, and Texas report decreases greater than 10 percent of state funding to public libraries.

The news from California is especially distressing. California's 2011-2012 budget contained a 50 percent cut to the \$30.4 million state-level sup-

For the second year in a row, Iowa, Louisiana, and Texas report decreases greater than 10 percent of state funding to public libraries.

port, which provides per-capita allocations, support for interlibrary loan, and literacy instruction resources for public libraries. Due to insufficient growth in state revenues, in December 2011, Governor Brown announced a mid-year adjustment to eliminate all remaining

funding for public libraries. The Governor's first budget for 2012-2013 continues to eliminate *all* funding for public libraries and makes a \$1.1 million cut to the State Library Administration budget.

Regionally, the southern states continue to be hit hardest, with 68 percent reporting decreased funding

from FY2011 to FY2012, as compared to 54 percent the previous year.

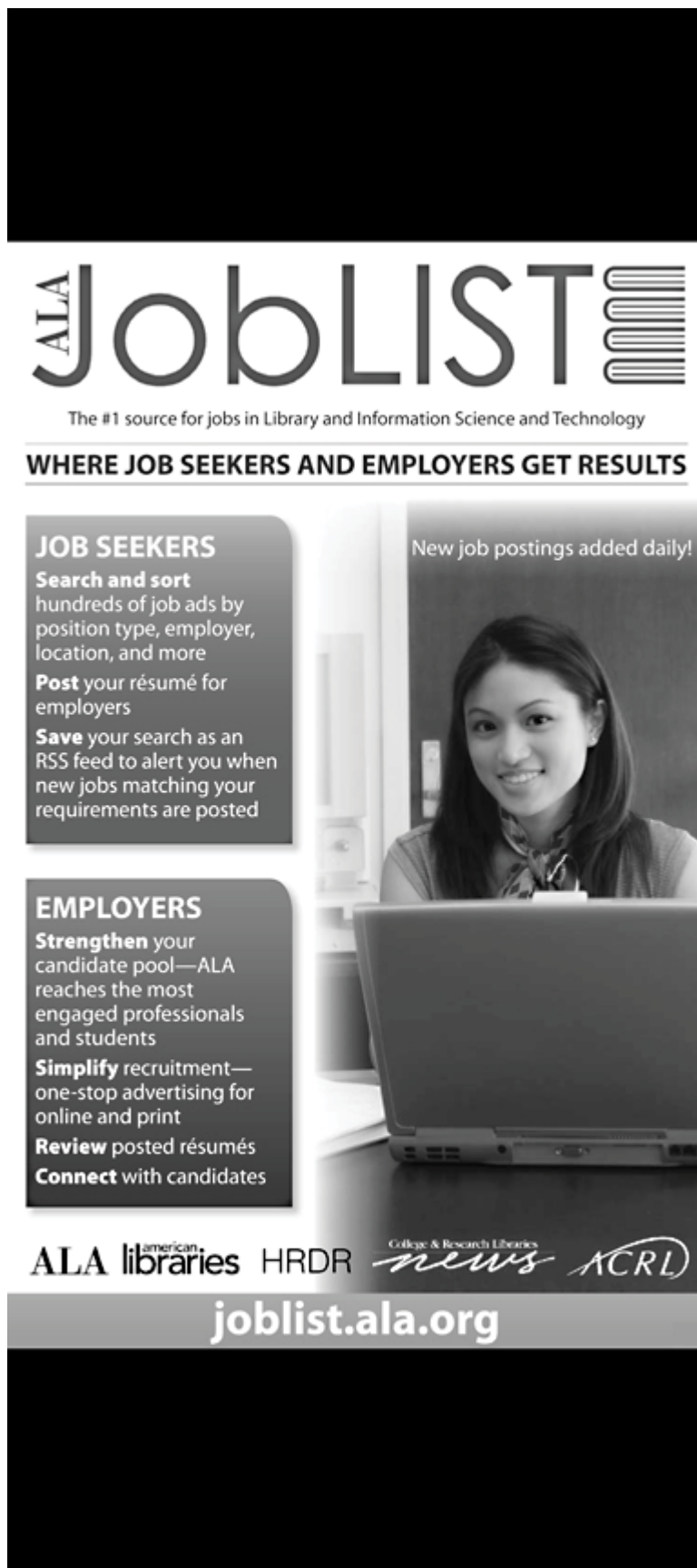
All of the news is not bleak: 21 percent of states anticipate decreased funding for FY2013, compared to 37 percent of states last year.

The cumulative impact of cuts at the state level is exacerbated by continued cuts at the local level. For the second year in a row, 42 percent of states reported that local funding for public libraries declined for a majority of libraries in the state.

This year's COSLA survey asked about the number of libraries that had closed as a result of funding cuts. Fewer states (12 compared to 17 last year) report being aware of public library closures in their states within the past 12 months. Most states report that fewer than five public library outlets have closed, although New Jersey reports closures of between 10 and 15 outlets, and Michigan reports more than 20 closed outlets. The majority of states (82 percent) report that public library hours have been cut in the past 12 months due to funding cuts, an increase of 4 percent from the previous year.

Conclusion

Due to the severity of the recession, libraries are struggling to recover from the impact of cumulative reductions over time. During the past three years, full-time equivalent staffing levels declined for all libraries by more than 7 percent, and salaries also decreased. However, these cuts do not offset the dramatic reductions in expenditures for collections. Further, public library funding has been constrained by continuing cuts to state funding. For three years in a row, more than 40 percent of states have reported decreases in state-funded public library support. There is some hope, as overall public library budgets experience the less severe decreases that occurred in FY2009-2010, and report more level funding.



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