

FAST FACTS

*Recent Statistics from the
Library Research Service*

Colorado Library Districts Thrive While Other Public Library Types Face Big Cuts

**District Autonomy & Voter Support
Keys to Fiscal Stability**

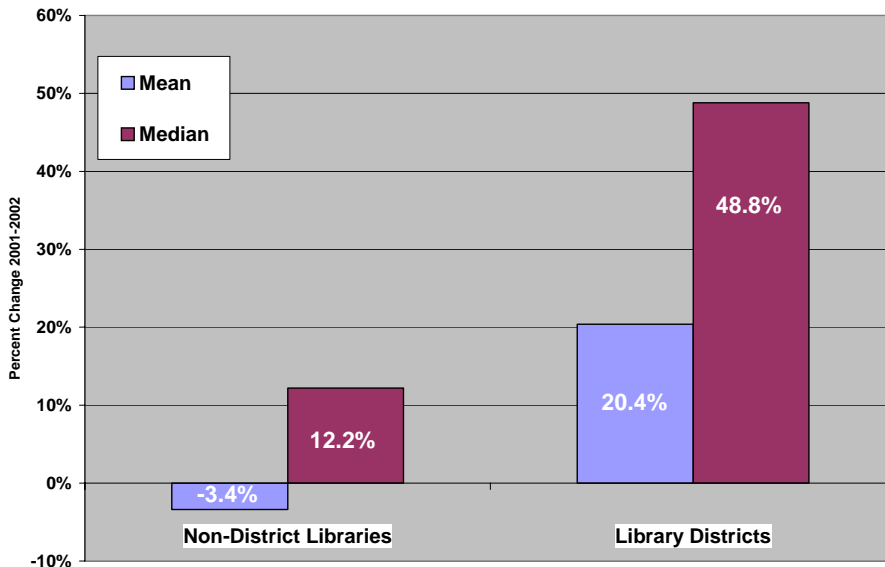
Major fiscal changes affected the state's public libraries in 2002, primarily for the worse, as the impact of last summer's line-item vetoes and the continuing downturn in state and local budgets left many scrambling for dollars.



For the lucky public libraries which are library districts, however, things don't seem so dire. In fact, for calendar year 2002, library districts actually significantly increased their per capita funding from 2001. Median local income per capita for library districts jumped nearly 50%, with mean per capita income rising over 20%.

In contrast, non-district public libraries have seen their local revenues stagnate or drop during the same period (See Chart 1). As a result, the average library district is now collecting nearly \$18.00 per person more than its non-district counterpart. The mean local income per capita for library districts in 2002 rose to \$44.47, while non-district library jurisdictions fell slightly to \$26.69. Put another way, public library districts are supported by 67% more funding than their non-district cousins.

Chart 1: Percent Change in Mean and Median Local Income Per Capita for Colorado Public Libraries: Library Districts and Non-Districts, 2001 - 2002



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**Chart 2: Local Funding per Capita for Colorado Public Library Jurisdictions
 2001 & 2002**

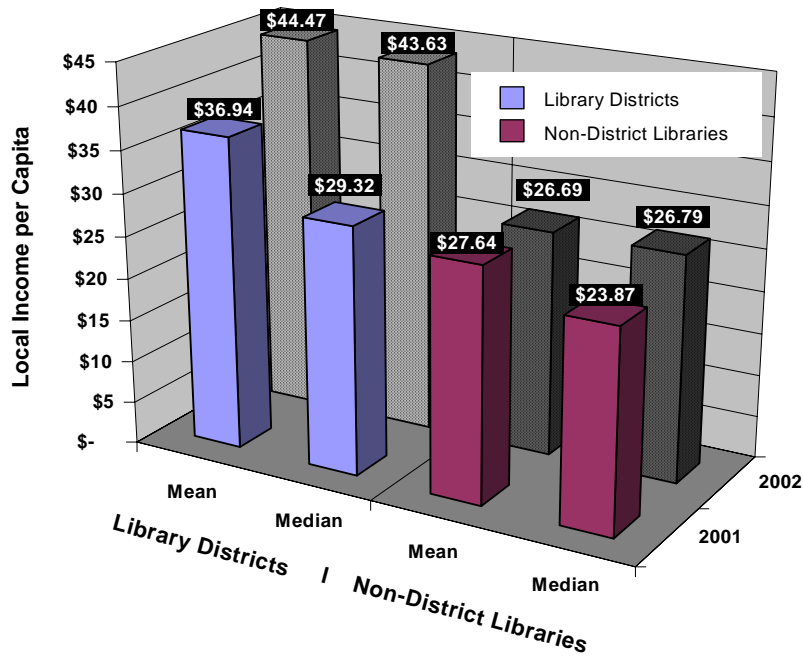


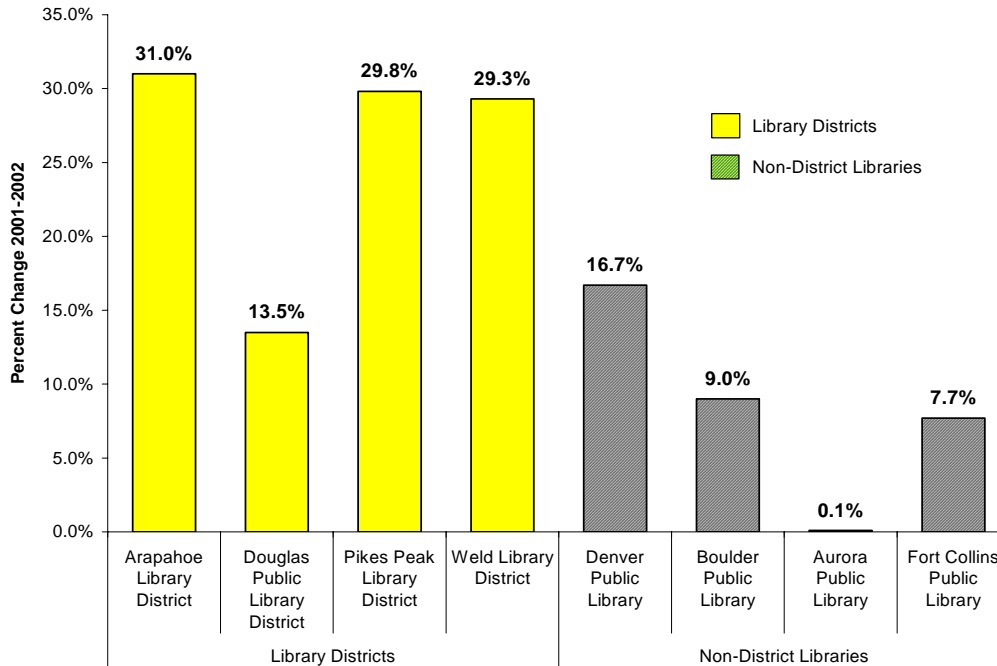
Chart 2 illustrates the difference in funding between the two types of jurisdictions, and demonstrates the increase that library districts are still seeing in their funding while the funding for non-district entities is staying relatively stagnant.

By their nature, library districts have more stable funding than other types of public libraries. While Colorado sets library (and school) districts apart from other single-purpose districts, the Census Bureau includes them in its definition of special districts: they are “authorized by State law to provide only one or a limited number of designated functions, and with sufficient administrative and fiscal autonomy to qualify as separate governments.” Generally, library districts are funded through a voter-approved property tax. Since library districts are autonomous from the localities in which they exist, their funding is not vulnerable to being diverted to other purposes when local tax revenues decline.

The numbers for some of the larger, more urban public library jurisdictions in the state reflect this trend as well. Chart 3 shows the percentage growth of local funding per capita for eight library jurisdictions, four of which are library districts and four of which are not. Again we see that library districts are surging ahead of their non-district relatives. The exception in this chart is the Douglas Public Library District (DPLD), which seems to be lagging behind with its relatively paltry 13.5% increase (which is still higher than three of the four non-districts). This may be explained, at least in part, by the rapid growth in Douglas County. While the library’s budget continues to increase, the level of this increase may be offset a bit by the boost in population. The Legal Service Area Population for DPLD jumped from 175,766 in 2001 to 200,385 in 2002. Conversely, the seemingly large increase for Arapahoe Library District may be attributed to growth in revenue with stable population.

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Chart 3: Percent Growth in Local Funding per Capita for 8 Colorado Public Library Jurisdictions, 2001-2002



“As a district, we are free to re-allocate funds as needed.”

Steve Cottrell, Executive Director
Weld Library District

“... it’s not a case of spend it or lose it.”

Eloise May, Director
Arapahoe Library District

Directors from some of these library jurisdictions overwhelmingly support the formation of library districts as benefiting both the libraries and the communities they serve. A main advantage that library districts offer is the financial and administrative autonomy inherent in their definition. Within a library district, its board has complete authority over budget decisions. This autonomy creates additional expenses, as library districts must pay for services that might otherwise be provided on an in-kind basis by their parent municipal or county government (e.g., accounting, grounds maintenance, human resources).

However, as Steve Cottrell of Weld Library District points out, “Our expenses are higher, but this gives us better control over these areas.” These added expenses might partially explain the fact that library districts show larger local income per capita than non-districts, but do not explain the larger increase in this funding.

Also, the general fund can be used as the library administrator’s best see fit. Eloise May, Director of Arapahoe Library District, points out that if revenue remains unspent at the end of the year, it can be rolled forward and spent the following year, rather than having to be spent to make sure one gets the same amount next year. Library districts that have “de-Bruced” – i.e., those exempt from TABOR – are best able to exercise this option.

In times like these, where dwindling budgets are the norm, the funding stability provided by library districts is an enormous advantage.

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“More stable funding transfers into a more stable, predictable, planned service pattern, not affected by the push-pull of the budget process of a city or county.”

Rick Ashton, City Librarian
Denver Public Library

Rick Ashton, City Librarian for Denver Public Library (DPL), is considering making the push to change DPL into a library district. As DPL’s budget continues to shrink in the wake of budget cuts from the state and the city, he views this stability as highly desirable. A property tax dedicated to a library is fairly stable and cannot be raided for other purposes when public funds become tight.

James LaRue, director of Douglas Public Library District, points out that, despite difficult economic times, “property taxes in Douglas County continue to grow.”

“We make promises we can keep, because we know what our funders want, and we can predict whether or not we’ll be able to afford it.”

James LaRue, Director
Douglas Public Library District

Having established that library districts tend to be better off financially than non-district library jurisdictions, and that they enjoy greater freedom in their choices, how does the library user benefit from the formation of a library district? First, if the library has more money to spend, the user will benefit from more materials and better programs. More importantly, perhaps, is the fact that the library district is accountable to its service clientele. Changes in funding levels are dependent directly upon voter approval. As Eloise May puts it: “Every person we serve is our city council person.” The people writing the checks that support the library are the same people that use it every day. Because of this, their individual concerns are more likely to be considered, and the library has a greater likelihood of adapting to their needs.

Are there any disadvantages, then, to being a library district? The four directors that responded to LRS queries about the matter were hard-pressed to articulate any. Most potential disadvantages that did arise could be spun positively as well.

An example is the fact that there will be additional administrative costs, as addressed above. Most directors argue that the increased funding a district is likely to receive, combined with the control over these costs, outweighs any potential negative effects.

Also, it can be said that as an autonomous district there is no one to blame but yourself when things go wrong. While this accountability can be difficult from an employee’s position, it allows the organization to do a much better job of serving its community.

A third disadvantage is that the public doesn’t directly elect the Trustees. However, James LaRue will argue that Trustees that are not publicly elected make for a library board that is less overtly political, and by extension, less contentious. In addition, since all potential tax increases are voter-approved, the public does hold a powerful voice, at least in the level of funding the library receives.

In the end, does it make sense for a public library to be a library district? The directors we spoke with would argue that, in most cases, yes it does. Granted, three out of the four with whom we had contact are heads of library districts, and the fourth is very seriously considering moving in that direction. Still, it’s hard to dispute the numbers.