

## **State Aid for Public Libraries Formula Review Proposed Plan**

### **Overview and scope**

The State Library Commission will form a State Aid for Public Libraries Review Committee to analyze the efficacy of the State Aid for Public Libraries distribution formula and determine if an alternative formula is recommended to more effectively meet the fund's intended purposes as described under North Carolina General Statute § 125-7.

### **Composition of the committee**

Representatives on the State Aid for Public Libraries Formula Review Committee (aka the Review Committee) will be approved by the State Library Commission as a committee of the State Library Commission.

The review committee will have an odd number of voting members, 9-11. Ideally, in addition to representing different library types as outlined below, different geographic areas of the state (Mountains, Piedmont, and Coastal Plain), urban and rural areas, and areas of differing levels of economic prosperity will be represented.

1. Review Committee Chair – Chair of the State Library Commission or another State Library Commission member designated by the SLC Chair
2. Library director #1 – county system
3. Library director #2 – county system
4. Library director #3 – county system
5. Library director #4 – county system
6. Library director #5 – municipal library
7. Library director #6 – municipal library
8. Library director #7 – regional system
9. Library director #8 – regional system
10. Optional addition: State Library Commission member or designee appointed by State Library Commission: Non-librarian serving as either a library foundation or board member, a library school instructor, or with expertise in finance, law, government, or data analysis
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The ex-officio non-voting members

12. State Librarian
13. Director, Library Development
- 14+ advisers/facilitators/contractors etc.

### **Additional criteria for a State Aid Formula Review**

1. An independent contractor will be included in the process to provide impartial research into alternative formulas and to propose at least three formula options to the committee, including what implementation would look like and mean for different library types.
2. Any changes to the formula must be implemented in a way that does not reduce funds for a particular library type due to the formula change itself. This may mean that a proposed

alternative formula may not be implemented unless State Aid for Public Libraries increases by a specified amount or percentage.

3. All library types are recognized as being of value to their communities, without a preference of any library type over another.
4. Transparency around the review process and communication to the State Library Commission, public libraries across the state, and other identified interested parties about the review and process is needed.
5. The State Library of North Carolina will continue to distribute all recurring and non-recurring Aid to Public Libraries using the formula currently in place unless and until the formula is modified by a formal review process as established by this proposal.

**Decision making process:**

Decisions will be made by consensus.

**Scope of work for the independent contractor**

1. Attend and facilitate scheduled meetings of the Review Committee
2. Review current North Carolina State Aid formula, relevant statutes and code, and State Aid for Public Libraries Formula Review Plan as provided by the State Library of North Carolina.
3. Review previous state aid formula review reports and history of the reviews, and the documents concerning the history of State Aid to Public Libraries.
4. Analyze a sampling of state aid formulas from other states, and other formulas used by state agencies for the administration of funds to local government entities as appropriate and assess whether a version of any may be relevant or applicable for a State Aid for Public Libraries Formula for North Carolina.
5. Collect or review information and input from libraries on the impact of State Aid on eligible North Carolina libraries and their communities, including questions or considerations provided by Review Committee members.
6. Develop alternate state aid formulas and analyze probable impact and outcomes on libraries/library types. Calculate the hold harmless amount required for each alternative formula.
7. Create a report with recommendations to the review committee concerning the formula. Report must provide information concerning the questions or topics related to the formula requested by the Review Committee. Report must include information concerning the impact of state aid and recommendations (as needed) for state aid in order to meet the intention of the funds per statute.
8. Present findings from report to the Review Committee and respond to associate questions from committee.

**Additional responsibility of the independent contractor**

9. Understand the history, purpose, and evolution of State Aid for Libraries in NC.

**Scope of work for the review committee**

1. Review the process and framework created by State Aid for Libraries Formula Review Planning Committee
2. Review current North Carolina State Aid for Public Libraries formula
3. Collect and provide questions and considerations concerning the formula to the contractor from libraries or other interested parties

4. Communicate with interested parties to solicit questions, obtain input and feedback, and provide progress reports (library directors share information to NCPLD.A, Library Commission updates Library Commission, State Library staff updates DNCR, etc.)
5. Review reports and recommendations prepared by contractor
6. Present selected state aid formula review recommendations to NCPLDA and State Library Commission
7. Analyze what amount is needed to meet intention/goals of State Aid to Public Libraries and present findings

#### **State Library Commission responsibilities**

8. Approve a review process and written plan for reviewing the State Aid for Public Libraries Formula Review.
9. Approve committee members to serve on the State Aid for Public Libraries Formula Review Committee.
10. Ensure the State Aid for Public Libraries is reviewed in adherence to the Review Plan.
11. Discuss and approve final report and recommendations of the State Aid for Public Libraries Formula Review Committee. Refer resulting recommendations to the State Library of North Carolina for consideration by the Secretary of the North Carolina Department of Natural and Cultural Resources.

#### **State Library responsibilities**

12. Ensure that all recurring and non-recurring State Aid for Public Libraries is distributed in adherence to the official State Aid for Public Libraries formula. Continue distributing funds utilizing the current formula during the review process. Modifying or revising the distribution formula will only occur at the recommendation of the State Library Commission, following the official formula review process.
13. Adhering to current state practices and protocols, select and administer the contract for the independent contractor.
14. Present information to contractor and review committee concerning current State Aid formula
15. Share historical information available on past reviews of the State Aid formula in NC to committee and contractor
16. Coordinate the scheduling and logistics of Review Committee meetings
17. Provide data and input to contractor and review committee concerning the state aid formula, libraries, NC counties, etc. as appropriate
18. Present recommendations of the State Library Commission to the Department Secretary.
19. Once the recommended formula is accepted by the State Library Commission and adopted, work with the Department to formalize resulting formula via codification or other means as recommended by o in consultation with the Department's legal counsel.

#### **Formula Review frequency**

State Aid for Public Libraries formula will undergo a formal review in accordance with this plan at least every 10 years. A review may take place less than 10 years after the previous formula review at the recommendation of the State Library Commission.

#### **Evaluation criteria for a formula review process**

A review of the State Aid for Public Libraries formula will be considered successful if the following criteria are met:

10. The formula review is conducted in accordance with this plan.

11. Questions or concerns about the formula from the State Library Commission, public libraries, and other interested parties are addressed and answered or addressed in the final report.
12. Alternative formulas, and how alternative formulas would impact public libraries, are explored.
13. A State Aid for Public Libraries formula recommendation is made and accepted by applicable parties.