

Funding Issues in U.S. Public Libraries, Fiscal Years 2003-2006

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Over the past three years, U.S. public libraries have managed to maintain, and in some cases increase, services despite flat or reduced budgets. A new study conducted by the American Library Association (ALA) found that libraries serving more than 500,000 and fewer than 25,000 people saw the greatest midyear funding cuts. The study also found that libraries in the West and Midwest sustained greater cuts than their counterparts in the South and East.

There has long been concern at ALA about the status of public library funding. This study determined that, although it is not all doom and gloom, libraries experienced significant reductions in fiscal years 2003, 2004 and 2005. This was balanced by public libraries reporting revenue increases during these fiscal years, although only slightly higher than those reporting decreases. An equal number of respondents reported level funding for all fiscal years – between 77% and 82% of all libraries responding - resulting in a net decrease in local revenue for these libraries. The reality was that a vast majority of U.S. public libraries had stilted buying power as a result of the level funding during these fiscal years.

Libraries more frequently attributed local tax revenue increases or decreases to levies or other tax measures (19.3 % and 15%, respectively). The second most frequent response was budget shortfalls (10.4%), and the third budget surpluses (6.3%).

Funding Increases:

An average of 22.5% of libraries responding indicated mid-year revenue increases for the fiscal years studied. Overall, the increases clustered in the 1-4% ranges for all fiscal years studied, with approximately 18% of libraries surveyed reporting in these ranges for each fiscal year.

Areas impacted by revenue increases were ranked as follows:

1. Materials (average of 22.5% of libraries responding)
2. Staffing (average of 16.4% of libraries responding)
3. Electronic access (average of 11.3% of libraries responding)
4. Hours open (average of 5% of libraries responding)

Funding Reductions:

An average of 16.9% of libraries responding indicated mid-year revenue reductions for the fiscal years studied. Concerns about funding reductions were reflected in the responses from public libraries serving populations below 25,000 and above 500,000. There clearly were differences in funding changes, with little relief anticipated for our smallest public libraries in the West and Midwest – 48% experienced reductions in fiscal year 2003, 35.8% in fiscal year 2004, and 34.5% in fiscal year 2005. Nearly 20% of Northeast libraries indicated budget reductions in fiscal year 2004, up from 12% in fiscal year 2003.

The reductions for all respondents clustered in the 1-2% and 11% or more ranges, with fairly even distribution in the 3-4% to 8-10% categories. Reductions in the 1-6% ranges appear to continue for all fiscal years, with some relief in the 7-10% range in fiscal years 2004 and 2005.

Libraries reported reductions in services fairly consistently regardless of the severity of the reduction. Reductions were ranked as follows:

1. Materials (average of 68.3% of libraries responding)
2. Staffing (average of 41.6% of libraries responding)
3. Hours open (average of 24.6% of libraries responding)
4. Electronic access (12.6% of libraries responding)

What 2006 brings....more of the same:

Anticipating revenue changes for fiscal year 2006, 58.2% of public libraries anticipated things to remain about the same and about 32.4% anticipated some improvement in local tax revenue. Approximately 9.4% of libraries anticipated more reductions.

Some comments from respondents:

While our budgets have remained stable during the fiscal year, the reductions between the years has caused a reduction in services. The budget was reduced almost 4% between 03 and 04 fiscal years and over 6% between the 04 to 05 fiscal years.

We are located in a rapidly growing county, which is resulting in an increase of revenues. This is a good outcome for our Library System. Additionally, all county staff in all departments are receiving a 10% increase in salaries. Good growth=Good Libraries.

Funding has increased each year, but only 5-6% through tax rate increase. Meanwhile, cost of insurance, utilities, and mileage are rising faster than the income.

In 2003, we were level funded, which was hard to indicate in the question that addressed this. People are having their libraries closed on them, but my town has banded together to keep the library an important fixture.

Library has been "fortunate" in receiving funding without decreases during fiscal years. Funding decreased, but it was planned for each coming fiscal year. FY 05 and 06 received small increases, but not enough to make up the loss of revenue in previous years.

Our county is growing and libraries have been well supported since fy2001. Fy03 was +26% over Fy02. FY04 was 7% over FY03. Fy05 was 14% over Fy04. Fy06 is 14% over Fy05.

Law enforcement and other county departments seem to be a higher priority to our County Commissioners. We have eliminated our outreach services and the person responsible for them. We have reduced our weekly hours by 4.

While the budget is flat, we are operating on less \$ due to increased health insurance, utilities and other inflationary costs. 2004 and 2005 basically stayed the same in terms of budget allotment. However, increased operating costs have required that we change staffing patterns and reduce spending on materials. Our materials budget has been flat or declining since 2001.

A small, rural county that is not experiencing the economic boom that is underway in most of Nevada. The county reapportioned tax distribution in order to alleviate "general fund" cash flow situation reducing funding of the hospital. A very tough choice.

Ohio libraries are frozen at the 2001 funding level.

It appears our county money has been cut by 50% and may be eliminated totally. There is a current proposition to establish a Countywide library that may establish a more solid funding base.

We had a 50% cut in State aid, 1% in county, and 20% in local donations. This was like a trickle down effect.

Our increases ranged from .5% to this year 06 4.6% we have been very lucky.

The county is actually supportive in many ways. This year we are recommending two new full time positions and it looks promising.

The survey was administered between September and November 2005 to a representative random sample of public libraries.¹ Although a lower than expected response rate (24%), the results of this survey provide new, more detailed information on library funding that will help us in our efforts to increase library funding at the local, state, and national level.

¹ 1,950 public libraries were randomly selected from a universe of 9,211; 468 libraries responded yielding a 24% response rate.

Table 1-1 U.S. Public Libraries That Experienced Operating Revenue Reductions, FY 2003-05²

Year	Libraries That Experienced Revenue Reductions	
	Number	Percent
FY 2003	81	17.2%
FY 2004	83	17.7%
FY 2005	73	15.7%

Table 1-2 U.S. Public Libraries Serving Less Than 25,000 That Experienced Operating Revenue Reductions, FY 2003-05.

Year	Libraries That Experienced Revenue Reductions	
	Number	Percent
FY 2003	33	17.6%
FY 2004	34	18.1%
FY 2005	32	17.0%

N=188 (100%)

Table 1-3 U.S. Public Libraries Serving 25,000-99,999 That Experienced Operating Revenue Reductions, FY 2003-05

Year	Libraries That Experienced Revenue Reductions	
	Number	Percent
FY 2003	21	14.8%
FY 2004	26	18.3%
FY 2005	19	13.4%

N=142 (100%)

² N=468 (100%) unless otherwise noted in the table footer.

Table 1-4 U.S. Public Libraries Serving
100,000-499,999 That Experienced
Operating Revenue Reductions, FY 2003-05

Year	Libraries That Experienced Revenue Reductions	
	Number	Percent
FY 2003	21	19.4%
FY 2004	13	12.0%
FY 2005	3	2.8%

N=108 (100%)

Table 1-5 U.S. Public Libraries Serving
500,000 or More That Experienced
Operating Revenue Reductions, FY 2003-05

Year	Libraries That Experienced Revenue Reductions	
	Number	Percent
FY 2003	6	20.0%
FY 2004	2	6.7%
FY 2005	2	6.7%

N=30 (100%)

Table 1-6. Operating Revenue Reductions Experienced by
U.S. Public Libraries, by Region, FY 2003

Region	Number	Percent of Type
Midwest	35	28.2%
Northeast	13	12.1%
South	13	9.4%
West	20	20.2%
Total	81	17.3%

Note: Responses for FY2004 were not statistically significant.

Table 1-7. Operating Revenue Reductions Experienced by U.S. Public Libraries, by Region, FY 2005

Region	Number	Percent of Type
Midwest	24	19.4%
Northeast	9	8.4%
South	9	6.5%
West	14	14.1%
Total	56	12.0%

Table 2-1. Size of Operating Revenue Reductions Experienced by U.S. Public Libraries, FY 2003-05

Size of Revenue Reduction	Fiscal Year		
	FY 2003	FY 2004	FY 2005
1-2%			
Number	28	28	28
Percent of libraries	6.1%	6.0%	5.9
3-4%			
Number	11	14	11
Percent of libraries	2.4%	2.9%	2.3%
5-6%			
Number	13	14	10
Percent of libraries	2.7%	3.0%	2.1%
7-8%			
Number	2	4	2
Percent of libraries	0.4%	0.8%	0.5%
9-10%			
Number	10	2	8
Percent of libraries	2.1%	0.4%	1.8%
11% or more			
Number	19	29	16
Percent of libraries	4.1%	6.2%	3.4%

Table 3-1. Areas Impacted by Operating Revenue Reductions for U.S. Public Libraries, FY 2003-05

Area of Revenue Reduction	Fiscal Year		
	FY 2003	FY 2004	FY 2005
Hours Number	21	26	27
Percent of libraries	4.5%	5.6%	5.8%
Staffing Number	35	42	47
Percent of libraries	7.5%	9.0%	10.0%
Materials Number	68	69	68
Percent of libraries	14.5%	14.7%	14.5%
Electronic Access Number	10	10	15
Percent of libraries	2.1%	2.1%	3.2%

Table 4-1. Severity of Operating Revenue Reductions for U.S. Public Libraries, FY 2003-05

Severity of Revenue Reduction	Fiscal Year		
	FY 2003	FY 2004	FY 2005
Extremely Severe Number	15	15	14
Percent of libraries	3.3%	3.1%	3.0%
Somewhat Severe Number	5	15	14
Percent of libraries	1.1%	3.1%	3.0%
Severe Number	17	20	13
Percent of libraries	3.7%	4.4%	2.8%
Not Too Severe Number	31	37	35
Percent of libraries	6.7%	7.8%	7.4%
Not Severe Number	24	20	17
Percent of libraries	5.2%	4.4%	3.7%

Table 5-1. Comparability of Operating Revenue Reductions Experienced by U.S. Public Libraries with Reductions Experienced by Other Local Government Agencies and Offices, FY 2003-05

Comparability Of Revenue Reduction	Fiscal Year		
	FY 2003	FY 2004	FY 2005
Greater Number	28	30	16
Percent of libraries	5.9%	6.5%	3.5%
Same Number	29	33	35
Percent of libraries	6.1%	7.1%	7.4%
Less Number	12	10	14
Percent of libraries	2.5%	2.2%	3.0%
None Number	43	38	45
Percent of libraries	9.2%	8.1%	9.6%

Table 6-1. U.S. Public Libraries That Experienced Operating Revenue Increases, FY 2003-05

Year	Libraries That Experienced Revenue Increases	
	Number	Percent
FY 2003	84	18.0%
FY 2004	111	23.7%
FY 2005	120	25.7%

Table 6-2. U.S. Public Libraries Serving Less Than 25,000 That Experienced Operating Revenue Increases, FY 2003-05

Year	Libraries That Experienced Revenue Increases	
	Number	Percent
FY 2003	32	17.0%
FY 2004	44	23.4%
FY 2005	48	25.5%

N=188 (100%)

Table 6-3. U.S. Public Libraries Serving 25,000-99,999 That Experienced Operating Revenue Increases, FY 2003-05

Year	Libraries That Experienced Revenue Increases	
	Number	Percent
FY 2003	31	21.8%
FY 2004	35	24.6%
FY 2005	38	26.8%

N=142 (100%)

Table 6-4. U.S. Public Libraries Serving
100,000-499,999 That Experienced
Operating Revenue Increases, FY 2003-05

Year	Libraries That Experienced Revenue Increases	
	Number	Percent
FY 2003	23	21.3%
FY 2004	27	25.0%
FY 2005	27	25.0%

N=108 (100%)

Table 6-5. U.S. Public Libraries Serving
500,000 or More That Experienced
Operating Revenue Increases, FY 2003-05

Year	Libraries That Experienced Revenue Increases	
	Number	Percent
FY 2003	6	20.0%
FY 2004	7	23.3%
FY 2005	8	26.7%

N=30 (100%)

Tables 7-1. Size of Operating Revenue Increases Experienced by
U.S. Public Libraries, FY 2003-05

Size of Revenue Increase	Fiscal Year		
	FY 2003	FY 2004	FY 2005
1-2%			
Number	51	46	52
Percent of libraries	11.0%	9.8%	11.2%
3-4%			
Number	31	41	33
Percent of libraries	6.7%	8.8%	7.0%
5-6%			
Number	14	18	25
Percent of libraries	3.1%	3.9%	5.4%
7-8%			
Number	5	8	8
Percent of libraries	1.2%	1.7%	1.6%
9-10%			
Number	12	12	13
Percent of libraries	2.5%	2.6%	2.8%
11% or More			
Number	10	17	24
Percent of libraries	2.1%	3.6%	5.2%

Table 8-1. Areas Impacted by Operating Revenue Increases for U.S. Public Libraries, FY 2003-05

Area of Revenue Increase	Fiscal Year		
	FY 2003	FY 2004	FY 2005
Hours Number	19	22	29
Percent of libraries	4.1%	4.7%	6.2%
Staffing Number	65	76	89
Percent of libraries	13.9%	16.2%	19.0%
Materials Number	91	105	120
Percent of libraries	19.4%	22.4%	25.6%
Electronic Access Number	44	57	58
Percent of libraries	9.4%	12.2%	12.4%

Table 9-1. Comparability of Operating Revenue Increases Experienced by U.S. Public Libraries with Increases Experienced by Other Local Government Agencies and Offices, FY 2003-05

Comparability Of Revenue Increase	Fiscal Year		
	FY 2003	FY 2004	FY 2005
Greater Number	26	42	39
Percent of libraries	5.6%	9.1%	8.2%
Same Number	69	75	74
Percent of libraries	14.7%	16.1%	15.8%
Less Number	22	21	32
Percent of libraries	4.8%	4.4%	6.8%
None Number	65	56	57
Percent of libraries	14.0%	12.0%	12.2%

Table 10-1. Causes of Operating Revenue Decreases and Increases Experienced by U.S. Public Libraries, FY 2003-05

Causes of Revenue Decrease/Increase	Fiscal Year		
	FY 2003	FY 2004	FY 2005
Levy Increase or Other Tax Measure Number	95	83	93
Percent of libraries	20.3%	17.8%	19.9%
Levy Decrease or Other Tax Measure Number	28	38	31
Percent of libraries	5.9%	8.1%	6.7%
Budget Surplus Number	22	32	35
Percent of libraries	4.6%	6.9%	7.5%
Budget Shortfall Number	42	57	47
Percent of libraries	9.0%	12.2%	10.1%

Table 11-1. Anticipated Change in FY 2006 Operating Budgets for U.S. Public Libraries

Anticipated Change	Libraries That Experienced Revenue Increases	
	Number	Percent
Improvement in operating budgets from local tax revenue	144	32.4%
Stay about the same as the last three fiscal years	259	58.2%
More reductions than in the past three fiscal years	42	9.4%

N = 445

Note: Excludes blank and “don’t know” responses