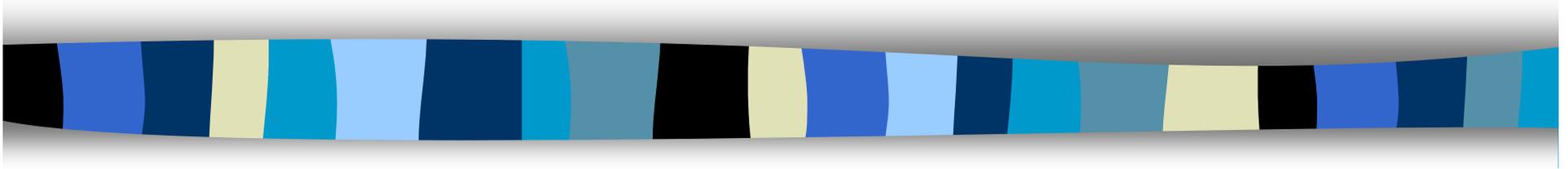
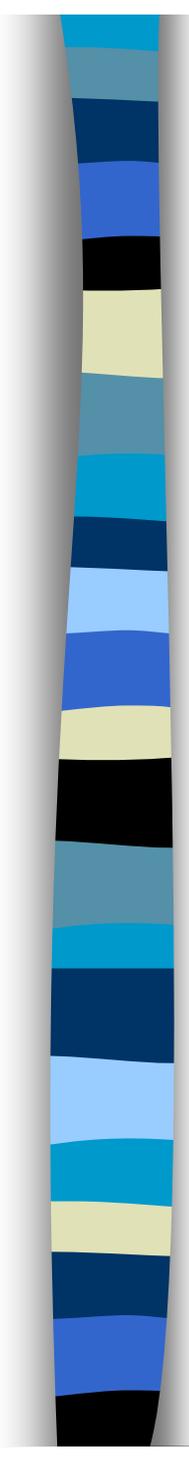


State Aid in North Carolina

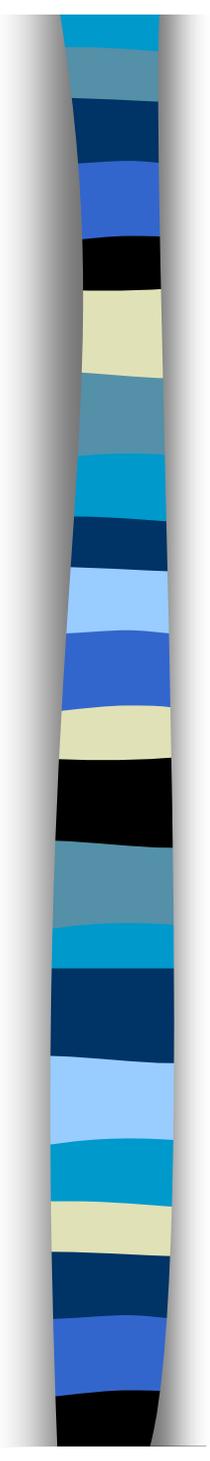


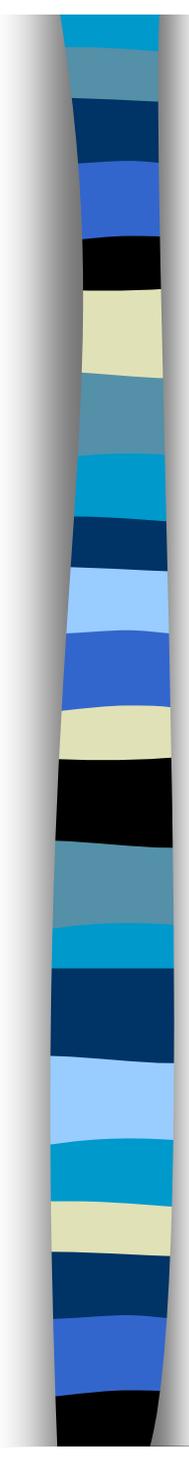
Cal Shepard
State Library of NC

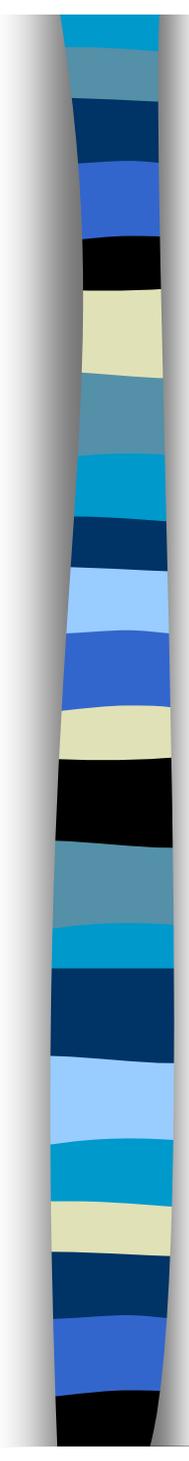


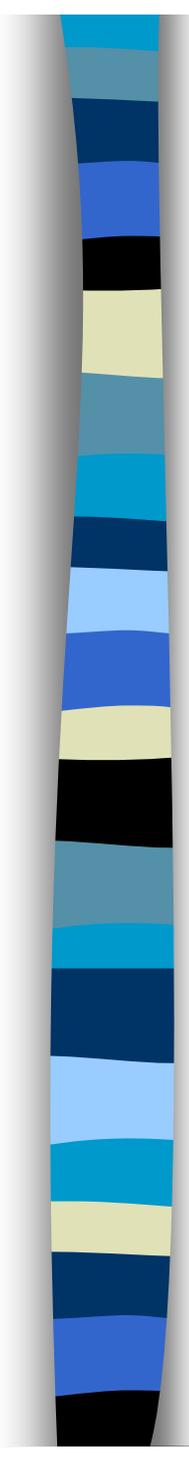
Background Information

- 1700 - 1800's - The first libraries were subscription libraries supported by members' dues. Libraries were located in larger cities.

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- Many early public libraries were authorized by separate acts of the **General Assembly.**
 - 1909 - The General Assembly established the North Carolina Library Commission to aid in organizing new libraries and improve those already in existence. There were 15 town libraries in the state at that time.

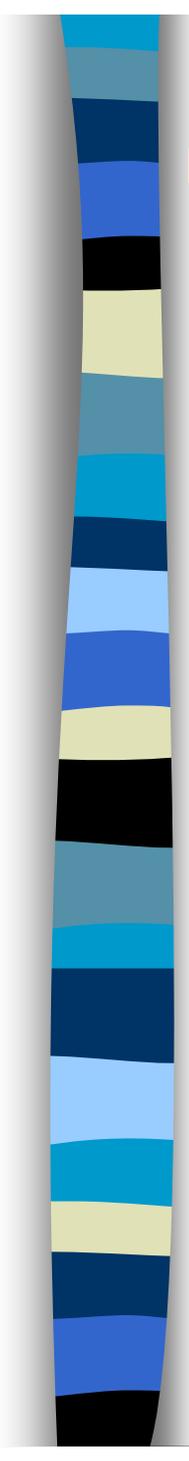
- 
- 1911 - Legislature passed a law providing for the establishment and maintenance of public libraries by **incorporated towns**.
 - 1920's - By the end of the decade there were 72 public libraries in the state; 30 were tax-supported. Many rural areas still had no access to public libraries.
 - 1927 - General Assembly amended the library law to allow **counties** to establish public libraries

- 
- 1930's - Library service to rural areas increased greatly due to the WPA project which funded personnel, bookmobiles, and libraries.
 - 1933 - Public library law was extended to permit establishment of **regional libraries**.



State Aid Program

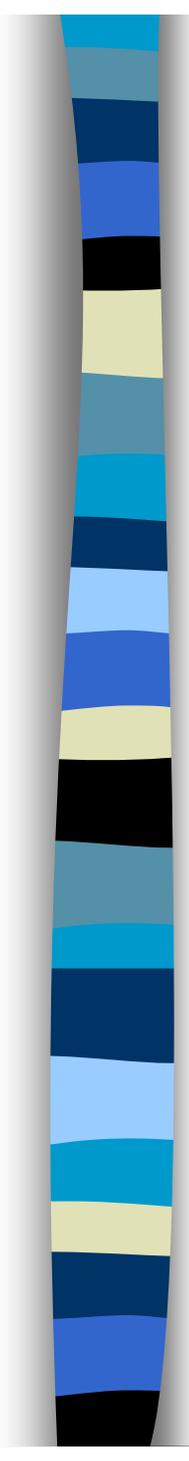
- 1930's - The Library Commission sought support for state funding for public libraries.
- 1937 - State Aid bill was ratified by the General Assembly - no appropriation was attached.



- 1941 - G.A. appropriated \$100,000 for State Aid

- The purpose of state aid was “to improve, stimulate, increase, and equalize public library service to the people of the whole state.”

- Allocated as equal block grants (\$900) to each county with the provision that the county would provide library service for *all* its citizens.
 - 76 counties qualified to receive funding, unclaimed block grants were reallocated equally.

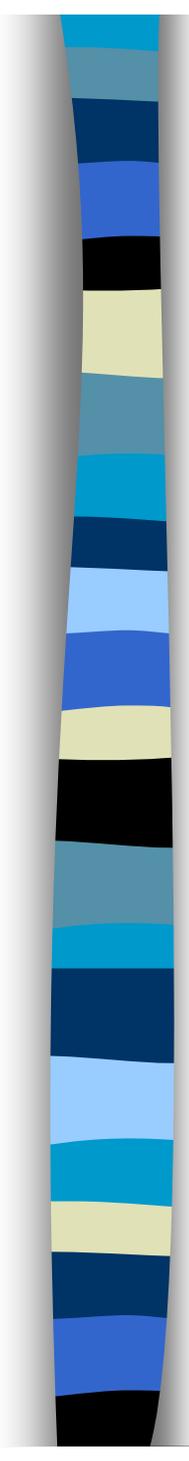


- 1941 - 1951

- State aid granted as equal block grants to participating counties, unclaimed funds were redistributed.

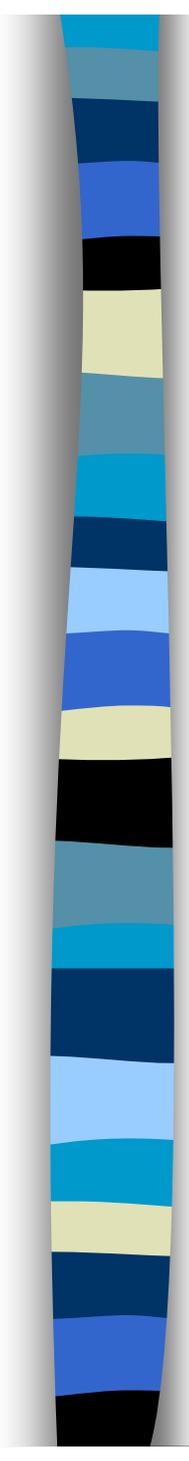
- Beginning in 1951

- The Library Commission began introducing categorical grants
 - Personnel
 - Special Collections for Interlibrary Loan
 - Film Project
 - Per Capita
 - Regional Grants



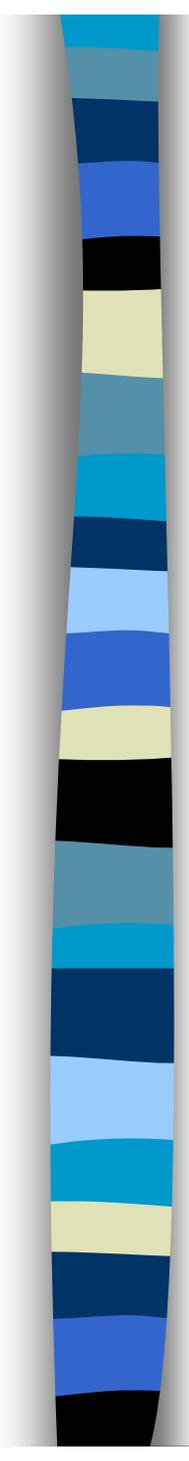
■ Categorical Grants

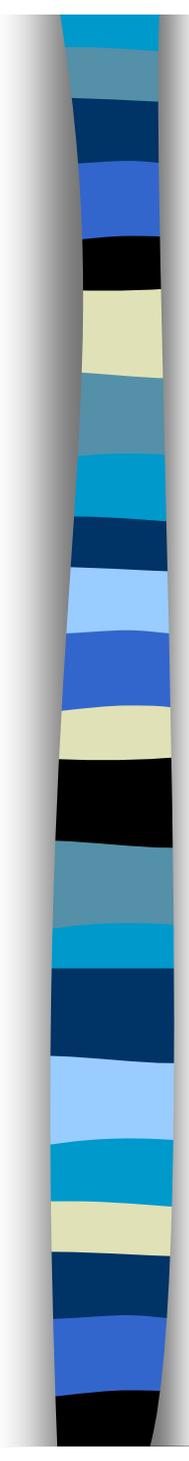
- Different categories of grants came and went over the years.
- Block grants continued but the funds available for block grants were reduced with the introduction of categorical grants.
- For example: 1954-55
 - \$3,600 For each block grant
 - \$10,000 for the Film Project
 - \$3,300 for Interlibrary Loan Collections
 - \$16,700 for personnel grants

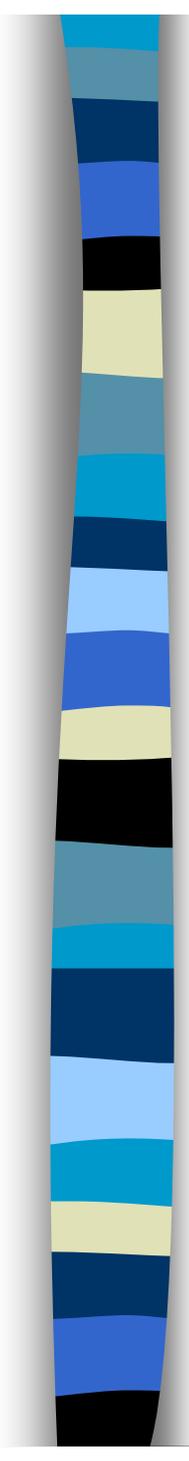


- State Aid increased every year

– 1941 - 42	\$100,000
– 1951 - 52	\$371,763
– 1961 - 62	\$463,602
– 1971- 72	\$2,088,004
– 1981 - 82	\$4,789,462
– 1991 - 92	\$10,699,669
– 1998 - 99	\$16,949,669

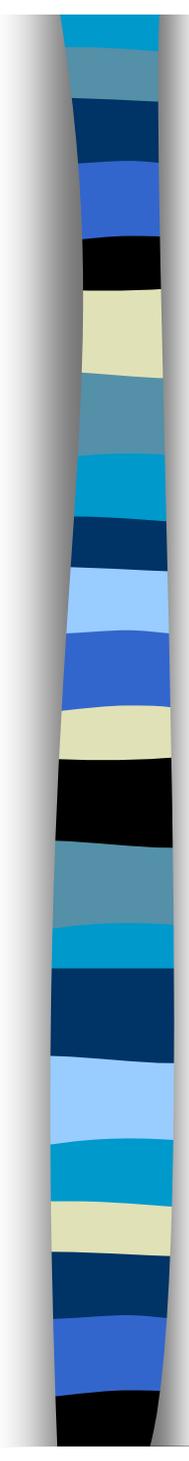
- 
- 1956 - ALA published minimum standards for public libraries
 - Many small libraries were operating below minimum standards
 - Libraries were urged to band together into larger systems
 - 1959 - State Library approved regional incentive grants to encourage the formation of new regions. (There were 7 regional libraries at the time.)

- 
- 1961 - 64
 - 8 new regional libraries were formed. (No new regions have been established since 1964. Currently there are 15 regional systems comprising 49 counties.)
 - Unlike some other categorical grants, regional grants continued through the 1970's.



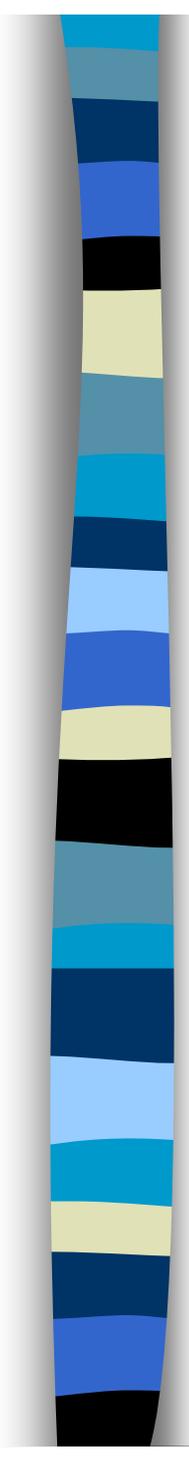
- 1970's

- State Aid appropriations began to level off.
- The impact of this leveling was that categorical grants took up a bigger portion of the state aid pie.
- Because regional libraries were the main beneficiaries of categorical grants, they received a high percentage of state aid money.



■ 1970's

- Librarians statewide were concerned with the perceived inequities of the current formula.
- A committee to review state aid was appointed by DCR Secretary Sara Hodgkins and they held 8 public hearings around the state.



- 1979

- Interim formula was introduced

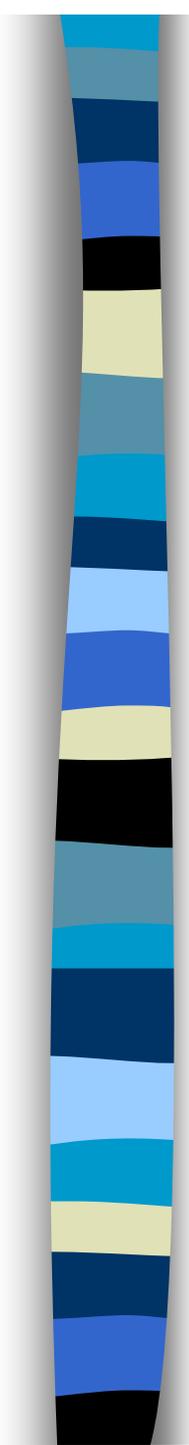
- Inflation increase
- Per Capita grant
- Municipal libraries received state aid for the first time

- '79 - 83

- Interim formula used to calculate state aid while the study committee was creating a new state aid formula.

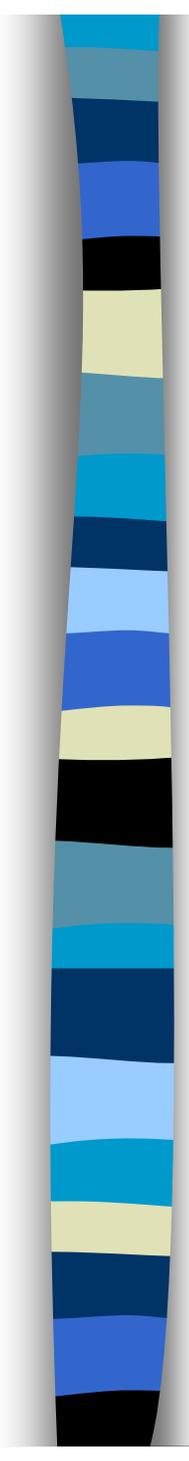
- FY 1983 - 1984

- Current state aid formula introduced



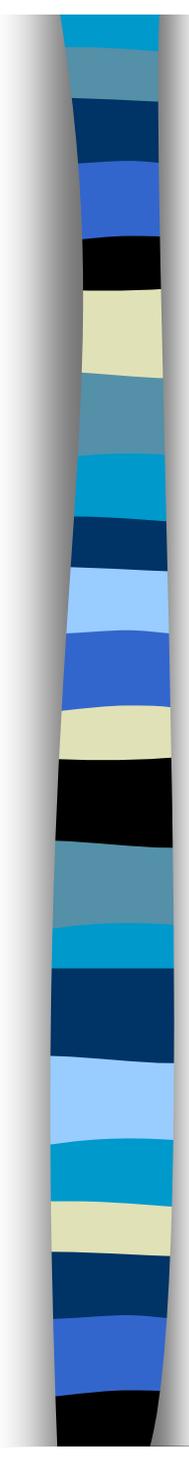
State Aid Formula

- State Aid is allocated as follows:
 - 50% as Block Grants
 - 50% as Per Capita Income Equalization Grants



Block Grants

- One grant to each county in the state (100)
- One additional grant given to each regional library system (15)
- Municipal libraries do not receive block grants



- Formula for calculating Block Grants:

- 50% of state aid amount / 115
(100 counties & 15 regions)

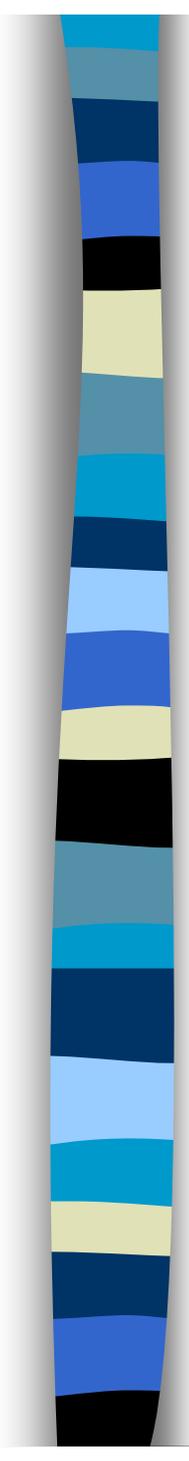
- Example

- If State Aid is \$10,000,000

- Block grant calculation is

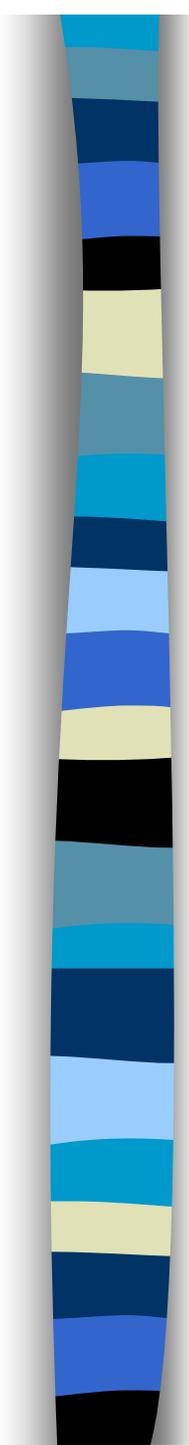
- $$\$5,000,000 / 115 = \$43,478$$

- Each block grant is \$43,478



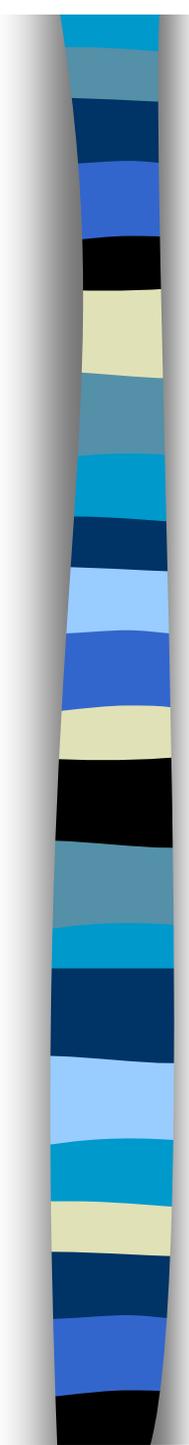
For example...

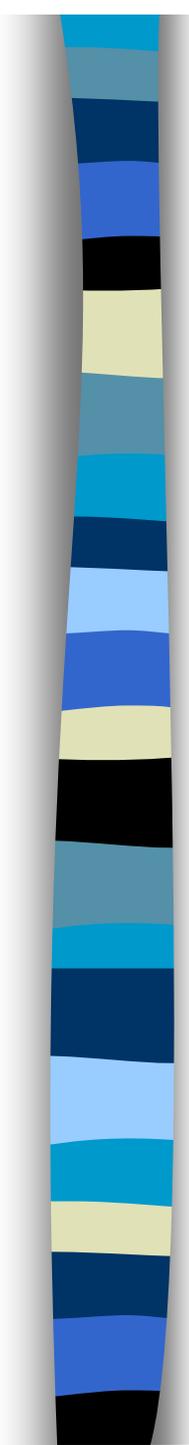
- Forsyth County receives 1 block grant of \$43,478
- Nantahala Region receives 4 block grants:
 - 1 for each of 3 counties
 - 1 for the region itself
 - Total of \$173,912 (4 X \$43,478)

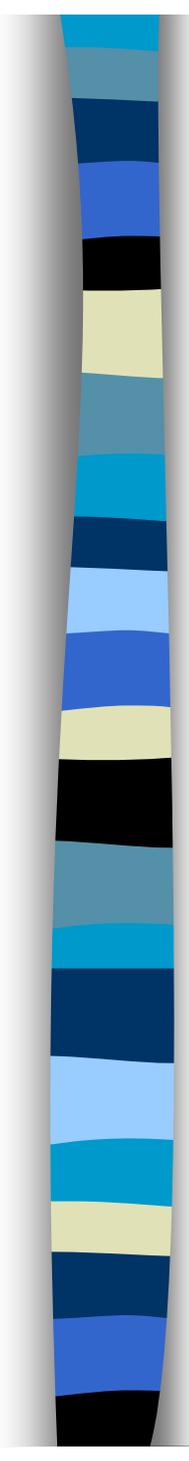


Per Capita Income Equalization Grant

- Two components of this grant
 - Per capita
 - Equalization
- The two components recognize that if you have *more* people or *poor* people - you need more money.

- 
- **Per capita** - Each library receives a certain amount of money per person in the legal service population.
 - Libraries serving larger populations need more money.
 - Think of the amount of money per person as shares - libraries serving larger populations get more shares.

- 
- **Equalization** - the amount of money received per person is higher where the local per capita income is lower.
 - The libraries who serve the poorest populations need more money
 - Think of the amount of money per person as shares - libraries serving poorer populations get shares of higher value.

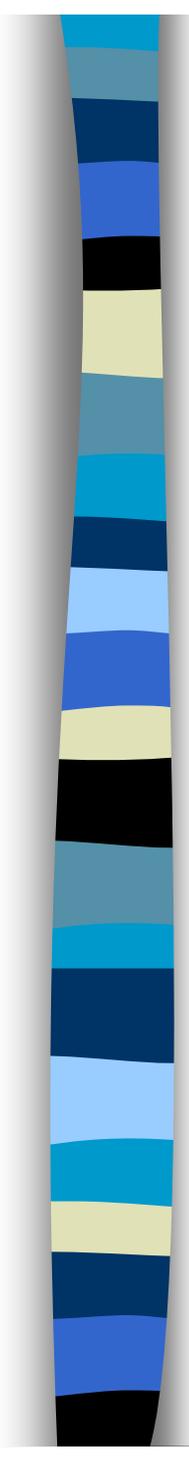


Per Capita Income Equalization Grant

- So the two components of this grant are:

The **number** of shares received

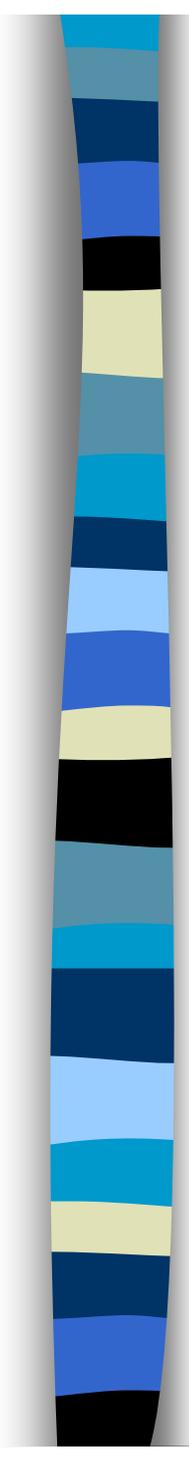
The **value** of shares received



For example...

- Southern Pines - \$17,384 pci
- Halifax County - \$7,892 pci

- Southern Pines
 - grant per capita - \$.49
- Halifax County
 - grant per capita - \$1.08



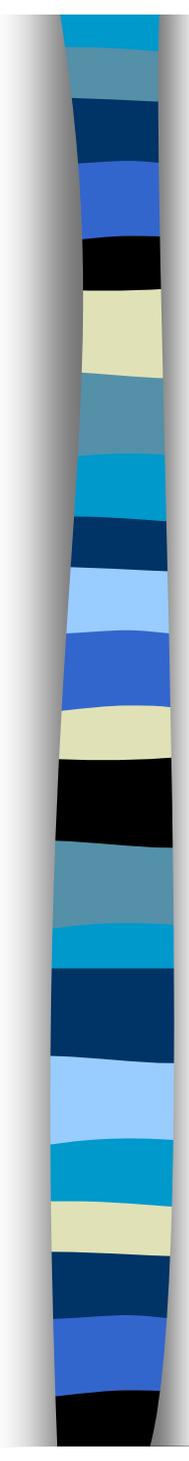
Formula for calculating PCIE Grants

State per capita income
Local per capita income

X state rate

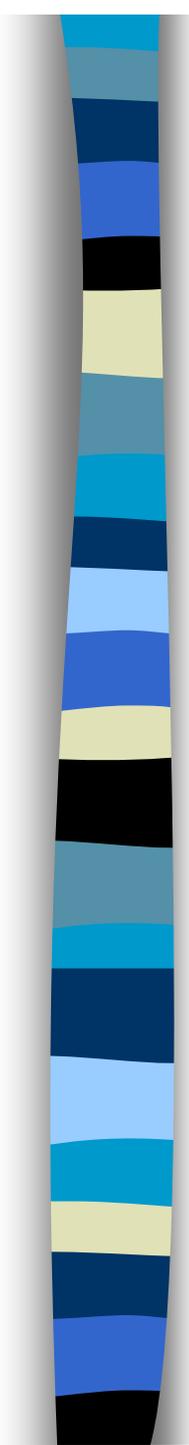
X local population

= Per Capita Income Grant



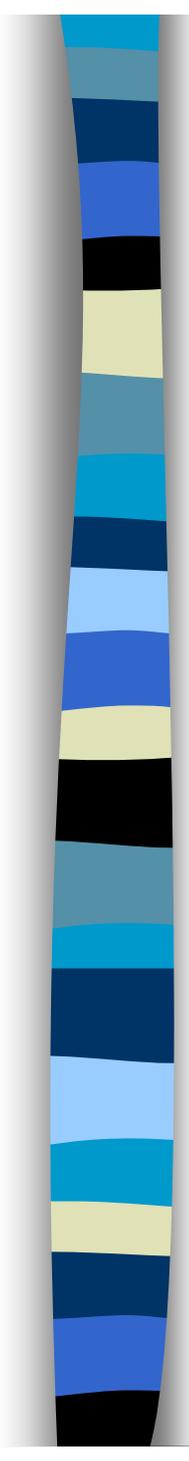
Formula for calculating State Rate

$$\frac{\frac{50\% \text{ of State Aid}}{\text{Average (State pci / Local pci)}}}{\text{State population}} = \text{State Rate}$$



State Rate

- State Rate = 1 baseline share.
- The state rate figure is what the per capita grant would be if all 75 library systems had the same per capita income.



- Halifax County

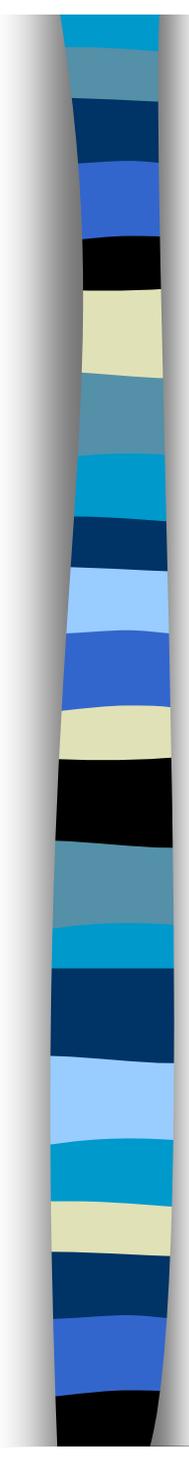
$(\$12,885 / \$7,892) \times .6641331 \times 40,394$

(state pci / Halifax pci X state rate X Halifax Pop.)

$1.63 \times .6641331 \times 40,394$

\$1.08 X 40,394

\$43,728



- Southern Pines

$(\$12,885 / \$17,384) \times .6641331 \times 9,860$

(state pci / So. Pines pci X state rate X So. Pines Pop.)

$.74 \times .6641331 \times 9,860$

$\$.49 \times 9,860$

$\$4,846$