

Library Structure & Funding



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and



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Original 2014 Presentation with addition slides by Marilyn Mullen.

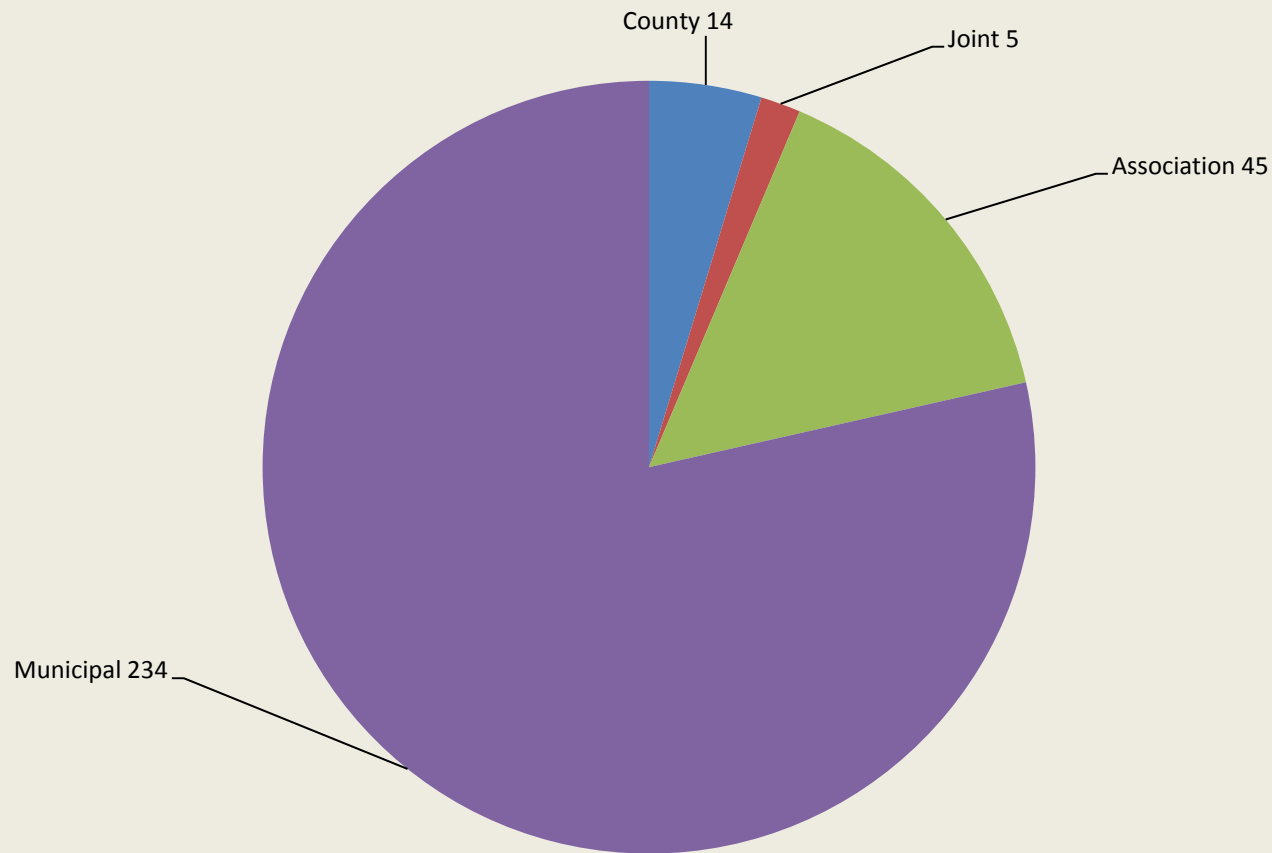
Establishment of Public Libraries

- Municipal and joint municipal libraries are established by referendum (NJSA 40:54-2, municipal; NJSA 40:54-29.6, joint municipal)
- County library systems are established by referendum with two exceptions (NJSA 40:33-2, general, 12 county libraries; NJSA 40:33-5.1, Cumberland; NJSA 40:33-15 Morris)
- Association libraries are established according to the *Nonprofit Corporation Act* (NJSA 15A:1-1) and become public by agreeing to accept public funds and serve the public (NJSA 40:54-35)

Municipal & Joint Municipal Library Board Membership

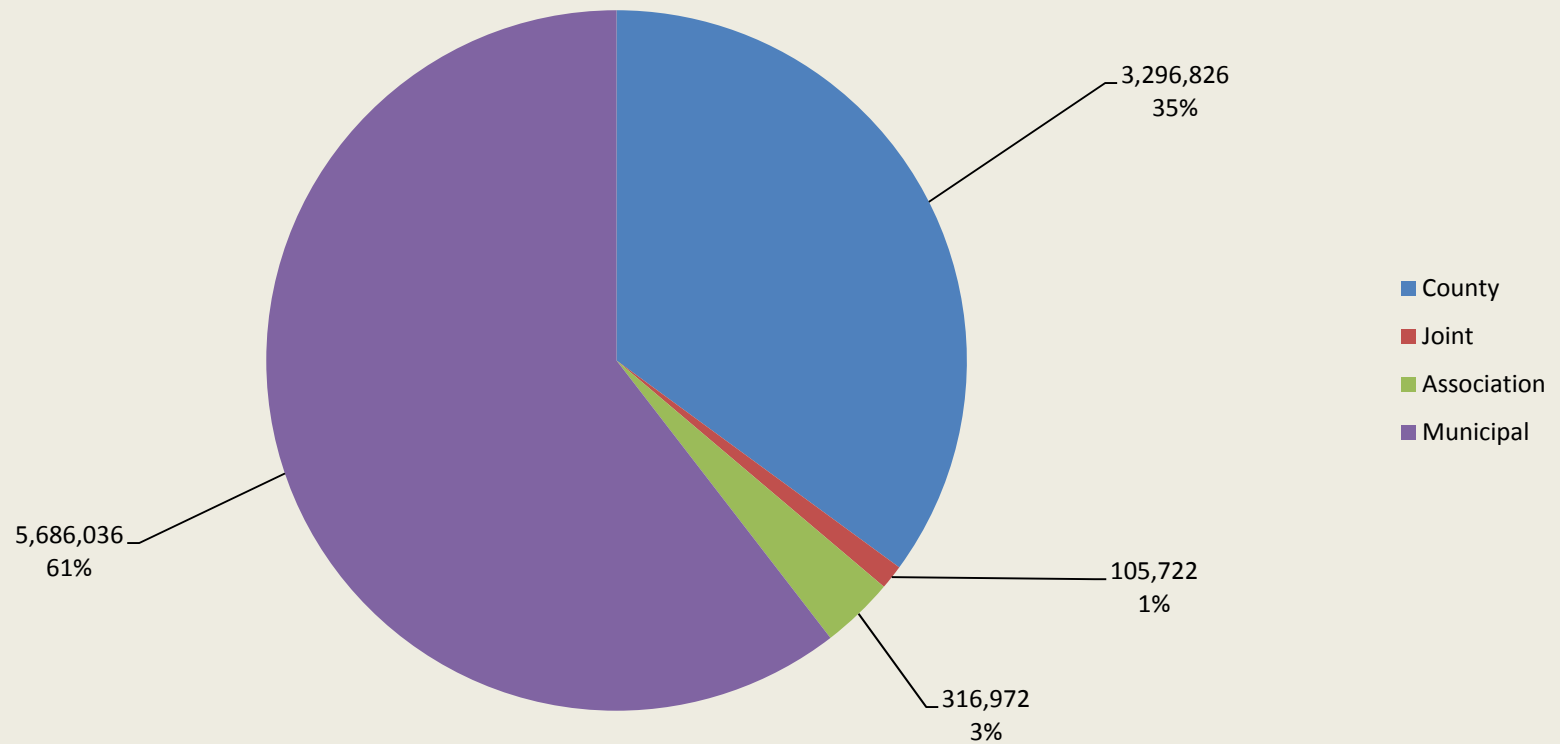
- The mayor or other chief executive officer of the municipality, and the superintendent of schools are ex officio members and vote
- All appointments are for a term of 5 years, except in the case of appointments to fill vacancies occurring other than by expiration of term, in which case the appointment is for the unexpired term only (NJSA 40:54-10)

Four Types of Public Library Governance in New Jersey



Population Served by Type

Percentage of State Population Served by Governance Type



Types of Public Libraries in NJ

LIBRARY TYPE	LEGAL AUTHORITY	FORMATION	GOVERNING BOARD	LOCAL TAX FUNDING	SERVICE AREA	2013
MUNICIPAL	N.J.S.A. 40:54-1, et seq. (All municipal libraries formed prior to this law are also covered by this law.)	Established by referendum. (1884 referendum required just for cities; 1905 referendum required for all); trustees file incorporation papers.	Board of trustees composed of the mayor or the mayor's alternate, the superintendent of schools or the superintendent's alternate, and five to seven citizens appointed by the mayor.	Local property taxes with a minimum level of 1/3 of a mill on each dollar of assessable property within the municipality based on the equalized valuation.	Serve municipality's residents. Some serve residents of other municipalities via shared services agreement/s. In Morris and Cumberland counties, all municipalities are part of the county library system.	234
JOINT	N.J.S.A. 40:54-29.3 to 29.25; N.J.S.A. 40:54-1, et seq. (general municipal library law also applies to joint).	Governing bodies of two or more municipalities prepare a joint library agreement which is approved by every participating municipality (resolution), then form joint library by referendum; trustees file incorporation papers upon formation.	Trustees for each municipality include the mayor or the mayor's alternate, the superintendent of schools or the superintendent's alternate, and three citizens appointed by the mayor of each participating municipality.	Local property taxes with a minimum level of 1/3 of a mill on each dollar of assessable property within the municipalities based on the equalized valuation of all participants. Portion paid is determined by contract.	Serve residents of member municipalities. Some serve residents of other municipalities via shared services agreement/s. In Morris County, all municipalities are part of the county library system. Cumberland has no joint libraries.	5
ASSOCIATION	N.J.S.A. 15A et seq. (NJ Nonprofit Corporation Act); N.J.S.A. 40:54-35 permits municipality support.	Trustees file incorporation papers; incorporation renewed annually. May also file for tax-exempt status (501(c)3).	No less than 3 trustees selected by association members; terms according to bylaws.	Most (35) association libraries receive services paid for through the county library dedicated tax. May receive support from a municipality.	Area served by county library in 12 counties with county library; municipality/ies if in a county without a county library; In Morris and Cumberland counties, all municipalities are part of the county library system.	45
COUNTY	N.J.S.A. 40:33-1 et seq.	Thirteen of the fourteen county libraries established by referendum; Cumberland, by special legislation allowing establishment by resolution; Morris originally established by referendum and modified.	Freeholders appoints a five to seven person county library commission; Atlantic and Mercer under the authority of the county executive; Sussex and Morris operate as divisions of the county.	12 county libraries are supported by all municipalities without municipal or joint libraries. Cumberland and Morris are supported by all municipalities in the county.	12 county library systems serve all municipalities in county without municipal or joint libraries. Cumberland and Morris serve all municipalities in the county.	14
Questions about this document: Victoria Rosch, vrosch@njstatelib.org					TOTAL Library Administrations	298

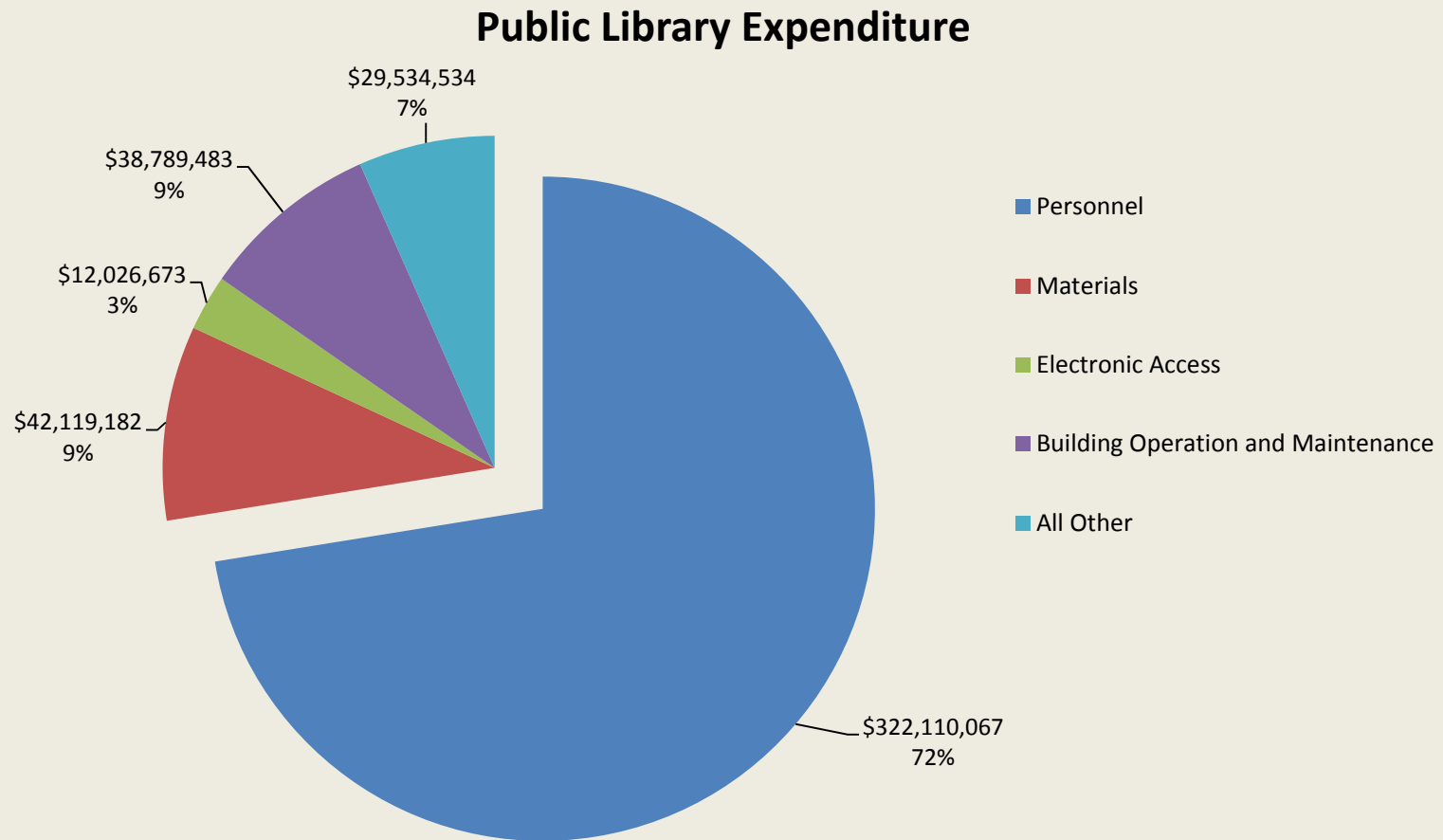
MUNICIPAL Libraries

LEGAL AUTHORITY	FORMATION	GOVERNING BOARD	LOCAL TAX FUNDING	SERVICE AREA
<p>N.J.S.A. 40:54-1, et seq. (All municipal libraries formed prior to this law are also covered by this law.)</p>	<p>Established by referendum. (1884 referendum required just for cities; 1905 referendum required for all); trustees file incorporation papers.</p>	<p>Board of trustees composed of the mayor or the mayor's alternate, the superintendent of schools or the superintendent's alternate, and five to seven citizens appointed by the mayor.</p>	<p>Local property taxes with a minimum level of 1/3 of a mill on each dollar of assessable property within the municipality based on the equalized valuation.</p>	<p>Serve municipality's residents. Some serve residents of other municipalities via shared services agreement/s.</p> <p>MURAL Agreement for Middlesex and Union County Libraires</p>

Powers of Municipal and Joint Library Boards

- The board shall hold in trust and manage all property of the library (NJSA 40:54-12)
- It may rent rooms (for the use of the library), **construct buildings** for the use of the library, purchase books, hire staff, fix their compensation, make rules and regulations for the government of the library, and do all things necessary for the maintenance of the free public library
- If the municipality participates in the NJ Civil Service system, the library board registers as the appointing authority and appoints someone (usually the director) to act on its behalf

Public Library Expenditures



General Local Government Agency Requirements

- Funding may only be raised as permitted by law
- Any funding, including gifts, must be spent according to the law
- Anything purchased with government funds or received as a donation is government property and may only be disposed of according to law
- Record retention, including electronic records, must be maintained according to law

Government Transparency

Open Public Meetings Act (Sunshine Act)

<http://hpcpsdi.rutgers.edu/NJHPG/downloads/Sunshine%20Laws.pdf>

Open Public Records Act (OPRA)

<http://www.nj.gov/grc>

Note: Association libraries do not have to comply with the requirements, but should as a “best practice” if they accept public funds.

Funding Process

- Plan of service is developed and updated annually; include nonusers as well as users in research
- Using the plan and input from staff, director develops the draft budget for the trustees' budget committee
- Budget committee reviews and presents to full board

Funding Process

- Full board approves and delegates someone (often board president) to present to local government
- For municipal and county libraries if tax dollars above the legislated minimum need to be raised to support the budget, local government approves total amount (not individual lines)
- Depending on local custom, local government officials may act as consultants as the budget is built

Funding by Property Taxes

- Minimum support for municipal and municipal joint libraries is 1/3 mill (about \$33.33 per \$100,000) on equalized evaluation of Property Taxes (NJSA 40:54-8); over half of the libraries are funded above this amount
- Minimum support for county libraries is 1/15 mill (about \$6.66 per \$100,000) on the "apportionment valuation" (NJSA 40:33-9); all county libraries are funded above this amount
- Association libraries are funded by the municipality at the municipality's discretion

Other Funding & Support Sources

- Fines, photocopy fees, interest
- Grants, gifts
- Friends group for ongoing support; Foundation for large projects or endowment
- National Endowment for the Humanities, NJ Historical Commission, National Endowment for the Arts (Big Reads), IMLS Sparks! Ignition, etc.
- Interlocal services agreements may help expand service at reduced cost

State Library Budget Cuts 2010



Statewide Library Support

- Summer Reading
- LibraryLink NJ (grants, training, delivery service and more)
- New Jersey Library Association
- JerseyCat Interlibrary Loan
- JerseyClicks (full-text databases)
- JerseyConnect (Internet access, email and more)
- Reference Referral Centers: NJSL, Newark Public Library, Rutgers, UMDNJ

Recently Enacted Legislation

P.L. 2013, c. 56. States that a municipal public library established by referendum can only be dissolved by the voters through a referendum. Provides a parallel dissolution structure for municipal libraries as had been provided for county and joint libraries.

P.L. 2011, c. 38. Provided a dedicated line on the property tax bill to fund municipal free public and joint public libraries thus removing library funding from the 2% cap. Parallels county library law.

NJSA 40:54-15 Annual report, identification of excess funds to municipality, transfer procedure. (Enacted 2008, Amended 2010)

a. The board of trustees shall make an annual report to the chief financial officer of the municipality which shall include a statement setting forth in detail all public revenues received by the library, all State aid received by the library, all expenditures made by the library and the balance of funds available.

Notwithstanding the requirements of R.S.40:54-8 pertaining to the amount required to be raised and appropriated for library purposes, **the annual report shall identify excess funds that the board is required to approve and transfer to the municipality as miscellaneous revenue.** The excess funds transferred shall be any amount that exceeds the sum of the amount of the audited operating expenditures of the library for the most recent available year, plus an additional 20% of those operating expenditures, **excluding: (1) funds restricted for capital projects and grants; and (2) any devise, bequest, or donation** made to establish or maintain the free public library, to be maintained as surplus. The annual report shall also include an analysis of the state and condition of the library and shall be sent to the municipal governing body and to the State Library. The State Librarian shall prescribe by regulation the form of all such reports.

b. (1) Except as limited in paragraph (2) of this subsection, the board of trustees of a municipal free library shall adopt a resolution of its intent to transfer excess funds to the municipality, as identified in its annual report pursuant to subsection a. of this section.

(2) The board of trustees of a municipal free library established after the effective date of P.L.2008, c.8 shall not adopt a resolution of intent pursuant to this subsection before the eighth budget year following its establishment.

NJSA 40:54-15 Annual report, identification of excess funds to municipality, transfer procedure continued.

c. Once the board of trustees has adopted a resolution of intent pursuant to subsection b. of this section, it shall forward the resolution to the State Librarian for approval, along with any other information required by the State Librarian and in accordance with procedures and forms promulgated by the State Librarian in consultation with the Director of the Division of Local Government Services in the Department of Community Affairs. The State Librarian shall approve any resolution upon a determination that all of the following provisions are met:

(1) the municipal free library will still retain a sum equal to the amount of the audited operating expenditures of the library for the most recent available year plus an additional 20% of that amount, excluding: (a) funds restricted for capital projects and grants; and (b) any devise, bequest, or donation made to establish or maintain the municipal free library, to be maintained as surplus;

(2) the municipality and the municipal free library are in compliance with all conditions imposed by rule or regulation promulgated by the State Librarian for per capita library aid to public libraries according to the "state library aid law," N.J.S.18A:74-1 et seq., and pertaining to appropriations for the maintenance of a municipal free library according to R.S.40:54-8 or section 2 of P.L.1959, c.155 (C.40:54-29.4) in the case of a joint free public library;

(3) there are sufficient funds remaining in the municipal free library's operating budget for the maintenance of the library for the balance of the fiscal year in which the transfer of funds to the municipality occurs; and

(4) the library board of trustees has a written plan of at least three years that reflects that the long-term funding needs of the library will be met, and that any capital expense will contribute to the provision of efficient and effective library services, and that the written plan has been **approved by the State Librarian.**

d. Upon approval of its resolution of intent by the State Librarian pursuant to subsection c. of this section, the board of trustees shall cause the amount of the excess funds identified in its resolution to be transferred to the municipality.

TRANSFER FORM 2019

Name of Library: Cranbury Public Library	
Current Budget Year: 2019	
Current year funding from municipality	\$551,307
Carry forward from prior year (all funding under the trustees' control except funds restricted for capital projects and grants)	\$87,927
Miscellaneous revenue anticipated (include gifts, fines, fees and PCSA used for operating budget; exclude capital, grants and PCSA if used for capital)	\$4,300
Total available funds (automatic sum)	\$643,534
Audited operating expenditures of the library for the most recent available year (exclude funds reserved for capital projects and grants)	\$507,139
20% of audited operating expenditures for the most recent available year	\$101,428
Total = 120% of audited operating expenditures for the most recent available year (current year budget may not be less than this amount) (automatic sum)	\$608,567
Current Year operating budget including PCSA if used for operating (may not be less than line 10.)	\$555,558
Current year funds to be restricted for capital projects and/or grants including PCSA if used for capital)	\$20,000
Temporary restriction of fund balance (prior and/or current year funds; must be equal to 20% of last audited budget) (automatic)	\$101,428
Total funding needed for current year (automatic)	\$676,986
Total available funds (Line 8) (automatic)	\$643,534
Total funding needed for current year (Line 17) (automatic)	\$676,986
Amount of <i>excess fund</i> transfer per resolution (Line 8-Line 17) (automatic)	(\$33,452) *

* *negative number indicates that no funds may be returned*

PROPOSED TRANSFER FORM 2020

Name of Library: Cranbury Public Library	
Current Budget Year: 2020	
Current year funding from municipality	\$606,012
Carry forward from prior year (all funding under the trustees' control except funds restricted for capital projects and grants)	\$131,748
Miscellaneous revenue anticipated (include gifts, fines, fees and PCSA used for operating budget; exclude capital, grants and PSCA if used for capital)	\$4,600
Total available funds (automatic sum)	\$742,360
Audited operating expenditures of the library for the most recent available year (exclude funds reserved for capital projects and grants)	\$479,543
20% of audited operating expenditures for the most recent available year	\$95,909
Total = 120% of audited operating expenditures for the most recent available year (current year budget may not be less than this amount) (automatic sum)	\$575,452
Current Year operating budget including PCSA if used for operating (may not be less than line 10.)	\$609,550
Current year funds to be restricted for capital projects and/or grants including PCSA if used for capital)	\$60,000
Temporary restriction of fund balance (prior and/or current year funds; must be equal to 20% of last audited budget) (automatic)	\$95,909
Total funding needed for current year (automatic)	\$765,459
Total available funds (Line 8) (automatic)	\$742,360
Total funding needed for current year (Line 17) (automatic)	\$765,459
Amount of <i>excess fund</i> transfer per resolution (Line 8-Line 17) (automatic)	(\$23,099) *

* negative number indicates that no funds may be returned

District Library Concept

- Developed to provide library service with a stable tax base to provide effective and efficient library service
- Building/s controlled by the trustees; trustees have power to bond
- Service area may be one municipality or many
- Millage rates established by voters

Advocacy on the Federal Level

Dear Marilyn,

The **American Library Association** advocacy called on you frequently in 2019 - to tweet, to email, to act, and to give. In the first few days of 2020, we wanted to be sure to report back, to let you know how it went, and to thank you.

As you know, our goal was to restore library funding after the White House proposed elimination for the third time last March. Short version: we did it and got a record increase!

Here are some quick highlights:

- We secured a \$10 million increase for the Institute of Museum and Library Services, including \$6.2 million for the Library Services and Technology Act - the largest increase in LSTA funding in 12 years.
- We protected the Innovative Approaches to Literacy program from elimination, safeguarding \$27 million in funding for school libraries.
- New advocates from all 50 states, Puerto Rico, the US Virgin Islands, and Washington D.C. joined the #FundLibraries campaign.
- Every member of Congress heard from ALA and our advocates about the importance of libraries and their impact in communities across the country. Without a doubt, this is the reason why library funding has steadily grown over the past three years.

In addition to your work on the #FundLibraries campaign, you stepped up big time to support the #eBooksForAll campaign - with 236,858 signatures and counting - helped to pass the GREAT Act, prepared libraries across the country for the 2020 Census, and continued pushing for increased library funding at the state and local levels.

We really just want to say thank you.

We say it a lot, but that's because it's true: we couldn't do any of this without you.

A big congratulations to you, ALA advocates, for these impressive and hard-fought victories. Thanks to your year-round advocacy, you have made these successes possible.

Let's get 2020 off to a strong start by thanking your elected officials for supporting library funding and sharing ALA's 2020 Congressional Calendar with your colleagues and planning how you can continue to engage year-round with your elected officials!

We look forward to building on these accomplishments in 2020 and seeing you at National Library Legislative Day in May.

Thanks again, The ALA Advocacy Team



I LOVE NJ LIBRARIES

What New Jersey Libraries Are Doing For You!

Website created for the public. Articles updated and 4 times a year a Newsletter is sent to our champions. About 15,000 names on our mailing list from the Library Champions campaign.

Ilovenjlibraries.org

Become a Library Champion Library Champions are people who love their libraries and want to be in the know about issues that may affect them. Library Champions' email addresses will be entered into a distribution list. When important library issues arise, we will email Library Champions. The Champions can then take appropriate action such as phone calls, emails to legislators or simply talking up the library to their neighbors. Any information you provide on this form will only be used to send you occasional emails about library issues. We will not sell your personal information or use it for any other purposes. (* indicates required field)

How You Can Get Involved

- Advocacy Week- April 13-19
Build relationships with legislators
- **Three ways to participate:**
- Make a visit to NJ Legislators local offices
- Engage legislators with emails through Capwiz
- Share the love with a **<3 Library Love Stories Video**

Resources for Additional Information

- Victoria Rosch: vrosch@njstatelib.org;
- Michele Stricker: mstricker@njstatelib.org
- Pat Tumulty: ptumulty@njla.org
- Conferences and workshops presented by NJSL (www.njstatelib.org), NJLA (www.njla.org) and LibraryLinkNJ (<http://librarylinknj.org>); United for Libraries (<http://www.ala.org/united/>)
- For analysis of pending legislation:
<http://www.njla.org/advocacy>
- www.njstatelib.org ; www.njla.org;
<http://www.njlibrarytrustees.org/>; www.ala.org



NJSL's Online Resources

- Full text of laws covering each type of public library (Part 1), State Aid (Part 4), Library Employees (Part 5), Purchasing (Part 6) and more at http://lss.njstatelib.org/library_law
- Printable Statutes and Regulations covering the establishment, operation and funding grouped by type of library at http://lss.njstatelib.org/director_resources
- Library Director Resources at http://lss.njstatelib.org/director_resources
- Library Trustee Resources at <http://lss.njstatelib.org/trustees>