

Legislative Analysis



COOPERATIVE LIBRARY BOARD POPULATION REQUIREMENT

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House Bill 4932 as enrolled
Public Act 288 of 2011
Sponsor: Rep. Jimmy Womack

House Committee: Local, Intergovernmental, and Regional Affairs
Senate Committee: Government Operations
Second Analysis (8-6-12)

BRIEF SUMMARY: The bill would amend the State Aid to Public Libraries Act to lower from 750,000 to 600,000 the statutory population requirement that must be attained before an existing library system--in this case, the Detroit Public Library system--can be designated as a cooperative library.

FISCAL IMPACT: Generally, the bill would have no fiscal impact on the state or local government, compared to current practice, as it would lower the population requirement applicable to the Detroit Cooperative Library to enable it to continue to receive state aid funding and to serve as the cooperative library for the Detroit Public Library.¹ For more detail about funding, see *Fiscal Information*.

THE APPARENT PROBLEM:

According to the Michigan Department of Education, there are 386 public libraries in Michigan, operated by cities (80), counties (16), districts (156), school districts (18), townships (101), and villages (15). The libraries are funded by revenue collected from penal fines that is distributed by county treasurers, and by per capita state aid payments calculated by the Michigan Department of Education. See *Background Information*.

The public libraries in Michigan have formed 11 cooperatives, allowing them to share administrative services, technical knowledge and equipment, and to optimize efficiency when purchasing goods and services. The regional cooperatives, established under the State Aid to Public Libraries Act (Public Act 89 of 1977), were created to ensure greater funding parity, taking into consideration a region's total population (updated after each decennial census), the square miles in its geographic service-area, and the population density within the cooperative's boundaries.

¹ The Detroit Cooperative Library's 2010 financial statement notes that, "the Cooperative is governed by a Board of Trustees Composed of the Members of the Detroit Library Commission. The Detroit Public Library is the initial, and currently the only, member of the Detroit Library Cooperative. Membership in the Detroit Library Cooperative is open to any local library meeting the requirements as set forth by the Cooperative and in Public Act 89 of 1977, as amended...The purpose of the Detroit Library Cooperative is to (1) extend and improve access to library services and materials for each child, youth, and adult of the Cooperative region appropriate to his or her informational and recreational needs, (2) improve and strengthen resources and services to member libraries, and (3) encourage continued growth and development of library services to the citizens of the State of Michigan."

Most of the 11 regional library cooperatives serve several counties, and all of the member public libraries within them. See *Background Information* for a list of all of Michigan's library cooperatives, and the counties they serve.

However, one of Michigan's 11 library cooperatives serves the City of Detroit, alone, since there are 23 branch libraries located within the 143 square miles that constitute the state's largest city. According to committee testimony, during 2010, the Detroit Public Library System had 354,000 library card holders, experienced 4.9 million library visits, and library patrons checked-out 2.4 million items.

Between 2000 and 2010, the population in Detroit dropped by nearly 25 percent, from 951,270 to 713,777 people, as recorded by the United States decennial census. The reduction in the city's population is now lower than the statutory 750,000 population threshold that enables the Detroit Public Library System to designate itself as a cooperative, and thereby eligible for per capita state aid.

Legislation has been introduced to lower the statutory population threshold to ensure that the City of Detroit remains a part of the Michigan Public Library Cooperative system.

THE CONTENT OF THE BILL:

House Bill 4932 would amend the State Aid to Public Libraries Act (MCL 397.556) to lower from 750,000 to 600,000 the statutory population requirement that must be attained before an existing library system can be designated as a cooperative library. (This appears to allow the current arrangement to stay in place despite the reduction in the city of Detroit's population below 750,000 in the most recent decennial census.)

In Michigan, cooperative boards representing local public libraries are established under the State Aid to Public Libraries Act, and approved by the Michigan Department of Education. The number of cooperative boards is determined by the department, in accord with Section 6 of the act. To be eligible for membership in a cooperative library, a local library must (1) maintain a minimum local support of three-tenths of a mill on taxable value, (2) participate in the development of cooperative library plans, (3) loan materials to other libraries participating in the cooperative library, and (4) maintain an open door policy to the residents of the state, as provided by Article VIII, Section 9 of the state constitution.

A system board of an existing library system serving over 750,000 people can petition the Department of Education for designation as a cooperative board. In these instances the department is required to designate that system board, as already constituted, as the cooperative board. House Bill 4932 would modify this provision, lowering the population threshold for cooperative designation from 750,000 to 600,000 people. Finally, the bill requires that when such cooperative designations take place, the department ensure that all of the communities served by the existing system continue to be included in the cooperative library.

Also under current law, a cooperative library includes those areas of the state consisting of one of the following:

- two or more counties with a total population of at least 100,000;
- one county plus portions of other counties with a population of at least 100,000;
- one county or portion of the county with a population of at least 400,000;
- portions of two or more counties with a population of at least 350,000; or
- combinations of counties or portions of counties serving a population of at least 50,000, if the region served has a population of 35 or fewer persons per square mile.

The law requires that the area covered by a cooperative library recognize the socioeconomic conditions within that area, as well as regions established for governmental purposes throughout the state. Further, a local board (meaning the local public library trustees or directors) placed in a cooperative library can petition the Michigan Department of Education asking to be placed in a different cooperative library, or to join with other local boards to form a cooperative library. Finally, a local board serving an area adjoining more than one cooperative library can determine the cooperative library in which it will participate. House Bill 4932 would retain all of these provisions unchanged.

BACKGROUND INFORMATION:

Michigan Public Library Per Capita Funding. For additional background concerning Michigan library per capita funding, see

http://www.michigan.gov/mde/0,4615,7-140-54504_54901_41254---,00.html

Michigan's Regional Library Cooperatives. The 11 regional library cooperatives in Michigan include: *Lakeland Library Cooperative* (serving libraries in Allegan, Barry, Ionia, Kent, Montcalm, Muskegon, Newaygo, and Ottawa counties); *Mid-Michigan Library League* (serving libraries in Antrim, Benzie, Clare, Grand Traverse, Gratiot, Kalkaska, Lake, Leelanau, Manistee, Mason, Mecosta, Missaukee, Montcalm, Oceana, Osceola, Roscommon, and Wexford counties); *Mideastern Michigan Library Cooperative* (serving libraries in Bay, Clare, Genesee, Ingham, Isabella, Lapeer, Midland, Oakland, Saginaw, and Shiawassee counties); *Northland Library Cooperative* (serving libraries in Alcona, Charlevoix, Cheboygan, Emmet, Montmorency, Oscoda, Otsego, and Presque Isle counties); *Southwest Michigan Library Cooperative* (serving libraries in Allegan, Berrien, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren counties); *Suburban Library Cooperative* (serving libraries in Macomb, Oakland, and Wayne counties); *Superiorland Library Cooperative* (serving libraries in Alcona, Alger, Alpena, Baraga, Chippewa, Crawford, Delta, Dickinson, Gogebic, Houghton, Iron, Luce, Mackinac, Marquette, Menominee, Ontonagon, Roscommon, and Schoolcraft counties); *The Library Network* (serving libraries in Livingston, Oakland, St. Clair, Washtenaw, and Wayne counties); *White Pine Library Cooperative* (serving libraries in Clare, Clinton,

Gladwin, Gratiot, Huron, Iosco, Arenac, Ogemaw, Saginaw, Sanilac, and Tuscola counties); *Woodlands Library Cooperative* (serving libraries in Barry, Branch, Calhoun, Eaton, Hillsdale, Ingham, Ionia, Jackson, Kalamazoo, Lenawee, Monroe, St. Joseph, and Van Buren counties); and *Detroit Library Cooperative* which serves the 23 branch libraries in the city library system.

FISCAL INFORMATION:

In some respects, the bill would have no fiscal impact on the state or local government, compared to current practice, as it would simply lower the population requirement applicable to the Detroit Cooperative Library to enable it to continue to receive state aid funding and to serve as the cooperative library for the Detroit Public Library.²

In FY 2010-11, the Detroit Cooperative Library received \$230,535 in state aid funding available through the Department of Education/Library of Michigan budget and the State School Aid Act. Under the State Aid to Public Libraries Act, cooperative libraries receive a payment of \$0.50 per capita (subject to proration based on available appropriations) for services provided to its member libraries, including a central pool or rotating book collection, in-service training, bibliographic services, audio-visual services, mobile book services or services to outlying areas, printing, centralized purchasing, reference services, and delivery services. Additionally, the State Aid to Public Libraries Act also provides that public libraries are to receive a payment of \$0.50 per capita (subject to proration based on available appropriations) to pay for services received by a cooperative library.³ Under this provision, the Detroit Public Library received approximately \$226,488 in FY 2010-11. For FY 2012-13, payments to the Detroit Cooperative Library and the Detroit Public Library for cooperative services will be lower, based on funding reductions for state aid to libraries and lower population figures (using the 2010 decennial census rather than the 2000 decennial census). Assuming House Bill 4932 were enacted, it is estimated that the Detroit Cooperative Library would receive a per capita payment of approximately \$158,100 (based on a lower per capita payment due to reductions in state aid to libraries and using the lower population figure from the 2010 decennial census), while it is estimated that the Detroit Public Library would receive a per capita payment for cooperative services of \$155,500.⁴

² The Detroit Cooperative Library's 2010 financial statement notes that, "the Cooperative is governed by a Board of Trustees Composed of the Members of the Detroit Library Commission. The Detroit Public Library is the initial, and currently the only, member of the Detroit Library Cooperative. Membership in the Detroit Library Cooperative is open to any local library meeting the requirements as set forth by the Cooperative and in Public Act 89 of 1977, as amended...The purpose of the Detroit Library Cooperative is to (1) extend and improve access to library services and materials for each child, youth, and adult of the Cooperative region appropriate to his or her informational and recreational needs, (2) improve and strengthen resources and services to member libraries, and (3) encourage continued growth and development of library services to the citizens of the State of Michigan."

³ There are 11 cooperative libraries in the state. The State Aid to Public Libraries Act permits the board of a public library placed in one cooperative to petition the Department of Education to be placed in a different cooperative.

⁴ Actual payments amounts are calculated by the Library of Michigan (LOM), after it receives annual reports and state aid applications from public libraries. Those reports are to be submitted to the LOM between October 1 and February 1, http://www.michigan.gov/documents/mde/lm_2011_LibraryStateAidProcessFor10-1-11_364790_7.pdf. Public libraries must meet certain financial and personnel requirements established by the State Aid to Public Libraries Act and the Department of Education/Library of Michigan.

ARGUMENTS:

For:

This legislation is necessary, in order to update the State Aid to Public Libraries Act to reflect the drop in Detroit's population during the past decade. In Michigan, there are 11 regional cooperatives that serve member libraries, including a cooperative that serves all of the branch libraries within the City of Detroit--identified under the law as a community having 750,000 or more residents. Libraries throughout Michigan--funded by revenue from penal fines, and per capita state aid--join a regional cooperative in order to be eligible for state aid. So as not to jeopardize the Detroit community's library funding, this bill drops the population threshold for Detroit's library cooperative to 600,000, because the 2010 U.S. decennial census indicates that Detroit's population--now at 713,777 people--is under the current 750,000 person threshold.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.