

**State Library
Budget No. 250
Senate Bill No. 2013**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriation	27.75	\$5,781,419	\$2,374,361	\$8,155,780
2017-19 legislative appropriation	<u>28.75</u>	<u>5,618,301</u>	<u>2,247,560</u>	<u>7,865,861</u>
2019-21 appropriation increase (decrease) to 2017-19 appropriation	(1.00)	\$163,118	\$126,801	\$289,919

Item Description

State aid to public libraries - The Legislative Assembly appropriated \$1,737,528 from the general fund for aid to public libraries, the same as the 2017-19 biennium.

Library Vision project - The Legislative Assembly appropriated \$237,500 from the general fund for grants relating to the Library Vision project for the 2019-21 biennium.

Coding club programs - A request for one-half of a \$249,000 grant from the federal Institute of Museum and Library Services for computer coding club programs for small and rural public libraries in fiscal year 2019, or \$124,500, was approved by the Emergency Commission and the Budget Section in 2018. The second half of the grant (\$124,500), which continues the program through fiscal year 2020, was included in the State Library's 2019-21 biennium budget request and approved by the Legislative Assembly. When additional funding became available, the State Library, in September 2019, received Emergency

Status/Result

Section 54-24.2-02 requires state aid grants to eligible public libraries be determined based on a formula that includes \$1 per capita for city libraries and \$1 per capita and \$5 per square mile for county libraries. Libraries must continue their maintenance of effort. The maintenance of effort requirement provides that a public library is not eligible to receive any state aid to libraries during a fiscal year if the governing body has diminished the appropriation for public library services below the average of the 3 preceding fiscal years. Each biennium no more than one-half of the legislative appropriation may be expended during the 1st year of the biennium. During fiscal year 2019, the 2nd year of the 2017-19 biennium, funding available totaled \$868,791. Based on the state aid formula, libraries were eligible to receive \$895,572, resulting in funding of 97 percent of the formula amount for which public libraries were eligible. Library state aid grant funding available during the 2019-21 biennium totals \$1,737,528; therefore, one-half of the appropriation, allocated to the 1st year of the biennium, will total \$868,764. Library grant requests are due May 31 for fiscal year 2020 state aid grants.

The North Dakota Library Coordinating Council reviewed grant requests in October 2019 and awarded 72 grants in three programs totaling \$157,478. Grants were awarded for innovative partnerships (10 grants totaling \$72,631), collection development (31 grants totaling \$59,847), and network infrastructure (31 grants totaling \$25,000). Another round of competitive grants will be made available in October 2020 for the remaining \$82,022. There were no statewide database grants awarded due to the implementation of new On-line Dakota Information Network (ODIN) database software. There are 10 to 15 libraries that would be eligible to add library records to the statewide library database.

Funding provided by the first grant for fiscal years 2019 and 2020 has allowed 50 public libraries to participate in coding activities from July 2018 through December 2019. Funding made available by the second grant, approved in September 2019, will allow another 25 public libraries to participate in coding club programs from January 2020 through June 2021.

Commission and Budget Section approval to increase federal funds spending authority by \$220,000 in the grants line item to extend the program through fiscal year 2021.

Audit report for the 2017-19 biennium - In November 2019 the State Auditor submitted the audit report of the State Library for the biennium ended June 30, 2019, to the Legislative Audit and Fiscal Review Committee.

In the audit report of the State Library for the biennium ended June 30, 2019, the State Auditor identified the following four findings:

- Finding 19-01 - Noncompliance with appropriation laws;
- Finding 19-02 - Noncompliance with appropriation laws for grants to public libraries;
- Finding 19-03 - Improper distribution of state aid to public libraries; and
- Finding 19-04 - Lack of city/county auditor certified applications.

The State Library has indicated they agree with the findings and are making changes to avoid similar findings in the future.