



OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

EVALUATION REPORT

Public Libraries

MARCH 2010

PROGRAM EVALUATION DIVISION
Centennial Building – Suite 140
658 Cedar Street – St. Paul, MN 55155
Telephone: 651-296-4708 • Fax: 651-296-4712
E-mail: auditor@state.mn.us • Web Site: <http://www.auditor.leg.state.mn.us>
Through Minnesota Relay: 1-800-627-3529 or 7-1-1

Program Evaluation Division

The Program Evaluation Division was created within the Office of the Legislative Auditor (OLA) in 1975. The division's mission, as set forth in law, is to determine the degree to which state agencies and programs are accomplishing their goals and objectives and utilizing resources efficiently.

Topics for evaluations are approved by the Legislative Audit Commission (LAC), which has equal representation from the House and Senate and the two major political parties. However, evaluations by the office are independently researched by the Legislative Auditor's professional staff, and reports are issued without prior review by the commission or any other legislators. Findings, conclusions, and recommendations do not necessarily reflect the views of the LAC or any of its members.

A list of recent evaluations is on the last page of this report. A more complete list is available at OLA's web site (www.auditor.leg.state.mn.us), as are copies of evaluation reports.

The Office of the Legislative Auditor also includes a Financial Audit Division, which annually conducts an audit of the state's financial statements, an audit of federal funds administered by the state, and approximately 40 audits of individual state agencies, boards, and commissions. The division also investigates allegations of improper actions by state officials and employees.

Evaluation Staff

James Nobles, *Legislative Auditor*

Joel Alter
Emi Bennett
Valerie Bombach
Jody Hauer
Deborah Junod
David Kirchner
Carrie Meyerhoff
Judith Randall
Sarah Roberts
KJ Starr
Julie Trupke-Bastidas
Jo Vos
John Yunker

To obtain a copy of this document in an accessible format (electronic ASCII text, Braille, large print, or audio), please call 651-296-4708. People with hearing or speech disabilities may call us through Minnesota Relay by dialing 7-1-1 or 1-800-627-3529.

All OLA reports are available at our web site:
<http://www.auditor.leg.state.mn.us>

If you have comments about our work, or you want to suggest an audit, investigation, or evaluation, please contact us at 651-296-4708 or by e-mail at auditor@state.mn.us



Printed on Recycled Paper



OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA • James Nobles, Legislative Auditor

March 2010

Members of the Legislative Audit Commission:

Public libraries in Minnesota are primarily funded and operated by local governments, but state government is involved in ways that have a significant impact. Therefore, the commission requested an evaluation by the Office of the Legislative Auditor.

We found that Minnesota uses a complex, multilayered approach for delivering public library services, with state government providing programs and financial assistance to regionally based library systems, not individual libraries. Although not free of problems, the system works reasonably well overall. Our principal recommendation related to structure is for the Legislature to eliminate multitype library cooperation systems and move their function and funding to the regional public library systems.

We also found that the state's "maintenance of effort" requirement for public libraries results in wide variations in what local governments contribute for library services. Of particular note, we found that cities which choose to operate libraries pay more than twice as much per resident as counties. However, the relationship between cities and counties in providing library services is controlled by local elected officials, and we do not make a recommendation for change in that aspect of the system.

This report was researched and written by Jo Vos (evaluation manager) and Emi Bennett. We received the full support of the Minnesota Department of Education, public library organizations, and individual public libraries throughout the state.

Sincerely,

James Nobles
Legislative Auditor

Table of Contents

	<u>Page</u>
SUMMARY	ix
INTRODUCTION	1
1. BACKGROUND	3
Definition of Public Library	3
Role of Public Libraries	4
Challenges Facing Public Libraries	5
2. ORGANIZATION	11
Administering Public Libraries	11
Strengths and Weaknesses	26
Role of State Library Services	32
3. REVENUES AND EXPENDITURES	37
Total Operating Revenues	37
Total Operating Expenditures	52
4. SERVICES	57
Resident Access	57
Library Use	60
National Comparisons	62
Conclusions and Recommendations	67
LIST OF RECOMMENDATIONS	73
APPENDIX A: Characteristics of Minnesota's Public Libraries, 2008	75
APPENDIX B: Public Library Access and Use by Population, 2008	79
APPENDIX C: Local Maintenance of Effort (MOE) Requirements, 2008	81
AGENCY RESPONSE	87
RECENT PROGRAM EVALUATIONS	89

List of Tables and Figures

<u>Tables</u>	<u>Page</u>
1.1 Public Library Directors' Ratings of Problems Their Libraries Are Currently Facing	8
1.2 Changes Public Library Directors Have Made or Will Make to Manage Their Budgets	9
2.1 Public Library System Governance Models in Minnesota, 2008	12
2.2 Minnesota Regional Public Library Systems, 2008	18
2.3 Minnesota Multitype Library Cooperation Systems, Fiscal Year 2009	22
2.4 State Services Provided to Regional Public Library Systems, 2009	25
2.5 State Library Services' Mission Statement, 2009	33
3.1 Total Operating Revenue by Regional Public Library System, 2008	39
3.2 Total Operating Revenue for Public Libraries, 2002-2008	40
3.3 City and County Maintenance of Effort Requirements by Regional Public Library System, 2008	46
3.4 How Local Governments' Maintenance of Effort Requirements Were Determined, 2008	47
3.5 Number of Counties at the State Minimum Maintenance of Effort, 1994-2008	48
3.6 State Appropriations for Public Libraries, 2008	51
3.7 Percentage of Public Libraries Receiving Revenue from Nongovernment Sources, 2009	52
3.8 Total Operating Expenditures by Regional Public Library System, 2002-2008	53
3.9 Operating Expenditures per Capita by Regional Public Library System, 2008	54
3.10 Public Library Operating Revenues and Expenditures per Capita by Population, 2008	55
4.1 Resident Access to Public Libraries by Regional Public Library System, 2008	58
4.2 Resident Access to Public Libraries, 2002-2008	60
4.3 Public Library Use by Regional Public Library System, 2008	61
4.4 Public Library Use, 2002-2008	62
4.5 Public Library Characteristics by State, 2007	65

<u>Figures</u>	
2.1 A Map of Minnesota's Public Library Buildings, 2009	13
2.2 A Map of Minnesota's Regional Public Library Systems, 2009	17
2.3 A Map of Minnesota's Multitype Library Cooperation Systems, 2009	21
3.1 Sources of Public Library Revenue, 2008	38

Summary

Public libraries are a local government service, but state mandates have significant impact.

Major Findings:

- Minnesota uses a complex, multilayered approach to deliver public library services, with local governments primarily responsible for funding and administering public libraries. (p. 11)
- State government plays an important “behind-the-scenes” role by providing programs and financial assistance to regionally based library systems, not individual libraries. (p. 23)
- In 2008, 138 counties, cities, and regional entities operated 135 public libraries with 359 buildings at a cost of \$202 million. (pp. 12, 53)
- State law requires counties and all cities choosing to operate a public library to maintain a minimum level of funding for library services, and most library revenue—84 percent in 2008—comes from local governments. (pp. 37, 40)
- Cities that choose to operate libraries were required to pay more than twice as much per resident for library services than counties in 2008. (p. 45)
- Although they vary widely in terms of services, regional public library systems have generally been effective in allowing libraries to share resources and expand services. (p. 27)
- Multitype library cooperation systems have had little positive effect on public libraries. (p. 31)
- Federated regional library systems, where counties and cities operate area libraries themselves, spent about 56 percent more per resident than consolidated systems, where the regional system operates one library for the entire area. (p. 54)
- But federated systems offered residents more library resources and were more heavily used in 2008. (pp. 57, 60)

Recommendation:

- To reduce duplication and enhance coordination, the Legislature should eliminate multitype library cooperation systems and move their function and funding to the regional public library systems. (p. 68)

Report Summary

Minnesota residents have had access to public library services for well over 100 years, beginning when Zumbrota and Faribault established the state's first public libraries in 1879. Since then, public libraries have evolved from simply buildings people visit to check out books to virtual environments that allow users to access library materials worldwide from home, office, and school computers 24 hours a day.

Public libraries serve many roles, both within and beyond the communities where they are located. They give all residents, regardless of income, free access to information, including printed materials, videos, recordings, electronic databases, and the Internet. They also provide a wide variety of programs and resources to promote literacy or lifelong learning such as computer classes, job training, and children's story time. Finally, public libraries serve as sites for community meetings as well as informal gathering spots for residents.

Despite their popularity—or perhaps because of it—libraries are facing major challenges. Demand for services has increased over the last several years while staffing levels have declined. Technological advances, a more diverse population, and a poor economy have also made it difficult for libraries to respond to community needs.

Local governments are primarily responsible for funding and administering public libraries.

Under Minnesota law, counties are responsible for ensuring that residents have access to public library services. They do this by operating

libraries themselves, contracting with cities that operate libraries, or obtaining library services through a regional entity. Counties and all cities that operate a public library must provide at least a minimum level of funding for library services. This amount varies widely among local governments and is based on either their tax capacity or population (whichever is less) or, for those counties and cities paying above this amount, what they spent for library operating expenses in previous years.

Any city or county can establish and operate a public library, and three or more counties can band together to operate a regional library. In 2008, 138 counties, cities, and regional entities operated 135 public libraries with 359 buildings statewide.

Cities that operate libraries pay substantially more for library services than counties.

In 2008, public library revenue totaled over \$207 million, or about \$39 per resident. Most of these funds, 84 percent, came from counties and cities. Cities that operated libraries were required to contribute, on average, almost \$38 per resident compared with nearly \$16 for counties. City requirements ranged from about \$10 in Brainerd to just under \$113 in McKinley. County requirements ranged from almost \$5 in Roseau County to a little more than \$49 in Hennepin County.

Cities with libraries also generally paid more per resident than did the county in which they were located. In 2008, for example, Mountain Lake, Westbrook, and Windom paid from \$20 to \$38 more per resident for library services than did Cottonwood County, and cities with libraries in St. Louis County paid from \$24 to \$100 more per resident.

Today's public libraries provide a wide range of services and face difficult challenges.

Local library officials are often critical of State Library Services, an office in the Minnesota Department of Education.

State government plays an indirect, "behind-the-scenes" role that is not always appreciated by the library community.

State Library Services in the Minnesota Department of Education is the state's lead agency for libraries. By law, it focuses on providing programs and financial assistance to regional entities rather than individual libraries. Its goal is to help ensure that residents statewide have reasonable (not necessarily equal) access to library services. To accomplish this, the agency distributes various state and federal grants to regional public library systems. These grants help pay for a variety of services, including interlibrary loan and delivery, automated library catalogs, electronic databases, and reference services.

State Library Services also provides state and federal funds to Minitex, a publicly supported network of academic, public, state government, and special libraries. Minitex, in turn, provides many resources and services to the regional systems, including electronic databases and books, reference services, and interlibrary loan and delivery.

Despite State Library Services' role in funding umbrella services to regional library systems, many in the library community are often critical of the agency. They want a more visible and active state library agency, which is beyond its role as set forth in statutes. Also, the organizational and funding structure of the library system requires the agency to work more closely with regional systems rather than individual libraries. Individual libraries are likewise encouraged to work through their regional systems, not the state. Finally, the disconnect between the agency's activities and the library

community's expectations is fueled by the agenda that State Library Services has adopted—one that it has been unable to fulfill over the last several years.

Regional library systems have generally been effective in sharing resources and expanding services.

In 1978, the Legislature began to provide funds for regional public library systems that counties and all cities that operate libraries must now join to receive most state services. Their goal is to help local governments share resources, reduce duplication (including library administration), and expand services.

Minnesota currently has 12 regional library systems, each overseen by a governing board consisting largely of local government officials. Six of the systems are "federated" in that local governments retain ownership of public libraries. The remaining six are "consolidated" where the regional system, not individual counties and cities, actually operate the libraries as a single unit.

Regardless of how they are organized, each of the regional systems has wide latitude in how it addresses the needs and interests of the area it serves. In 2008, all regional systems provided member libraries with interlibrary loan and delivery services, access to electronic databases and books, training opportunities, and general advice and assistance. All but one maintained a regionwide automated catalog that allowed users to access the collections of participating libraries, including some K-12 libraries.

Some regional library systems offer members extra services. For example, many provided access to additional databases beyond what the

Local public libraries interconnect and cooperate in various ways and with varying results.

state gave them. Others provided special rotating collections, needs assessments, bookmobile or mail-a-book services, museum passes, or technology assistance.

In our statewide survey of public library directors, 90 percent of respondents “agreed” or “strongly agreed” that the advantages of belonging to a regional system outweighed the disadvantages. At least 80 percent said their system met their library’s needs and was a “good fit.” Over three-fourths said their libraries benefited financially or programmatically from their membership in a regional system.

Multitype library cooperation systems have had little positive effect on public libraries.

The 1979 Legislature created multitype library cooperation systems to provide opportunities for all types of libraries (academic, public, school, and special) to work together. Minnesota has seven multitype systems that vary widely in focus and services. We found overlap between their activities and those of the regional library systems and Minitex. Many regional systems and individual public libraries already work closely with area schools. Also, regional systems have a strong working relationship with Minitex, which provides school, academic, and public libraries with many databases and services that link all types of libraries.

The Legislature should eliminate multitype cooperation systems as separate entities and move their function and funding to the regional library systems. Two multitype systems have already “unofficially” merged with the regional public library system in their area. Cost savings would likely be small, but

opportunities for public libraries to work more closely with other types of libraries, especially school libraries, would be enhanced and more coordinated. State Library Services should require the regional library systems to report annually on their expenses and activities related to library cooperation (as multitype systems must currently do).

Federated library systems cost more than consolidated systems, but they offered more resources and were more heavily used.

In 2008, federated systems spent, on average, \$43 per resident while consolidated systems spent \$19. Public libraries with the smallest population bases (less than 5,000 residents) and the largest (250,000 and above) were the most costly to operate, spending about 17 percent more than the statewide average of \$37 per resident. About one-half of Minnesota’s public libraries were operated by local governments with fewer than 5,000 residents; 5 public libraries each served 250,000 or more residents—most of these were operated by counties in the Twin Cities metropolitan area.

Regarding resident access, libraries in federated systems had, on average, more staff, larger collections, and more computer terminals per resident than consolidated systems in 2008. They were also more heavily used. On a per resident basis, federated library systems averaged 29 percent more visits and 56 percent more requests for materials via interlibrary loan than did consolidated systems in 2008. Circulation and program attendance per resident were also greater in federated systems—42 percent and 26 percent, respectively. Computer use per resident was comparable.

Introduction

Minnesota residents have had access to public library services for well over 100 years, beginning when the cities of Zumbrota and Faribault established the state's first public libraries in the late 1870s. Although public libraries have changed significantly since then, their goal has not: to provide residents with free access to information.

In response to concerns about how public libraries are organized and funded, on April 17, 2009, the Legislative Audit Commission directed the Office of the Legislative Auditor to evaluate Minnesota's public library system. We focused on the following major questions:

- **What entities oversee public libraries, and are the governance and service delivery structures effective in ensuring reasonable access to services statewide? What is the role of State Library Services in the Department of Education?**
- **How are public libraries funded in Minnesota, and how do library revenues and expenditures vary across the state?**
- **Have Minnesota's systems of regional library organizations fulfilled their intended purposes? To what extent have regional systems led to greater efficiency and more services?**
- **How do other states organize and fund public libraries?**

We used various research methods to answer these questions. First, we analyzed data collected by the Minnesota Department of Education on the number, revenue and expenditures, staffing, and services of the state's public libraries over time, and data collected by the Institute of Museum and Library Services on public libraries and state library agencies in other states. Second, we analyzed data collected by the Minnesota Department of Education regarding local governments' minimum funding requirements for libraries. Third, we examined regional public library and multitype library cooperation system budgets, reports, agreements, and other documents. Fourth, we surveyed public library directors about the organization and funding of public libraries.¹ Fifth, we interviewed regional public library and multitype cooperation system directors throughout the state. Finally, we interviewed state agency staff from the Minnesota Department of Education and the University of Minnesota, as well as representatives from interest groups, individual libraries, and local governments.

Our evaluation looks at public libraries from a statewide perspective; we did not evaluate the performance of individual libraries. Also, we analyzed how public

¹ We sent questionnaires to the directors of Minnesota's 135 public libraries. We received responses from 78 directors, for an overall response rate of 58 percent.

libraries are funded, but did not assess whether current funding levels are adequate. Finally, while we looked at the role of State Library Services in the Department of Education, we did not specifically evaluate how well the agency carries out all of its various functions.

This report is divided into four chapters. Chapter 1 provides background information on libraries, including what distinguishes a public library from other types of libraries. Chapter 2 examines the various entities that provide, either directly or indirectly, public library services. Chapter 3 analyzes library funding, including the impact of local governments' minimum funding requirements. Chapter 4 looks at libraries from the user's perspective. It analyzes library access and use on a regional basis and compares public libraries in Minnesota with those nationwide. Chapter 4 also presents our overall conclusions and recommendations.

Background

Public libraries are an integral part of Minnesota communities. This chapter begins by providing background information on these types of libraries, including how the term “public library” is defined and the different roles that libraries play. It then discusses the various challenges that public libraries are currently facing as they try to address community needs.

DEFINITION OF PUBLIC LIBRARY

Libraries can generally be grouped into one of four types: academic, public, school, and special. Although their clientele and services may overlap at times, each type of library has a unique niche to fill. According to Minnesota statutes:

- **A public library provides free access to all residents of a city or county, receives at least half of its finances from public funds, and is organized according to state law.¹**

When the Legislature adopted this definition in 1978, a small number of libraries were “grandfathered in” even though they did not meet requirements related to funding sources.² Today, only one of the state’s public libraries is not supported primarily with public funds. The Jessie F. Hallett Memorial Library in Crosby receives the bulk of its funding from private sources.

Many of Minnesota’s public libraries have long-standing roots in the communities they serve:

- **The 1879 Legislature authorized cities and villages to establish public libraries and levy for their operation, and the state’s first public library was established in Zumbrota in May 1879.³**

In October 1879, Fairmont established the state’s second public library.⁴ Prior to this, nonschool-related libraries were primarily “social” or “circulating” libraries that made books available to literary societies or the general public for a fee.⁵

¹ *Minnesota Statutes* 2009, 134.001, subd. 2.

² *Laws of Minnesota* 1978, chapter 546, sec. 1, subd. 2.

³ *Laws of Minnesota* 1879, chapter 106, sec. 1; and John Paul Ostendorf, “The History of the Public Library Movement in Minnesota from 1849 to 1916” (doctoral dissertation, University of Minnesota, Minneapolis, 1984), 124-125.

⁴ Ostendorf, “History of Public Library Movement,” 124-125.

⁵ Several Minnesota communities, including Chatfield, Duluth, Northfield, St. Paul, Stillwater, and Winona, had social libraries prior to 1879. The state’s first social library was established in 1849 in what is now the city of Minneapolis. *Ibid.*, 76-79.

Andrew Carnegie helped make libraries more accessible to the general public, both nationwide and in Minnesota. By the 1920s, his estate had donated about \$41 million to build nearly 1,700 libraries in more than 1,400 communities across the country—many in small towns. In 1899, Duluth became the first of 58 Minnesota cities to be promised Carnegie funds to build or improve their public library buildings.⁶

ROLE OF PUBLIC LIBRARIES

Over time, public libraries have evolved from simply buildings people visit to check out books to virtual environments where patrons can access materials worldwide from the comfort of their homes 24 hours a day. Today:

- **Public libraries are valuable resources that contribute to the well-being of communities and individual residents in a wide variety of ways.**

In their most traditional role, public libraries provide all residents, regardless of income, free access to information, including printed materials, videos, recordings, electronic databases, and the Internet. Public libraries make it possible for area residents to examine library catalogs and obtain many library services from home, office, or school computers.

Libraries also provide a wide variety of programs and resources that promote literacy or lifelong learning. For example, users can conduct job searches on library computers, learn or upgrade their computer skills, take their children to story time, join book clubs, or apply for government benefits such as unemployment insurance online.

Finally, public libraries serve as sites for community meetings or simply gathering spots for residents. For example, teen and adult knitting clubs and weight management support groups meet at some libraries. Other libraries showcase the works of local artists or partner with other organizations to house national exhibits. Recognizing the role they play as simply informal spots to relax or meet friends, many of the newer libraries also house coffee shops.

A popular trend in the last few years has been to document the significant economic contributions that public libraries have made to their state or local economies. For example, studies in Florida, Indiana, Ohio, Pennsylvania, South Carolina, Vermont, and Wisconsin showed an average return on investment ranging from \$2.28 to \$6.96 for each dollar spent on public libraries.⁷ Some public libraries in Minnesota have undertaken similar analyses or encouraged patrons to calculate how much they save by using their library. For example, as part of its 2008 performance report, Washington County calculated that library

Public libraries have a social and educational impact on their communities.

⁶ *Ibid.*, 124, 160-162.

⁷ For example, see NorthStar Economics, Inc., *The Economic Contribution of Wisconsin Public Libraries to the Economy of Wisconsin* (Madison, WI: NorthStar Economics, 2008), 14-15.

users received over \$64 million in services in return for a \$6.4 million investment (\$5.9 million from property taxes)—about a \$10.00 rate of return.⁸

Perhaps because libraries play a significant civic, yet information-neutral, role in many communities:

- **Public libraries enjoy community support, even though residents may not be aware of all the services libraries offer or how their libraries are governed and funded.**

According to a recent nationwide study of libraries, nearly three-fourths of survey participants said that having an excellent library was a source of community pride, and over two-thirds believed that public libraries stimulated growth and development in communities.⁹ Over four-fifths strongly agreed that it was important in today's world that everyone has equal access to books and technology.¹⁰ Nearly three-fourths of survey respondents said that they would “probably” or “definitely” support a library referendum if there was one on the ballot at the next local election.¹¹

At the same time, however, the study found that the public's perception of libraries was outdated in that citizens thought of libraries in terms of traditional services such as books, magazines, and newspapers.¹² Residents were often unaware of the wealth of information available to them through their local libraries. Furthermore, most citizens did not know how their libraries were funded or the amount of financial stress libraries were experiencing.¹³

There are no statewide data that directly measure resident satisfaction with library services in Minnesota. However, in our survey of public library directors, 58 percent of respondents said that community support was not a problem for their libraries, while 35 percent said it was only a minor problem. In addition, we found that some of the strategic plans developed by regional public library systems generally indicated a high degree of local satisfaction with libraries.

CHALLENGES FACING PUBLIC LIBRARIES

Despite their popularity—or perhaps because of it—public libraries are facing major challenges. Over the last several years:

⁸ Washington County Office of Administration, *Washington County 2008 Performance Report* (Stillwater, 2009), 23-24.

⁹ Online Computer Library Center, Inc., *From Awareness to Funding* (Dublin, OH: OCLC, 2008), 2-41 and 2-95.

¹⁰ *Ibid.*, 2-96.

¹¹ *Ibid.*, 2-3.

¹² *Ibid.*, 7-1.

¹³ *Ibid.*, 7-2.

Today's public libraries provide a wide range of services and face difficult challenges.

- **Technological advances coupled with an increased demand for services, staff cuts, a more diverse population, and a poor economy have required libraries to examine their services and how they are provided.**

Providing adequate Internet access can be difficult even though the number of computers for public use in public libraries more than doubled nationwide between 2000 and 2007.¹⁴ In a recent national study, 71 percent of public libraries reported being the only source of free access to computers and the Internet in their communities.¹⁵ But nearly 60 percent of libraries reported connectivity speeds insufficient to meet user needs some or all of the time.¹⁶ And, despite the large increase in the number of public computer stations nationwide, more than 80 percent of libraries reported not having enough computer workstations some or all of the time.¹⁷ In many rural parts of the nation, including areas of Minnesota, high-speed Internet access is nonexistent.¹⁸ For example, about one-fourth of Minnesota's libraries had Internet connectivity speeds below 1.5 Mbps in 2008, and almost one-fifth did not have the capacity for wireless hook-ups.¹⁹ Also, faced with an increased demand for computer time, some libraries, including those in Hennepin County, have begun placing restrictions on patron use of library computers.²⁰

Many library buildings are also old, with a physical structure that does not easily support technology-based services. Over 20 percent of Minnesota's public libraries were built before 1945, and some of these libraries have not been remodeled for 30 or more years.²¹ In our survey of public library directors, many directors also reported having problems finding the physical space in their buildings to accommodate the increased demand for technology-related services, especially in the more rural areas of the state. Researchers in a national study, as well as our own survey of public librarians, also found that some libraries had

¹⁴ Institute of Museum and Library Services, *Public Libraries Survey: Fiscal Year 2007* (Washington, DC, June 2009), 50-51; and National Center for Education Statistics, *Public Libraries in the United States Fiscal Year 2000* (Washington, DC, 2002), 40-41.

¹⁵ American Library Association, *Libraries Connect Communities 3* (Chicago: ALA, 2009), 3.

¹⁶ *Ibid.*

¹⁷ *Ibid.*, 8.

¹⁸ According to a recent study by the Minnesota Ultra High-Speed Broadband Task Force, the state needs to expand broadband capabilities in parts of outstate Minnesota to ensure that those residents and businesses have Internet connections as fast as those available in the Twin Cities. See Minnesota Ultra High-Speed Broadband Task Force, *Minnesota Ultra High-Speed Broadband Report* (St. Paul, November 2009), 29.

¹⁹ Connectivity refers to how fast computers can upload and download information and is measured in megabits per second (Mbps). Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data. The Minnesota Ultra High-Speed Broadband Task Force recently recommended a minimum speed of 5-10 Mbps for state residents by 2015. See High-Speed Broadband Task Force, *Broadband Report*, 19.

²⁰ Hennepin County Library, "Policy to Access Computers at Hennepin County Libraries Will Change on Jan. 2 to Provide More Equitable Access for Everyone," <http://www.hclib.org/pub/info/newsroom/?ID=252&Type=News>, accessed December 28, 2009.

²¹ Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

In Minnesota, public library use has increased in recent years, but library staffing has decreased.

problems providing the staff training and support services needed to effectively utilize their growing technologies.²²

Library use is up nationwide and in Minnesota. Total library visits in Minnesota grew from about 25.8 million in 2002 to 28.6 million in 2008—an 11 percent increase in traffic.²³ During the same time period though, library staffing decreased 6 percent.²⁴ This compares with a national increase in library visits of 15 percent between 2002 and 2007 (the most recent data available) and a 6 percent increase in staff.²⁵ In our survey of public library directors, about 90 percent of respondents reported greater demand for library services in the last year, and nearly three-fourths said they needed more staff to keep up. Furthermore, many directors told us that processing the rapidly increasing number of requests for materials from other libraries, which has more than doubled since 2002, has added to libraries' staffing concerns.²⁶

As Minnesota's population has grown increasingly diverse, so too have the types of services and resources provided by public libraries. For example, many libraries offer English as a Second Language classes as well as services and materials in languages other than English. In addition, as the state's economy has declined, librarians told us that they are helping more adults write resumes and apply for jobs and government benefits online.

When we asked library directors about the problems libraries are currently facing and how they are dealing with them, we found that:

- **As in most areas of government, Minnesota's public library directors are most concerned about library funding.**

As shown in Table 1.1, 49 percent of respondents said that current library funding was a major problem for their libraries and 79 percent indicated that future funding would be a major problem. In fact, 63 percent said that funding was the single, most important challenge their library was currently facing. This was echoed in our interviews with regional public library system directors—almost all agreed that library funding was the number one problem facing their member libraries.

²² American Library Association, *Libraries Connect Communities* 3, 3-12; and Office of the Legislative Auditor, survey of public library directors, 2009.

²³ Minnesota Department of Education, *2002 Minnesota Public Library Statistics* (St. Paul, 2003), 1-2; and Minnesota Department of Education, *2008 Minnesota Public Library Statistics* (St. Paul, 2009), 1-2.

²⁴ *Ibid.*

²⁵ National Center for Education Statistics, *Public Libraries in the United States: Fiscal Year 2002* (Washington, DC, 2005), 26-27, 50-51; and Institute of Museum and Library Services, *Public Libraries Survey: Fiscal Year 2007*, 50-51, 74-75.

²⁶ Minnesota Department of Education, *2002 Public Library Statistics*, 1; and Minnesota Department of Education, *2008 Public Library Statistics*, 1.

Table 1.1: Public Library Directors' Ratings of Problems Their Libraries Are Currently Facing

	Number of Respondents	Major Problem	Minor Problem	No Problem
Current funding	73	49%	45%	5%
Future funding	75	79	19	3
Community support	72	7	35	58
Not enough public computer stations	76	30	49	21
Not enough high-speed or wireless Internet connections	73	21	33	47
Lack of children's programs	74	11	43	46
Building condition	74	30	28	42
Not enough space	73	37	47	16
Security and safety	74	15	39	46
Keeping collections up-to-date	74	34	50	16
Other	5	80	20	0

NOTE: Percentages may not total 100 due to rounding.

SOURCE: Office of the Legislative Auditor, survey of public library directors, 2009.

Over the last three years, public library directors reported taking various steps to help manage their budgets, and they anticipate taking more in the immediate future. As shown in Table 1.2, many library directors have already postponed implementing new programs or expanding existing ones, reduced the number of staff or programs, used more volunteers, increased fees or fines, imposed salary or hiring freezes, or reduced library or staff hours.

Public libraries are using a variety of mechanisms to address current and future funding problems.

Table 1.2: Changes Public Library Directors Have Made or Will Make to Manage Their Budgets

	Have Already Made ^a	Will Make in the Immediate Future ^b
Reduce library hours	26%	14%
Reduce or eliminate bookmobile services	3	2
Reduce or eliminate other programs or services	35	27
Reduce staff	36	11
Cut staff hours or require unpaid leave	25	13
Close one or more branch sites	0	3
Charge for programs or services previously free	4	5
Increase certain fees or fines	32	19
Postpone introducing new programs or expanding existing ones	51	47
Freeze staff wages	32	36
Implement a hiring freeze	28	17
Use more volunteers	33	30
Reduce spending for collections or acquisitions	58	59
Work more closely with other libraries or agencies	41	41
Other	13	27

^a Percentages are based on responses from 69 public library directors.

^b Percentages are based on responses from 64 public library directors.

SOURCE: Office of the Legislative Auditor, survey of public library directors, 2009.

Table 1.2 also shows that library directors anticipate making more changes to deal with future budget concerns, including reducing future spending on collections or postponing new programs or services. When we asked what changes were necessary to improve Minnesota's public library system, about half of respondents said that it was necessary to address funding issues and about a third cited shortcomings in the state's lead library agency—State Library Services in the Minnesota Department of Education.

Organization

Understanding the organizational structure through which Minnesota’s public libraries operate is not an easy task, nor is it always readily apparent to the general public. In Minnesota, library organization, administration, and oversight vary across the state, often depending on the city or county where a library is located. The first part of this chapter focuses on the different entities that either deliver library services to residents or help make those services possible. The second part discusses how well that organizational structure is working.

ADMINISTERING PUBLIC LIBRARIES

Public libraries in Minnesota are largely a function of local governments. Overall, we found that:

- **Minnesota uses a complex, multilayered approach to ensuring that residents have access to public library services, with libraries operating under a variety of locally based governance models.**

Public libraries are administered in a wide variety of ways.

Under Minnesota law, counties are responsible for ensuring that their residents have access to public library services. Counties can do this by: (1) providing library services themselves, (2) contracting with cities for library services, or (3) having library services provided through a regional entity. To help pay for access to library services, state law has required counties to provide at least a minimum level of funding for libraries since 1987.¹

Cities, counties, and regional entities operate public libraries, with state government generally providing programs and financial assistance to regional systems of libraries rather than individual libraries. Consequently, libraries vary widely in terms of funding and services—variations that are permissible and, to some extent, encouraged under state law.

Local Government Role

State law permits any county or city to establish and operate a public library.² Two or more counties or cities can band together to operate a joint library, and three or more counties can form and operate a regional public library.³ Finally, a

¹ *Minnesota Statutes* 2009, 134.341.

² *Minnesota Statutes* 2009, 134.07.

³ Unlike joint libraries operated by two or more counties or cities, regional public libraries operated by three or more counties may qualify for state-funded regional library basic system support grants. See *Minnesota Statutes* 2009, 134.20, subd. 1; and 134.34, subd. 1.

city that already has a public library and a school district can jointly finance and operate a public library for students and the general public.⁴ In total:

- **In 2008, 138 cities, counties, and regional organizations operated 135 public libraries in 359 buildings throughout Minnesota—about one building for every 14,700 residents.**

Many more cities than counties run libraries, but county-run libraries tend to have more library buildings, as shown in Table 2.1.⁵ In 2008, 110 cities operated 124 library buildings, 18 counties operated 123 buildings, and 6 regional entities established through joint powers agreements with multiple counties and cities operated 107 library buildings. Two city-county combinations added another 5 buildings to the state’s public library system.

Table 2.1: Public Library System Governance Models in Minnesota, 2008

Governance Model	Number of Libraries	Percentage of Total	Number of Buildings	Percentage of Total	Average Population	Average Operating Expenditures
City	110	81%	124	35%	10,848	\$ 452,000
County	17 ^a	13	123	34	159,239	6,803,000
City-County	2	1	5	1	29,045	1,042,000
Regional	<u>6</u>	<u>4</u>	<u>107</u>	<u>30</u>	190,245	3,676,000
Statewide	135	99%	359	100%	37,707	\$1,404,000

NOTE: Percentages may not total 100 due to rounding.

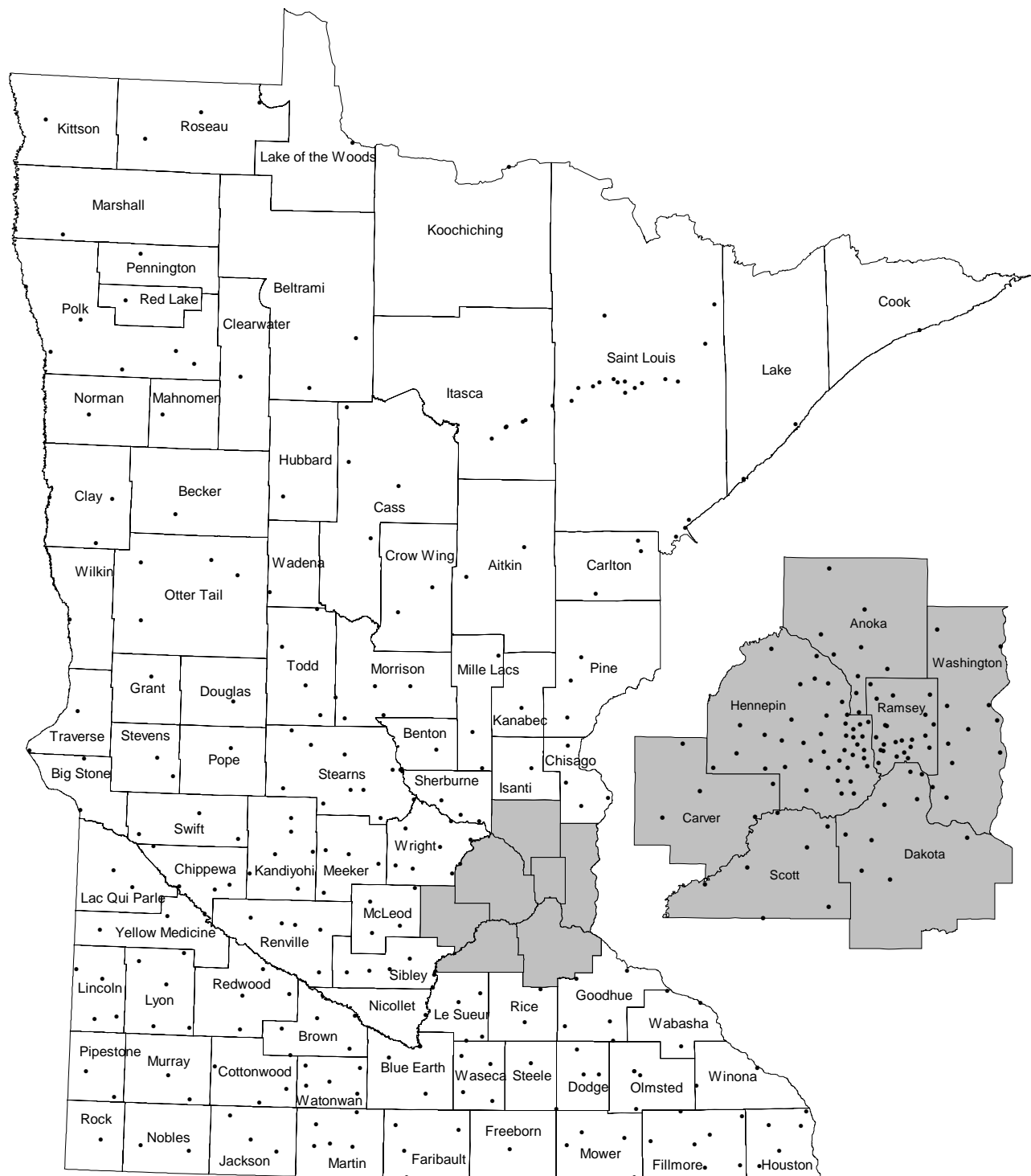
^a One of these libraries is jointly operated by two counties; thus, 20 counties actually administer a library system.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

Figure 2.1 shows the distribution of public library buildings throughout the state. Every county has at least one public library building within its borders. Each of the seven counties in the Twin Cities metropolitan area operates its own system of libraries, as do the cities of Bayport, Columbia Heights, South St. Paul, St. Paul, and Stillwater. Almost all of the remaining counties that operate libraries are located in southwestern and southcentral Minnesota.

⁴ *Minnesota Statutes* 2009, 134.195, subd. 1. In 2008, two public libraries were operated by a city and school district. For the purposes of simplicity, we have classified these libraries as “city-run.”

⁵ For the purposes of our study, a library refers to the 135 administrative units that operate a library. Some of these units operate libraries in multiple buildings (often called “branch” libraries). For example, Hennepin County Library had 41 library buildings in 2008.

Figure 2.1: A Map of Minnesota's Public Library Buildings, 2009

SOURCE: Minnesota Department of Education.

Public libraries differ widely in terms of the number of residents they serve and their budgets.

Public libraries vary widely in terms of their population base and expenditures. About one-half of Minnesota's public libraries were administered by counties or cities with fewer than 5,000 residents.⁶ McKinley Public Library is the state's smallest library in terms of its population base—it primarily serves about 80 residents in northeastern Minnesota and had annual operating expenses of \$7,800 in 2008.⁷ Hennepin County Library is the state's largest public library—it primarily serves 1.1 million residents with 41 libraries and had operating expenses of about \$67 million in 2008.

While Minnesota's public libraries vary widely in terms of their organization, population base, and budget:

- **Each of the states' 135 public libraries is overseen by a board of trustees, which generally has complete control over how the library spends its funds.**

The composition, size, responsibilities, and appointment process for governing boards vary, depending on whether the library is run by a (a) statutory city, (b) home rule charter city, (c) county, or (d) regional organization. For example, some governing boards are made up entirely of elected public officials, while others are not. Although library governing boards usually have complete control over how library funding is spent, they generally do not have the authority to set local property tax levies—which are libraries' major source of funding. That authority is retained by city and county governments.⁸

Overall, we found that:

- **Public library administrators report few problems regarding governing boards.**

In our 2009 survey of public library directors, 87 percent of respondents said that their governing boards were "effective" or "very effective" in meeting their library's needs. When asked about factors that negatively affect their governing board's performance, respondents most frequently cited the board's general lack of authority (21 percent), including the authority to set library levies. About 15 percent also cited unclear roles and expectations and local politics as factors negatively affecting board performance.

In addition to their boards of trustees, many public libraries have advisory boards made up of library professionals. These boards generally meet monthly to advise the library or governing board on library operations.

⁶ Appendix A provides descriptive information on each of the state's 135 public libraries, including population and operating expenditures for 2008. Appendix B provides summary data on the state's public libraries by population.

⁷ For the purposes of our study, population base refers to the number of residents in the city, county, or regional system that administers the library. It does not refer to the actual number of people who use the library or have a library card.

⁸ As we discuss in the following chapter, statutes allow regional library systems to set local levy amounts if they form a library district or adopt a written resolution to assume responsibility for allocating levy authority throughout the region. Neither mechanism has ever been used. See *Minnesota Statutes* 2009, 134.201 and 134.342.

Regional Government Role

Although local governments are responsible for establishing and maintaining public libraries:

- **The Legislature has created “umbrella” organizations that local governments and public libraries must join to receive most state services.**

These include regional public library systems, which are organizations of local governments based on formal agreements signed by its members, and multitype library cooperation systems, which are organizations of academic, school, public, and special libraries.⁹

Regional Public Library Systems

Since 1957, when the Legislature began to appropriate funds to help provide library services to rural areas, local governments have been entering into cooperative arrangements with one another in an attempt to deliver library services more efficiently or effectively.¹⁰ While some of these alliances have come and gone, the idea took hold.¹¹ In 1978, the Legislature began to fund “regional public library systems,” which are multicounty library service agencies designed to help local governments share resources, reduce duplication (including library administration), and expand services. It created a grants program for those regional systems meeting certain requirements.¹² Participating in a regional system was optional at first, and, over time, most counties joined the regional system in their area. In 1987, the Legislature made county participation mandatory and, today, all 87 counties have joined a regional public library system.¹³ Regional membership is contingent upon local governments providing at least a minimum level of local funding for libraries, and they generally must not drop below previous years’ spending.¹⁴

Cities that operate libraries may also join the regional public library system in their area, upon approval of their library boards and city councils.¹⁵ To date, five cities have not, which precludes their residents from having direct access to many

Local governments have been entering into cooperative arrangements for library services since the late 1950s.

⁹ State law refers to “multicounty, multitype library systems” rather than “multitype library cooperation systems.” We use the latter term throughout this report because that is the term used in the library community. See *Minnesota Statutes* 2009, 134.001, subd. 6.

¹⁰ *Laws of Minnesota* Extra Session 1957, chapter 3, sec. 2, subd. 10. See also *Laws of Minnesota* 1961, chapter 55.

¹¹ For example, the first library cooperatives were established in 1959 when the Dakota-Scott and East Central regional libraries were established, each of which consisted of two counties. The first of these cooperatives is now defunct, but the second has since expanded to cover six counties.

¹² *Laws of Minnesota* 1978, chapter 546, secs. 1-5.

¹³ *Laws of Minnesota* 1987, chapter 398, art. 9, sec. 2.

¹⁴ *Minnesota Statutes* 2009, 134.34, subd. 1. Chapter 3 discusses library funding, including local governments’ minimum funding requirements, in greater detail.

¹⁵ *Minnesota Statutes* 2009, 134.20, subd. 1.

Regional public library systems have wide latitude in how they address community needs.

library services funded or delivered through the regional systems.¹⁶ The five cities are: Clarkfield, Crosby, East Grand Forks, Hendricks, and Taylors Falls. Together, these cities had a total population of 12,816 in 2008—less than 0.5 percent of the state’s population.¹⁷

Currently, Minnesota has 12 regional public library systems that mirror the state’s economic development regions, as shown in Figure 2.2. Although counties and cities are not expressly prohibited by law from working with more than one regional system, counties and cities join only one system and do not leave one system for another. Table 2.2 provides some descriptive information on each regional system, including its size and number of libraries and buildings.

State law requires that each regional library system have a board of trustees to govern its operation.¹⁸ The average size of these boards is 20 members, but can range from 8 to 38 members, depending largely on the number of public libraries in the system and the terms of the joint powers agreement that established the regional system. The boards meet anywhere from 4 to 12 times a year. As with some public libraries, each regional system also has an advisory board consisting largely of member librarians.

Regional public library systems have wide latitude in how they address the needs and interests of the geographic areas they serve. Consequently, the systems vary widely in how they are organized and the services they provide. At a minimum, state law requires the regional systems to provide for, either directly or through contract, member communication, resource sharing, delivery of library materials, reciprocal borrowing, and cooperative reference services.¹⁹ Each system must submit a three-year plan to State Library Services in the Minnesota Department of Education to receive state funding for basic system support services.²⁰

¹⁶ Although not consistently articulated in state law, the Department of Education has determined that “full” participation in a regional public library system is necessary for city or county libraries to be eligible for any state-funded services delivered through the regional entities. “Full” participation is defined at the regional, not state, level. See Alice Seagren, Commissioner, Minnesota Department of Education, memorandum to Presidents of State Library Boards of Trustees and State Library Directors, *Clarification of State Library System Memberships that Promote Cost Efficiencies and Improved Customer Services*, November 28, 2005.

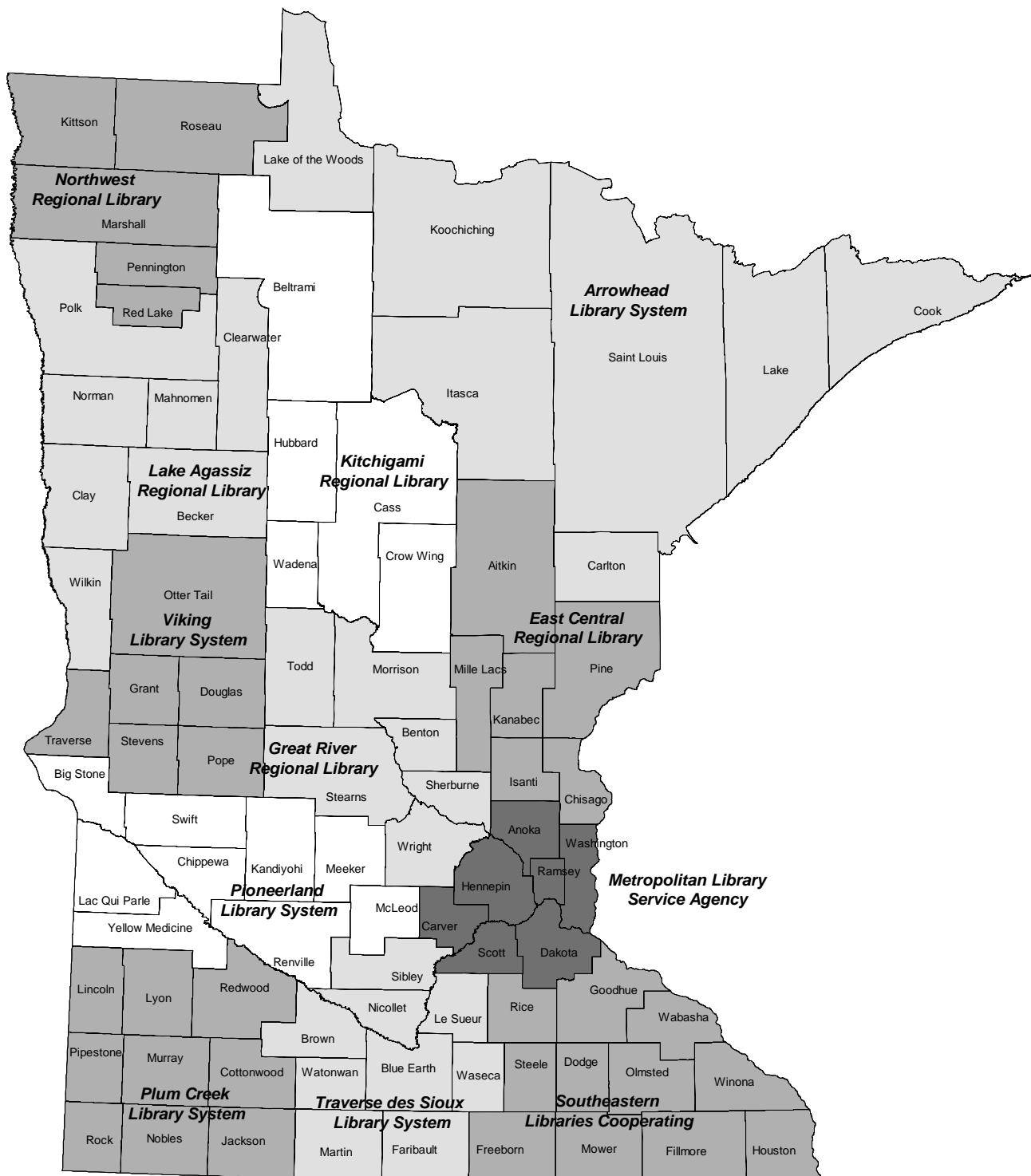
¹⁷ In addition, some cities such as Pequot Lakes and Cross Lake have established city libraries that are not considered public libraries. Consequently, the libraries cannot join a regional library system in order to obtain access to its services. However, as we explain in Chapter 3, because residents of these cities pay county property taxes to support libraries, they are able to access state and federally funded services through other public libraries or bookmobiles.

¹⁸ *Minnesota Statutes* 2009, 134.20, subd. 2

¹⁹ *Minnesota Statutes* 2009, 134.001, subd. 4. Reciprocal borrowing allows Minnesota residents with library cards to use their library card anywhere in the state. For example, St. Paul residents can use their St. Paul library card in any of the Duluth city libraries. Reference services refer to activities that help users locate and obtain materials or information.

²⁰ Although Minnesota Department of Education rules require that each regional public library system submit a five-year strategic plan, in practice, the department requires a three-year plan with annual updates. According to the department, five years is too much time given changes in technology and services. See *Minnesota Rules* 2009, 3530.1000 B.

Figure 2.2: A Map of Minnesota's Regional Public Library Systems, 2009



SOURCE: Minnesota Department of Education.

Table 2.2: Minnesota Regional Public Library Systems, 2008

Regional Public Library System	Counties	Square Miles	Number of Residents	Number of Library Buildings	Square Miles per Building	Residents per Building
Federated Systems						
Arrowhead Library System	Carlton, Cook, Itasca, Koochiching, Lake, Lake of the Woods, and St. Louis	21,923	308,012	31	707	9,936
Metropolitan Library Service Agency	Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington	2,977	2,871,434	104	29	27,610
Plum Creek Library System	Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, and Rock	5,909	115,528	25	236	4,621
Southeastern Libraries Cooperating	Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona	6,880	490,018	36	191	13,612
Traverse des Sioux Library System	Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan	5,250	225,264	40	131	5,632
Viking Library System	Douglas, Grant, Pope, Otter Tail, Stevens, and Traverse	5,399	123,436	11	491	11,221
Consolidated Systems						
East Central Regional Library	Aitkin, Chisago, Isanti, Kanabec, Mille Lacs, and Pine	5,535	175,542	14	395	12,539
Great River Regional Library	Benton, Morrison, Sherburne, Stearns, Todd, and Wright	5,101	451,899	32	159	14,122
Kitchigami Regional Library	Beltrami, Cass, Crow Wing, Hubbard, and Wadena	8,165	163,723	9	907	18,191
Lake Agassiz Regional Library	Becker, Clay, Clearwater, Mahnomon, Norman, Polk, and Wilkin	7,732	137,801	13	595	10,600
Northwest Regional Library	Kittson, Marshall, Pennington, Red Lake, and Roseau	5,645	48,078	7	806	6,868
Pioneerland Library System	Big Stone, Chippewa, Kandiyohi, Lac qui Parle, McLeod, Meeker, Renville, Swift, and Yellow Medicine	6,408	164,425	32	200	5,138
Unaffiliated Libraries	Cities of Clarkfield, Crosby, East Grand Forks, Hendricks, and Taylors Falls ^a	<u>15</u>	<u>12,816</u>	<u>5</u>	3	2,563
Statewide		86,939	5,287,976	359	242	14,730

^a The counties in which these cities are located have joined their respective regional public library systems, but these cities have not. Consequently, the square miles and population of these cities have been omitted from the regional public library system in their area.

SOURCE: Office of the Legislative Auditor.

A significant difference among regional systems concerns how member libraries are managed:

- **Some regional public library systems actually operate the public libraries in their regions, while others do not.**

Half of the state's regional public library systems are "consolidated," and the other half are "federated."

Regional library systems are divided into "consolidated" and "federated" systems—a decision made by each system's board of trustees generally at the time of formation. In consolidated systems, the regional organization actually administers or runs one library (consisting of multiple buildings) for the entire area. The regional governing board appoints a library director; employs all library staff; sets library policies, including hours of operation; and determines the budget of each library building. Some regional systems also make all decisions about library collections. Major building upkeep, however, is usually the responsibility of the city in which a library is located.²¹ As also shown in Table 2.2, 6 of the 12 regional public library systems are consolidated.

The remaining six regional public library systems are "federated" systems. In these instances, the regional system provides varying degrees of service to individual libraries in their area, which can include direct services such as bookmobiles, delivery, or children's programs, and indirect services such as staff training, cooperative purchasing, automation systems, or technical support. Cities and counties in federated systems actually run their own libraries and local library governing boards generally make all budget, staffing, and policy decisions.

Although each regional system is set up differently, local governments generally help fund their respective regional public library system according to the language of their joint powers agreement. The Metropolitan Library Service Agency (MELSA), which serves the seven county Twin Cities metropolitan area, is the only regional public library system that does not collect funds from its members for the services it delivers. In 2008, consolidated systems generally received funding from both city and county sources, while federated systems received funds from either city or county sources, but usually not both. Some federated regions, including Arrowhead and MELSA, return money annually to at least some of their members, based on a variety of factors.

Multitype Library Cooperation Systems

In 1979, the Legislature created multitype library cooperation systems that span the state.²² These systems are geographically based networks consisting of any combination of public libraries, public school libraries, academic libraries, and special libraries. They exist to provide opportunities for all types of libraries to work together to improve library services.

As with regional public library systems, statutes also give multitype systems wide latitude in how they serve the libraries in their geographic areas. The

²¹ According to the Department of Education, some counties have also retained building upkeep responsibilities.

²² *Laws of Minnesota* 1979, chapter 334, art. 9, secs. 2 and 9.

Minnesota's seven multitype library cooperation systems exist to encourage cooperation among different types of libraries.

statutes encourage, but do not require, multitype systems to develop the following services: referral of users, reciprocal borrowing among different types of libraries, cooperative collection development, cooperative reference services, staff development, research and development, cooperative storage facilities, publicity, and community relations.²³

Minnesota has seven multitype systems, as shown in Figure 2.3. Three of the seven multitype systems encompass more than one regional public library system. For example, Northern Lights Library Network in northwestern Minnesota envelopes four regional public library systems and covers nearly 27,000 square miles. Central Minnesota Libraries Exchange in east central Minnesota covers two regional library systems, as does Southwest Area Multicounty Multitype Interlibrary Exchange. Currently, only five of the seven multitype systems operate as totally independent entities. Two multitype cooperation systems, Southeast Library System and Southcentral Minnesota Inter-Library Exchange, have unofficially “merged” with their regional public library systems.²⁴ Table 2.3 provides descriptive information on each of the systems, including its size and coverage area.

In total, multitype systems have a potential clientele of more than 1,900 public, academic, school, and special libraries. Metronet, which serves the seven county Twin Cities area, has the largest potential client base, at least 607 libraries, and Southcentral Minnesota Inter-Library Exchange has the smallest, at least 146 libraries.

An important distinction between regional public library systems and multitype library cooperation systems is that:

- **Public libraries are not required to participate in a multitype library cooperation system, nor do they help fund their multitype system.**

Membership in the multitype cooperation systems is considerably less formal than it is for regional public library systems. If a public library wants to benefit from multitype services or actively participate in the system, it must “adopt an organizational agreement” that provides for resource sharing, long-range planning for cooperative programs, and the development of delivery and communication systems and a bibliographic database.²⁵ In addition, the public library must participate in a regional public library system.²⁶

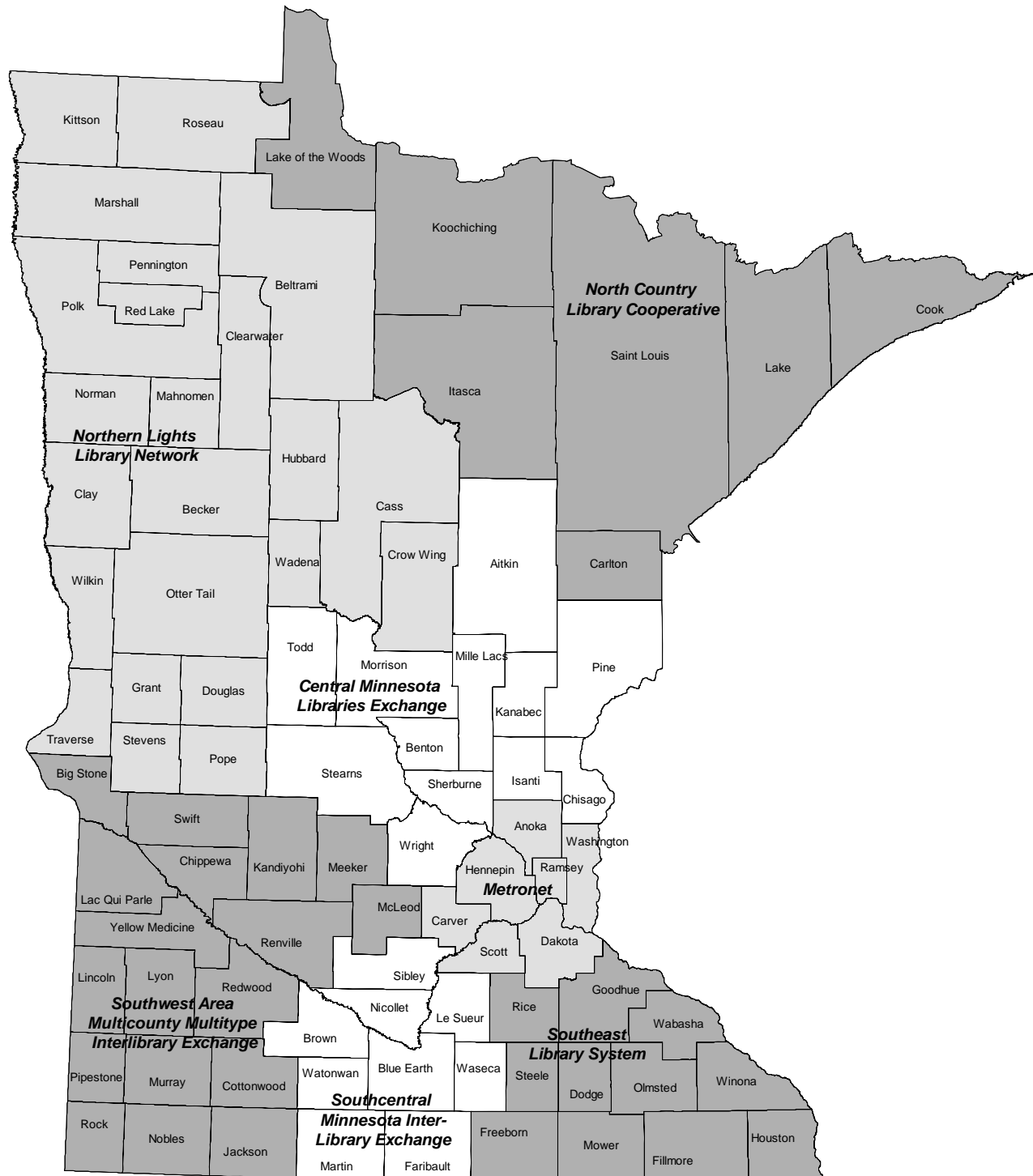
²³ *Minnesota Statutes* 2009, 134.351, subd. 2.

²⁴ Southeast Library System has contracted with Southeastern Libraries Cooperating for multitype services since the late 1980s. Southcentral Minnesota Inter-Library Exchange and Traverse des Sioux Library System have shared the same location and board of trustees for years; the two systems are currently studying the steps they have to take to formally merge.

²⁵ *Minnesota Statutes* 2009, 134.351, subd. 3.

²⁶ *Minnesota Rules* 2010, chapter 3530.2400, subp. 3.

Figure 2.3: A Map of Minnesota's Multitype Library Cooperation Systems, 2009



SOURCE: Minnesota Department of Education.

Table 2.3: Minnesota Multitype Library Cooperation Systems, Fiscal Year 2009

Multitype Library Cooperation System	Regional Public Library Systems	Square Miles	Number of Public Library Buildings	Total Number of Libraries	Total Revenue	Total Staff
Central Minnesota Libraries Exchange	East Central Regional Library and Great River Regional Library	10,636	46	282	\$ 174,734	3.00 ^a
Metronet	Metropolitan Library Service Agency	2,977	104	607	279,045	3.00
North Country Library Cooperative	Arrowhead Library System	21,923	31	169	227,524	2.00
Northern Lights Library Network	Kitchigami Regional Library, Lake Agassiz Regional Library, Northwest Regional Library, and Viking Library System	26,941	40	272	266,722	1.50
Southcentral Minnesota Inter-Library Exchange	Traverse des Sioux Library System	5,250	40	146	160,541	1.25
Southeast Library System	Southeastern Libraries Cooperating	6,880	36	223	157,801	0 ^b
Southwest Area Multicounty Multitype Interlibrary Exchange	Pioneerland Library System and Plum Creek Library System	12,317	57	205	165,017	1.63
Unaffiliated Libraries	Cities of Clarkfield, Crosby, East Grand Forks, Hendricks, and Taylors Falls	15	5	NA	NA	NA
Statewide Total		86,939	359	1,904	\$1,431,384	12.38

NOTE: Because public libraries in the cities of Clarkfield, Crosby, East Grand Forks, Hendricks, and Taylors Falls have not joined their respective regional public library system, they are not eligible to receive services from the multitype library cooperation system in their area. Consequently, the square miles of these cities have been omitted from the multitype library cooperation system in their area.

^a One of these positions is funded through a federal work study program.

^b Southeast Library System contracts with Southeastern Libraries Cooperating, the regional public library system in its area, for multitype services.

SOURCE: Office of the Legislative Auditor.

As with regional public library systems and public libraries, each multitype system also has a board of trustees to govern its operation. Statutes dictate board membership—generally 9 to 11 members. Two multitype systems use the same board as their area's regional public library system, which is permitted under state law.²⁷ Consequently, one multitype has a substantially larger board (38 members) than the other multitype systems.

²⁷ *Minnesota Statutes* 2009, 134.351, subd. 4.

State Government Role

Local governments are largely responsible for providing library services, but:

- **State government plays an important “behind-the-scenes” role by providing programs and financial assistance to regionally based systems to ensure that all residents have access to library services.**

As part of its overall responsibility for public education, state government tries to ensure that library services are available for every citizen. Statutes direct the state to do this by encouraging and supporting cooperative programs and, where appropriate, the establishment of jointly operated services at a single location.²⁸ The state is also responsible for helping to establish and organize library services in areas with inadequate access.²⁹ Two state-level entities provide behind-the-scenes support to public libraries: State Library Services in the Minnesota Department of Education and Minitex Library Information Network (known simply as Minitex), a joint program of the Minnesota Office of Higher Education and the University of Minnesota.

State Library Services

State Library Services is the state’s lead library agency. States must have an official “state library administrative agency” to qualify for federal funding. This agency is responsible for developing and extending public library services statewide, and it must have enough authority to develop and administer a five-year Library Services and Technology Act (LSTA) plan that is required by the federal Institute of Museum and Library Services.³⁰

State Library Services’ responsibilities, as set forth in statute, include: providing advice, consultation, and continuing education to local librarians and government officials; encouraging interlibrary cooperation; collecting library-related statistics; administering state and federal grant programs; certifying local government funding requirements; and providing specialized library services to people with visual and physical disabilities.³¹ The Commissioner of Education appoints the Minnesota State Library Advisory Council, a 15-member group representing the library community as well as users, to advise State Library Services on all matters related to library services and issues. Although State Library Services’ responsibilities pertain to all types of libraries (academic, public, school, and special), it focuses primarily on public libraries.

In fiscal year 2009, State Library Services had an operating budget of approximately \$0.6 million from the state’s General Fund; it administered about

State Library Services in the Department of Education is Minnesota’s lead library agency.

²⁸ *Minnesota Statutes* 2009, 134.31, subd. 1.

²⁹ *Ibid.*, subd. 2.

³⁰ The Library Services and Technology Act provides federal funds to State Library Services to help serve hard-to-reach populations and assist libraries in their technology initiatives. See Minnesota Department of Education, *LSTA Five-Year Plan 2008-2012* (St. Paul, August 9, 2007).

³¹ *Minnesota Statutes* 2009, 134.31-134.32, 134.353-134.355, and 134.45.

\$19.6 million in state aid and grants and \$2.9 million in federal grants.³² State Library Services employed 12.5 full-time equivalent (FTE) staff in 2009, but only 5 FTE staff had general responsibilities related to public library services. Most (7.5 FTE) were assigned to the Braille and Talking Book Library in Faribault, which supplies library materials to state residents with visual and physical disabilities.³³

Minitex

Minitex is a publicly supported network of academic, public, state government, and special libraries working cooperatively to improve library services for users in Minnesota, North Dakota, South Dakota, and Wisconsin. Its mission is to expand member libraries' access to local, state, regional, national, and international information sources. Among other things, Minitex provides regional public library system members with: access to electronic databases and other services; interlibrary loan and delivery services; cataloging assistance; reference services; consulting and assistance; and training, continuing education, and professional development opportunities.³⁴

State Library Services provides funding for many of the programs that Minitex provides to regional library systems.

Table 2.4 describes the various state-funded programs and services that Minitex provides to public libraries via their regional public library system. In 2009, Minitex received about \$2 million from State Library Services to help provide these services.³⁵ Two of its most popular programs that give residents access to basic library services are Electronic Library of Minnesota (also known as ELM) and Minnesota Library Information Network (MnLINK). ELM links users to 50 electronic databases in various content areas, including arts and humanities, health and medicine, consumer information, newspapers, genealogy, hobbies, and science. MnLINK allows users to access and request materials from the state's academic and public libraries, including libraries at the University of Minnesota and Minnesota State Colleges and Universities. As we discuss in Chapter 4, the extent to which residents use these programs and services has increased significantly over the last few years.

³² Minnesota Department of Education, *2010-11 Biennial Budget* (St. Paul, December 2008), 197-211; and Minnesota Department of Education, *FFY 2009 Library Services and Technology Act—Working Budget* (St. Paul, undated). State aid and grants include funding for regional library basic system support, regional library telecommunications, multitype cooperative library systems, accessibility and construction grants, and Electronic Library of Minnesota (ELM). State Library Services used approximately \$0.8 million of its federal grant for administrative purposes.

³³ The Braille and Talking Book Library in Faribault is beyond the scope of this evaluation.

³⁴ When these services are available in other states, they are generally provided by their lead state library agency. In Minnesota, State Library Services contracts with Minitex to provide services to regional public library systems as an alternative to providing the services itself.

³⁵ This includes about \$1.3 million in federal LSTA funds and a \$0.9 appropriation from the Legislature for ELM. The Office of Higher Education also provides funding to support ELM.

Table 2.4: State Services Provided to Regional Public Library Systems, 2009

Service	Description
Interlibrary loan and delivery among regional systems	Using federal LSTA funds from State Library Services, Minitex transports library materials among the regional public library systems. It also processes loan requests by finding and retrieving requested materials from libraries throughout the Minitex network.
Electronic Library of Minnesota (ELM)	A set of 50 statewide licensed electronic databases that provide indexes, full text of magazine articles, and other materials. Provided by Minitex, ELM is funded through a legislative appropriation to State Library Services and additional funding provided from the Higher Education Office.
Minnesota Library Information Network (MnLINK)	Provided by Minitex, MnLINK is a statewide virtual system that electronically links users to almost all of the state's academic libraries.
AskMN	An online information and research service that links Minnesota residents and students to a "live" librarian 24 hours a day, 7 days a week. Funded by Minitex and 13 public and academic libraries, it supplements the reference services that libraries provide during normal business hours.
Reference Referral	Minitex provides reference referral services to all libraries across the state.
Training	Minitex provides training on ELM, reference opportunities, electronic books, and Net Library. It also distributes a monthly newsletter. State Library Services also offers training to library staff.

NOTES: This list does not include services that are available for a fee from Minitex, including bibliographic, cataloging, and technical services. It also excludes other electronic resources that Minitex makes available at special prices to member libraries. Likewise, the list excludes services that regional public library systems fund through their regional library basic system support grants and regional library telecommunications aid administered by State Library Services. Also excluded are statewide initiatives that State Library Services funds using federal LSTA funds.

SOURCE: Office of the Legislative Auditor.

Federal Government Role

From an organizational perspective:

- **The federal government plays only a minor role in the daily operation of public libraries.**

As noted earlier, State Library Services administers federal LSTA funding to help serve hard-to-reach populations and assist libraries in their technology initiatives. In 2009, State Library Services received nearly \$3 million in LSTA funds. It transferred, via an interagency agreement, about \$1.3 million of this amount to Minitex to cover costs related to interlibrary loan and delivery,

All regional public library systems receive federal discounts for certain telecommunication services.

reference services, and training. State Library Services retained about \$0.8 million of the federal grant for agency activities, including program administration and staff costs, and another \$0.4 million for public library projects selected through a competitive grants process. The remaining funds (about \$0.5 million) were awarded to a variety of entities for statewide projects such as the Minneapolis Tribune Project and the Minnesota Digital Library Coalition.³⁶

The federal government's E-Rate program allows public libraries meeting certain conditions to receive discount rates for telecommunication services.

Administered by the Universal Service Administrative Company under the direction of the Federal Communications Commission, the program is funded through the universal service fee charged to companies that provide interstate or international telecommunication services. Public libraries can request assistance to support connectivity costs associated with four types of service: telecommunications, Internet access, internal connections, and basic maintenance of internal connections. Library costs related to obtaining equipment such as computers and telephones, software, staff training, and other items necessary to make effective use of the connectivity are not covered by the program. The discounts, which depend on the poverty level and urban-rural status of the population served, range from 20 percent to 90 percent of the costs of eligible services.

State Library Services reviews E-Rate applications and provides technical support to applicants. Public libraries can apply individually or as part of a regional public library system; likewise, regional systems can apply individually or as part of a telecommunications cluster.³⁷ In 2009, all of the state's 12 regional public library systems took part in the E-Rate program. Participating libraries in Minnesota that applied either separately or as part of a regional public library system received an average discount of 58 percent; average discounts for telecommunication clusters ranged from 60 percent to 70 percent.³⁸

STRENGTHS AND WEAKNESSES

As part of our evaluation, we looked at how well the regional public library and multitype library cooperation systems have worked. Participating in entities such as these may have both advantages and disadvantages for libraries and users. On the positive side, libraries may benefit by being able to offer services or programs they might not otherwise be able to afford. Because some systems hold frequent meetings with area libraries, there are ample opportunities for library staff to communicate with one another and share ideas. Depending on the extent to

³⁶ The Minneapolis Tribune Project provides links to genealogical and historical materials through old editions of the *Minneapolis Tribune*. The Minnesota Digital Library Coalition works with over 110 historical societies, special archives, libraries, and other organizations to convert more than 45,000 unique photographs, maps, journals, documents, letters, and works of art to digital images and make them available to Minnesotans via the Internet.

³⁷ A telecommunications cluster is a group approved by the Department of Education to coordinate the purchasing of telecommunications and Internet services for school districts and charter schools.

³⁸ Office of the Legislative Auditor, analysis of Universal Service Administrative Company program participation data, <http://www.universalservice.org/sl/tools/commitments-search>, accessed February 5, 2010; and Minnesota Department of Education, February 2010.

**Regionalizing
library services
has both
advantages and
disadvantages.**

which libraries receive various services from regional entities, administrative costs may also be lower. Users can benefit by having access to more services, programs, and resources and, perhaps, a more consistent set of libraries throughout their area.

The structure, however, also has disadvantages, especially as it relates to regional public library systems. Because local governments in consolidated systems no longer run their libraries, communities and local governments may feel less committed to the library, which could result in lower levels of funding. Because decision making is removed from the community, there is less transparency regarding how decisions are made, especially those related to budgets and local operations. Another disadvantage is that not all libraries in a geographic area have the same needs. Because “one size may not fit all,” libraries that are substantially larger than other libraries may feel that regional membership is not worth the effort since services may not be geared toward their needs. While these disadvantages are not insurmountable, they require system management to take whatever steps are needed to ensure that all members recognize the importance of working together in a collaborative manner to best serve the needs of all their communities.

Regional Public Library Systems

To assess the overall effectiveness of regional public library systems, we reviewed system budgets, plans, reports, and other documents, and we interviewed all system directors. We concluded that:

- **Overall, the regional public library system has generally been effective in allowing public libraries to share resources while providing residents access to an extensive array of resources.**

We looked at the various services provided through each of the regional public library systems in 2008 and how those services were funded. All regional systems provided member libraries with interlibrary loan and delivery services within their region, access to databases and web sites, electronic books, training opportunities, and general advice and assistance.³⁹ In addition, all but one regional system maintained a regionwide automated catalog, which means that users can access the collections of all participating libraries. Some of the regional systems, including Southeastern Libraries Cooperating (SELCO) and Arrowhead Library System, also have some school libraries on their automation systems.

Regionally based services greatly expand the information resources available to users at any one library. Although a library may have a small collection of materials on site, regional membership allows users to obtain materials from every other library in the system and, ultimately, statewide through the

³⁹ Each regional public library system is responsible for transporting library materials among the libraries in the region, while Minitex is responsible for transporting materials among the regional systems. Public libraries that have more than one building are responsible for transporting materials among their buildings.

Minnesota Reciprocal Borrowing Compact.⁴⁰ For example, Tyler Public Library in southwestern Minnesota has about 8,000 items in its on-site collection, but residents can borrow over 570,000 items through the Plum Creek Library System. If the item is not available from a library in the Plum Creek system, it can be borrowed from anywhere in the state, thus expanding Tyler's off-site collection to more than 16.8 million items. At the same time, library users at Tyler may have to wait to obtain needed materials since they may have to be physically transported to Tyler from another library.

In addition to the services mandated by law or funded through the state, we found that:

- **Some regional public library systems offer member libraries substantially more in “extra” services than other regional systems.**

In addition to the 14 statewide licensed databases that the state provided to the regional systems in 2008, most of the systems provided their members with access to additional regionally licensed databases.⁴¹ For example, in 2008, Great River, Lake Agassiz, MELSA, and SELCO each provided at least 10 additional databases. In contrast, Plum Creek and Traverse des Sioux did not provide any additional ones. On average, consolidated systems provided 5.7 additional databases beyond what the state provided while federated systems provided slightly fewer—4.7. In addition, some city and county libraries in federated systems provided their users with access to even more databases. For example, Hennepin County Library provided its users with more than 100 other databases beyond those provided through MELSA.

Five regional library systems provided bookmobile services in 2008.

In addition, some regional systems offer services such as specialized collections that can rotate among member libraries. Five regional systems provided bookmobile services in 2008 to help reach residents who did not live near a public library building. In addition to its bookmobile, Arrowhead Public Library maintains its own collection of popular fiction and nonfiction. Users in remote areas of northeastern Minnesota can request the system office to mail items directly to them, with the system office paying all postage costs. Some regional systems also offer assistance with planning, research, and evaluation. For example, Arrowhead works with each of the libraries in its region to complete a needs assessment document to help guide member libraries in their strategic planning process. With the help of a corporate sponsor, MELSA provides its member libraries with “museum adventure passes” that give member library card holders free admission to places such as the Bell Museum of Natural History, Minneapolis Institute of Arts, Minnesota Zoo, and Walker Art Center. Other services offered by some of the regional systems include centralized purchasing, cataloging and subscription services, and equipment rentals.

⁴⁰ The Minnesota Reciprocal Borrowing Compact, which is administered by State Library Services and signed by all regional public library systems, provides for the sharing of resources among all member libraries.

⁴¹ In 2009, Minitex increased the number of state-licensed databases it provides to regional systems from 14 to 50. Minitex's “standard package” offered through ELM now includes many of the databases some regional systems or individual libraries were supplying on their own.

Because regional entities have existed for over 50 years, it is not possible to accurately assess the extent to which these services would be available without a regional library system. System directors and public librarians told us that, given the financial stress many libraries are under, it is not likely many libraries could afford to offer all of these services on their own, especially smaller libraries. We looked at the number of libraries that supplemented some of the resources provided through the system offices, including electronic books, databases, and downloadable audio and video materials. We found that:

- **Most public libraries rely on their regional public library system to provide many “nontraditional” materials.**

In 2008, 11 or fewer public libraries reported using local funds to pay for electronic books, electronic subscriptions, or downloadable audio or visual materials for their collections. Most of these libraries were large, city- or county-owned libraries in the Twin Cities metropolitan area. The vast majority of public libraries rely on the state to provide their regional library system—and ultimately individual libraries—with access to nontraditional resources such as NetLibrary, which allows users to access over 15,000 electronic books.

Library users can access over 15,000 electronic books through their regional library system.

At the same time, regionalizing access to many library services is not problem-free. First, while regionalization gives residents access to library services statewide, that access is not equal. As we show in Chapters 3 and 4, regional systems that spend more overall generally offer their residents a more extensive array of services on site. Some residents may have to wait longer than other residents in the state to obtain the materials they want, due to geography and other factors.

Second, directors from some of the larger public libraries told us that they questioned the value of their membership in their regional public library system, indicating that their population base generated more income for their regional system than they received back in services.⁴² Some of these libraries said that, because smaller libraries with different needs outnumbered them on the regional governing boards, it was difficult to get the governing boards to address some of their needs. While some regional systems addressed this problem by giving larger local governments more “seats” on the governing board (and hence more votes), others did not. Some systems also said that they offered services that only some members used as long as it was cost-effective to do so.

Third, some libraries thought that they might receive more or better services associating with another regional system instead of the one in which they were geographically located. Minnesota statutes require the Department of Education to establish the boundaries of the regional public library systems, and department

⁴² As we explain in Chapter 3, regional public library systems are funded, in part, by state appropriations via a regional library basic systems support grant. These funds are allocated among regional systems according to a statutory formula that considers a system’s geographic size, population, and adjusted net tax capacity (which is a measure of its property value).

Some local governments are critical of their regional public library system.

policy requires that member counties be contiguous for optimum efficiency.⁴³ One of the regional systems' primary responsibilities is to provide delivery and interlibrary services to member libraries, which is most efficient when done geographically. At the same time, regional systems are not prohibited from entering into contracts to serve public libraries from other regional systems, nor are public libraries prohibited from cooperating with libraries from other regional systems.

Fourth, some public library directors complained about some of their regional systems' policies regarding service fees and what it means to participate in the system. We found considerable variation among the regional systems in terms of operating policies, procedures, and joint powers agreements—all documents developed by the regional systems and their governing boards and members.

Finally, increased access to materials has resulted in more interlibrary loan requests, which are very staff-intensive for libraries to process. As we discussed in Chapter 1, libraries have experienced staff reductions—and expect more in the future—to deal with current and future budget problems. Some library directors told us that they are considering limiting the extent to which users can request materials through MnLINK, despite its popularity and success, because it generates too much work for staff that are needed elsewhere in the library.

Despite these problems:

- **Ninety percent of public librarians responding to our survey “agreed” or “strongly agreed” that the advantages of belonging to a regional public library system outweighed the disadvantages.**

In addition, the majority of respondents “agreed” or “strongly agreed” that their regional library system did a good job meeting their library’s needs (83 percent) and was a “good fit” (80 percent). Most respondents “agreed” or “strongly agreed” that their libraries benefited financially (82 percent) and programmatically (77 percent) from belonging to a regional system.

Survey respondents reported a high degree of satisfaction (“satisfied” or “very satisfied”) with the following services frequently delivered by regional library systems: interlibrary loan and delivery (100 percent), integrated online catalogues (88 percent), special programs for children (84 percent), computer-related support and assistance (79 percent), online databases (79 percent), and training or continuing education (79 percent).

Multitype Library Cooperation Systems

As part of our evaluation, we reviewed statutes and Department of Education rules related to the multitype library cooperation systems, interviewed system directors, and examined their plans and activity and expenditure reports. We also

⁴³ *Minnesota Statutes* 2009, 134.34, subd. 3; and Minnesota Department of Education, *Process of Consideration of Regional Public Library System Affiliation Adopted by the State Board of Education, August 10, 1999, and Affirmed by the Commissioner of Children, Families & Learning, January, 2001* (St. Paul, 2001).

talked with regional public library directors about their working relationship with the multitype systems. We concluded that:

- **Overall, multitype library cooperation systems have an unclear role and have had little effect on public libraries.**

To qualify for state funding, multitype systems must address (1) resource sharing, (2) long-range planning for cooperative programs, and (3) the development of delivery, bibliographic database, and communication systems for their geographic areas. Our analysis of 2009 financial reports filed with State Library Services found that only a small percentage of funds went toward direct services to members. For example, coordinating interlibrary loan delivery among the four types of libraries accounted for 11 percent of total expenditures, although two systems did not spend any money on this activity and a third reported spending 2 percent for interlibrary delivery. Providing databases to members averaged 4 percent of expenditures. Only two multitypes had significant expenditures in this area, which accounted for 15 percent of their expenditures. Of the remaining five systems, four reported spending 2 percent or less on databases and one system reported spending nothing on databases. On average, about two-thirds of multitype library cooperation system expenditures were for staff salaries, benefits, and office administration.

We have three major concerns about the multitype systems. First, limited budget and staffing levels combined with a very large list of potential clients make it difficult for the multitype systems to have a large effect on their client base. As noted earlier in Table 2.4, the systems have a potential clientele of more than 1,900 libraries. Three multitype systems encompass two or more regional public library systems, and two are expected to work with libraries in geographic areas covering more than 20,000 miles. At the same time, total revenue for the multitype systems—almost all from the state’s General Fund—came to \$1.4 million in fiscal year 2009. Total revenue averaged about \$204,000 per multitype system, ranging from \$175,000 for Central Minnesota Libraries Exchange to \$279,000 for Metronet.

Many activities expected of multitype library cooperation systems are performed more comprehensively by other entities.

Second, many activities expected of, or undertaken by, the multitype systems overlap with activities that other entities perform more comprehensively. For example, regional public library systems already provide delivery services to public libraries in their region, and Minitex delivers materials to all regional public library systems and academic libraries. Furthermore, some school libraries have arrangements with their local public libraries for delivery services. Some, but not all, multitype systems have discontinued their delivery services because of this or reimburse their regional public library systems for school deliveries. Although some multitypes provide databases for members, Minitex already provides all types of libraries with access to numerous databases through ELM and MnLINK. Also, some of the training sponsored or encouraged by some of the multitype systems is actually offered through Minitex.

Finally, many regional public library system directors told us that they did not have a significant relationship with their local multitype system (for a variety of reasons), nor did they think that the public libraries in their region experienced any substantial benefits from belonging to a multitype system. We asked public

library directors about the specific services received from their multitype library cooperation system. Two major responsibilities of multitype systems are resource sharing (for example, providing schools access to other libraries' collections and catalogs and vice versa) and delivery services. Forty-four percent of respondents said that they did not have access to school catalogs or holdings and 33 percent reported no delivery services among the different types of libraries in their area. On the other hand, 82 percent reported receiving training and continuing education from their multitype system. Of these, 54 percent said they were "satisfied" or "very satisfied" with the training. In addition to 23 *Things on a Stick*, a popular online learning program developed by the multitype systems, the systems offer training stipends to all types of librarians to help cover the costs of attending training and conferences. While this is a good use of funds considering the limited budgets of public libraries, many multitype system directors told us that few public librarians apply for the stipends. Some public library directors told us that it is too difficult for them to find the time to get away for training events. One public library director told us that its library receives "a token amount" from its multitype system for delivery and training scholarships, but "neither of these are necessary for the operation of our library system." Overall, about a third of survey respondents "agreed" or "strongly agreed" that their libraries benefited from working with their multitype systems.

ROLE OF STATE LIBRARY SERVICES

We looked at the role played by State Library Services and found that:

- **Despite its status as the state's "official" library agency and the expectations of the library community, Minnesota's State Library Services plays a relatively "low-key" role.**

State laws defining State Library Services' role are generally nonregulatory and have changed little over the years. As previously discussed, its statutory duties are largely administrative; awarding grants, monitoring compliance with state and federal laws, compiling statistics, and operating the Braille and Talking Book Library in Faribault account for the majority of staff time.

State Library Services has little regulatory authority over public libraries.

Unlike its counterpart in many other states, State Library Services is not required by law to develop a statewide plan or minimum standards for public libraries. Likewise, it is not required to evaluate public libraries. Furthermore, Minnesota statutes set forth few requirements regarding the specific types or levels of services that public libraries must provide.⁴⁴

There are a variety of factors that contribute to State Library Services' low profile. First, the organizational structure of the public library system, which requires that local governments be members of regional systems, tends to insulate State Library Services from direct contact with many libraries. When questions or problems arise locally, librarians or local government officials are more apt—and correctly so—to contact their regional system for immediate assistance rather

⁴⁴ Minnesota statutes contain one numerical public library standard in that they require public libraries to be open at least 20 hours a week in order to receive regional library telecommunications aid. See *Minnesota Statutes* 2009, 134.355, subd. 8.

State Library Services delivers programs to regional public library systems rather than individual libraries.

than State Library Services.⁴⁵ Second, as we discuss in Chapter 3, State Library Services provides little direct funding to individual libraries. Third, Minitex, not State Library Services, actually provides many of the programs that regional public library systems and public libraries rely on (although most of these programs are funded through State Library Services). Finally, statutes give regional systems considerable autonomy to design services to address local needs.

Although state law requires that local governments join regional public library systems to ensure statewide access to basic public library services, State Library Services does not have specific authority to ensure that the 12 autonomous systems add up to one statewide system. Laws simply direct the department to support “the development of cooperative programs for the sharing of resources and services among all libraries.”⁴⁶ In response, State Library Services has done little to assess the overall success—or shortcomings—of cooperative efforts at the regional level. For example, the agency has not examined whether there are significant gaps in services among regional systems, or whether it would be more efficient to offer some services at the state rather than regional level.

In contrast to state laws, State Library Services’ mission statement, shown in Table 2.5, carves out a more ambitious role for the agency, and this has created some problems for it.

Table 2.5: State Library Services’ Mission Statement, 2009

To provide the library services and information resources needed by Minnesotans, the Minnesota state library agency will:

- Administer statewide library services;
- Develop and implement standards of accountability of state and federal funding recipients;
- Develop and implement statewide and regional library services, initiatives, and programs;
- Implement statewide planning and evaluation for library development for all types of libraries;
- Develop and implement standards for libraries;
- Provide leadership for career and education opportunities;
- Certify library eligibility for state and federal assistance;
- Advise the Governor, the Legislature, and regional and local governing bodies on library-related issues; [and]
- Facilitate partnerships between libraries and other agencies[.]

SOURCE: Minnesota Department of Education, "State Library Agency Vision and Mission," http://education.state.mn.us/MDE/Learning_Support/Library_Services/About_Us/001303, accessed January 13, 2010.

⁴⁵ Despite the organizational structure, State Library Services staff receive inquiries daily from cities, counties, and libraries on a variety of issues.

⁴⁶ *Minnesota Statutes* 2009, 134.31, subd. 1.

We looked at State Library Services' activities in relation to its mission statement and found that:

- **State Library Services has not fulfilled key areas of its mission related to library standards, planning, and evaluation.**

State Library Services developed voluntary standards for public libraries in 1996.⁴⁷ However, the agency has never updated them to reflect the major technological changes that have taken place over the last 14 years. Furthermore, in comparison with standards in some other states, which are also generally voluntary for libraries, Minnesota's standards do not clearly delineate in measureable terms what is or should be expected of libraries.⁴⁸ For example, there are no numerical standards related to the number of Internet computers available for public use, collection size, or staffing ratios—some commonly-used measures to assess library quality.

Similarly, State Library Services wrote a state plan for public libraries in 1995.⁴⁹ It, too, has not been officially updated, although staff and the library community have been trying to do so for the last six years. The latest draft of the plan, as with State Library Services' standards, is also very general. However, it calls for: (1) a stronger State Library Services that is better staffed and funded, (2) the development of standards for both regional public library systems and public libraries, and (3) better funding for public libraries.⁵⁰

Finally, as with the former two documents, State Library Services has also not finalized its latest update to *Minnesota Public Libraries Trustees Handbook*. Although the document, which contains useful information for library trustees, was updated in January 2009, it has still not been formally approved and adopted.

The library community expects much more from State Library Services than it may be able to deliver—or has delivered thus far. As a consequence, the agency suffers from credibility problems. We found that:

- **For the most part, the library community wants—and expects—State Library Services to assume more of a leadership role and is critical of the agency when it does not act in this capacity.**

In our survey of public library directors, most respondents “agreed” or “strongly agreed” that State Library Services should advocate more for public libraries (93 percent), distribute best practices (83 percent), and set a vision for public libraries (63 percent). In addition, 50 percent of respondents “agreed” or “strongly agreed” that State Library Services should adopt public library standards that libraries could choose to meet; 42 percent said the agency should adopt standards that public libraries would be expected to meet. At the same time, however, the

⁴⁷ Minnesota Department of Education, *Standards for Minnesota Public Libraries: Essential, Enhanced, Excellent* (St. Paul, 1996).

⁴⁸ *Ibid.*, 9.

⁴⁹ Minnesota Department of Education, *State Plan for Minnesota Libraries* (St. Paul, 1995).

⁵⁰ Minnesota Department of Education, *Draft State Plan for Minnesota Libraries* (St. Paul, 2009).

**The library
community is
often critical of
State Library
Services.**

library community does not want the agency to regularly monitor or evaluate the performance of individual libraries. For the most part, our interviews with regional public library and multitype library cooperation system directors reinforced these opinions.

Throughout our evaluation, the library community generally criticized the agency because it has not fulfilled these roles. Regional and multitype system directors as well as public library directors cited various factors to explain State Library Services' problems, including inadequate funding and too few staff. In addition, some said that public libraries, in general, would be better served if State Library Services was not located in the Department of Education, but was instead an independent state agency or board. On the other hand, we found considerable respect for Minitex, which provides many public library services with money provided through State Library Services.

Revenues and Expenditures

In the previous chapter, we discussed how local governments in Minnesota are primarily responsible for establishing and administering public libraries, with state government generally providing programs and financial assistance to regional library systems. This chapter focuses on the different sources of revenue for public libraries, including state requirements mandating how much local governments must spend to ensure residents have access to services. The chapter also examines how libraries spend their money.

TOTAL OPERATING REVENUES

First and foremost:

- **Funding public libraries is—and always has been—a local government function.**

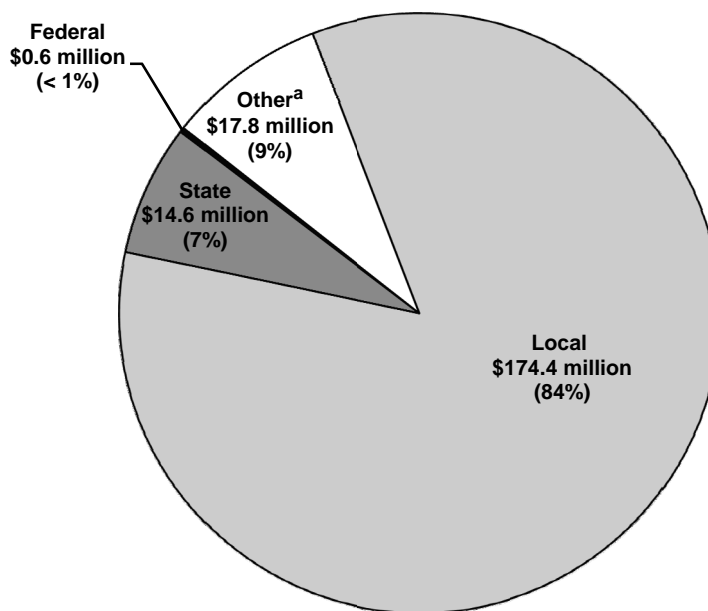
In 2008, public libraries received a total of \$207.4 million in operating revenue. As Figure 3.1 shows, local governments contributed 84 percent of this amount—about \$174.4 million.¹ Counties provided nearly one-half (49 percent) of total revenue, and cities provided just over one-third (35 percent).

Local governments provided 84 percent of public library funding in 2008.

Funding from state and federal governments accounted for relatively small shares of public libraries' revenue in 2008. State government contributed about \$14.6 million, which amounted to about 7 percent of total revenue. Federal funds, which represented less than 1 percent of public libraries' total revenue, came to about \$0.6 million.

The remaining 9 percent of public library revenue came from nongovernmental sources, including gifts, donations, special events, library fines for overdue materials, and library fees for services such as printing, duplicating, and rentals of rooms, materials, or equipment. These income sources generated about \$17.8 million for public libraries in 2008.

¹ Throughout this chapter, public library revenues and expenditures include data for individual libraries as well as the regional public library system in which they are located. For example, Traverse des Sioux Library System figures include data for each of the system's 25 public libraries as well as the system's regional office, which provides support services to member libraries.

Figure 3.1: Sources of Public Library Revenue, 2008

State and federal contributions represented only a small share of total library funding in 2008.

^a Other revenue includes monetary gifts and donations, interest, library fines, and fees for library services.

SOURCE: Minnesota Department of Education, State Library Services, *2008 Minnesota Public Library Statistics* (St. Paul, 2008), 2.

Table 3.1 shows the operating revenue received by each of the state's 12 regional public library systems in 2008. As the data show:

- **Overall, federated regional public library systems received more funding than consolidated systems in 2008, with average revenue per capita more than twice that of consolidated systems.**

Public libraries in federated regional systems received nearly \$183 million in 2008, compared with consolidated systems' \$24 million. Federated and consolidated systems also varied in the proportion of revenue coming from local, state, and federal sources, with federated systems getting a larger share of its revenue from local government. For example, federated systems received more than twice as much per capita in local funds than consolidated systems—\$38 compared with \$15.

Table 3.1: Total Operating Revenue by Regional Public Library System, 2008

Regional Library System	Local Revenue		State Revenue		Federal Revenue		Other Revenue		Total Revenue	
	Amount (in thousands)	Per Capita	Amount (in thousands)	Per Capita	Amount (in thousands)	Per Capita	Amount (in thousands)	Per Capita	Amount (in thousands)	Per Capita
Federated Systems										
Arrowhead Library System	\$ 10,750	\$34.90	\$ 1,190	\$3.86	\$ 88	\$0.28	\$ 1,065	\$ 3.46	\$ 13,093	\$42.51
Metropolitan Library Service Agency	116,954	40.73	4,585	1.60	141	0.05	12,064	4.20	133,744	46.58
Plum Creek Library System	3,486	30.17	621	5.38	40	0.35	519	4.49	4,666	40.39
Southeastern Libraries Cooperating	16,923	34.54	1,198	2.44	91	0.19	1,472	3.00	19,684	40.17
Traverse des Sioux Library System	6,057	26.89	1,260	5.59	0	0.00	272	1.21	7,589	33.69
Viking Library System	3,151	25.53	393	3.18	0	0.00	285	2.31	3,828	31.01
Subtotal	\$157,321	\$38.06	\$ 9,247	\$2.24	\$361	\$0.09	\$15,677	\$ 3.79	\$182,605	\$44.17
Consolidated Systems										
East Central Regional Library	\$ 1,920	\$10.94	\$ 601	\$3.42	\$ 0	\$0.00	\$ 248	\$ 1.41	\$ 2,768	\$15.77
Great River Regional Library	6,534	14.46	2,091	4.63	27	0.06	912	2.02	9,565	21.17
Kitchigami Regional Library	1,739	10.62	625	3.82	81	0.50	157	0.96	2,602	15.89
Lake Agassiz Regional Library	2,314	16.79	720	5.22	0	0.00	239	1.73	3,272	23.75
Northwest Regional Library	616	12.81	334	6.94	0	0.00	35	0.74	985	20.49
Pioneerland Library System	3,556	21.63	1,018	6.19	80	0.49	282	1.72	4,937	30.03
Subtotal	\$ 16,679	\$14.61	\$ 5,389	\$4.72	\$188	\$0.16	\$ 1,874	\$ 1.64	\$ 24,129	\$21.14
Unaffiliated Total	\$ 422	\$32.92	\$ 0	\$0.00	\$ 7	\$0.52	\$ 218	\$16.97	\$ 646	\$50.42
Statewide	\$174,422	\$32.98	\$14,636	\$2.77	\$555	\$0.11	\$17,768	\$ 3.36	\$207,381	\$39.22

NOTE: Individual columns may not add up to the total due to rounding.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

Over the last several years, public libraries' total operating revenue increased faster than the Consumer Price Index. As Table 3.2 shows, total revenue grew from \$165.9 million in 2002 to \$207.4 million in 2008, for an average annual rate of 4 percent. During the same time frame, the Consumer Price Index increased at an average annual rate of 3 percent.²

Table 3.2: Total Operating Revenue for Public Libraries, 2002-2008

Year	Source of Revenue (in millions)				
	Local	State	Federal	Other	Total
2002	\$142.0	\$12.0	\$1.3	\$10.5	\$165.9
2003	142.0	11.4	1.1	10.2	164.8
2004	143.1	11.7	1.1	10.9	166.8
2005	150.4	12.6	0.9	13.9	177.8
2006	159.8	11.0	0.9	15.1	186.8
2007	169.4	11.4	1.9	16.8	199.5
2008	174.4	14.6	0.6	17.8	207.4
Average annual change	4%	4%	0%	10%	4%

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

Between 2002 and 2008, total revenue in consolidated regional library systems increased faster than revenue in federated systems. Consolidated systems' total revenue increased 42 percent, going from \$17.0 million in 2002 to \$24.1 million in 2008, while federated systems' revenue grew 23 percent, from \$148.2 million to \$182.6 million.

Local Government Revenue

As discussed in Chapter 2, state laws do not require that local governments establish public libraries. Similarly, when local governments choose to establish libraries, state laws do not mandate the services they must provide. However:

- **State laws require that local governments maintain a minimum level of funding for public library services.**

Local governments are free to contribute above the amounts mandated of them each year and, as we discuss in the following sections, many do. Doing so, however, establishes a new "floor" they must maintain in subsequent years.

² Bureau of Labor Statistics, "Consumer Price Index--All Urban Consumers, 2002-2008," <http://data.bls.gov>, accessed January 8, 2009.

Maintenance of Effort Requirements

Since 1987, state law has required all counties to participate in a regional public library system.³ Laws have also required counties as well as all cities that choose to operate a public library to participate in a regional public library system and to provide a minimum level of revenue for library services based on their adjusted net tax capacity two years prior.⁴ State laws have also required counties and cities to spend, at a minimum, what they spent for library services two years before. Some cities also contribute a supplemental amount separate from what these provisions require, generally to pay for building maintenance costs.⁵

The formula for determining local governments' funding requirements, shown below, is outlined in statutes and is automatically updated each year to reflect changes in local property values.⁶ Collectively, these provisions are referred to as "state-certified levels of library support," more commonly known as "maintenance of effort" requirements, and the money they raise comprises the vast majority of public library revenue.

Local governments' spending requirements are based on property value, population, or previous spending.

In 2008, local governments' library spending requirements were the larger of:

- 1) The dollar amount equivalent to the lesser of:
 - a) 0.82 percent of the adjusted net tax capacity of all participating areas for the second preceding year,⁷ or
 - b) A per capita amount for the population of the area taxed for public library service;

OR

- 2) The dollar amount provided for public library services in the second preceding year.⁸

³ *Laws of Minnesota* 1987, chapter 398, art. 9, sec. 2.

⁴ *Ibid.* Cities that participate in a regional public library system are not covered by these provisions if the city's property is already taxed by the county for library services. In 2009, the Legislature amended minimum funding requirements to base them on the average net tax capacity for the second, third, and fourth preceding years, effective in 2011. See *Laws of Minnesota* 2009, chapter 96, art. 5, sec. 9-10.

⁵ Cities that pay supplemental amounts provide additional funds on top of their counties' minimum funding requirement. See *Minnesota Statutes* 2009, 134.20, subd. 3.

⁶ For example, per capita expenditure requirements increased from \$7.62 for library spending in 1994 to \$12.64 for 2010. Between 1994 and 2010, minimum per capita expenditure requirements increased at an average annual rate of 3.3 percent.

⁷ Minnesota statutes define adjusted net tax capacity as "the net tax capacity of the taxable property of the district as adjusted by the commissioner of revenue." We generally refer to this figure as a local government's property value. See *Minnesota Statutes* 2009, 126C.01, subd. 2.

⁸ *Minnesota Statutes* 2008, 134.34, subds. 1 and 4. The 2009 Legislature amended local governments' minimum library funding requirements by expanding the number of years on which adjusted net tax capacity and prior library spending is based. Effective 2011 and beyond, the adjusted net tax capacity element will be calculated as 0.82 percent of the average tax capacity in the second, third, and fourth preceding years. Effective 2009 and later, prior library spending is based on the dollar amount provided for public library services in the second or third preceding year, whichever is less. See *Laws of Minnesota* 2009, chapter 96, art. 5, secs. 9-10.

State laws allow local governments to reduce their spending for libraries under certain conditions.

For the most part, local governments pay for library services out of revenue derived from local property taxes and, as explained above, their minimum requirements are generally based on property value, population, or previous spending. In 2008, all 87 counties had library maintenance of effort requirements, 145 cities had separate requirements, and 32 cities had supplemental requirements.⁹

Acknowledging the financial stress facing local governments, especially when state aid has been reduced, the Legislature allows reductions in required spending under certain conditions.¹⁰ For example, local governments' funding requirements decrease a similar percentage whenever their respective tax capacity decreases.¹¹ In response to the state budget crisis in 2003, local governments paying above the state minimum could reduce their 2004 and 2005 dollars provided for library services up to 10 percent.¹² Action taken by the 2009 Legislature allows local governments providing support above the state minimum to reduce their 2009 requirement (and future requirements) in proportion to their reductions in local government aid and state unallotments, up to 10 percent.¹³

A number of other states, including Wisconsin and Michigan, also have statutory maintenance of effort requirements.¹⁴ Such requirements can be a “double-edged” sword for libraries. On the one hand, libraries are ensured a stable level of funding, despite a poor economy or other local government needs. Maintenance of effort requirements also allow libraries to sustain costly new programs and equipment once implemented. On the other hand, such requirements may discourage local governments from investing in new library services or technology because they do not want to maintain increased funding levels in subsequent years. Such requirements may also create resentment among other local government agencies, since they prevent the city or county from allocating funds elsewhere if the need arises.

State Library Services must annually verify that local governments have met their maintenance of effort requirement.¹⁵ Each year, counties and cities report library operating expenditures to their regional public library system, where staff compare reported amounts with the entity's maintenance of effort requirement, as

⁹ Of the 145 cities with their own maintenance of effort requirement, 107 ran a library system. The remaining 38 cities contained library buildings that were part of either a county or a consolidated regional library system. Most of these cities provided library services themselves before joining a larger system and chose to continue their city payments. In addition, two school districts had supplemental maintenance of effort requirements.

¹⁰ In addition to exemptions related to economic conditions, the Legislature exempted funds that Hennepin County Library received to extend library hours under the special baseball stadium levy from maintenance of effort requirements. See *Laws of Minnesota* 2007, chapter 146, sec. 2.

¹¹ *Minnesota Statutes* 2009, 134.34.

¹² *Laws of Minnesota* First Special Session 2003, chapter 9, art. 6, sec. 1, subd. 4.

¹³ *Laws of Minnesota* 2009, chapter 96, art. 5, secs. 9-10. In 2009, 6 counties and 11 cities took advantage of this provision and together reduced their minimum funding requirements by nearly \$800,000.

¹⁴ There are no national data regarding the number of states with maintenance of effort requirements for library spending.

¹⁵ *Minnesota Statutes* 2009, 134.34, subd. 1.

State Library Services verifies that local governments have met their minimum funding requirements.

determined by State Library Services.¹⁶ The regional system then reports these amounts to the state in its annual application for regional library basic system support aid. State Library Services also compares reported and required expenditure amounts. If it finds any discrepancies, it contacts the regional public library system to correct any mistakes with the local government. When mistakes occur and a county or city does not meet its maintenance of effort requirement, State Library Services requires the entity to make up the amount the following year and adjusts its future maintenance of effort requirement accordingly.¹⁷

Maintenance of effort reporting discrepancies may occur for several reasons: the county or city did not meet its maintenance of effort requirement, recordkeeping mistakes, or unclear definitions. Regarding unclear definitions, State Library Services staff told us that there is often confusion at the local level about what distinguishes operating from capital expenses. Because of the wide variation in how libraries operate and are funded throughout the state, State Library Services does not have a rigid definition of a capital expense, and what qualifies as a capital expense for one library may be an operating expense for another. For example, before it merged with Hennepin County Library, Minneapolis Public Library allocated operating funds toward carpet replacement in its annual budget because it incurred the expense annually, which would make these costs show up in its maintenance of effort requirement. In contrast, a small city library could consider carpet replacement a capital expense because it is a one-time replacement that may not occur again for several years and would, therefore, have no effect on the city's required funding level.

In response to the confusion surrounding operating and capital expenses and other maintenance of effort inconsistencies, the Council of Regional Public Library System Administrators examined these issues in 2008. Working with State Library Services, the council created a more specific definition of capital expenses based on best practices that State Library Services now uses with city and county administrators to lessen confusion.¹⁸

State Library Services takes additional steps to verify a county's or city's reported library operating expenditures. After examining this verification process, we determined that:

- **State Library Services does not use the best data available to verify what local governments report spending for library services.**

¹⁶ Regional systems vary in their verification processes for counties' and cities' reported operating expenditures. Some systems do nothing since local governments should have already ensured that the reported amounts were correct and met maintenance of effort requirements, while others require cities and counties to break out expenditures to confirm that they accurately reported operating funds.

¹⁷ Adjustments do not count toward the county's or city's operating expenditures for that year but are credited to the year in which the shortfall occurred.

¹⁸ Council of Regional Public Library System Administrators, Minnesota Library Funding Committee, "Recommendations," November 21, 2008, <http://www.crplsa.info/download/attachments/426041/Minnesota+Library+Funding+Recommendations+2008-11-21.pdf?version=1>, accessed January 5, 2010.

State Library Services staff told us that they compare counties' and cities' reported maintenance of effort expenditures with what local governments reported for library expenditures in their annual financial reports to the State Auditor's Office. This verification method, however, compares two somewhat different items. The reports from the State Auditor that State Library Services staff use include capital as well as operating expenditures. As a result, these data for cities usually reflect a higher level of spending than what cities report to State Library Services for maintenance of effort. For example, over the last few years, Albert Lea has consistently reported spending considerably less in maintenance of effort to State Library Services than it has in total library expenditures to the State Auditor—in 2008, it reported spending \$244,000 less. This comparison method becomes even more difficult for counties because the reports from the State Auditor that State Library Services staff use do not list library expenditures as a separate line item—library expenditures are included under "Culture and Recreation."

We think that it is appropriate for State Library Services to compare counties' and cities' reported maintenance of effort expenditures with their annual financial reports to the State Auditor. However, the State Auditor's Office has more detailed data available on its web site than those used by State Library Services—data that separate operating expenditures from capital expenditures for each county and city. When we compared the library expenditures local governments reported for maintenance of effort with what they reported to the State Auditor using these reports, we found that the amounts were generally similar. For example, Albert Lea reported nearly \$100,000 in capital expenses in 2008, which accounts for some but not all of the large discrepancy previously mentioned.

At the same time, we found discrepancies between what some counties and cities reported for maintenance of effort expenditures and what libraries reported for county and city revenue in the annual *Public Library Statistics*.¹⁹ The reported amounts for maintenance of effort expenditures and local operating revenue should be similar for most local governments and libraries since the definitions are the same. For example, in 2008, Northwest Regional Library reported \$615,871 in local expenditures for maintenance of effort and \$615,861 in local revenue for *Public Library Statistics*—only a \$10 difference. Other libraries, however, had much greater discrepancies. Great River Regional Library reported city maintenance of effort revenue of nearly \$550,000, but only about \$34,000 in city revenue in *Public Library Statistics*—a difference of more than \$500,000.²⁰

Variations in Maintenance of Effort Requirements

Funding variations between cities and counties have been an issue in the library community for several years. As early as 1988, a Department of Education study documented funding differences between counties and cities that tax separately

¹⁹ The Department of Education collects data for *Public Library Statistics* from libraries, while maintenance of effort data are collected from individual cities and counties.

²⁰ In 2009, State Library Services began working with Great River Regional Library to clarify and correct prior reporting practices.

State mandates have a significant impact on how public libraries are funded.

for public library services.²¹ Our analysis of data from State Library Services found that these variations still exist more than two decades later:

- **Cities that operated libraries were required to contribute more than twice as much per capita for public library services than were counties in 2008.**

In 2008, cities were required to contribute, on average, \$37.79 per capita compared with \$15.69 for counties.²² In 2008, per capita requirements for cities ranged from \$9.80 in Brainerd to \$112.76 in McKinley, while per capita requirements for counties ranged from \$4.88 in Roseau County to \$49.35 in Hennepin County.²³

In 2008, 36 cities had maintenance of effort requirements greater than \$50 per resident. Over 80 percent of these cities had populations below 5,000. Small cities must levy a larger amount per capita to secure adequate funding to support their library. For example, Calumet had to pay \$98.94 for each of its 372 residents to raise the \$36,805 required to support its library in 2008. Librarians told us that small cities recognize the important role their library plays in the community and residents are generally willing to contribute the funds needed to maintain services.

Furthermore, most cities that operated libraries had to pay considerably more per capita than the counties in which they were located. Statewide, cities paid an average of \$22.76 more than the county in which they were located. There was greater variation within federated regional public library systems than consolidated systems—\$25.99 compared with \$11.78, respectively. The difference was most pronounced in Arrowhead Library System, where cities were required to pay an average of \$42.56 more than the county in which they were located. For example, St. Louis County had to pay at least \$12.44 per resident for library services, but the 15 cities with libraries in St. Louis County had to pay per capita amounts ranging from \$36.04 in Cook to \$112.76 in McKinley.²⁴ Likewise, the cities of Mountain Lake, Westbrook, and Windom in southwestern Minnesota paid from \$20 to \$38 more per resident for library services than did Cottonwood County in 2008.

²¹ Minnesota Department of Education, *Study and Recommendations on Regional Public Library Districts for Minnesota* (St. Paul, December 1, 1988), 19-25.

²² The maintenance of effort averages for counties and cities are unweighted, which treats each city and county equally, regardless of population. Calculations include only cities with maintenance of effort requirements separate from the county in which they are located; calculations exclude cities with supplemental maintenance of effort requirements, which raise only minimal amounts of money.

²³ Brainerd's spending requirement was based on its previous spending level. Although the city's per capita spending requirement was less than the state minimum of \$12.44 per capita for 2008, 0.82 percent of its net tax capacity yielded a minimum figure of \$5.58 per capita, which was less than what the city had historically provided for public libraries. Roseau County's minimum requirement was based on 0.82 percent of its anticipated net tax capacity.

²⁴ Appendix C shows the minimum amount each local government was required to pay for library services in 2008.

Table 3.3 shows local governments' overall funding requirements by regional library system for 2008. Counties were required to provide at least \$92.9 million in 2008, and cities were required to pay at least \$64.6 million. Spending requirements varied considerably by individual county and city. County spending requirements ranged from just over \$27,000 in Mahanomen County to more than \$37.6 million in Hennepin County. City spending requirements ranged from about \$8,000 in Hanska to \$20.4 million in Minneapolis.²⁵

Table 3.3: City and County Maintenance of Effort Requirements by Regional Public Library System, 2008

Regional Public Library System	County		City	
	Amount (in millions)	Average per Resident	Amount (in millions)	Average per Resident
Federated Systems				
Arrowhead Library System	\$ 1.6	\$13.11	\$ 8.4	\$54.90
Metropolitan Library Service Agency	71.2	29.02	36.0	42.53
Plum Creek Library System	1.4	18.32	1.5	33.01
Southeastern Libraries Cooperating	3.1	16.85	11.5	35.53
Traverse des Sioux Library System	2.5	20.46	2.4	31.18
Viking Library System	1.4	14.49	1.5	53.31
Subtotal	\$81.3	\$18.70	\$61.4	\$41.60
Consolidated Systems				
East Central Regional Library	\$ 1.7	\$10.08	\$ 0	\$ 0
Great River Regional Library	5.9	13.59	0	0
Kitchigami Regional Library	1.4	10.86	.5	19.52
Lake Agassiz Regional Library	.9	10.62	1.0	19.32
Northwest Regional Library	.3	9.17	.1	17.28
Pioneerland Library System	1.4	14.71	1.6	29.55
Subtotal	\$11.5	\$11.81	\$ 3.2	\$24.89
Statewide	\$92.9	\$15.69	\$64.6	\$37.79

NOTES: The averages for counties and cities are unweighted, which means that each city and county has been treated equally, regardless of population. East Central and Great River regional libraries do not contain any cities with separate library levies. In addition to city and county maintenance of effort requirements, a number of cities also have supplemental maintenance of effort requirements totaling \$800,000. Individual columns may not add to the total due to rounding.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education maintenance of effort data.

Table 3.4 shows how many local governments' maintenance of effort requirements were based on the state minimums as opposed to their previous spending levels (which would generally be above the state minimums) in 2008. While funding requirements for most counties were based on their previous spending levels, we found that:

- **In 2008, 39 percent of counties were required to provide at least the state minimum level of funding, while all cities operating libraries were required to spend above the state minimums.**

²⁵ Minneapolis Public Library was not fully merged with Hennepin County Library in 2008, and the city had a maintenance of effort requirement separate from Hennepin County's requirement.

According to data collected by State Library Services, 34 of 87 counties were required to pay at least the state minimum, while all 145 cities were required to spend above the minimums in 2008. None of the counties whose maintenance of effort is based on the state minimum administer their own library system. Preliminary data collected by State Library Services show that 29 of the state's 87 counties (33 percent) were required to pay the state minimum in 2009, while all 145 cities were required to pay above it.

Table 3.4: How Local Governments' Maintenance of Effort Requirements Were Determined, 2008

Maintenance of Effort (MOE) Based on	Counties	Cities	Average MOE per Resident
State Minimum			
0.82 Percent Adjusted Net Tax Capacity	15	0	\$ 9.49
Set Amount per Capita	19	0	12.44
Previous Spending	<u>53</u>	<u>145</u>	<u>32.66</u>
Total	87	145	\$29.51

NOTES: Averages are unweighted, which means that each city and county has been treated equally, regardless of population. Cities with supplemental maintenance of effort requirements are not included in this table.

SOURCE: Office of the Legislative Auditor, analysis of Department of Education maintenance of effort data.

In 2005, the number of counties paying at the state minimum for public libraries began to increase.

Table 3.5 shows how many counties were required to pay at least the state-mandated minimum level of funding over time. In 1994, 29 percent of counties had to pay at least the state minimum. Since then, the percentage of counties required to pay at the state minimum was somewhat consistent until 2005, when the percentage began to rise sharply.²⁶

We also looked at how much local governments contributed for public libraries above what their maintenance of effort required for 2007 and 2008. In 2007, local governments contributed about 12 percent more than they were required to pay, with counties paying a slightly larger percentage more than cities. Preliminary data for 2008 suggest that local governments paid about 7 percent more than required.²⁷

²⁶ In response to the 2003 state budget crisis, the Legislature allowed local governments paying above the state minimums to reduce their 2004 and 2005 dollars provided up to 10 percent. This brought many counties paying above the minimums in 2004 and 2005 below the minimums in 2006. See *Laws of Minnesota* First Special Session 2003, chapter 9, art. 6, sec. 1, subd. 4.

²⁷ According to data collected by the Department of Education, local governments have contributed, on average, about 13 percent more in operating revenue than they were required to under their maintenance of effort requirements each year between 1994 and 2007.

Table 3.5: Number of Counties at the State Minimum Maintenance of Effort, 1994-2008

Year	Number of Counties at the State Minimum	Percentage of Total
1994	25	29%
1995	24	28
1996	29	33
1997	24	28
1998	24	28
1999	23	26
2000	14	16
2001	20	23
2002	23	26
2003	22	25
2004	25	29
2005	27	31
2006	31	36
2007	34	39
2008	34	39

NOTE: Since 1994, only two cities have been required to pay at least at the state minimum. This occurred in 1994 and again in 1998.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education maintenance of effort data.

Given the wide variations in library maintenance of effort requirements, we wanted to see what factors affected funding requirements. We found that:

- **Public library organization and administration are related to local governments' minimum funding requirements.**

Cities and counties in federated regional public library systems are generally required to pay more per capita than those in consolidated systems. As shown earlier in Table 3.3, counties in federated systems had to pay an average of \$6.89 more per capita than counties in consolidated systems (\$18.70 compared with \$11.81, respectively). Cities in federated systems also had to pay more per capita than their counterparts in consolidated systems—\$41.60 compared with \$24.89, respectively.

As might be expected, we also found that local governments that administer their own libraries must pay more per capita than those that do not.²⁸ Counties that operate library services had to pay nearly twice as much as those that did not, while cities that run libraries were required to pay nearly two-thirds more per capita than cities that did not. Operating libraries is a trade-off. Local governments that run libraries must pay more for library services but maintain

²⁸ Also not surprising, counties and cities with higher property values are required to contribute more toward libraries per capita than local governments with lower property values. We found a strong correlation between property tax values and overall funding requirements ($r=.956$). This may be because it is easier to raise funds in property-rich areas than property-poor ones.

control over the local library, while cities and counties in consolidated regional library systems pay less for library services but must give up more control. The cities in which libraries are located may also experience a small economic benefit if library users spend money in area businesses before or after their library visit.

As noted earlier, concerns about county and city funding variations have existed for many years. In response:

- **The Legislature has created some long-term approaches that would allow regional public library systems to address variations in funding requirements, but they have never been tried.**

Any regional public library system, with the approval of its governing board and each of its members, can determine what share of the system's total maintenance of effort funding requirement must be paid by each local government.²⁹ However, none of the regional systems has acted on this option since the legislation was enacted 20 years ago. Only a few regional public library system directors told us that their governing boards had ever discussed this possibility. Although some regional governing boards liked the idea of equalizing funding differences throughout the region, doing so has never moved beyond initial discussions. Regional system directors indicated that doing so needs the approval of all members, which would be difficult since it may require some local governments to increase their local contribution.

In addition, state law allows Great River Regional Library and East Central Regional Library to create "library districts."³⁰ The districts would have the authority to levy for public library services in lieu of their member cities and counties. This provision has likewise never been implemented. However, cities in these regional systems generally do not have funding requirements separate from their respective counties and the differences among what counties must pay are relatively small when compared with other parts of the state.

State laws have tried to address library funding variations among local governments.

State and Federal Revenues

While local governments contribute the majority of library funding in Minnesota:

- **State and federal funds, which represent a small share of public libraries' total revenue, pay for essential regional and statewide services.**

For the most part, state and federal funds go to regional public library systems to support regionwide programs; they generally do not go directly to individual

²⁹ *Minnesota Statutes* 2009, 134.342.

³⁰ *Minnesota Statutes* 2009, 134.201. The idea to create library districts with levy authority was put forth in a 1988 Department of Education study. See Minnesota Department of Education, *Study and Recommendations*.

member libraries.³¹ As shown earlier in Table 3.1, public libraries received \$14.6 million in state revenue in 2008. While state funding has risen since 2002, it still represents a small share of libraries' total revenue—7 percent in 2008. State revenue increased 22 percent from \$12.0 million in 2002 to \$14.6 million in 2008, for an average annual increase of 4 percent.

Table 3.6 describes the various sources of state and federal revenue for public libraries. As the table shows, most state funding comes from State Library Services as regional library basic system support grants and regional library telecommunications aid to support regional services. State Library Services distributes these funds to regional public library systems based on statutory formulas. The agency provides public library accessibility and improvement grants to individual public libraries through a competitive grant process.

Over the next several years, public libraries may receive a significant amount of money from the Arts and Cultural Heritage Fund.

Effective fiscal year 2010, regional public library systems will receive about \$4.25 million in Arts and Cultural Heritage Funds each year of the current biennium to fund programs at libraries.³² The funds, available for the next 25 years, are allocated to regional public library systems based on the regional library basic system support formula. Each regional public library system has agreed to contribute 10 percent of its funds toward a statewide initiative to collaborate with the Minnesota Historical Society on a Greatest Generation program.³³ Regional public library system directors plan to use the remaining funds in a variety of ways, including creating a winter reading program, teen poetry workshops, preschool literacy programs, and documenting local history.

³¹ State Library Services does not directly provide libraries with operating revenue. Some libraries receive capital funds from State Library Services in the form of public library accessibility and improvement grants. In 2008, ten libraries (not counting consolidated regional library systems) received operating revenue from other state agencies such as the Department of Human Services. The majority of these funds, which totaled almost \$167,000, went to three libraries in the Twin Cities metropolitan area. Similarly, seven libraries received federal funds, mostly as grants for job training programs, which totaled nearly \$155,000 in 2008. Again, almost all went to five libraries in the Twin Cities metropolitan area.

³² In 2008, Minnesota voters passed a constitutional amendment creating a .375 percent sales tax to support outdoor heritage, clean waters, sustainable drinking water, parks and trails, arts, history, and cultural heritage projects and activities. Of the total amount of sales tax collected, 19.75 percent is dedicated to the Arts and Cultural Heritage Fund for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage. See Arts and Cultural Heritage Fund Planning Committee, *Minnesota: State of Innovation* (St. Paul, January 15, 2010); and Minnesota's Arts and Cultural Heritage Fund, <http://www.ortonville.net/Heritage%20Preservation/Legacy%20Grant%20Program.pdf>, accessed January 22, 2010.

³³ The Greatest Generation program explores the lives of Minnesota residents who came of age in the mid-20th century by documenting and preserving their stories, creating community histories, and educating all residents about this generation.

Table 3.6: State Appropriations for Public Libraries, 2008

Program	Description	FY2008 Appropriations (in millions)	Provided to
Regional Library Basic System Support Grants	Provides state aid to benefit public libraries for interlibrary resource sharing programs, shared automation, and coordinated services. Distributed based on a statutory formula that factors in population, square miles, and tax capacity.	\$9.9	Regional public library systems
Regional Library Telecommunications Aid	Provides state aid to equalize costs to improve or maintain access to the state information infrastructure and to facilitate resource sharing. Distributed on a formula based on actual cost of line lease and maintenance.	2.2	Regional public library systems
Public Library Accessibility and Improvement Grants	Provides state aid to remove architectural barriers from public buildings or help construct accessible buildings. Distributed through a competitive grant process.	1.0	Individual public libraries

NOTES: In addition to funds that go directly to public libraries, the Legislature supports statewide library services by allocating state funds to State Library Services for multicounty multitype library cooperation systems to foster cooperative efforts among all types of libraries (\$1.3 million) and for Minitex to provide statewide databases through Electronic Library of Minnesota (\$0.9 million).

SOURCES: Office of the Legislative Auditor, analysis of Minnesota Department of Education appropriations data; and Minnesota Department of Education, *2010-11 Biennial Budget* (St. Paul, December 2008), 197-211.

Public libraries in Minnesota also received \$560,000 in federal revenue in 2008 (less than 1 percent of total revenue), most of it in the form of Library Service and Technology Act (LSTA) grants. The federal government provides LSTA funds to state library agencies to help serve hard-to-reach populations and assist libraries in their technology initiatives. In 2009, Minnesota received nearly \$3 million in LSTA funds. Of this, State Library Services provided \$400,000 to individual libraries through a competitive grant process.³⁴ It used the remaining LSTA funds in a variety of ways—some of which directly benefited public libraries. For example, it transferred, via interagency agreements, \$1.3 million to Minitex to provide interlibrary loan and delivery, reference services, and training.³⁵

Other Revenue

In addition to local, state, and federal government sources:

³⁴ All types of libraries—academic, public, school, and special—may apply for LSTA grants as long as they meet grant criteria. In 2008, State Library Services awarded 12 LSTA grants to individual libraries across the state to implement a range of projects, including a laptop computer lab for seniors, teen programs, a partnership between a library and local food shelf for a literacy program, and web site development. LSTA grants to individual public libraries totaled about \$240,000 in 2008, averaging about \$41,000 per library.

³⁵ See Chapter 2 for a breakdown of how State Library Services used the remaining LSTA funds.

- **Public libraries received about 9 percent of their 2008 total operating revenue from a variety of other sources, including library fees, fines, gifts, and donations.**

As shown earlier in Table 3.1, other sources of operating revenue totaled about \$17.8 million in 2008. Table 3.7 describes public libraries' sources of additional funding as reported in our survey of public library directors. As the table shows, over four-fifths charged for printing and duplicating services and overdue materials. About two-thirds of library directors reported that their library had a "Friends of the Library" or similar group associated with it. Almost all of these groups (95 percent) were involved in fundraising, and high percentages also sponsored special library events or programs (83 percent), volunteered at special library-sponsored events (73 percent), or advocated for the library (72 percent).

Table 3.7: Percentage of Public Libraries Receiving Revenue from Nongovernment Sources, 2009

Public libraries receive revenue from a variety of nongovernmental sources.

Source	Percentage Receiving Revenue
Library fees	
Printing & duplicating materials	93%
Overdue adult materials	89
Overdue children's materials	83
Nonresident library card	67
Meeting room use	35
Other sources	
Individual and group donations	92
Friends of the Library or similar group	71
Corporate contributions	40
Local library foundation or endowment	36

NOTE: Percentages for library fees are based on responses from 75 public library directors; percentages for other sources are based responses from 76 directors.

SOURCE: Office of the Legislative Auditor, survey of public library directors, 2009.

As noted earlier in Chapter 1, almost all of the library directors we surveyed were concerned about current and future library funding. As libraries struggle to maintain adequate funding, they may have to rely more on these other revenue sources to cover increasing costs of doing business.

TOTAL OPERATING EXPENDITURES

State law requires public libraries to report their operating expenditures to State Library Services annually. For the most part, public libraries spend what they take in. We found that:

- **Statewide, public libraries spent \$201.6 million in 2008, up 25 percent since 2002, with about two-thirds of total spending going for staff costs.**

As Table 3.8 shows, public library expenditures rose from \$161.7 million in 2002 to \$201.6 million in 2008, a 25 percent increase. Total operating expenditures grew faster in consolidated regional public library systems (36 percent) than in federated systems (23 percent).

Table 3.8: Total Operating Expenditures by Regional Public Library System, 2002-2008

Regional Public Library System	2002 (in millions)	2004 (in millions)	2006 (in millions)	2008 (in millions)	Percentage Change 2002-2008
Federated Systems					
Arrowhead Library System	\$ 11.1	\$ 10.9	\$ 11.6	\$ 12.1	9%
Metropolitan Library Service Agency	105.8	105.3	120.0	132.2	25
Plum Creek Library System	3.6	3.4	3.8	4.2	17
Southeastern Libraries Cooperating	15.2	15.4	17.4	19.1	26
Traverse des Sioux Library System	6.4	5.7	6.5	7.3	14
Viking Library System	2.9	3.2	3.6	3.9	37
Subtotal	\$144.9	\$143.9	\$163.0	\$178.8	23%
Consolidated Systems					
East Central Regional Library	\$ 1.8	\$ 2.0	\$ 2.2	\$ 2.5	38%
Great River Regional Library	6.1	6.2	7.5	9.1	50
Kitchigami Regional Library	1.6	1.7	1.9	2.5	53
Lake Agassiz Regional Library	2.6	2.5	3.2	3.2	26
Northwest Regional Library	0.9	0.9	0.9	0.9	7
Pioneerland Library System	3.4	3.3	4.0	3.9	16
Subtotal	\$ 16.3	\$ 16.7	\$ 19.8	\$ 22.1	36%
Unaffiliated Libraries	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.7	40%
Statewide	\$161.7	\$161.0	\$183.3	\$201.6	25%

NOTE: Individual columns may not add to the total due to rounding.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

In 2008, public libraries spent 66 percent of their total operating expenditures on personnel, 12 percent on collections, and 22 percent on other items such as equipment and building maintenance. There were only slight differences between federated and consolidated systems in the percentages spent on personnel, collections, and other expenditures. Consolidated systems spent a slightly greater proportion of their budget than did federated systems on personnel (68 percent compared with 66 percent) and collections (13 percent compared with 12 percent). Overall, libraries in regional systems spent between 58 percent (Lake Agassiz) and 73 percent (Great River) of total operating expenditures on personnel and between 10 percent (Pioneerland) and 16 percent (East Central) on collections.

Expenditures on personnel increased 20 percent statewide from 2002 to 2008, growing 34 percent in consolidated systems and 19 percent in federated systems. Expenditures on collections increased 9 percent statewide. They grew faster in consolidated (28 percent) rather than federated (7 percent) systems.

Per capita expenditures also varied throughout the state. When we compared per capita expenditures among the regional systems, we found that:

Federated regional public library systems spent more than twice as much per capita than consolidated systems in 2008. As Table 3.9 shows, public libraries statewide spent \$38 per capita delivering services to residents in 2008. Per capita spending for libraries in federated systems averaged \$43 compared with \$19 for consolidated systems.

Table 3.9: Operating Expenditures per Capita by Regional Public Library System, 2008

Regional Public Library System	Personnel	Collection	Other	Total
Federated Systems				
Arrowhead Library System	\$27.47	\$3.91	\$ 7.81	\$39.18
Metropolitan Library Service Agency	30.18	5.52	10.33	46.03
Plum Creek Library System	23.69	4.60	8.11	36.41
Southeastern Libraries Cooperating	26.34	4.58	8.08	39.01
Traverse des Sioux Library System	19.94	3.20	9.42	32.56
Viking Library System	<u>20.21</u>	<u>3.71</u>	<u>7.88</u>	<u>31.80</u>
Subtotal	\$28.49	\$5.09	\$ 9.69	\$43.26
Consolidated Systems				
East Central Regional Library	\$10.21	\$2.26	\$ 1.59	\$14.06
Great River Regional Library	14.73	2.45	2.94	20.12
Kitchigami Regional Library	9.06	2.32	3.60	14.97
Lake Agassiz Regional Library	13.55	3.72	6.12	23.39
Northwest Regional Library	12.46	2.62	3.96	19.03
Pioneerland Library System	<u>15.54</u>	<u>2.33</u>	<u>5.89</u>	<u>23.77</u>
Subtotal	\$13.10	\$2.55	\$ 3.68	\$19.32
Unaffiliated Libraries	\$31.66	\$6.70	\$15.05	\$53.41
Statewide	\$25.17	\$4.54	\$ 8.41	\$38.12

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

The table also shows that federated systems spent more than twice as much per capita in all expenditure categories than did consolidated systems. Statewide, libraries spent about \$25 per resident on personnel in 2008, ranging from \$9 in Kitchigami to \$30 in MELSA. When viewed by the type of regional system, federated systems spent \$28 per resident, while consolidated systems spent \$13. Similarly, libraries in federated systems had higher per capita collections expenditures than consolidated systems. Statewide, libraries spent \$4.54 per resident on collections in 2008, with federated systems spending \$5.09, compared with \$2.55 in consolidated ones.

We also looked at how operating expenditures varied by library size, as measured by the number of residents in its geographic area. As Table 3.10 shows:

- **Public libraries with the smallest and largest population bases were the most expensive to operate, costing about 17 percent more than the statewide average in 2008.**

About half of the local governments that operated public libraries in 2008 had less than 5,000 residents.

About one-half of Minnesota's public libraries, all in federated regional systems or unaffiliated libraries, were administered by local governments with a population base of less than 5,000 residents. Operating expenditures for these libraries averaged about \$43 per resident in 2008, compared with a statewide average of about \$37. Five public libraries with population bases of 250,000 or more also had an average cost of about \$44 per resident; most of these libraries were administered by counties in the Twin Cities metropolitan area. The most economical libraries to operate were those with population bases of 50,000 to just less than 250,000 residents; these libraries cost, on average, about \$14 less per resident than the state's smallest and largest libraries. Four of the 11 libraries in this size category were administered by consolidated public library systems.

Table 3.10: Public Library Operating Revenues and Expenditures per Capita by Population, 2008

Number of Residents	Number of Libraries	Percentage of Total	Operating Revenue per Resident	Operating Expenditures per Resident
Less than 5,000	68	50%	\$45.97	\$43.46
5,000-49,999	51	38	32.15	31.57
50,000-249,999	11	8	30.13	29.20
250,000 and above	<u>5</u>	<u>4</u>	44.33	43.63
Statewide	135	100%	\$38.05	\$37.25

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

The following chapter explores how library access and use vary in terms of library organization and funding—measures that likely have a direct bearing on the library experiences of residents and users.

Every county in the state contains at least one public library.

As we discussed in the previous two chapters, Minnesota's public libraries vary significantly in terms of how they are organized and funded, which may not be readily apparent to library users. This chapter looks at the regional public library system from a user's perspective. It examines the availability and use of library services and compares Minnesota with the rest of the nation. This chapter also presents our overall conclusions and recommendations.

RESIDENT ACCESS

As noted in Chapter 2, every county contains at least one public library. However, this does not necessarily mean that all Minnesota residents have convenient access to library services. Some counties in northern Minnesota such as Cook, Lake, and Koochiching are large and sparsely populated and, while each has a public library building, the buildings are not centrally located.

Federated regional public library systems have more library buildings than consolidated systems, but federated systems also have more residents to serve and more miles to cover. For example, the geographic service area covered by federated library systems averaged close to 200 miles per building in 2008 (300 miles excluding MELSA) compared with about 360 miles for consolidated systems. At the same time, federated systems averaged about 16,700 residents per building (8,800 excluding MELSA which served, on average, 27,600 residents per building) compared with 10,700 residents per building for consolidated systems.

We examined four measures related to public library access: the number of staff and computers with Internet connections per 1,000 residents, the size of a library's physical collection per resident, and the availability of programs for children and adults per 1,000 residents. Collectively, we refer to these measures as "access" measures in that they indicate how readily available various library resources such as staff and materials are to residents.

Looking at library access, we found that:

- **Overall, federated regional public library systems were somewhat higher staffed, with larger collections and more Internet connections, than consolidated systems in 2008.**

As Table 4.1 shows, libraries in federated systems averaged 0.5 full-time equivalent (FTE) staff for every 1,000 residents.¹ In comparison, libraries in

¹ Libraries in federated regional systems also employed more staff per building than did libraries in consolidated regions in 2008. Federated systems averaged 8.3 FTE staff per building while buildings in consolidated systems averaged 3.2. The average statewide was 6.7 FTE staff per building.

consolidated systems averaged 0.3 FTE for every 1,000 residents. Statewide, public libraries employed 2,403 FTEs, or 0.45 full-time persons for every 1,000 residents in 2008. Staff with “librarian” responsibilities accounted for 34 percent of library staff statewide.² Most of the staff classified as librarians (84 percent) worked in federated as opposed to consolidated systems, with the seven county Twin Cities area accounting for 56 percent of all librarians.

Table 4.1: Resident Access to Public Libraries by Regional Public Library System, 2008

Regional Public Library System	Staff per 1,000 Residents	Internet Computers per 1,000 Residents	Collection Size per Resident	Programs per 1,000 Residents
Federated Systems				
Arrowhead Library System	0.48	0.79	4.81	6.86
Metropolitan Library Service Agency	0.50	0.89	3.00	6.93
Plum Creek Library System	0.54	1.64	5.01	20.38
Southeastern Libraries Cooperating	0.51	0.80	3.88	11.41
Traverse des Sioux Library System	0.47	1.13	4.29	15.29
Viking Library System	0.47	0.70	3.68	9.44
Subtotal	0.50	0.90	3.39	8.36
Consolidated Systems				
East Central Regional Library	0.24	0.68	2.01	9.84
Great River Regional Library	0.30	0.36	1.90	6.95
Kitchigami Regional Library	0.22	0.34	1.79	3.88
Lake Agassiz Regional Library	0.38	0.86	2.17	16.16
Northwest Regional Library	0.30	1.04	2.89	13.44
Pioneerland Library System	0.37	1.40	4.71	7.73
Subtotal	0.30	0.65	2.38	8.45
Unaffiliated Libraries	1.18	1.33	10.41	39.09
Statewide	0.45	0.85	3.19	8.46

NOTE: Excluding MELSA from the overall averages for federated library systems did not appreciably change the subtotals or the differences between federated and consolidated systems.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

Although federated systems had more staff overall than did consolidated systems, staffing within individual libraries varied considerably. In 2008, 80 of the 359 (22 percent) library buildings statewide operated with less than one full-time staff person. More library buildings in consolidated systems had less than one full-time staff person than in federated systems—38 percent compared with 15 percent. All of these libraries were open fewer than 40 hours a week—some less than 20 hours a week, which is the minimum number of hours a building must be

² Staff are classified as “librarians” based on the type of work they do rather than their level of training. Although not required to have a degree in library of science, 68 percent of librarians had a Master of Library Science degree in 2008.

open to the public to be eligible for regional library telecommunications aid. In 2008, 13 library buildings statewide were open fewer than 20 hours a week.

Table 4.1 also looks at the size of a library's collection as another measure of access. A library's collection refers to items held on a library's shelves as opposed to items available electronically or through other libraries. For the most part, the more items a regional library system has internally, the more materials are readily available for users. Although the measure is not perfect (for example, a large collection might consist of old rather than current materials), it is useful alongside other measures.

Federated systems had larger collections per resident, on average, than did consolidated systems. Statewide, public libraries had 3.19 items per resident in 2008. Federated systems were above the statewide average, coming in at 3.39 items per resident compared with 2.38 items in consolidated systems. At the same time, as we showed in Chapter 3, consolidated library systems spent about the same proportion of their budget on collections as did federated systems in 2008—13 percent and 12 percent, respectively.

Access to the Internet has become increasingly important to communities, and libraries have tried to respond to these needs. We found that federated regional systems provided residents with greater access to the Internet than did libraries in consolidated systems. Table 4.1 also shows that public libraries provided 0.85 public access terminals for every 1,000 residents statewide in 2008. Federated systems provided 0.90 terminals per 1,000 residents compared with 0.65 terminals in consolidated systems. Some variation may be due to lack of adequate telecommunication systems in certain areas rather than libraries' commitment or ability to provide access. As we noted in Chapter 1, some parts of Minnesota do not have access to high-speed Internet services.

Although libraries in consolidated systems lagged behind federated libraries in all of our access measures, they have been slowly closing the gap. Table 4.2 shows how various access measures have changed over the last several years. As shown:

- **From 2002 through 2008, access to public libraries has generally decreased more slowly (or increased faster) in consolidated rather than federated regional public library systems.**

For example, staffing per 1,000 residents in consolidated systems fell, on average, 3.5 percent from 2002 through 2008 compared with a 10.9 percent drop in federated systems. Likewise, collection size decreased 2.2 percent in consolidated systems compared with a 13 percent drop in federated systems. On the other hand, access to the Internet grew more rapidly in federated systems (54 percent increase in the number of computer terminals per 1,000 residents) than in consolidated systems (35 percent), although both types of library systems showed growth.

Federated library systems generally had larger collections per resident than consolidated systems.

Table 4.2: Resident Access to Public Libraries, 2002-2008

	Collection Size per Resident	Staff per 1,000 Residents	Internet Computers per 1,000 Residents	Programs per 1,000 Residents
2002	3.61	0.50	0.56	7.79
2003	3.54	0.49	0.61	7.15
2004	3.61	0.46	0.71	7.52
2005	3.45	0.46	0.71	7.15
2006	3.37	0.47	0.84	6.71
2007	3.40	0.46	0.82	7.78
2008	3.19	0.45	0.85	8.46
Federated Systems	-13	-11	54	2
Consolidated Systems	-2	-3	35	36
Statewide Percentage Change	-12%	-10%	50%	9%

NOTE: The data shown for each year have been rounded. The rates of change, however, were computed based on unrounded data.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

LIBRARY USE

We examined six measures related to public library use: the percentage of residents with library cards; the number of library visits, materials circulation, Internet use, and interlibrary loan requests filled per resident; and program attendance per 1,000 residents. As Table 4.3 shows:

- **On average, public libraries in federated public library systems were more heavily used than libraries in consolidated systems.**

About 61 percent of residents in federated library systems had a library card compared with 32 percent in consolidated systems.

Overall, 61 percent of residents in federated systems had a library card, and residents averaged 5.8 library visits each. In consolidated systems, 32 percent of residents had a card and residents averaged 4.1 visits. Likewise, the number of interlibrary loan requests for materials per resident was higher in federated systems (0.25) as opposed to consolidated systems (0.11). On a per resident basis, federated library systems averaged 29 percent more visits and 56 percent more requests for materials via interlibrary loan than did consolidated systems. Circulation and program attendance per resident were also greater in federated systems—42 percent and 26 percent, respectively. Only Internet use was comparable, regardless of whether those libraries were in federated or consolidated systems.

Table 4.3: Public Library Use by Regional Public Library System, 2008

Regional Public Library System	Percentage of Residents with a Library Card	Visits per Resident	Internet Users per Residents	Circulation per Resident	Interlibrary Loan Requests per Resident	Program Attendance per Resident
Federated Systems						
Arrowhead Library System	41%	4.84	0.97	7.77	0.38	0.19
Metropolitan Library Service Agency	68	5.95	0.67	12.77	0.12	0.20
Plum Creek Library System	55	5.74	1.41	9.82	0.88	0.37
Southeastern Libraries Cooperating	51	5.14	1.03	10.44	0.53	0.33
Traverse des Sioux Library System	43	5.24	1.03	8.87	0.68	0.34
Viking Library System	38	6.80	1.06	9.98	0.52	0.20
Subtotal	61%	5.75	0.79	11.74	0.25	0.23
Consolidated Systems						
East Central Regional Library	23%	3.14	0.63	6.54	0.08	0.18
Great River Regional Library	28	3.65	0.44	7.88	0.03	0.14
Kitchigami Regional Library	32	3.82	0.62	5.22	0.07	0.06
Lake Agassiz Regional Library	40	5.47	1.11	7.58	0.35	0.35
Northwest Regional Library	36	4.08	0.97	6.88	0.44	0.30
Pioneerland Library System	44	5.25	1.60	5.32	0.08	0.17
Subtotal	32%	4.06	0.77	6.84	0.11	0.17
Unaffiliated Libraries	88%	16.72	2.24	12.27	NA	2.21
Statewide	55%	5.41	0.79	10.69	0.22	0.22

NOTE: Excluding MELSA from the overall averages for federated library systems did not appreciably change the subtotals or the differences between federated and consolidated systems.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

Table 4.4 shows how library use has changed over time. As shown:

- **Since 2002, the proportion of Minnesota residents with a public library card has increased about 8 percent and the extent to which patrons use libraries has likewise increased.**

In 2008, 55 percent of Minnesota's 5.3 million residents had a library card—up from 51 percent in 2002. On a per resident basis, circulation increased 11 percent, going from 9.7 to 10.7 items per resident. In addition, requests for materials via interlibrary loan (these requests are made remotely, with the requested materials physically transported from one library to the borrower's library of choice) increased 117 percent.³

³ In addition, borrowing under the Minnesota Reciprocal Borrowing Compact, which occurs when an individual from one regional library system personally visits another system to borrow materials, increased 77 percent.

Table 4.4: Public Library Use, 2002-2008

	Percentage of Residents with Library Cards	Visits per Resident	Circulation per Resident	Interlibrary Loan Requests per Resident	Program Attendance per Resident
2002	51%	5.13	9.66	0.10	0.18
2003	50	4.90	9.67	0.11	0.18
2004	52	4.93	9.78	0.11	0.19
2005	48	5.02	9.83	0.15	0.19
2006	50	5.26	10.12	0.17	0.18
2007	53	4.94	10.07	0.18	0.20
2008	55	5.41	10.69	0.22	0.22
Federated Systems Percentage Change	9%	4%	10%	131%	14%
Consolidated Systems Percentage Change	5%	15%	15%	44%	32%
Statewide Percentage Change	8%	6%	11%	117%	19%

NOTE: The data shown for each year have been rounded. The rates of change, however, were computed based on unrounded data. Because State Library Services did not begin collecting data on Internet users until 2006, those data have been excluded from the table.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

NATIONAL COMPARISONS

As part of our evaluation, we looked at nationwide data collected by the federal Institute of Museum and Library Services. Overall, we found Minnesota similar to the rest of the nation in that:

- **Public libraries nationwide are generally administered and funded by local governments.**

In 2007, cities and counties nationwide administered 53 percent and 10 percent of public libraries, respectively, and library districts administered another 15 percent.⁴ Unlike Minnesota, nonprofit associations or state government agencies operated 15 percent of public libraries nationwide.

We looked more closely at a few key states in the Great Lakes region to which Minnesota is often compared: Illinois, Indiana, Michigan, Ohio, and Wisconsin.

⁴ The federal government defines a library district as a “local entity other than a county, municipality, township, or school district that is authorized by state law to establish and operate a public library.” Districts must have “sufficient administrative and fiscal autonomy to qualify as a separate government. Fiscal autonomy requires support from local taxation dedicated to library purposes (e.g., a library tax).” The definition does not necessarily mean that the district has special taxing authority (as the term does in Minnesota law). For the purposes of this survey, none of Minnesota’s regional public library systems are classified as library districts, but rather as multijurisdictional entities, which the federal government defines as “an entity operated jointly by two or more units of local government under an intergovernmental agreement which creates a jointly operated board or similar means of joint governance.” See Institute of Museum and Library Services, *Public Libraries Survey: Fiscal Year 2007* (Washington, DC, June 2009), 173; and *Minnesota Statutes* 2009, 134.201 and 134.342.

Public libraries nationwide receive most of their revenue from local governments.

These states run the gamut in terms of organization, but as we show in the following discussion, their libraries generally ranked higher than Minnesota's libraries on a variety of measures. Library districts generally administered a greater percentage of libraries in three of our comparison states than they did in Minnesota. In Illinois, library districts administered slightly more than half of public libraries with cities administering the other half. Library districts administered all of Indiana's public libraries and about half of Michigan's. In contrast, most public libraries in Ohio were part of a school district (60 percent) or county government (22 percent). Nearly all of the public libraries in Wisconsin (88 percent) were part of city government, with a small proportion (7 percent) administered by multijurisdictional entities.

Libraries in Minnesota also mirror libraries nationwide in terms of their major funding sources. On average, public libraries nationwide received most of their operating revenue (84 percent) from local governments in 2007, with minimal amounts from state (7 percent) and federal (less than 1 percent) sources.⁵ Comparison states in the Great Lakes region followed a similar pattern, with the exception of Ohio, which received 60 percent of revenue from local sources and nearly 28 percent from state government.

Table 4.5 compares public libraries in Minnesota with libraries nationwide for 2007 (the most recent data available). As shown:

- **Public libraries in Minnesota spent only slightly more per capita in total operating expenditures than the national average, ranking near the middle of all states and the District of Columbia.**

Minnesota libraries' total operating expenditures per capita was only slightly above the national average in 2007, coming in at \$35.03 per capita compared with \$34.95 nationwide.⁶ Minnesota ranked 20th on this measure nationwide—lower than all of our five comparison states. Similar to Minnesota, libraries nationwide spent most of their operating expenditures (66 percent) on staff, with the remainder going to collections (13 percent) and other expenditures (21 percent). While the proportion of funds going to staff was about the same in Minnesota as it was nationwide, Minnesota generally employed fewer staff per 25,000 residents than libraries nationwide—11.50 FTE compared with 12.38.

In addition:

- **Although generally higher than average, Minnesota ranks in the middle of all states and the District of Columbia in terms of public library access and use.**

Libraries in other states generally employ more staff than libraries in Minnesota.

⁵ Institute of Museum and Library Services, *Public Libraries Survey: Fiscal Year 2007* (Washington, DC, June 2009), 82.

⁶ *Ibid.*, 152.

As also shown in Table 4.5, Minnesota had more library visits and larger collections per capita than the national averages in 2007. Minnesota ranked 23rd and 25th, respectively, on these measures, but was below all five comparison states. In terms of computer access, Minnesota had more public Internet computers per library and more Internet computers per 5,000 residents than the national average. Finally, Minnesota ranked 9th nationwide in terms of circulation per capita, averaging 10.3 items compared with 7.4 nationwide.

We also looked at various rating systems used by libraries nationwide and found that:

- **Minnesota's public libraries compare somewhat more favorably with libraries nationwide when using ratings based on composite measures.**

Using data from 2002 through 2007 (the most recent available), Hennen's American Public Library Rating index has ranked Minnesota's public libraries anywhere from 12th to 14th among the 50 states and the District of Columbia.⁷ The index is based on 15 factors, including circulation, staffing, collections, reference services, and funding levels. Overall, Minnesota's libraries ranked less favorably than those in Indiana, Ohio, and Wisconsin, but better than those in Illinois and Michigan.

Likewise, the American Library Journal's most recent ratings (based on 2007 data) rank the nation's top libraries in terms of four measures: circulation, visits, program attendance, and public Internet terminal use per capita. Minnesota had about 5 percent of its public libraries ranked as "star" libraries, making it 10th nationwide. Minnesota ranked above Illinois, Michigan, and Wisconsin in terms of the percentage of libraries rated as star libraries, but below Indiana and Ohio.⁸

⁷ Tom Hennen, *Hennen's American Public Library Ratings*, <http://www.haplr-index.com/AverageStatewideScores.html>, accessed November 27, 2009.

⁸ This index uses a star-rating system to identify three groups of deserving libraries within various expenditure classifications. Minnesota Office of the Legislative Auditor, analysis of *Library Journal* data on all star libraries, <http://www.libraryjournal.com/article/CA6635248.html>, accessed August 12, 2009; and Institute of Museum and Library Services public library statistics data.

Table 4.5: Public Library Characteristics by State, 2007

State	Population (in thousands)	Number of Public Libraries	Operating Expenditures per Resident	FTE per 25,000 Residents	Public Libraries per 100,000 Residents	Visits per Resident	Collection Size per Resident	Computer Terminals per Library	Computer Terminals per 5,000 Residents	Circulation per Resident
Alabama	4,298	208	\$20.35	10.0	4.8	3.6	2.2	19.7	4.77	4.4
Alaska	677	87	42.53	11.5	12.9	5.1	3.6	5.9	3.77	6.3
Arizona	6,287	83	26.11	9.3	1.3	3.9	1.5	43.5	2.87	7.1
Arkansas	2,656	48	19.63	9.2	1.8	3.5	2.3	34.3	3.09	4.7
California	37,662	181	31.77	8.4	0.5	4.2	2.0	87.6	2.11	5.4
Colorado	4,696	115	44.51	15.0	2.4	6.2	2.5	32.6	3.99	11.4
Connecticut	3,511	195	51.24	17.3	5.6	6.5	4.4	16.0	4.44	9.0
Delaware	784	21	30.60	9.6	2.7	5.6	2.5	21.0	2.82	10.0
District of Columbia	582	1	75.12	18.1	0.2	3.7	3.6	325.0	2.79	2.5
Florida	18,597	79	30.08	9.8	0.4	4.2	1.7	156.3	3.32	5.9
Georgia	9,098	58	21.11	8.1	0.6	3.9	1.7	102.6	3.27	4.5
Hawaii	1,285	1	24.07	10.8	0.1	4.5	2.6	495.0	1.93	5.3
Idaho	1,309	104	25.87	12.3	7.9	6.1	3.1	10.4	4.12	8.6
Illinois	11,584	623	52.26	19.2	5.4	6.5	3.7	14.7	3.95	8.8
Indiana	5,692	239	48.22	20.7	4.2	6.9	4.5	28.9	6.07	13.0
Iowa	2,851	539	33.26	14.6	18.9	6.3	4.3	6.2	5.82	10.0
Kansas	2,351	326	42.57	19.0	13.9	6.4	4.7	8.3	5.78	11.1
Kentucky	4,169	116	26.41	12.0	2.8	4.3	2.1	25.5	3.55	6.4
Louisiana	4,293	67	31.44	13.1	1.6	3.4	2.7	62.5	4.88	4.1
Maine	1,186	272	31.65	14.8	22.9	5.9	5.5	5.0	5.77	7.5
Maryland	5,558	24	43.50	14.9	0.4	5.2	2.6	148.1	3.20	9.6
Massachusetts	6,436	370	40.22	14.7	5.7	6.1	5.0	13.1	3.77	8.1
Michigan	9,932	386	37.25	12.9	3.9	5.2	3.5	24.8	4.82	7.6
Minnesota	5,231	139	35.03	11.5	2.7	5.4	3.0	31.1	4.13	10.3
Mississippi	2,919	50	14.75	10.7	1.7	2.8	2.0	39.3	3.36	2.8
Missouri	5,126	152	34.99	15.5	3.0	5.3	3.6	30.6	4.53	9.3
Montana	900	80	20.85	9.4	8.9	4.4	3.1	9.8	4.34	6.2
Nebraska	1,299	271	33.29	15.4	20.9	7.4	5.2	6.8	7.06	10.2
Nevada	2,718	22	29.86	10.8	0.8	3.8	1.7	47.5	1.92	5.9
New Hampshire	1,304	230	38.15	15.9	17.6	5.2	4.7	4.6	4.04	8.1
New Jersey	8,336	303	52.02	15.4	3.6	5.6	3.7	20.5	3.73	6.8
New Mexico	1,532	91	28.38	11.2	5.9	4.7	3.0	14.5	4.32	6.1
New York	18,928	753	54.83	17.4	4.0	6.0	3.9	17.9	3.57	7.8
North Carolina	8,860	77	21.64	8.9	0.9	4.1	1.9	78.9	3.43	5.6
North Dakota	551	80	21.28	10.0	14.5	4.8	4.3	6.4	4.62	7.2

(continued on next page)

Table 4.5: Public Library Characteristics by State, 2007
(continued)

State	Population (in thousands)	Number of Public Libraries	Operating Expenditures per Resident	FTE per 25,000 Residents	Public Libraries per 100,000 Residents	Visits per Resident	Collection Size per Resident	Computer Terminals per Library	Computer Terminals per 5,000 Residents	Circulation per Resident
Ohio	11,498	251	\$60.99	21.1	2.2	7.6	4.1	43.8	4.78	15.9
Oklahoma	2,944	113	26.24	10.6	3.8	4.8	2.4	18.9	3.64	6.9
Oregon	3,375	128	44.84	12.5	3.8	6.3	2.8	17.3	3.28	14.9
Pennsylvania	11,999	457	27.51	10.5	3.8	3.9	2.5	15.3	2.92	5.6
Rhode Island	1,068	49	42.61	15.1	4.6	5.8	4.1	19.7	4.51	6.7
South Carolina	4,321	42	24.55	10.4	1.0	3.6	2.1	69.0	3.35	5.2
South Dakota	685	123	28.59	13.1	17.9	5.9	4.6	7.3	6.56	7.9
Tennessee	5,963	187	16.54	7.9	3.1	3.3	1.9	19.0	2.98	4.1
Texas	21,898	562	18.49	8.1	2.6	3.3	1.9	24.6	3.16	4.8
Utah	2,571	70	30.88	11.3	2.7	6.5	2.6	21.2	2.89	12.5
Vermont	597	183	31.24	13.7	30.7	6.4	4.8	4.7	7.20	7.5
Virginia	7,581	90	33.90	12.9	1.2	4.9	2.5	53.5	3.18	8.6
Washington	6,361	66	49.42	14.8	1.0	6.2	2.7	71.8	3.73	11.7
West Virginia	1,808	97	15.70	8.2	5.4	3.3	2.8	11.5	3.08	4.2
Wisconsin	5,648	382	35.66	13.4	6.8	6.1	3.5	11.5	3.88	10.6
Wyoming	515	23	47.89	21.0	4.5	6.4	4.7	24.9	5.56	8.4
Total	292,029	9214	\$34.95	12.4	3.2	4.9	2.8	22.5	3.55	7.4

NOTE: Minnesota's 139 libraries included three federated regional library systems as "public libraries" because they provided some direct service to residents through a bookmobile or mail-a-book service. Minneapolis Public Library, which merged with Hennepin County Library in 2008, is also included in these data.

SOURCE: Office of the Legislative Auditor, analysis of Institute of Museum and Library Services public library statistics data.

CONCLUSIONS AND RECOMMENDATIONS

Public libraries are largely the responsibility of local governments. Although the Legislature has imposed funding requirements on counties and those cities that operate public libraries, there are few mandates regarding library operations. As a result, libraries vary widely in terms of services, due partly to local governments' needs and desires and their ability and willingness to pay. To ensure that all residents have access to basic library services, the Legislature requires local governments to participate in a network of regional public library systems. Because the regional systems rest upon networks of locally controlled libraries, resident access to library services is not equal statewide—or even regionwide—in that some residents have to travel farther to visit a public library or wait longer to obtain certain library materials than others. Nevertheless, we think that:

- **Overall, the current regional public library system is working well for Minnesota residents, and major changes in how library services are organized, funded, and delivered are not needed at this time.**

There are several reasons for maintaining the current public library system. First, there is little evidence that it is broken. Although there have been periodic problems between individual regional library systems and some of their members, the problems do not appear to be systemic. Nor do they require wholesale changes. Solutions to isolated disagreements rest with regional library governing boards, which consist largely of local government officials. Second, requiring local governments to join a regional public library system where resources are shared across members has increased resident access to services. For small and medium-sized libraries, belonging to a regional system has enhanced the amount of resources electronically available to local users. Third, Minnesota is generally above the national average on a variety of measures related to library access and use, with scores that have generally ranked in the middle of all states for the last several years. Fourth, we were impressed with the wide variety of programs that local libraries have developed to address the needs of their communities. For example, one library, with city support, publishes a library newsletter because the city does not have its own newspaper. Another provides bus tokens to patrons who lack transportation to the library, while another is installing electronic kiosks in remote or busy parts of its service area to improve library access.

Although Minnesota's public library system is not broken, there are some problems.

At the same time, the public library system does have some problems. First, there is considerable variation in what counties and cities pay for library services in some parts of the state, especially northeastern Minnesota. This is especially disturbing to city officials when county residents who live just outside city boundaries make heavy use of the city library. Second, as with most government services, libraries are seeing the results of a poor economy, both in terms of funding and an increased demand for services. State-sponsored services such as MnLINK have been very successful, which, in turn, have increased local workloads. Third, in some respects, public library organization is needlessly complicated. Finally, the library community has generally been critical of State

Library Services. It wants a more visible and active state library agency, a role considerably beyond that set forth for the agency in statutes. This disconnect is further fueled by the ambitious agenda that State Library Services has carved out for itself—one that it has been unable to fulfill over the last several years.

Overall, we think that limited changes are needed to better define the state’s role in the public library system.

RECOMMENDATION

To reduce duplication and enhance coordination, the Legislature should eliminate multitype library cooperation systems and move their function and funding to the regional public library systems.

Some multitype library cooperation systems have “unofficially” merged with their regional public library systems.

Overall, we saw duplication between some multitype and regional library systems, with little effort to work together. Given their funding and staffing levels, the roles that multitype systems are expected to play—although important—are somewhat overwhelming. We think that the actions taken by Traverse des Sioux Regional Library and Southeastern Libraries Cooperating unofficially “merging” their multitype cooperation systems into their regional library systems make sense. Although cost savings will likely be small (mostly in administrative areas such as fewer financial audits or less space), opportunities for public libraries to work more closely with other types of libraries, especially school libraries, should be enhanced and more coordinated. Many regional library systems as well as individual public libraries already work with the school libraries in their areas. Also, regional library systems already have a strong working relationship with Minitex, which electronically links public, academic, school, and state government libraries. The Legislature should continue to fund cooperative efforts across all types of libraries, but the money should be appropriated to the Department of Education for the regional public library systems. State Library Services should require the regional systems to file annual expense and activity reports detailing how this money is being spent (as multitype systems are currently required to do). The agency should build this information into the reports that regional systems are already required to submit.

RECOMMENDATION

State Library Services should work more closely with regional public library systems to help identify and address critical needs and issues that have statewide implications.

State Library Services should play a more prominent role vis-à-vis regional public library systems, which are creations of the state and at least partially funded with state dollars. Local governments largely set forth service expectations for the regional systems, but State Library Services uses the regional systems to help ensure statewide access to library services. Although we think that the regional systems are doing a good job providing basic services to their members, especially in the areas of interlibrary loans, delivery of materials, and

State Library Services should help regional library systems address economic problems by developing “best practices.”

automation, State Library Services could be more proactive in helping regional systems address needs or issues that affect library services statewide.⁹ Public libraries are facing a variety of economic challenges: wide variations in city versus county funding in some parts of the state, an increased demand for services at a time when libraries are reducing staffing and hours, and future reductions in local government spending for libraries.

State Library Services should be helping regional systems (and their members) address issues such as these that have statewide implications. For example, it could compile and distribute “best practices” related to funding, fundraising, partnering with other public agencies, or obtaining corporate sponsors. In addition, State Library Services could work more closely with regional library systems to help address the variations in county versus city payments for public library services. Minnesota statutes contain a mechanism to help address this issue by allowing regional public library systems to allocate levy authority throughout their area.¹⁰ The mechanism, never used, is voluntary and relies on the full cooperation of local governments, which may be difficult to obtain. But unlike statutes that allow regional systems to form library districts with a single amount levied on all property or residents, giving the regional system general levy authority would allow them to impose varying rates throughout the area. State Library Services could develop best practices to help guide regional systems and local governments in implementing this mechanism—or at least “testing” it out. Alternatively, State Library Services could develop best practices related to local payment agreements based on library use, such as those currently in place in Wisconsin. Libraries there are eligible to receive reimbursements up to 70 percent of their costs for serving nonresidents from Wisconsin counties that do not operate their libraries.¹¹ According to officials at the Wisconsin Department of Public Instruction, the mechanism is widely used, especially in densely populated areas.

Overall, we think that public libraries should continue to be funded and operated by local governments, not the state. The state has left it up to local governments to determine the level of services available to their residents and how those services should be provided. And, while many cities and counties—and some libraries—do not like having maintenance of effort requirements, the Legislature has periodically relaxed those requirements during times of financial stress. While some library and local government officials believe that such requirements stifle innovation and experimentation, additional funding available through the Outdoor Heritage Act offers libraries the opportunity to try out new programs without adding to their minimum spending requirements.

⁹ To a great extent, Minitex already fulfills this role in terms of electronic access, resources, and services as well as materials delivery (which are paid for through a contract with State Library Services).

¹⁰ Statutes also allow two regional public library systems (Great River and East Central regional libraries) to form regional public library districts in their geographic areas with general levy authority to spread the amount levied uniformly throughout the districts. See *Minnesota Statutes* 2009, 134.201.

¹¹ *Wisconsin Statutes* 2009, 43.12. See also Wisconsin Department of Public Instruction, “FAQ About County Library Funding to Libraries in Adjacent Counties (Act 420),” <http://dpi.wi.gov/pld/act420.html>, accessed September 29, 2009.

RECOMMENDATION

The Legislature should require the State Librarian to issue a biennial “State of the State for Public Libraries Report” to the appropriate legislative committees by January 1 of each odd-numbered year.

A major complaint among the library community is that State Library Services does not advocate for public libraries. To some extent, we agree in that the agency should be more involved in advising the Legislature and the general public on problems and issues facing public libraries, along with basic library statistics. A biennial report would do this. Among other items, the report should describe the current state of public libraries, critical issues facing public libraries, and possible strategies to address them. The report would coincide with the Legislature’s development of the biennial budget. Such a report should make the agency more visible in the library community and the Legislature.

Contrary to the desires of many in the library community, we do not call for a stronger role for State Library Services vis-à-vis public libraries. Many in the library community would like to see the agency develop a new statewide plan for public libraries and public library standards. We are recommending neither. Although State Library Services has out-of-date public library standards and has been trying to draft a new state plan for the last six years, it has no authority to require adherence to standards or a plan. Furthermore, considering the discretion local governments have in administering and operating their libraries, developing a meaningful and measureable set of standards and state plan would be difficult. We think State Library Services’ energy could be better spent helping regional systems address issues more critical to library operations.

Also, we have not recommended moving State Library Services to another state agency or creating an independent state board of libraries, although many in the library community would like to see this done. We agree that the Department of Education may not be a perfect fit for a public library agency in that the department’s goals do not directly address public library goals and issues.¹² We also recognize that some of the department’s internal processes such as its grants management system do not fit well with public library needs. However, State Library Services represents a very small part of the department’s budget (less than 1 percent). Furthermore, such a placement is not unique in that many other states use this model.¹³ State Library Services has been part of the Department of Education since the agency’s beginning, a placement that garnered few complaints until the state’s budget problems began to surface in the early 2000s.

Contrary to the desires of many in the library community, we are not recommending moving State Library Services out of the Department of Education.

¹² According to the Department of Education’s mission statement, its goals are to: improve student achievement, enhance teacher quality, expand education options for students and families, and implement education finance reform and enhance accountability. See Minnesota Department of Education, “About MDE,” http://education.state.mn.us/MDE/About_MDE/index.html, accessed February 10, 2010.

¹³ According to data collected by the Institute of Museum and Library Services, library agencies in most states are located within a larger, executive branch agency. Of the 49 other states and the District of Columbia, 30 library agencies are part of a larger state agency, most often a PK-12 education agency (12). See Institute of Museum and Library Services, *Public Libraries Survey: Fiscal Year 2007* (Washington, DC, June 2009), 11-12.

No other state agency seems a better fit; furthermore, we have seen little evidence to suggest that the agency would operate any better—or worse—in another setting.

RECOMMENDATION

State Library Services should develop a process to verify local government spending for maintenance of effort certification using the best data available from the State Auditor's Office and the Department of Education's annual public libraries survey.

As we noted in Chapter 3, State Library Services does not use the best available data from the State Auditor's Office to verify what local governments report spending on libraries for the purposes of determining maintenance of effort requirements. Nor does it check to see how these data compare with what is reported in its annual public libraries survey. Although State Library Services recently improved its definition of what can count toward local governments' maintenance of effort requirements, we noted some variation in what is reported for spending, depending on the source of that information. State Library Services requires regional public library systems to submit financial data in numerous reports, including annual audits, revenue and expenditure reports, public library statistics, and regional library basic system support applications. Although the data reported in each of these sources crosswalk nicely for some systems, they do not for others.

List of Recommendations

- To reduce duplication and enhance coordination, the Legislature should eliminate multitype library cooperation systems and move their function and funding to the regional public library systems. ([p. 68](#))
- State Library Services should work more closely with regional public library systems to help identify and address critical needs and issues that have statewide implications. ([p. 68](#))
- The Legislature should require the State Librarian to issue a biennial "State of the State for Public Libraries Report" to the appropriate legislative committees by January 1 of each odd-numbered year. ([p. 70](#))
- State Library Services should develop a process to verify local government spending for maintenance of effort certification using the best data available from the State Auditor's Office and the Department of Education's annual public libraries survey. ([p. 71](#))

Characteristics of Minnesota's Public Libraries, 2008

APPENDIX A

Name	City	Population	Library Buildings	Operating Expenditures	Resident Library Cards	Collection Size	Total Circulation	Total Staff
FEDERATED SYSTEMS								
Arrowhead Library System								
Aurora Public Library	Aurora	1,717	1	\$85,477	2,013	23,671	37,475	1.62
Babbitt Public Library	Babbitt	1,670	1	\$103,018	1,461	24,711	25,067	1.70
Baudette Public Library	Baudette	1,059	1	\$79,215	1,557	15,010	12,901	1.29
Bovey Public Library	Bovey	701	1	\$37,729	1,823	17,959	1,432	1.00
Buhl Public Library	Buhl	983	1	\$79,974	818	28,656	6,869	1.37
Calumet Public Library	Calumet	383	1	\$46,515	322	5,683	5,067	0.65
Carlton Public Library	Carlton	810	1	\$27,894	409	3,944	1,587	0.50
Chisholm Public Library	Chisholm	4,645	1	\$204,387	2,778	17,590	19,867	2.74
Cloquet Public Library	Cloquet	11,463	1	\$522,340	8,138	51,887	142,114	7.50
Coleraine Public Library	Coleraine	1,123	1	\$80,668	1,127	10,751	43,097	1.64
Cook Public Library	Cook	622	1	\$23,568	2,000	14,800	31,000	0.50
Duluth Public Library	Duluth	86,319	3	\$3,732,207	35,239	625,018	901,128	48.22
Ely Public Library	Ely	3,724	1	\$246,047	5,245	37,527	69,522	3.00
Eveleth Public Library	Eveleth	3,865	1	\$161,309	2,921	26,613	27,643	2.00
Gilbert Public Library	Gilbert	1,765	1	\$124,107	1,612	15,293	23,466	2.50
Grand Marais Public Library	Grand Marais	1,714	1	\$228,526	4,568	21,385	65,411	3.86
Grand Rapids Area Library	Grand Rapids	20,777	1	\$772,480	14,288	88,570	196,315	8.75
Hibbing Public Library	Hibbing	16,170	1	\$785,830	9,592	78,051	119,731	9.75
Hoyt Lakes Public Library	Hoyt Lakes	1,872	1	\$109,873	1,427	25,429	28,224	2.20
International Falls Public Library	International Falls	6,039	1	\$372,481	6,761	55,588	103,221	5.40
Keewatin Public Library	Keewatin	1,164	1	\$45,680	845	13,226	12,337	1.14
Kinney Public Library	Kinney	195	1	\$5,746	145	7,266	555	0.29
Marble Public Library	Marble	699	1	\$31,856	335	12,756	4,988	0.72
McKinley Public Library	McKinley	80	1	\$7,771	80	3,806	1,704	0.15
Moose Lake Public Library	Moose Lake	2,327	1	\$99,596	4,184	27,847	56,790	2.29
Mountain Iron Public Library	Mountain Iron	3,000	1	\$131,000	1,378	22,434	24,579	1.37
Silver Bay Public Library	Silver Bay	1,993	1	\$164,127	2,782	31,973	54,884	2.52
Two Harbors Public Library	Two Harbors	3,696	1	\$222,176	3,069	32,829	92,984	3.20
Virginia Public Library	Virginia	9,157	1	\$892,249	9,202	73,347	139,683	10.32
Metropolitan Library Service Agency								
Anoka County Library	Blaine	313,122	8	\$7,676,072	238,598	600,512	2,921,962	101.40
Bayport Public Library	Bayport	3,162	1	\$329,115	1,404	31,652	79,409	3.03
Carver County Library	Chaska	88,384	6	\$3,678,372	56,513	242,486	988,974	41.56
Columbia Heights Public Library	Columbia Heights	18,288	1	\$734,597	14,857	72,420	138,324	10.25
Dakota County Library	Eagan	384,233	8	\$12,198,324	307,514	853,409	4,456,891	148.95

(continued on next page)

Characteristics of Minnesota's Public Libraries, 2008 (continued)

Name	City	Population	Library Buildings	Operating Expenditures	Resident Library Cards	Collection Size	Total Circulation	Total Staff
Hennepin County Library	Minnetonka	1,122,093	41	\$67,197,655	646,124	3,970,227	16,603,635	708.58
Ramsey County Library	Shoreview	222,640	7	\$9,574,082	190,186	798,711	4,589,151	106.54
Scott County Library System	Savage	123,735	8	\$3,219,329	82,079	258,644	941,371	33.44
South St. Paul Public Library	South St. Paul	20,135	1	\$620,716	12,675	91,108	140,493	7.37
St. Paul Public Library	St. Paul	287,385	13	\$15,472,622	244,483	1,149,078	3,325,107	175.80
Stillwater Public Library	Stillwater	15,323	1	\$1,101,865	12,551	98,160	334,989	14.90
Washington County Library	Woodbury	211,719	9	\$6,346,319	134,707	447,300	2,146,786	65.20
Plum Creek Library System								
Fulda Memorial Library	Fulda	2,054	1	\$68,335	1,140	17,446	34,501	1.24
Ivanhoe Public Library	Ivanhoe	2,134	1	\$31,812	486	11,428	16,424	0.75
Jackson County Library	Jackson	11,269	3	\$440,453	6,503	45,828	112,978	6.84
Lake Benton Public Library	Lake Benton	703	1	\$24,896	597	9,316	9,597	0.53
Lamberton Public Library	Lamberton	1,336	1	\$42,879	755	12,046	18,661	0.82
Marshall-Lyon County Library	Marshall	21,605	3	\$769,199	15,440	81,977	191,440	10.48
Minneota Public Library	Minneota	1,449	1	\$37,152	552	10,497	9,004	0.30
Morgan Public Library	Morgan	2,285	1	\$66,214	639	16,045	14,749	1.22
Mountain Lake Public Library	Mountain Lake	3,492	1	\$121,125	1,474	28,548	46,077	2.30
Nobles County Library	Worthington	20,399	2	\$509,812	10,544	81,835	117,757	7.21
Pipestone Community Library	Pipestone	9,435	1	\$182,763	3,777	31,121	57,533	3.06
Redwood Falls Public Library	Redwood Falls	7,750	1	\$354,926	5,798	53,351	140,281	5.42
Rock County Community Library	Luverne	9,474	1	\$254,285	4,606	32,912	83,686	3.50
Runals Memorial Library	Edgerton	1,033	1	\$56,034	1,071	22,157	71,227	1.00
Slayton Public Library	Slayton	4,894	1	\$134,717	2,323	25,355	26,192	2.05
Tracy Public Library	Tracy	3,255	1	\$57,710	1,536	18,434	18,771	1.00
Tyler Public Library	Tyler	2,000	1	\$52,281	935	8,177	17,363	1.27
Wabasso Public Library	Wabasso	2,065	1	\$69,114	708	12,758	30,051	1.17
Westbrook Public Library	Westbrook	1,752	1	\$41,281	786	13,096	17,532	1.18
Windom Public Library	Windom	5,782	1	\$167,326	2,824	30,854	55,667	2.24
Southeastern Libraries Cooperating								
Albert Lea Public Library	Albert Lea	31,492	1	\$863,138	17,659	73,523	337,701	11.00
Austin Public Library	Austin	30,674	1	\$1,163,609	19,620	112,288	337,529	13.00
Brownsdale Public Library	Brownsdale	718	1	\$18,942	286	10,856	7,898	0.75
Buckham Memorial Library	Faribault	34,000	1	\$844,986	17,137	106,878	245,961	11.70
Caledonia Public Library	Caledonia	5,607	1	\$71,152	1,931	16,318	28,615	1.40
Cannon Falls Library	Cannon Falls	9,150	1	\$358,781	4,431	34,018	91,129	6.33
Chatfield Public Library	Chatfield	4,017	1	\$151,816	2,219	25,536	62,688	2.47

(continued on next page)

Characteristics of Minnesota's Public Libraries, 2008 (continued)

Name	City	Population	Library Buildings	Operating Expenditures	Resident Library Cards	Collection Size	Total Circulation	Total Staff
Dodge Center Public Library	Dodge Center	4,593	1	\$103,176	1,650	23,131	34,067	1.75
Grand Meadow Public Library	Grand Meadow	944	1	\$61,880	803	17,387	21,052	1.15
Harmony Public Library	Harmony	2,587	1	\$89,212	1,177	18,518	21,647	1.40
Hokah Public Library	Hokah	1,440	1	\$44,048	492	24,349	17,252	1.08
Houston Public Library	Houston	3,168	1	\$57,637	727	21,558	26,834	0.75
Kasson Public Library	Kasson	10,595	1	\$220,415	3,445	26,072	68,728	3.62
Kenyon Public Library	Kenyon	5,446	1	\$139,025	n.c.	15,425	46,622	2.30
La Crescent Public Library	La Crescent	13,428	1	\$173,476	3,939	39,219	79,399	2.87
Lake City Public Library	Lake City	8,104	1	\$205,682	4,137	48,454	77,113	3.00
Lanesboro Public Library	Lanesboro	2,643	1	\$71,845	1,106	18,429	21,853	1.40
Le Roy Public Library	Le Roy	1,600	1	\$66,554	624	21,699	26,221	1.11
Mabel Public Library	Mabel	1,346	1	\$37,182	527	13,432	8,241	1.07
Northfield Public Library	Northfield	31,747	1	\$1,040,551	17,947	89,489	395,266	13.08
Owatonna-Steele County Library	Owatonna	36,485	2	\$1,313,959	25,632	153,018	364,588	17.27
Plainview Public Library	Plainview	7,344	1	\$181,357	2,931	30,991	73,139	2.12
Preston Public Library	Preston	3,165	1	\$83,868	1,548	39,579	31,796	1.25
Red Wing Public Library	Red Wing	20,772	1	\$988,358	13,043	72,077	213,027	10.75
Rochester Public Library	Rochester	131,944	1	\$5,962,582	70,498	438,982	1,597,444	75.65
Rushford Public Library	Rushford	3,900	1	\$101,188	1,402	24,995	32,787	1.54
Spring Grove Cooperative Library	Spring Grove	1,553	1	\$104,653	1,133	14,012	29,134	1.75
Spring Valley Public Library	Spring Valley	4,710	1	\$154,104	2,623	32,426	58,163	2.55
St. Charles Public Library	St. Charles	6,983	1	\$135,922	3,362	22,533	38,073	2.39
Stewartville Public Library	Stewartville	9,022	1	\$245,613	n.c.	35,739	94,076	3.64
Van Horn Public Library	Pine Island	5,652	1	\$160,716	3,032	31,188	68,474	2.37
Wabasha Public Library	Wabasha	4,722	1	\$173,651	2,079	28,101	42,291	2.50
West Concord Public Library	West Concord	2,237	1	\$50,041	632	19,017	15,648	1.37
Winona Public Library	Winona	49,954	1	\$1,155,554	20,113	150,643	378,512	14.85
Zumbrota Public Library	Zumbrota	11,053	1	\$329,212	4,006	51,488	120,923	4.31
Traverse des Sioux Library System								
Blue Earth Community Library	Blue Earth	6,337	1	\$188,837	2,617	30,229	44,271	3.10
Blue Earth County Library	Mankato	60,057	3	\$1,178,007	17,331	169,015	433,650	19.47
Comfrey Community Library	Comfrey	1,103	1	\$64,604	439	23,306	16,483	1.83
Dyckman Free Library	Sleepy Eye	5,854	1	\$114,359	1,896	20,972	26,224	2.50
Elmore Library	Elmore	1,120	1	\$22,540	993	5,662	1,866	0.50
Faribault County Library	Blue Earth	7,844	2	\$74,457	1,988	20,086	9,630	1.20
Hanska Public Library	Hanska	1,108	1	\$34,245	251	6,273	1,122	1.15
Martin County Library	Fairmont	21,802	5	\$660,151	9,301	94,570	319,994	8.79

(continued on next page)

Characteristics of Minnesota's Public Libraries, 2008 (continued)

Name	City	Population	Library Buildings	Operating Expenditures	Resident Library Cards	Collection Size	Total Circulation	Total Staff
Muir Library	Winnebago	2,814	1	\$80,628	914	23,343	23,305	1.05
New Ulm Public Library	New Ulm	13,568	1	\$756,668	7,745	85,763	174,850	11.30
North Mankato Taylor Library	North Mankato	12,817	1	\$354,315	8,581	39,229	180,554	6.25
Sibley County Library	Gaylord	15,664	5	\$407,002	6,300	73,844	186,152	7.22
Springfield Public Library	Springfield	2,191	1	\$161,072	1,739	26,455	33,296	3.57
St. Peter Public Library	St. Peter	14,055	1	\$359,691	7,905	50,024	101,879	5.52
Waseca-Le Sueur Regional Library	Waseca	47,357	9	\$941,261	19,338	165,654	266,348	13.83
Watonwan County Library	St James	11,876	5	\$553,105	7,622	106,202	136,624	9.45
Wells Public Library	Wells	5,451	1	\$79,024	1,254	23,848	42,470	1.60
Viking Library System								
Browns Valley Public Library	Browns Valley	873	1	\$71,585	1,100	22,260	40,395	1.59
Douglas County Library	Alexandria	35,400	1	\$740,217	n.c.	94,203	358,924	9.50
Thorson Memorial Library	Elbow Lake	2,075	1	\$108,779	2,434	22,956	50,957	2.12
Fergus Falls Public Library	Fergus Falls	19,315	1	\$659,860	16,814	90,579	210,970	12.00
Glenwood Public Library	Glenwood	5,115	1	\$200,373	4,789	27,830	81,948	3.29
Hancock Community Library	Hancock	1,077	1	\$23,234	533	7,218	6,537	0.50
Morris Public Library	Morris	7,006	1	\$272,919	7,020	64,011	127,398	4.75
New York Mills Public Library	New York Mills	2,898	1	\$105,204	2,558	15,117	39,606	2.05
Pelican Rapids Public Library	Pelican Rapids	4,836	1	\$276,182	5,684	33,472	70,129	4.75
Perham Area Public Library	Perham	5,765	1	\$173,800	n.c.	28,669	71,075	3.11
Wheaton Community Library	Wheaton	2,065	1	\$99,641	1,460	21,723	48,060	3.00
Consolidated Systems								
East Central Regional Library	Cambridge	175,542	14	\$2,468,472	40,134	353,284	1,147,624	41.75
Great River Regional Library	St. Cloud	451,899	32	\$9,092,279	124,884	857,224	3,559,342	134.81
Kitchigami Regional Library	Pine River	163,723	9	\$2,451,026	52,024	293,586	854,806	35.25
Lake Agassiz Regional Library	Moorhead	137,801	13	\$3,223,849	54,566	299,097	1,044,240	52.38
Northwest Regional Library	Thief River Falls	48,078	7	\$915,128	17,244	138,872	330,883	14.27
Pioneerland Library System	Willmar	164,425	32	\$3,907,635	73,001	774,823	874,346	61.09
Unaffiliated Libraries								
Clarkfield Public Library	Clarkfield	885	1	\$41,029	768	19,141	17,178	1.05
Jessie F. Hallett Memorial Library	Crosby	2,311	1	\$208,102	4,000	42,700	55,923	8.00
East Grand Forks-Campbell Library	East Grand Forks	7,893	1	\$417,426	5,422	49,341	80,830	5.67
Siverson Public Library	Hendricks	688	1	\$7,158	980	11,736	1,485	0.15
Taylors Falls Public Library	Taylors Falls	1,039	1	\$10,850	156	10,483	1,898	0.20

SOURCE: Minnesota Department of Education, State Library Services, 2008 Minnesota Public Library Statistics (St. Paul, 2008).

Public Library Access and Use by Population, 2008

APPENDIX B

Number of Residents	Number of Libraries	Percentage of Total	Collection Size per Resident	Staff per 1,000 Residents	Programs per 1,000 Residents	Internet Computers per 1,000 Residents	Resident Library Cards per Resident	Visits per Resident	Internet Users per 1,000 Residents	Circulation per Resident	Interlibrary Loans Provided per Resident	Interlibrary Loans Received per Resident	Program Attendance per Resident
Less than 5,000	67	50%	12.01	0.87	26.25	3.89	0.78	9.25	2.62	14.59	1.49	1.30	0.51
5,000 to 49,999	52	39%	4.42	0.48	15.07	1.06	0.56	6.27	1.25	9.90	0.76	0.64	0.38
50,000 to 249,999	11	8%	3.15	0.38	6.93	0.71	0.49	5.20	0.95	9.45	0.13	0.18	0.20
250,000 or more	5	4%	2.71	0.45	6.95	0.71	0.65	5.65	1.28	11.03	0.06	0.06	0.19

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education public library statistics data.

Local Maintenance of Effort (MOE) Requirements, 2008

APPENDIX C

County	City	Population	MOE Requirement	MOE Requirement per Capita	Amount per Capita City MOE is Higher Than County MOE
FEDERATED SYSTEMS					
Arrowhead Library System					
Carlton		19,186	\$165,877	\$8.65	
	Carlton	819	\$22,350	\$27.29	\$18.64
	Cloquet	11,601	\$466,885	\$40.25	\$31.60
	Moose Lake	2,490	\$75,381	\$30.27	\$21.63
Cook		3,951	\$106,010	\$26.83	
	Grand Marais	1,417	\$106,010	\$74.81	\$47.98
Itasca		31,682	\$394,124	\$12.44	
	Bovey	701	\$38,216	\$54.52	\$42.08
	Calumet	372	\$36,805	\$98.94	\$86.50
	Coleraine	1,122	\$79,666	\$71.00	\$58.56
	Grand Rapids	8,543	\$546,989	\$64.03	\$51.59
	Keewatin	1,167	\$47,700	\$40.87	\$28.43
	Marble	698	\$26,890	\$38.52	\$26.08
Koochiching		7,376	\$66,441	\$9.01	
	International Falls	6,397	\$328,367	\$51.33	\$42.32
Lake		5,472	\$68,072	\$12.44	
	Silver Bay	2,039	\$72,839	\$35.72	\$23.28
	Two Harbors	3,678	\$117,254	\$31.88	\$19.44
Lake of the Woods		3,343	\$33,390	\$9.99	
	Baudette	1,084	\$65,898	\$60.79	\$50.80
St. Louis		62,893	\$782,389	\$12.44	
	Aurora	1,756	\$78,301	\$44.59	\$32.15
	Babbitt	1,627	\$85,810	\$52.74	\$40.30
	Buhl	909	\$74,000	\$81.41	\$68.97
	Chisholm	4,775	\$241,380	\$50.55	\$38.11
	Cook	591	\$21,300	\$36.04	\$23.60
	Duluth	85,889	\$3,712,979	\$43.23	\$30.79
	Ely	3,558	\$215,782	\$60.65	\$48.21
	Eveleth	3,685	\$153,735	\$41.72	\$29.28
	Gilbert	1,788	\$117,500	\$65.72	\$53.28
	Hibbing	16,582	\$667,453	\$40.25	\$27.81
	Hoyt Lakes	1,918	\$109,488	\$57.08	\$44.64
	Kinney	173	\$9,875	\$57.08	\$44.64
	McKinley	84	\$9,472	\$112.76	\$100.32
	Mountain Iron	2,899	\$114,000	\$39.32	\$26.88
	Virginia	8,895	\$788,994	\$88.70	\$76.26
Metropolitan Library Service Agency					
Anoka		308,132	\$6,483,468	\$21.04	
	Columbia Heights	18,261	\$628,381	\$34.41	\$13.37
Carver		85,204	\$2,759,227	\$32.38	
Dakota		370,806	\$10,061,809	\$27.13	
	South St. Paul	20,078	\$597,841	\$29.78	\$2.64
Hennepin		762,864	\$37,645,728	\$49.35	
	Minneapolis	387,711	\$20,359,464	\$52.51	\$3.16
Ramsey		227,873	\$7,280,800	\$31.95	
	St. Paul	287,385	\$13,370,494	\$46.52	\$14.57
Scott		118,339	\$1,993,090	\$16.84	
Washington		204,257	\$4,995,725	\$24.46	
	Bayport	3,171	\$125,632	\$39.62	\$15.16
	Stillwater	17,429	\$912,415	\$52.35	\$27.89

(continued on next page)

Local Maintenance of Effort (MOE) Requirements, 2008 (continued)

County	City	Population	MOE Requirement	MOE Requirement per Capita	Amount per Capita City MOE is Higher Than County MOE
Plum Creek Library System					
Cottonwood		4,575	\$57,049	\$12.47	
	Mountain Lake	2,082	\$106,081	\$50.95	\$38.48
	Westbrook	725	\$30,506	\$42.08	\$29.61
	Windom	4,450	\$145,314	\$32.65	\$20.19
Jackson		11,175	\$340,206	\$30.44	
	Jackson*	NA	\$40,046	NA	NA
Lincoln		2,873	\$35,740	\$12.44	
	Ivanhoe	634	\$20,523	\$32.37	\$19.93
	Lake Benton	679	\$11,237	\$16.55	\$4.11
	Tyler	1,179	\$48,500	\$41.14	\$28.70
Lyon		8,426	\$218,484	\$25.93	
	Marshall	12,932	\$409,311	\$31.65	\$5.72
	Minneota	1,411	\$29,067	\$20.60	-\$5.33
	Tracy	2,179	\$44,515	\$20.43	-\$5.50
Murray		5,495	\$68,358	\$12.44	
	Fulda	1,312	\$39,775	\$30.32	\$17.88
	Slayton	2,050	\$59,000	\$28.78	\$16.34
Nobles		20,553	\$449,089	\$21.85	
Pipestone		4,152	\$51,651	\$12.44	
	Edgerton	989	\$18,870	\$19.08	\$6.64
	Pipestone	4,356	\$74,000	\$16.99	\$4.55
	Pipestone School Dist	NA	\$145,314	NA	NA
Redwood		8,435	\$104,931	\$12.44	
	Lamberton	822	\$28,000	\$34.06	\$21.62
	Morgan	862	\$36,000	\$41.76	\$29.32
	Redwood Falls	5,327	\$277,994	\$52.19	\$39.75
	Wabasso	650	\$36,510	\$56.17	\$43.73
Rock		4,945	\$120,981	\$24.47	
	Luverne	4,596	\$120,981	\$26.32	\$1.86
Southeastern Libraries Cooperating					
Dodge		10,897	\$121,241	\$11.13	
	Dodge Center	2,552	\$70,552	\$27.65	\$16.52
	Kasson	5,312	\$150,134	\$28.26	\$17.14
	West Concord	835	\$30,266	\$36.25	\$25.12
Fillmore		11,596	\$169,192	\$14.59	
	Chatfield	2,493	\$76,065	\$30.51	\$15.92
	Harmony	1,132	\$58,000	\$51.24	\$36.65
	Lanesboro	763	\$34,611	\$45.36	\$30.77
	Mabel	756	\$27,804	\$36.78	\$22.19
	Preston	1,413	\$44,811	\$31.71	\$17.12
	Rushford	1,785	\$62,939	\$35.26	\$20.67
	Spring Valley	2,573	\$87,161	\$33.88	\$19.28
Freeborn		13,751	\$238,000	\$17.31	
	Albert Lea	18,153	\$562,690	\$31.00	\$13.69
Goodhue		17,312	\$332,475	\$19.20	
	Cannon Falls	3,973	\$180,195	\$45.35	\$26.15
	Kenyon	1,696	\$99,430	\$58.63	\$39.42
	Pine Island	3,268	\$93,135	\$28.50	\$9.29
	Red Wing	16,358	\$796,048	\$48.66	\$29.46
	Zumbrota	3,059	\$153,876	\$50.30	\$31.10

(continued on next page)

Local Maintenance of Effort (MOE) Requirements, 2008 (continued)

County	City	Population	MOE Requirement	MOE Requirement per Capita	Amount per Capita City MOE is Higher Than County MOE
Houston		8,963	\$95,506	\$10.66	
	Caledonia	2,948	\$51,864	\$17.59	\$6.94
	Hokah	574	\$12,500	\$21.78	\$11.12
	Houston	1,011	\$38,074	\$37.66	\$27.00
	La Crescent	5,148	\$110,201	\$21.41	\$10.75
	Spring Grove	1,300	\$81,634	\$62.80	\$52.14
Mower		12,660	\$237,301	\$18.74	
	Austin	23,761	\$718,865	\$30.25	\$11.51
	Brownsdale	706	\$9,950	\$14.09	-\$4.65
	Grand Meadow	935	\$40,632	\$43.46	\$24.71
	LeRoy	903	\$32,171	\$35.63	\$16.88
Olmsted		28,971	\$947,634	\$32.71	
	Rochester	97,191	\$4,171,443	\$42.92	\$10.21
	Stewartville	5,722	\$175,446	\$30.66	-\$2.05
Rice		20,855	\$406,409	\$19.49	
	Faribault	22,605	\$580,473	\$25.68	\$6.19
	Northfield	18,961	\$703,676	\$37.11	\$17.62
Steele		9,444	\$174,914	\$18.52	
	Blooming Prairie	1,963	\$83,554	\$42.56	\$24.04
	Owatonna	24,255	\$868,158	\$35.79	\$17.27
Wabasha		11,811	\$125,000	\$10.58	
	Lake City	5,314	\$133,140	\$25.05	\$14.47
	Plainview	3,386	\$123,000	\$36.33	\$25.74
	Wabasha	2,667	\$118,650	\$44.49	\$33.90
Winona		19,097	\$236,816	\$12.40	
	St. Charles	3,536	\$84,344	\$23.85	\$11.45
	Winona	27,295	\$832,118	\$30.49	\$18.09
Traverse des Sioux Library System					
Blue Earth		23,463	\$399,245	\$17.02	
	Mankato	35,031	\$584,000	\$16.67	-\$0.34
Brown		6,289	\$78,235	\$12.44	
	Comfrey	360	\$26,907	\$74.74	\$62.30
	Hanska	419	\$8,341	\$19.91	\$7.47
	New Ulm	13,714	\$565,930	\$41.27	\$28.83
	Sleepy Eye	3,592	\$95,126	\$26.48	\$14.04
	Springfield	2,191	\$107,972	\$49.28	\$36.84
Faribault		7,374	\$185,000	\$25.09	
	Blue Earth	3,489	\$106,306	\$30.47	\$5.38
	Elmore	680	\$12,776	\$18.79	-\$6.30
	Wells	2,521	\$49,346	\$19.57	-\$5.51
	Winnebago	1,422	\$53,843	\$37.86	\$12.78
Le Sueur		25,444	\$302,395	\$11.88	
	Martin	20,930	\$538,434	\$25.73	
	Fairmont*	NA	\$60,209	NA	NA
Nicollet		8,190	\$101,884	\$12.44	
	North Mankato	12,577	\$308,860	\$24.56	\$12.12
	St. Peter	10,682	\$283,987	\$26.59	\$14.15
Sibley		15,384	\$200,067	\$13.00	
	Waseca	9,814	\$218,781	\$22.29	
	Waseca	9,737	\$186,742	\$19.18	-\$3.11
Watonwan		11,580	\$511,954	\$44.21	

(continued on next page)

Local Maintenance of Effort (MOE) Requirements, 2008 (continued)

County	City	Population	MOE Requirement	MOE Requirement per Capita	Amount per Capita City MOE is Higher Than County MOE
Viking Library System					
Douglas		35,125	\$713,854	\$20.32	
Grant		4,844	\$60,259	\$12.44	
	Elbow Lake	1,254	\$76,000	\$60.61	\$48.17
Otter Tail		38,363	\$477,236	\$12.44	
	Fergus Falls	13,903	\$546,672	\$39.32	\$26.88
	New York Mills	1,192	\$66,150	\$55.49	\$43.05
	Pelican Rapids	2,409	\$140,000	\$58.12	\$45.68
	Perham	2,726	\$76,742	\$28.15	\$15.71
Pope		8,586	\$106,810	\$12.44	
	Glenwood	2,663	\$155,540	\$58.41	\$45.97
Stevens		4,028	\$50,108	\$12.44	
	Hancock	703	\$20,269	\$28.83	\$16.39
	Morris	5,085	\$278,894	\$54.85	\$42.41
Traverse		1,661	\$27,993	\$16.85	
	Browns Valley	643	\$55,207	\$85.86	\$69.01
	Wheaton	1,513	\$95,973	\$63.43	\$46.58

CONSOLIDATED SYSTEMS

East Central Regional Library

Aitkin		16,216	\$201,727	\$12.44	
	Aitkin*	NA	\$11,900	NA	NA
Chisago		48,366	\$496,842	\$10.27	
	North Branch*	NA	\$10,200	NA	NA
	Rush City*	NA	\$1,900	NA	NA
Isanti		37,699	\$364,615	\$9.67	
Kanabec		16,213	\$143,711	\$8.86	
Mille Lacs		25,598	\$225,826	\$8.82	
Pine		28,453	\$295,789	\$10.40	
	Hinckley*	NA	\$12,210	NA	NA
	Pine City*	NA	\$8,000	NA	NA
	Sandstone*	NA	\$3,894	NA	NA

Great River Regional Library

Benton		38,532	\$470,763	\$12.22	
	Foley*	NA	\$1,000	NA	NA
	St. Cloud**a	NA	\$25,173	NA	NA
Morrison		32,866	\$445,600	\$13.56	
Sherburne		82,246	\$1,235,092	\$15.02	
	Elk River*	NA	\$62,700	NA	NA
	St. Cloud**a	NA	\$18,035	NA	NA
Stearns		142,684	\$1,914,493	\$13.42	
	Sauk Centre*	NA	\$29,135	NA	NA
	St. Cloud**a	NA	\$138,419	NA	NA
Todd		22,118	\$303,279	\$13.71	
	Staples*	NA	\$26,686	NA	NA
Wright		110,836	\$1,505,773	\$13.59	
	Buffalo*	NA	\$80,628	NA	NA
	Monticello*	NA	\$37,690	NA	NA

(continued on next page)

Local Maintenance of Effort (MOE) Requirements, 2008 (continued)

County	City	Population	MOE Requirement	MOE Requirement per Capita	Amount per Capita City MOE is Higher Than County MOE
Kitchigami Regional Library					
Beltrami		28,906	\$232,015	\$8.03	
	Bemidji	13,059	\$152,949	\$11.71	\$3.69
	Blackduck	733	\$13,158	\$17.95	\$9.92
Cass		25,775	\$320,641	\$12.44	
	Cass Lake	833	\$13,261	\$15.92	\$3.48
	Longville	182	\$9,510	\$52.25	\$39.81
	Pine River	954	\$17,805	\$18.66	\$6.22
	Walker	1,099	\$15,644	\$14.23	\$1.79
Crow Wing		44,055	\$548,044	\$12.44	
	Brainerd	13,849	\$135,760	\$9.80	-\$2.64
Hubbard		15,428	\$191,924	\$12.44	
	Park Rapids	3,445	\$64,579	\$18.75	\$6.31
Wadena		8,838	\$79,012	\$8.94	
	Wadena	4,248	\$69,772	\$16.42	\$7.48
Lake Agassiz Regional Library					
Becker		23,868	\$282,999	\$11.86	
	Detroit Lakes	8,004	\$180,257	\$22.52	\$10.66
Clay		19,702	\$210,468	\$10.68	
	Moorhead	34,244	\$592,381	\$17.30	\$6.62
Clearwater Mahnomen		8,477	\$78,400	\$9.25	
		3,909	\$27,006	\$6.91	
	Mahnomen	1,204	\$14,926	\$12.40	\$5.49
Norman Polk		7,059	\$75,000	\$10.62	
		15,262	\$189,503	\$12.42	
	Crookston	7,943	\$183,941	\$23.16	\$10.74
Wilkin		3,315	\$41,668	\$12.57	
	Breckenridge	3,496	\$74,153	\$21.21	\$8.64
Northwest Regional Library					
Kittson		4,785	\$54,627	\$11.42	
	Hallock*	NA	\$9,142	NA	NA
	Karlstad*	NA	\$2,750	NA	NA
Marshall		9,942	\$78,768	\$7.92	
	Warren*	NA	\$8,250	NA	NA
Pennington		5,148	\$76,000	\$14.76	
	Thief River Falls	8,476	\$146,481	\$17.28	\$2.52
Red Lake		4,317	\$29,702	\$6.88	
	Red Lake Falls*	NA	\$17,200	NA	NA
Roseau		16,484	\$80,442	\$4.88	
	Greenbush*	NA	\$9,640	NA	NA
	Roseau*	NA	\$25,000	NA	NA
	Warroad*	NA	\$44,493	NA	NA

(continued on next page)

Local Maintenance of Effort (MOE) Requirements, 2008 (continued)

County	City	Population	MOE Requirement	MOE Requirement per Capita	Amount per Capita City MOE is Higher Than County MOE
Pioneerland Library System					
Big Stone		2,930	\$56,979	\$19.45	
	Graceville	592	\$25,493	\$43.06	\$23.62
	Ortonville	1,973	\$56,045	\$28.41	\$8.96
Chippewa		11,754	\$153,706	\$13.08	
	Clara City*	NA	\$19,886	NA	NA
	Maynard*	NA	\$13,616	NA	NA
	Milan*	NA	\$13,030	NA	NA
	Montevideo*	NA	\$67,000	NA	NA
Kandiyohi		22,778	\$422,950	\$18.57	
	Atwater*	NA	\$12,719	NA	NA
	Willmar	18,709	\$364,409	\$19.48	\$0.91
Lac Qui Parle		4,442	\$73,492	\$16.54	
	Dawson	1,478	\$84,883	\$57.43	\$40.89
	Madison	1,703	\$101,191	\$59.42	\$42.87
McLeod		17,134	\$172,734	\$10.08	
	Brownton*	NA	\$5,583	NA	NA
	Glencoe	5,691	\$91,470	\$16.07	\$5.99
	Hutchinson	13,817	\$153,452	\$11.11	\$1.02
Meeker		16,562	\$193,673	\$11.69	
	Cosmos*	NA	\$1,025	NA	NA
	Dassel*	NA	\$5,078	NA	NA
	Litchfield	6,854	\$152,274	\$22.22	\$10.52
Renville		9,307	\$115,779	\$12.44	
	Bird Island	1,161	\$25,605	\$22.05	\$9.61
	Fairfax	1,271	\$23,479	\$18.47	\$6.03
	Hector	1,173	\$33,070	\$28.19	\$15.75
	Olivia	2,579	\$80,235	\$31.11	\$18.67
	Renville	1,280	\$32,708	\$25.55	\$13.11
Swift		4,660	\$84,470	\$18.13	
	Appleton	2,680	\$78,155	\$29.16	\$11.04
	Benson	3,346	\$72,661	\$21.72	\$3.59
	Kerkhoven	743	\$20,803	\$28.00	\$9.87
Yellow Medicine		5,782	\$71,928	\$12.44	
	Canby	1,838	\$82,756	\$45.03	\$32.59
	Granite Falls	3,088	\$78,594	\$25.45	\$13.01

NOTE: State Library Services does not calculate a per capita amount for cities with supplemental maintenance of effort requirements because they are already part of the county requirement.

* Local city supplemental maintenance of effort in addition to county maintenance of effort requirement.

^a St. Cloud has a supplemental maintenance of effort in addition to county requirements. This supplemental maintenance of effort is divided among the three counties based on percentage of estimated population.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education data.



March 12, 2010

James Nobles
Office of the Legislative Auditor
Room 140 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155-1603

Dear Mr. Nobles:

Thank you for the many hours of research and study that went into the development of this report. We understand the complexity of the delivery of library services to Minnesotans and its attendant funding intricacies. Jo Vos and Emi Bennett were very thorough in their efforts and we have received positive feedback from library stakeholders who worked with them during this process. We appreciate the opportunity to respond to this report.

One of the purposes of the study as outlined in the *Office of Legislative Auditor Topic Selection Background Paper* was to examine the adequacy of public library organization and oversight, including the role of the Minnesota Department of Education. We are pleased to see that the current regional library systems structure is working well for Minnesotans. We appreciate the analysis of the public library maintenance of effort and the regional library basic system support aid program. State Library Services expressed concern that there are additional responsibilities and roles that were not included in your report, particularly as it relates to the Braille and Talking Book Library and its impact on public library services for those with print disabilities.

The department is in agreement with the recommendations and will work with the Legislature to facilitate Recommendation 1 and the State Library Services will implement Recommendations 2, 3 and 4.

Recommendation 1: To reduce duplication and enhance coordination, the Legislature should eliminate multi-county, multi-type library systems and move their function and funding to the regional public library systems.

Response: I concur with the report's recommendation regarding the multi-county, multi-type library cooperation systems. The goals and priorities currently charged to the multi-type systems could be integrated into the regional public library systems, transforming them into regional library systems that work with all types of libraries within their respective regions.

Recommendation 2: State Library Services should work more closely with regional public library systems to help identify and address critical needs and issues that have statewide implications.

Response: State Library Services will continue to work closely with regional public library systems, their respective member counties and cities, and other library stakeholders on issues of critical importance to the development, support, and provision of library services statewide.

Recommendation 3: The Legislature should require the State Librarian to issue a biennial *State of the State for Public Libraries Report* to the appropriate legislative committees by January 1 of each odd-numbered year.

Response: A biennial *State of the State for Public Libraries Report* to the state legislature by the state librarian would be a useful document to advise the legislature on the challenges and issues facing public libraries as well as the critical services they provide to their communities.

Recommendation 4: State Library Services should develop a process to verify local government spending for maintenance of effort certification using the best data available from the State Auditor's Office and the Department of Education's annual public libraries survey.

Response: We appreciate your bringing to our attention additional data available through the State Auditor and will adjust our analysis process to include this data. Discrepancies in the data submitted by the local reporting institutions for the *Public Library Statistics* report will be reviewed to improve alignment with data from the State Auditor and the regional library basic system support applications.

I appreciate the opportunity to respond to the recommendations for the State Library Services. Please contact Suzanne Miller at 651-582-8251 if you have any questions or comments.

Sincerely,

A handwritten signature in cursive script that reads "Alice Seagren". The ink is dark and the signature is fluid, with a long, sweeping tail on the "n".

Alice Seagren
Commissioner of Education

Recent Evaluations

Agriculture

"Green Acres" and Agricultural Land Preservation Programs, February 2008
Pesticide Regulation, March 2006

Criminal Justice

Public Defender System, February 2010
MINNCOR Industries, February 2009
Substance Abuse Treatment, February 2006
Community Supervision of Sex Offenders, January 2005
CriMNet, March 2004
Chronic Offenders, February 2001
District Courts, January 2001

Education, K-12, and Preschool

Alternative Education Programs, February 2010
Q Comp: Quality Compensation for Teachers, February 2009
Charter Schools, June 2008
School District Student Transportation, January 2008
School District Integration Revenue, November 2005
No Child Left Behind, February/March 2004
Charter School Financial Accountability, June 2003
Teacher Recruitment and Retention: Summary of Major Studies, March 2002
Early Childhood Education Programs, January 2001

Education, Postsecondary

MnSCU System Office, February 2010
MnSCU Occupational Programs, March 2009
Compensation at the University of Minnesota, February 2004
Higher Education Tuition Reciprocity, September 2003

Energy

Biofuel Policies and Programs, April 2009
Energy Conservation Improvement Program, January 2005

Environment and Natural Resources

Natural Resource Land, March 2010
Watershed Management, January 2007
State-Funded Trails for Motorized Recreation, January 2003
Water Quality: Permitting and Compliance Monitoring, January 2002
Minnesota Pollution Control Agency Funding, January 2002
Recycling and Waste Reduction, January 2002

Financial Institutions, Insurance, and Regulated Industries

Liquor Regulation, March 2006
Directory of Regulated Occupations in Minnesota, February 1999
Occupational Regulation, February 1999

Government Operations

Capitol Complex Security, May 2009
County Veterans Service Offices, January 2008
Pensions for Volunteer Firefighters, January 2007

Government Operations (continued)

Postemployment Benefits for Public Employees, January 2007
State Grants to Nonprofit Organizations, January 2007
Tax Compliance, March 2006
Professional/Technical Contracting, January 2003
State Employee Health Insurance, February 2002
State Archaeologist, April 2001

Health

Financial Management of Health Care Programs, February 2008
Nursing Home Inspections, February 2005
MinnesotaCare, January 2003
Insurance for Behavioral Health Care, February 2001

Human Services

Personal Care Assistance, January 2009
Human Services Administration, January 2007
Public Health Care Eligibility Determination for Noncitizens, April 2006
Substance Abuse Treatment, February 2006
Child Support Enforcement, February 2006
Child Care Reimbursement Rates, January 2005
Medicaid Home and Community-Based Waiver Services for Persons with Mental Retardation or Related Conditions, February 2004
Controlling Improper Payments in the Medicaid Assistance Program, August 2003
Economic Status of Welfare Recipients, January 2002

Housing and Local Government

Preserving Housing: A Best Practices Review, April 2003
Managing Local Government Computer Systems: A Best Practices Review, April 2002
Local E-Government: A Best Practices Review, April 2002
Affordable Housing, January 2001

Jobs, Training, and Labor

Workforce Programs, February 2010
E-Verify, June 2009
Oversight of Workers' Compensation, February 2009
JOBZ Program, February 2008
Misclassification of Employees as Independent Contractors, November 2007
Prevailing Wages, February 2007
Workforce Development Services, February 2005
Financing Unemployment Insurance, January 2002

Miscellaneous

Public Libraries, March 2010
Economic Impact of Immigrants, May 2006
Gambling Regulation and Oversight, January 2005
Minnesota State Lottery, February 2004

Transportation

State Highways and Bridges, February 2008
Metropolitan Airports Commission, January 2003

Evaluation reports can be obtained free of charge from the Legislative Auditor's Office, Program Evaluation Division, Room 140 Centennial Building, 658 Cedar Street, Saint Paul, Minnesota 55155, 651-296-4708. Full text versions of recent reports are also available at the OLA web site: <http://www.auditor.leg.state.mn.us>