This study uses data from the North Carolina State Library’s *Annual Statistical Survey* to gain insight on the things that most heavily influence local elected officials as they decide what portion of the annual budget to send to the library. The study concludes that, on average, local governments in North Carolina are no more inclined to restore funding to libraries that cut their hours in response to a budget cut than to libraries that remain open through the cuts. It also concludes that increases or decreases from non-tax funding sources, such as fees and donations, cannot be used to predict increases or decreases in local tax-supported library funding. Finally, the study determines that the best indicator of changes to the amount of money a library will receive from its local government is the changes in the overall local government budget.

Headings:

- Public libraries – Finance
- Public libraries – North Carolina
- Public libraries – Administration
- Public libraries – Statistics
LOCAL GOVERNMENT PATRONAGE OF PUBLIC LIBRARIES IN NORTH CAROLINA

By

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A Master’s paper submitted to the faculty of the School of Information and Library Science of the University of North Carolina at Chapel Hill in partial fulfillment of the requirements for the degree of Master of Science in Library Science.

Chapel Hill, North Carolina

April 28, 2010

Approved by:

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Ron Bergquist
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Introduction

North Carolinians love their libraries. And, in general, they are willing to pay for them.

In just the first five years of the new millennium, voters were asked to decide seven different ballot measures involving funding, and they opted for the increased spending six out of seven times, an analysis of news articles from America’s Newspapers database shows. Only the library referendum in the Alleghany County town of Sparta failed.

But when times get tight, communities vary in the budgetary pain they ask their libraries to endure. Compare, for example, this tale of two North Carolina counties, their economic woes and their libraries.

Rockingham County

During the post-9/11 economic slump, the Rockingham County town of Reidsville lost a textile mill, a plastic recycling plant, a distribution center, and $300 million from the local tax base. In 2002, the library lost quarter of a million dollars, or 19 percent of its operating budget. State officials warned that when local library support drops below a threshold set by state law, the state stops giving the library money and withdraws other types of library support as well. After two more years of similar cuts, the state made good on its threat. The Rockingham County library lost its director, its privileges with the North Carolina State Library and $600,000 in state funding on top of all the local money it had already lost. Only after local officials proved in 2006 that they were willing to adequately fund their public library did the state restore its funding and bring the library back from the brink of ruin. (Bagley, 2005; Jeffries, 2004; Cater, 2002)

Durham County

Durham County suffered similar budget challenges during the global financial meltdown in the latter part of the decade. It lost a windows manufacturer, a cell phone maker, and a mobile electronics software provider. Many of its top employers, including IBM and GSK were laying off
workers, and its flagship business campus, Research Triangle Park, reached a vacancy rate of 27 percent. By the start of fiscal 2010, county commissioners realized that they were on track to spend $16.2 million more than they expected to collect if they continued the budget they had adopted in 2009. They ordered across-the-board cuts of 10 percent for every county department. This order included the library, which had already suffered cuts in the previous fiscal year when one of its busiest branches was closed for renovations. Without additional money to re-open it and another new branch expected to finish construction toward the end of that fiscal year, the library would have to close Wednesday evenings and all day Friday, the director warned. (Milliken, 2009; Bracken, 2009)

The 2010 spending plan was eventually approved with every penny of the library’s allocation restored, plus more money for 4.5 new library positions. Commissioners allotted the library even more money than it had formally requested, and the library was the only county department to win new positions in the scaled back budget. (Durham County, 2009, p. 261-264; Officials Praise..., 2009)

What drives the different reactions to public library funding in tough times? During a similar, but less severe, economic dip nearly two decades ago, researchers Thomas Childers and Nancy Van House started to answer this question by surveying several groups, including local elected officials, about what aspects of library service matters most to them. Their report, The Public Library Effectiveness Study, prepared for the U.S. Department of Education and published by the American Library Association [ALA] in 1993, was hailed at the time as “one of ALA's most significant contributions to the effective practice of librarianship.” (Stevens, 1993, p. 89)

To examine some of the factors that could influence North Carolina local governments as they decide how much to spend on libraries, this study builds a statistical model using the criteria from The Public Library Effectiveness Study and data from North Carolina State Library’s Annual Statistical Survey. Understanding what prompts local governments to open their coffers to libraries is not just an academic undertaking. As Figure 1 shows, overall in North Carolina in 2009, local governments provided more than ten times as much money for local governments than any other funding source. A library’s fiscal health depends on its ability to tap its local revenue stream.
The data analysis in this study suggests that local library funding is more a function of how much the local government can afford to pay than it is a function of how well the library satisfies the priorities of the local government, how wisely the library spends its money, or how well the library serves its customers. By implication, this paper argues, libraries in search of more local dollars ought to concentrate more on economic development activities that boost the wealth of the local government that sponsors them.

The professional literature points to evidence that library leaders are already discovering the importance of talking up the library’s contributions to the local economy. But so far, discussion in the literature about the economic development role of libraries takes place almost entirely within the realm of funding advocacy. There is scant evidence that workers staffing the library’s public services desks, the workrooms and the stacks consider it a priority to identify the library services that have the greatest effect on a local government’s bottom line or learn how to do those services better.

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1 For a complete list of system-by-system data for 2008-2009, see Appendix A.
Library directors and other practitioners seeking to increase a library’s budget are going to need this kind of information, though. The study shows that leveraging traditional library performance measures, even the performance measures elected officials care about most, may be inadequate to win additional funding. A library’s strategy for getting securing additional funding must include an acknowledgement of the local government’s overall fiscal situation and a discussion on how the library can improve it.

**Literature Review**

In the past couple of years, the two leading library trade publications, *American Libraries* and *Library Journal*, have been replete with information about how the libraries are being squeezed by the tough economy. Both publications set up websites specifically to track changes, and between them they list several dozen examples of libraries cutting hours, closing branches or interrupting library services in other ways. Both also commissioned surveys that demonstrate just how widespread the suffering at public libraries has been. In January 2009, the ALA, publisher of *American Libraries*, released its Public Library Funding & Technology Access Study reporting that 41 states, including North Carolina, expect to get less state funding in the upcoming fiscal year. In October 2009, a *Library Journal* survey of 657 libraries found that between 39 and 45 percent of survey respondents faced a budget decrease between 2009 and 2010.

General interest news outlets have also filed dispatches from libraries trying to do more with less. In August, 2008, the ALA put out a news release detailing the rise in more job seekers, telecommuters, free entertainment seekers and first-time users in libraries as a result of the sour economy. The *Boston Globe* and the Associated Press were among the news organization that picked up the story. And similar citations from National Public Radio, *The (Louisville, Ky.) Courier-Journal*, and *The Economist* have made it into the trade press. (Balas, 2006; Lyons, 2009)

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Economic development in libraries

The idea that public libraries must respond to unique advocacy challenges in times of economic uncertainty is not new. During the Great Depression, the ALA pleaded the case for libraries as a way for out-of-work people to get information needed to increase their skills and thus their employability and as a way for them to constructively fill the time that had previously been occupied with work. Without libraries to combat idleness, the ALA argued, the unemployed could revolt. With such a resource, they could read their way to economic recovery. (Luyt, 2007)

Seventy-five years later, in 2008, the ALA rehashed the arguments in the hopes of winning $100 million in economic stimulus funds for libraries. (Topper, 2009)

In the intervening years, published literature about the idea of libraries as tools of economic development has waxed and waned with the economy. In the aftermath of the Savings and Loans scandal of the 1980s, two authoritative reports were published, Planning and Role Setting for Public Libraries in 1987 and The Public Library Effectiveness Study in 1993. Both list several community roles a library ought to consider taking on. Neither includes economic development on the list.

By the late 1990s, the dot-com boom had given rise to a new set of entrepreneurs, and library scholars began writing about ways to serve them. They forged partnerships with other organizations such as the Chamber of Commerce, started collecting resources for small business owners, touted services related to customized searching and data compilation, even rented exhibit space in small business trade shows. (Wermcrantz, 1997; Hicks, 1998; Lynch, 1998) By the end of 1998, Professor Beverly Lynch from the graduate school of education and information studies at the University of California at Los Angeles had published an article in Public Libraries that honed in on some of the most critical research questions concerning economic development and libraries, including:

- how the public library provides services to business,
- how libraries assist in the economic development of community.
- whether the services the library provides are contributing value to the economic base of the community — the original purpose of the development of business services. (p. 384)

Studies that answer Lynch’s questions were never published, and the subject seemed to get less attention as people suffered through the dot-com bust. But when the economy started booming
again in the mid 2000s, the topic resurfaced. In 2005 University of North Carolina at Charlotte librarian Jeanie M. Welch surveyed nine public libraries to assess what small business development services they were offering. She discovered several obstacles to providing good business services, including the community perception that the library cannot provide information with the degree of accuracy and precision required by businesses and the perception from other library departments that business resources, especially electronic ones, are not used frequently enough to justify their exorbitant price tags. In 2007, the Urban Libraries Council put out a report claiming that in addition to small business resources and career training resources, libraries also stimulate the economy with their early literacy and child development projects. By 2009, an Illinois think tank had identified six public libraries with model small business information centers and developed a guide for libraries wishing to engage in more economic development activities. (Hamilton-Pennell, 2009) Also in 2009, North Carolina Governor Bev Perdue announced an initiative to train librarians to assist job seekers. (Pearson, 2009)

However, in the past decade or so, the amount of published research that contains advice for practitioners on how libraries can serve the business community is dwarfed by the amount of research for library advocates aiming to prove that libraries provide an economic development benefit. To quantify the economic development effect of libraries, librarians have borrowed business tools such as return on investment studies, which estimate the dollar value that residents place on library services. In the mid-2000s, three studies of libraries in Florida, South Carolina and Pennsylvania all made headlines with news that libraries pay dividends of $6.54, $4.48 and $5.50 respectively for every $1 that taxpayers spent on them.(Baron, Williams, Bajjaly, Arns, and Wilson, 2005; Griffiths, King and Aerni, 2006; Griffiths, King, Tomer, Lynch and Harington, 2004.) More recent studies, such as one on the Cortez Public Library in Colorado, have estimated the return on investment value as high as $31.07. (Steffen, Lietzau, Lance, Rybin, and Molliconi, 2009)

Whether public officials are compelled by pleas for funding that include return on investment data is unclear. Before they became trendy, a 1996 study showed that most public officials estimate that even very good libraries have a lower return on investment than other tax-supported endeavors. (Matthews, 2004, p. 19) More recently, the ALA was unsuccessful in an effort to get money for libraries by persuading public officials that libraries are economic
development. No money was earmarked specifically for libraries in the $790 billion American

Library return on investment studies have also faced some criticism from within the professional
community. In 2007 Public Libraries Quarterly reviewed many of the different business analysis
tools libraries have recently co-opted. They article concluded that although they are useful for
satisfying community leaders’ demand for data, a lack of standard practice in the field of library
valuation raises questions about the reliability of return on investment calculations. (Imholz &
Arns, 2007) Ohio Library consultant Ray Lyons also commented in 2009 that on their own, these
studies are of limited use because they don’t provide context for how much return on
investment ought to be expected, either in comparison to other libraries or other local
government spending priorities.

There is another problem with using business analysis tools to evaluate libraries that leaders
have been aware of long before it was mentioned in the 2007 Public Libraries Quarterly review.
Traditional economic tools cannot give a complete picture of the value of libraries because not
all of a library’s benefits are economic. Librarians have been trying to quantify and explain the
significance of intangible benefits, such as social capital grown in libraries at least since the
Great Depression. In a 1933 speech, reprinted in 2009 in Texas Library Journal, (Voices... 2009,
p. 30) ALA president Frank P. Graham argued that “a deep cut in the library budget can cut deep
into the social returns of a democracy to those who do the work of the world.” He said “the
schools and libraries are the chief resources with which will restore and advance the good things
in common life. To tear down is a wasteful way to save.”

In recent times, the same argument resurfaces when the ALA urges libraries to make the case
that libraries are necessities. It may not always be enough for avid leisure readers angry about
materials cuts to storm local government meetings, Eleanor Jo Rodger argued in a 2009
American Libraries article. Instead, she said, libraries need supporters who can articulate the
social value libraries provide through equal access to school readiness programs for youngsters,
help for job seekers and Internet access for all. Rodgers’ article also urges libraries to come up
with a quantifiable way to prove that the essential services they provide are being offered to
everybody, that they are being used, and contributing to the community welfare.
Most libraries routinely gather and report on performance measures that attempt to quantify the intangible benefits of libraries. The *Annual Statistical Survey* used in this report is one example of such data set. Similar data is used on other public library rankings such as the National Center for Education Statistics Public Library Peer Comparison Tool, the Public Library Data Service Statistical Report, and Hennen's American Public Library Ratings. But not all libraries use the data they collect to monitor or publicize their progress toward making the community a better place. (Matthews, 2004) The *Public Libraries Quarterly* review identified two trendy new tools — social return on investment studies and balanced scorecard reporting — that aim to systematically help libraries use the kinds of data in these reports to define, assess and quantify the progress they are making toward returning intangible benefits to the community.

**Library funding in North Carolina**

Although the first tax-supported public library in the state was formed in Durham in 1897, it wasn’t until 1909 that the state actually encouraged publicly financed libraries. Over the next two decades, the state made various provisions for referendums allowing voters to elect to build and finance their own public libraries, but it was 1941 before the state chipped in some of its own money for libraries. (Bergquist, 2006, p. 174) That year, the state gave $900 to each county willing to provide library services to all its citizens, and 76 counties took advantage of the offer. (Shepard, 1999) The money was meant to “to promote, aid and equalize library services in North Carolina.” (Summers, 1999, p. 28) Every year, the state upped the amount of the block grants. In 1951 and it added other types of grants for specific projects, such as hiring new personnel or procuring special collections. In 1959, it added special grants to encourage the formation of multi-county regional library systems, and eight were formed in response. (Shepard, 1999) By 1968, a legislative commission found that residents of all 100 counties had library services of some sort, even though only 16 counties had gotten legislative approval to use tax money for libraries. The report also found that counties and towns were covering about 73 percent of the

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3 All these data sets can be accessed online. For the N.C. State Library’s Annual Statistical survey, visit http://statelibrary.ncdcr.gov/id/plstats/plstats.htm
For the National Center for Education Statistics Public Library Peer Comparison Tool, visit http://nces.ed.gov/surveys/libraries/index.asp.
For the Public Library Data Service Statistical Report, visit http://www.ala.org/ala/mgrps/divs/pla/plapublications/pldsstatreport/index.cfm
For Hennen's American Public Library Ratings., visit http://www.haplr-index.com/
entire share of the cost of providing library services and spending, on average, just a little more than a dollar per person per year. The report called for the state to shoulder more of the cost.

Local government, to a large degree, has reached the end of its ability or willingness to provide funds for library support under the procedures now in force. Without a drastic change in the traditional library financing methods most local libraries will be fortunate at best to secure sufficient additional funds in the future to provide for the demands of the expanding population and the increased costs of book purchases and library operation. (p. 3)

The funding formula did change after the 1968 report, but not all libraries benefitted from additional state funding. The per-system block grants grew smaller and special purpose grants, which mostly benefitted regional libraries, grew larger. (Shepard, 1999) By the 1970s, there were again calls for reform. Eight public hearings and what some library directors later recalled as a “bloodletting” later, the state aid allocation system in use today was born. (Summers, 1999, p. 1)

Today’s formula has been in use since 1983. State leaders considered revising it again in the in the late 1990s in response to new funding needs in the electronic age, but many library directors, harkening the “bloodletting” in the late 70s, opposed the idea. State funding is decided on the basis of five basic criteria: (Summers, 1999; Shepard, 1999):

1. Just as in 1941, every county gets a library block grant of equal size. The 15 regional library systems each get an additional block grant. Municipal libraries get no block grant. But the amount appropriated for this purpose has increased from $900 in 1941 to about $64,184 in 2010. These block grants account for 50 percent of all regular state aid to libraries.

2. The remaining 50 percent of state aid to libraries is distributed on a per-capita basis, with poorer counties getting a higher per-capita allotment and richer counties getting a lower one.

3. A small portion of library funds still come from special purpose grants administered through the State Library and from grants from other state agencies. In 2009 about a dozen library systems took advantage of this kind of funding, and it represented less than half of one percent of all library income statewide.
4. To be eligible for state aid, libraries must meet all the provisions of North Carolina Administrative Code Title 7, Chapter 2E. Section 301. (1976) The code retains the 1941 provision that libraries must serve all residents. It also stipulates that libraries open their doors a minimum of 40 hours per week.

5. The code also lays out two criteria for minimum local funding. First, it says the local government must provide at least as much library money as the state does. Second, it sets as a minimum a running three-year average of the proportion of the entire local government budget spent on libraries. When local governments opt to fund libraries with a smaller share of local funds than the three-year running average, as Rockingham County did in the mid-2000s, their state allocation is jeopardized.

For rural libraries in poor areas, the funding formula addresses the problem identified in 1968 of local governments reaching the end of their ability or willingness to pay for libraries. But richer urban and suburban areas are even more on their own. The data used in this study show that many municipal and some county libraries are getting less than 2 percent of their budgets from state sources in 2009, and even less from federal sources.

The law also does not address how much money the state will contribute from year to year to the State Aid for Public Libraries fund. Since 1998, state aid has been decreasing, and in 2006 the N.C. Public Library Directors Association noted in a legislative update that libraries had considerably less buying power than they did in 1987. Since the economic downturn, legislators have cut this fund further, from a total of $16.3 million in fiscal 2007 to just under $14.8 million for fiscal 2010, the most recent Annual Statistical Survey shows.

When it comes to local funding, the law protects libraries from being singled out for budget cuts, but it does not provide libraries immunity from local cuts that are part of across-the-board belt-tightening strategies. Local newspapers have reported many instances of library budget cuts this year and last. For example, Guildford County cut nearly $450,000 in support to its two library systems. (Witt, 2009) Sampson County Library had to slash its serials budget by $30,000, or about 25 percent. (Holland, 2009) Person County Library began closing two hours earlier, at 6 p.m. instead of 8 p.m., five days a week. (Boatwright, 2009) Iredell County parked its Bookmobile. (Fuller, 2009) Mecklenburg County library eliminated Sunday hours at many branches during the summer. (Rubens, 2009) Wake County considered closing a regional branch
library. (Nagem, 2009) And even Durham County, which had been successful winning additional funding, had to put on hold construction projects. (Library renovations pushed back, 2009)

**Method**

Most of our knowledge about what has worked to persuade local government officials to fund libraries comes from anecdotes, opinions and case studies. Sometimes, a story about a library growing its county or municipal allocation represents a one-time anomaly that may not be generalizable to other situations. But if we can find evidence that other libraries have used the same tactic to get the same good results, we have added to our understanding of the relationship between library performance and local government funding. This study aims to uncover that evidence.

**The sources**

Most of the data in this report come from the *Annual Statistical Survey* published by the North Carolina State Library. Every September, the State Library sends a voluntary survey to each library system in the state asking about many facets of library service, including budget, services offered, services rendered, the size and scope of the library collection and the offerings and use of electronic materials. The questions asked, and the data compiled from the questions form the basis of the information sent to national public library data program overseen by the Institute of Museum and Library Services [IMLS]. Although the IMLS is considered the most reputable source for library statistics, the *Annual Statistical Survey* from which the IMLS data were compiled suited the needs of this study better because the more recent years, when economic conditions changed most drastically, are not yet available through IMLS. (Davis, 2009)

The data cover the past 11 years, 1998-2009. Those years span economic times both lean and flush. Rather than working with a sample representative of North Carolina libraries during those years, this study used all the data available – 835 rows in all. But the data set was still not 100 percent complete. The State Library reports that while all libraries responded to the survey, not every library responded to every question.
Though the study used data from every library, it did not use all the data. Up to 14 tables with hundreds of columns of data comprise each yearly survey. To hone in on the performance measures that are most likely to affect library funding, the study turned to the *Public Library Effectiveness Study.*

In 1989, the U.S. Department of Education commissioned the survey of seven different groups, including local government officials, about what makes a library work well. Nearly 2,500 people were asked to rate 61 variables according to how much each contributed to a library’s effectiveness. The results among the seven different groups were surprisingly uniform. Figure 2 provides details on the effectiveness indicators survey respondents rated as most important.

**Figure 2: Independent factors that could affect library funding**

<table>
<thead>
<tr>
<th>Effectiveness indicators identified by the Public Library Effectiveness Study (Rank)</th>
<th>Expressed numerically in the North Carolina State Library’s Annual Statistical Survey as</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience of hours (1)</td>
<td>The sum of annual public service hours for all outlets, including the hours open for public service for the central library, branches, bookmobiles, and books-by-mail.</td>
</tr>
<tr>
<td>Range of materials (2)</td>
<td>Total materials (Total print materials + total non-print materials + total electronic databases)</td>
</tr>
<tr>
<td>Range of services (3)</td>
<td>Number of Library visits per capita/ratio of population to library cardholders</td>
</tr>
<tr>
<td>Staff helpfulness (4)</td>
<td>Full time equivalent positions per 25,000 population</td>
</tr>
<tr>
<td>Convenience of location (9)</td>
<td>Total service outlets (Central location branches + Bookmobile + other mobile units.)</td>
</tr>
</tbody>
</table>

Note how indicators ranked 5-8 are not included. Those indicators are:

5. Services suited to the community
6. Materials quality
7. Materials availability
8. Awareness of services (p. 32)

Because no suitable data could be found in the Annual Statistical Survey to operationalize these concepts, they could not be tested for this study. So obviously, this list is not exhaustive and the statistical model in this analysis is not complete.

There is another caveat regarding the *Public Library Effectiveness Study.* The authors of the study very carefully noted that their sampling method was not sufficiently random to make the study generalizible to communities outside the 50 communities surveyed. But, they note, while
a more random sample might give the study a more accurate proportional representation of the nation, it would not allow for as thoughtful of answers as they got surveying people specifically selected by library directors of the represented libraries.

The primary weakness of the *Annual Statistical Survey* is that there is no evidence that elected officials who decide how much money to give libraries ever see it. County Commissions, Town Councils and Boards of Alderman, etc., generally do not consider library operating funding as a discrete business item, separate from the big-picture spending plan that includes all of the locality’s needs and obligations. If they see any data on library performance, it is likely to be data cherry-picked by the top brass in the library to support a carefully-scripted budget message. Still, using the survey data allows for the most complete representation of the differences among public libraries in North Carolina.

The study compared the library data with local budget data from two sources. The North Carolina Association of County Commissioners surveys each member county every fall for its annual *Budget and Tax Survey*. This is the most complete source for data on county government expenditures, but because it represents dollars *budgeted* at the start of the fiscal year rather than an audited report of dollars actually allocated or spent by the fiscal year’s end, it may sometimes represent a governing body’s intentions rather than its actions.

Data on the overall local government budget for the 10 municipal libraries were harder to come by. Municipal governments are not members of the NCACC and are not surveyed for its annual *Budget and Tax Survey*. The N.C. Treasurer’s Office draws from the annual audits and the Annual Financial Information Report filed with the Local Government Commission to compile budget data for both county and municipal governments. Because this data come from audited reports, it may be a more accurate record of actual spending, but it is less complete, covering only fiscal years 2003-2008.

Before the data analysis began, the figures were adjusted in two ways. First, the *Annual Statistical Survey* reports that some libraries received money from both a county government and a municipal government. The study singled out only the larger of the two contributors for investigation. Second, since the 14 regional libraries in the study get funding from two or more
county governments, the sum of the overall budgets for all the contributing counties was examined.

Finally, it is important to note that this project has a non-experimental design. Most of the data that made this study possible were gathered years before this study was conceived. There are no separate control groups and experimental groups, which means it is not always possible to isolate with certainty the effect of a single variable.

**The analysis**

Before even considering the library performance measures, this study calculated a simple ratio (local allocation to libraries/total local budget) to determine which local governments most generously fund their libraries. On average, in 2008-2009, local governments in North Carolina devoted about 1.41 percent of their entire local budget to supporting libraries. Over the entire 11-year study period, 95 percent of local governments devoted between 0.79 percent and 3.69 percent of the entire budgets to library operations.

Remember, most libraries in North Carolina get upwards of 85 percent of their funding from their local government. That means the library’s largest source of income is allotted from a tiny sliver of local government funds. And very modest change in the size of that sliver can have huge implications for libraries.

To illustrate this point, take a look at the data for our example libraries in Rockingham and Durham counties in Figure 3. Between 2001 and 2005, when the N.C. State Library dropped Rockingham County from its membership rolls, the library lost nearly $380,000 in local funding. But the percentage of the overall county operating budget devoted to libraries varied by less than one percentage point. Conversely, when Durham’s economy was growing in dot-com days of 1999-2002, the county was able to reduce the proportion of its overall budget devoted to libraries while still giving the library a modest raise.
Figure 3: County and Library budget changes in Durham and Rockingham counties

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Durham County</th>
<th>Rockingham County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RATIO OF LIBRARY FUNDS: ALL FUNDS</td>
<td>CHANGE IN FUNDS FOR LIBRARIES</td>
</tr>
<tr>
<td>1998-1999</td>
<td>1.32%</td>
<td>2.17%</td>
</tr>
<tr>
<td>1999-2000</td>
<td>1.40%</td>
<td>$376,595</td>
</tr>
<tr>
<td>2000-2001</td>
<td>1.27%</td>
<td>$25,172</td>
</tr>
<tr>
<td>2001-2002</td>
<td>1.31%</td>
<td>$888,961</td>
</tr>
<tr>
<td>2002-2003</td>
<td>1.08%</td>
<td>$-640,280</td>
</tr>
<tr>
<td>2003-2004</td>
<td>0.90%</td>
<td>$-446,658</td>
</tr>
<tr>
<td>2004-2005</td>
<td>1.07%</td>
<td>$697,935</td>
</tr>
<tr>
<td>2005-2006</td>
<td>1.22%</td>
<td>$1,505,811</td>
</tr>
<tr>
<td>2006-2007</td>
<td>1.31%</td>
<td>$1,139,809</td>
</tr>
<tr>
<td>2007-2008</td>
<td>1.44%</td>
<td>$1,400,462</td>
</tr>
<tr>
<td>2008-2009</td>
<td>1.15%</td>
<td>$-1,538,610</td>
</tr>
</tbody>
</table>

To test how this concept affects libraries most often, the study divided all the data into two groups according to whether the local government had increased or decreased its overall budget from the previous year. It appears from this analysis that local governments are greatly willing to increase library allotments regardless of whether the government’s overall was growing or shrinking.

Figure 4: Budget growth in local governments and their libraries

<table>
<thead>
<tr>
<th></th>
<th>Shrinking local government budget</th>
<th>Growing or stable local government budget</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shrinking library allotment</td>
<td>30% N=31</td>
<td>13% N=77</td>
<td>15% N=108</td>
</tr>
<tr>
<td>Growing or stable library allotment</td>
<td>70% N=73</td>
<td>87% N=522</td>
<td>85% N=595</td>
</tr>
<tr>
<td>Totals</td>
<td>15% N=104</td>
<td>85% N=599</td>
<td>N=703</td>
</tr>
</tbody>
</table>

It is somewhat worrisome to note the 77 instances when local governments decreased the library allotment despite having more money flowing into their coffers, but encouraging to see that this represents only a small minority all cases.

For a more specific measure of the magnitude of the change, the study compared the year-to-year percent change in the library allotment for both categories of county funds.
Figure 5: Percent change in library allotment

<table>
<thead>
<tr>
<th></th>
<th>Average percent change</th>
<th>95th percentile was between</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lean county budget</td>
<td>3.1872</td>
<td>-11.29 and 17.67</td>
</tr>
<tr>
<td>Flush county budget</td>
<td>7.1711</td>
<td>-4.43 and 18.77</td>
</tr>
</tbody>
</table>

Note how even when the county budget shrank, the library allotment increased by an average of three percent. That is certainly less than the average seven percent increase in library allotment for the times when the county budget was growing, but it still adds credence to the idea that library allotments, on average, increase no matter what happens to the county budget. They just increase by a smaller amount when the county budget decreases.

Finally, the study used SPSS to construct a statistical model using both the budget data and the library performance measure data, then used regression analysis to tease out the extent that various indicators affect local library funding. On first analysis, it appears that every indicator tested has some effect on the amount a local government gives its libraries. The standardized coefficient in the right column of Figure 6 is a measure of the strength and the direction of the relationship between local funding and the indicator measured.

Figure 6: Effect of various performance measures on local library funding

Clearly, the number of hours the library is open correlates most strongly with the amount of local dollars a library gets, followed by the overall budget of the local government. Curiously,

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4 See Appendix B for scatterplot diagrams of each variable tested.
two measures of library effectiveness are inversely correlated. That is, the busier a library is, the fewer dollars it gets and the more locations it has the fewer dollars it gets. The former is consistent with the ALA’s (2010) assertion that during a recession, libraries suffer a double-whammy of more demand for services and less funding to meet that demand, though the correlation appears very weak.

Although statisticians can designate one variable, in this case the amount of local dollars, as the dependent variable for modeling purposes, it is really impossible to tell which variable is driving which. That is one of the primary weaknesses with this kind of data analysis. We don’t know for sure that staying open longer hours causes local governments to send more money a library’s way. It is equally likely that more funding is what allows libraries to stay open longer.

That qualification has never stopped librarians from postulating on what compels local leaders to fund libraries, though. The next two sections use the Annual Statistical Survey data to test some of the probable causes for increases in library funding.

**Hours of operation.** When Toni Garvey, director of the Phoenix Public Library, was forced to make cuts, she started with her library’s hours of operation. Before, each library location was open 72 hours per week, including six hours every Sunday. Now, each location has one eight-hour shift per day. Four-hour Sundays exist at only half the locations. (Holland & Verploeg, 2009) Skip Auld, director of Durham County Library, did exactly the opposite. “Our main goal is not to cut hours of operation during this downturn,” he told Public Libraries. (Hill, 2009, p. 10) “The increased demand for our resources makes that critical.” This dichotomy might weigh heavily on the mind of Luren Dickinson, director of the public library in Shaker Heights, Ohio. In the same article that Auld was quoted, she told Public Libraries that should she face additional cuts, she will be torn between making visible or invisible budget cuts at the library.

Most libraries can easily absorb fairly large budget cuts with little visible impact on public services by postponing behind-the-scenes equipment upgrades, leaving known gaps in the collection unfilled for another year or by trimming invisible staffing expenses such as training and travel allowances. (Marcum, 2007) But whether they should is a matter for debate. Some librarians believe that avoiding the visible cuts serves the library’s mission of increasing access
to information. Others worry that making only invisible cuts might send a false message to lawmakers that budget cuts don't hurt.

Remember, the top indicator of library effectiveness across many different constituencies in the Public Library Effectiveness Study is convenience of hours. It is also the indicator that correlates most closely with the amount of local funding a library gets. But we still don't know how tinkering with the hours of service affects the funding.

To answer that question, the study isolated the 95 instances between 1999-2000 and 2007-2008 when the local dollar allotment from the town or county government decreased by at least 1 percent from the preceding year. Of those, there were 24 instances when the library’s hours were reduced by at least one hour per week and there were 71 instances when the library’s hours remained stable — or even increased in a few instances. All are listed in Appendix C.

To see whether cutting hours one year was an effective way to have local funding restored the following year, the study examined the local dollar allotment from the town or county government over a three-year period: a baseline year before the funding cuts went into effect, the year of the budget cuts, and a recovery year following the budget cut.

Figure 7: Funding restored in recovery year

<table>
<thead>
<tr>
<th></th>
<th>Cut hours N= 25</th>
<th>Did not cut hours N= 71</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average funding restored</td>
<td>99.9%</td>
<td>102.7%</td>
</tr>
<tr>
<td>95 percent were in the range</td>
<td>97.6% to 104.6%</td>
<td>98.3% to 107.1%</td>
</tr>
</tbody>
</table>

Figure 7 shows the average percentage of the funding from the baseline year that libraries can expect to have restored in the recovery year with each strategy. It appears that elected officials may be a smidge more generous with libraries that powered through a budget cut without reducing their hours, but the difference is so slight that it is not statistically significant. The real reason libraries might want to think twice about reducing hours is evident by examining the hours of operation of the library in the recovery year. In only four of the cases examined did the hours bounce back, even though full funding was restored in about two-thirds of the cases.
While this finding should give pause to any library director considering cutting hours as a pressure tactic, it is important to remember that the circumstances that led the libraries in this study to cut hours may not be explained completely by the change in the dollars allotted by the local government. Most libraries have a predictable pattern of traffic. A library that saves money by closing during hours when people weren’t coming in much anyway might have a drastic cut in hours with a modest decrease in use. (LaRue, 2010) And a library with an extremely loyal customer base may be able to count on users to adjust their schedules in response to changes in library hours. In that way, a decrease in hours during a budget cut year may represent sound stewardship of tax dollars rather than a change calculated to increase political pressure.

*Non-tax monies.* Ten years ago, when city leaders in Nashville agreed to finance construction of a new central library and five new branches, library director Donna D. Nicely (2002) started an unprecedented fundraising effort. Before ground was broken, the newly created library foundation had raised five separate $1 million donations. Before the construction project was over, it had amassed $10 million in assets, including a children’s programming endowment at a branch library and funds for special touches such as a courtyard and mural that would establish the new central library as the “finest new civic building in the city.” In all, private funds paid only 4 percent of the new central library’s construction bills, but the social capital raised during the fund drive proved as important as the cash. “Not only do mayors and council members appreciate the extra dollars, the status of the library project increases in their eyes,” Nicely said.

In 2009 the Oskaloosa, Iowa Public Library System, experienced the opposite. After suffering six years of state and local budget cuts, library leaders pulled the plug on an RFID tagging program that was originally initiated with money from a private bequest. The ongoing cost of supplies had grown too expensive. From that point forward, the library decided, no projects with ongoing costs would be started with “windfall money.” Projects that were not within the means of the library’s regular operating budget were not within the means of the library, period, they decided. As for social capital, library director Suzann Holland wrote in an article in *Public Libraries* that people noticed the changes, which included a drastic reduction in the new materials purchasing, but could not be prompted into advocacy. “People express their frustration while they’re in the library, but would never consider addressing a city council or county supervisors’ meeting on its behalf,” Holland (2009, p. 33-34) wrote.
Even as libraries are increasingly depending on non-tax money for essentials such as staff salaries, attitudes like Holland's are not uncommon. (Davis, 2009)

In 2000, Fairfax, Va., public library director Edwin S. Clay III told *Bottom Line* that he, too, believed that raising outside money gave those who hold the public purse strings a disincentive to dole funds to the library. Then the recession of the early 1990s hit. Orders for all new non-print materials were cancelled. And county officials had nixed a plan for the library’s first automated system. Clay said he got $90,000 from the Friends of the Library to get the automation process underway instead. “That embarrassed the Department of Management and Budget and the Board of Supervisors, and they gave us the first money to buy our first system-wide automated system,” Clay told *Bottom Line*. By the time of Clay’s interview, the Fairfax library had established a Library foundation, but Clay said he still doesn’t tap private money for projects he thinks ought to be publicly financed.

The North Carolina Annual Statistical Survey does not ask libraries specifically about the amount of grants and donations they receive. Instead, it asks libraries to report a single total of all non-tax money. This number include all grants other than those supported by state or federal tax dollars and all cash donations, but it also includes other sources of non-tax money such as overdue fines and fees for services and interest on investments. The data show that, except for fiscal 2001, when income from non-public sources spiked at 10 percent, it has remained steady in the 6 to 8 percent range for the state overall. On average, that’s about $1.34 per person per year of non-tax revenue coming into the library.

But system by system, libraries range wildly in the amount that non-public money they add include in their operating ledgers. On the low end, Pender County Library saw a single $2,600 infusion of non-tax money in the entire period studied. Contrast that with Avery-Mitchell-Yancey, which has gotten non-tax funds to match its tax funds dollar for dollar for half the years studied, or to the Neuse Regional Library System, which has gotten more than $1 million, or 40 percent of its entire budget, from non-tax sources for the past two years.

At first glance, it appears that the libraries that get more money from their local government are also the ones that raise more non-tax money. A statistical correlation (r) test reveals that about 87 percent in the variation in the amount of local money a library gets is correlated with the
amount of non-tax money the library gets. But that correlation disappears when the study used the same test to examine data with the size and wealth of the library system stripped out – per capita figures and percent change figures. As Table 2 below shows, there appears to be no tendency of local governments to make year-to-year increases or decreases in the library allotment based on the amount of money libraries are getting from non-tax sources. The correlation is random.

Figure 8: Correlation between the local government allotment to libraries and the amount of non-tax money

<table>
<thead>
<tr>
<th>Correlation coefficient ( r )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw data</td>
</tr>
<tr>
<td>Per capita data</td>
</tr>
<tr>
<td>Percent change data</td>
</tr>
</tbody>
</table>

As a final test, the study grouped local governments into three classes according to the size their total budgets and compared the amount of money given to libraries that used non-tax money against the allotment given to those that don’t.

Figure 9: Comparison of local allotments of libraries that use and don’t use non-tax money

<table>
<thead>
<tr>
<th></th>
<th>Using non-tax funds</th>
<th>Without non-tax funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Library allotment</td>
<td>Non-tax funds</td>
</tr>
<tr>
<td>Local gov’t budget less than $50 M</td>
<td>$286,803</td>
<td>$100,260</td>
</tr>
<tr>
<td>95% above</td>
<td>$236,892</td>
<td>$236,889</td>
</tr>
<tr>
<td>average</td>
<td>$1,333,195</td>
<td>$217,554</td>
</tr>
<tr>
<td>95% below</td>
<td>$1,853,539</td>
<td>$553,258</td>
</tr>
<tr>
<td>Local gov’t budget between $50 M and $100 M</td>
<td>$236,892</td>
<td>$236,889</td>
</tr>
<tr>
<td>95% above</td>
<td>$808,323</td>
<td>$158,185</td>
</tr>
<tr>
<td>average</td>
<td>$1,333,195</td>
<td>$217,554</td>
</tr>
<tr>
<td>95% below</td>
<td>$1,853,539</td>
<td>$553,258</td>
</tr>
<tr>
<td>Local gov’t budget between $100 M and $200 M</td>
<td>$116,485</td>
<td>$62,082</td>
</tr>
<tr>
<td>95% above</td>
<td>$1,598,628</td>
<td>$178,320</td>
</tr>
<tr>
<td>average</td>
<td>$3,313,740</td>
<td>$418,722</td>
</tr>
</tbody>
</table>

This analysis contradicts the earlier one. It now appears that avoiding the use of non-public money pays off. In two out of the three income classes, libraries that used non-public money got on average less from their local government than those that didn’t. But a closer look at the data

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5 Although there are many local governments with budgets above $200 M, none of them had libraries that did not use non-tax dollars
shows a wide variation in a local government’s willing to fund its library for both the users and the non-users of non-tax money. It appears possible that the variation seen in this data could have occurred purely by chance.

In general, this study can offer no conclusive evidence about how raising and spending non-tax money correlates with a local government’s willingness to fund its library.

Conclusion

On first blush, it might seem that this report offers libraries little hope of understanding what would earn them a greater share of taxpayer dollars. Although the hours of service are highly correlated with local funding, tinkering with the hours of service doesn’t appear to affect funding outcomes much. And the evidence that strategic use of non-public funds affects local funding is very shaky. The one thing identified that influences a public official’s decision on library funding is also the one thing library directors do not control directly: the overall local government’s budget.

Differences in the library funding decisions made by the two local governments in the beginning of our story, Rockingham County and Durham County, could be explained by differences in the overall county budget. Even in recent years, when Durham County has been suffering most economically, its economy is still healthier compared to other parts of the state. Every penny Durham County levies on its property holders sends more than $2.8 million to county coffers, according to the N.C. Association of County Commissioners 2009 Budget and Tax Survey. Rockingham County property owners would have to pay nearly five times as much to raise the same amount. A third-quarter N.C. Employment Security Commission report from 2009 shows that Durham County still has 18 companies that employ more than 1,000 people – including two high-tech manufacturers, three financial and professional service providers, and two federal agencies. By contrast, Rockingham County has only one employer with more than 1,000 employees – the local school system. Rounding out its top 25 employers are 11 manufacturers, retailers Wal-Mart and Food Lion and three local government administrations. And even when the economic news was gloomiest statewide, Durham County’s unemployment rate never reached more than 5 percent, half the statewide average. A N.C. Department of Commerce report shows that Rockingham County’s unemployment rate reached nearly 10 percent in 2003,
when the funding conflict with the state reached fever pitch. And since then, the rate has gone
down mostly because the labor force has decreased.

Take a closer look in Appendix D at some of the funding data used in this study for the two
counties. It shows that both counties asked libraries to share in the pain when the overall
county budget actually decreased, or even when the overall county budget began to grow more
slowly. And despite Durham’s double-digit decrease in county funds for 2008-09 (a branch was
closed for renovation during most of that year) it is clear that the county’s contribution to
libraries has suffered fewer years of cuts and that previous rates of increase have been restored
more quickly in Durham than in Rockingham. It is also clear that this fact is correlated to each
county’s overall tax base. Durham’s is growing while Rockingham’s is shrinking.

Library leaders will want to think carefully about advocacy in the context of the study’s primary
finding — that the amount of money in the overall budget, more than any other statistical
measure, influences the amount local elected officials allot to their libraries.

The good news is that, in general, the findings suggest that North Carolina local governments
are already willing to fund libraries to the extent that they are able. Even in the face of shrinking
state aid to public libraries, and even when the overall tax revenue has taken a hit, public
officials have boosted library funding more often than not. There is also anecdotal evidence in
this economic downturn that libraries are winning the competition against other local spending
priorities. In Wake County this year, the News and Observer reports that county commissioners
are considering cutting ambulance services, crime scene investigators, school resource officers,
parks or non-profit donations to raise money to keep open a library that library officials had
marked for closure. (Nagem, 2010) A measure like that might work to plug a temporary funding
gap, but few local governments have historically been willing to habitually divert money from
other essential services to pay for libraries. There comes a point where the only way for libraries
to get a larger slice of the fund allocation pie is for that pie to get larger.

When the pie does not grow, libraries cannot expect the state government to pick up a greater
portion of the tab for their services. Since library leaders first expressed concern about over
reliance on local funds for library support in 1968, the portion of local support for libraries has
only increased. And we know from history that efforts to change the funding mix through
legislative action have been unpleasant, unsuccessful or both. Even in the present economic downturn, the state has reduced its funding, asking local governments to shoulder more of the cost.

As we have seen, libraries are already figuring out how to use economic impact studies to claim credit for growth in the local economy and, by extension, the tax base. And they are using that claim to lodge arguments about why they deserve a greater share of the public wealth. But valuation is not the whole story. Knowing how much a library contributes to the local economy helps make an effective pitch at a budget hearing, but knowing simply how a library can contribute to a local economy could make the difference in a local government’s ability to follow through on a library’s plea for increased funding.

As the field of library valuation matures and best practices are developed regarding how to quantify a library’s economic contribution, we ought to work on more companion research to develop best practices regarding the most effective actions libraries can take to increase their community’s wealth. The Urban Libraries Council has started this research with their 2007 report, Making Cities Stronger. But even that report is most often cited as evidence for local government officials that libraries do contribute economically, not as a guide for library practitioners on how to contribute economically.

This study shows that local library funding is closely tied to the overall fiscal health of the local government. Proving that the library acts as an economic engine is not enough. Libraries seeking increases must also learn to get that engine fired up and chugging along.
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Rubens, L. (2009, June 12) 8 Library Branches May Close Sundays. *Charlotte Observer, the (NC)*, pp. 1B.


Appendices
### Appendix A: Library Funding 2008-2009

<table>
<thead>
<tr>
<th>Library Name</th>
<th>Library type</th>
<th>Local allotment examined for study*</th>
<th>Total State $$</th>
<th>Total Federal</th>
<th>Other Funds ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alamance</td>
<td>County</td>
<td>$2,244,720</td>
<td>$184,926</td>
<td>$0</td>
<td>$15,646</td>
</tr>
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<td>Alexander</td>
<td>County</td>
<td>$462,297</td>
<td>$97,829</td>
<td>$0</td>
<td>$14,392</td>
</tr>
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<td>Bladen</td>
<td>County</td>
<td>$365,336</td>
<td>$102,302</td>
<td>$0</td>
<td>$6,432</td>
</tr>
<tr>
<td>Brunswick</td>
<td>County</td>
<td>$1,357,163</td>
<td>$144,653</td>
<td>$0</td>
<td>$2,600</td>
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<td>Buncombe</td>
<td>County</td>
<td>$4,477,855</td>
<td>$245,485</td>
<td>$73,132</td>
<td>$286,857</td>
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<td>Burke</td>
<td>County</td>
<td>$744,399</td>
<td>$149,788</td>
<td>$0</td>
<td>$60,859</td>
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<td>Cabarrus</td>
<td>County</td>
<td>$2,421,418</td>
<td>$188,793</td>
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<td>Caldwell</td>
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<td>$887,953</td>
<td>$141,097</td>
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<td>Chatham</td>
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<td>Columbus</td>
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<td>Cumberland</td>
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<td>Davidson</td>
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<td>$125,617</td>
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<td>Durham</td>
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<td>(Greensboro)</td>
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<td></td>
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<td></td>
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<td>Nash (Braswell)</td>
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<td>$1,053,759</td>
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<td>NewHanover</td>
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<td>Onslow</td>
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</table>

2008-2009 Total $162,763,449 $15,844,888 $1,635,317 $13,827,172
Appendix B: Scatterplots, local funding to performance measures

*Figures came from the North Carolina Association of County Commissioners Budget and Tax Survey or, in the case of municipal libraries, the N.C. Treasurer’s Office supplied data from the annual audits and the Annual Financial Information Report filed with the Local Government Commission.

**Some library systems got local money from both the county and the municipal governments. However, this study examined only one local source of funding per library, county funding for county and regional libraries and municipal funding for municipal libraries.
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**Some library systems got local money from both the county and the municipal governments. However, this study examined only one local source of funding per library, county funding for county and regional libraries and municipal funding for municipal libraries.
## Appendix C: Change in Hours table

<table>
<thead>
<tr>
<th>Year</th>
<th>Library Name</th>
<th>Local allotment*</th>
<th>Annual Hours</th>
<th>Change in local allotment</th>
<th>Change in hours</th>
<th>Change in hrs/week</th>
<th>Pct. of funding restored</th>
<th>Number hrs/week restored</th>
<th>Pct. of hours restored</th>
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<tbody>
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<td>81.3</td>
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<tr>
<td>2001-2002</td>
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### Appendix D: Funding changes for Durham and Rockingham Counties

#### Durham

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<th>YEAR</th>
<th>TOTAL COUNTY BUDGET</th>
<th>COUNTY FUNDS FOR LIBRARIES</th>
<th>RATIO OF LIBRARY FUNDS: ALL FUNDS</th>
<th>CHANGE IN COUNTY BUDGET</th>
<th>PERCENT CHANGE IN COUNTY BUDGET</th>
<th>CHANGE IN FUNDS FOR LIBRARIES</th>
<th>PERCENT CHANGE IN FUNDS FOR LIBRARIES</th>
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<td>$357,082,043</td>
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</table>

#### Rockingham

<table>
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<th>YEAR</th>
<th>TOTAL COUNTY BUDGET</th>
<th>COUNTY FUNDS FOR LIBRARIES</th>
<th>RATIO OF LIBRARY FUNDS: ALL FUNDS</th>
<th>CHANGE IN COUNTY BUDGET</th>
<th>PERCENT CHANGE IN COUNTY BUDGET</th>
<th>CHANGE IN FUNDS FOR LIBRARIES</th>
<th>PERCENT CHANGE IN FUNDS FOR LIBRARIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-1999</td>
<td>$68,330,706</td>
<td>$1,485,432</td>
<td>2.17%</td>
<td>$4,837,912</td>
<td>7.08%</td>
<td>$324,852</td>
<td>21.87%</td>
</tr>
<tr>
<td>1999-2000</td>
<td>$73,168,618</td>
<td>$1,810,284</td>
<td>2.47%</td>
<td></td>
<td></td>
<td>$52,013</td>
<td>2.87%</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$76,999,266</td>
<td>$1,862,297</td>
<td>2.42%</td>
<td>$3,830,648</td>
<td>5.24%</td>
<td>$52,013</td>
<td>2.87%</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$80,923,764</td>
<td>$1,839,639</td>
<td>2.27%</td>
<td>$3,924,498</td>
<td>5.10%</td>
<td>$52,013</td>
<td>-12.2%</td>
</tr>
<tr>
<td>2002-2003</td>
<td>$85,220,128</td>
<td>$1,689,545</td>
<td>1.98%</td>
<td>$4,296,364</td>
<td>5.31%</td>
<td>-50,994</td>
<td>-8.16%</td>
</tr>
<tr>
<td>2003-2004</td>
<td>$83,080,701</td>
<td>$1,648,939</td>
<td>1.98%</td>
<td>-2,139,42</td>
<td>-2.51%</td>
<td>-540,606</td>
<td>-2.40%</td>
</tr>
<tr>
<td>2004-2005</td>
<td>$88,155,043</td>
<td>$1,482,502</td>
<td>1.68%</td>
<td>$5,074,342</td>
<td>6.11%</td>
<td>-1,664,37</td>
<td>-10.09%</td>
</tr>
<tr>
<td>2005-2006</td>
<td>$88,211,902</td>
<td>$1,548,160</td>
<td>1.76%</td>
<td></td>
<td>0.06%</td>
<td>$65,658</td>
<td>4.43%</td>
</tr>
<tr>
<td>2006-2007</td>
<td>$91,209,819</td>
<td>$1,591,671</td>
<td>1.75%</td>
<td>$2,997,917</td>
<td>3.40%</td>
<td>$43,511</td>
<td>2.81%</td>
</tr>
<tr>
<td>2007-2008</td>
<td>$84,950,506</td>
<td>$1,418,627</td>
<td>1.67%</td>
<td>-56,259,313</td>
<td>-6.86%</td>
<td>-173,044</td>
<td>-10.87%</td>
</tr>
</tbody>
</table>