



State Fiscal Note for Bill Number: 2022-H-7916

Date of State Budget Office Approval: Friday, April 8, 2022

Date Requested: Friday, April 1, 2022

Date Due: Monday, April 11, 2022

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2022	\$0	FY 2022	N/A
FY 2023	\$1,428,977	FY 2023	N/A
FY 2024	\$0	FY 2024	N/A

Explanation by State Budget Office:

This bill would increase funding for matching grants given by the state to municipalities to fund local public library services on a one-time basis. It would require that in FY 2023 only the state shall pay each municipality a fixed 25 percent of the amount each municipality appropriated to their libraries from local tax revenue and the amount of supplemental funding from the public library's private endowment.

Comments on Sources of Funds:

State aid to libraries is funded with general revenue, although this bill would specifically allow funding to be supplemented with American Rescue Plan Act State Fiscal Recovery Funds.

Summary of Facts and Assumptions:

State aid to libraries is comprised of two components: a grant to municipalities that matches at least 25 percent of the amount each municipality appropriated to their libraries from local tax revenue, and a grant to individual libraries that matches at least 25 percent of the annual funding from each library's private endowment, if such an endowment exists.

Currently, endowment-matching funds may not exceed 6 percent of the endowment's most recent three-year average market value, but under this bill the cap would not apply in FY 2023. The only libraries with a level of funding from a private endowment significant enough to be constrained by the current 6 percent limit are the Providence Public Library in Providence and the George Hail Library in Warren. Therefore, these libraries are the only ones that would experience a significant change in endowment-based funding as a result of the removal of the limit.

State aid to libraries has been level-funded at a total of \$9,562,072 every year since 2007. This level of funding has been insufficient to fully fund the grant at the 25 percent matching level for many years, necessitating proportional reductions statewide until the grant amount was equal to the appropriated amount. Funding state aid to libraries at the full 25 percent level would require an appropriation of \$10,991,049 in FY 2023, an increase of \$1,428,977 over the FY 2022 Enacted level.

With an appropriation sufficient to fund the full 25 percent matching grant, all municipalities would receive an increase in tax-based grant funding for an average increase of \$26,383. Twenty-one municipalities would further receive an increase to their endowment-based grant funding with an average increase of \$4,845, with only

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six municipalities receiving an increase greater than \$1,000.

*Summary of Fiscal
Impact:*

This bill would increase the state aid to libraries appropriation in FY 2023 to \$10,991,049, a \$1,428,977 increase over the FY 2022 Enacted level of \$9,562,072.

Budget Office Signature: _____



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Fiscal Advisor Signature: _____

