

Position Statement on Tax Cap Modifications for Public Libraries in Illinois

In view of the recent rejection of efforts in Springfield to win exemptions from property tax caps for public libraries, there should be an effort made to help clarify fundamental differences in the operations and funding needs of libraries, as compared with other public agencies. In this way a stronger case can be made for modifications which could be sought for more flexible library taxing authority.

As a means of building greater public and legislative awareness of the long-standing record libraries have established as efficiently managed providers of essential services to the public, the following premise would serve as the focus of the informational campaign:

Illinois public libraries need relief with respect to tax caps BECAUSE...

- Public library services are “market driven” and structured to respond to the needs of their respective communities. Public library use is up and growing, reflecting greater demand for books, audio/visual media and electronic information retrieval. The public expects more comprehensive services from its public libraries, with greater choice of books, periodicals, video tapes and CD media. In addition, the library has become the point of embarkation for many who are beginning to explore the information superhighway. Both young students and adults are increasingly looking to their libraries for assistance as they learn how to become full participants in the Information Age.

- Public libraries in Illinois represent well under five percent of most property tax bills. Even though these institutions account for only a small portion of the total tax revenue stream, the erosion in funds is having a serious impact on library programs, reflected by corresponding reductions in service. One need only look to California's downward spiral under more than a decade of tax revenue attrition to see the devastating effect these steps have had on that state's once vaunted library system. For example, the Shasta County Public Library District in Shasta County, California, had decreasing support from the community for a number of years. Finally, when the support reached \$1 per capita, the voters approved disbanding the library because it had ceased to be a viable service.
- Public libraries are almost completely dependent on property taxes as their source of revenue. Service fees, which are used to supplement some other agency budgets, are antithetical to the open-for-all purpose of public libraries; would represent an insignificant portion of income needed to offset revenue shortfalls; and would discourage use of the library by those for whom these services often can be most beneficial.
- Public libraries serve all ages of patrons in ranges of information needs and are not a selective pay-as-you-go service. Whereas the park districts programs in a growing community can be adversely affected by tax cap limits, at least standard

user fees can supplement lost revenues. Public library programs have historically provided no-fee programs and services for all.

- Libraries have direct accountability to patrons, who establish the criteria by which services are created and judged. Thousands of people use the library every day and judge its effectiveness first-hand. Their comments, pro and con, go directly to the library administration and then to the elected or appointed library trustees. There are no levels of bureaucracy here. Libraries are one of the most responsive of a community's services.

- Public libraries in Illinois are primarily funded by local property tax. Unfortunately the tax cap has taken away the local citizens' ability to determine the size of the library's budget. This has had two deleterious effects. First of all it has stunted the library's ability to pursue excellence. Tax caps are essentially a mandate from Springfield to localities dictating the maximum amount of money they can spend on public library service. Second, tax caps have superseded the express will of citizens in some localities to support their library. For example, in 1987 Villa Park taxpayers approved a referendum increasing the rate from 25 to 40 cents – with the understanding the library would only increase the rate 1 to 2 cents per year. The library planned for the ceiling of 40 cents to last for 12 to 15 years. The library was at 27 cents when the tax cap was imposed 5 years ago and it is still at that level. The tax cap negated the previous citizen-supported referendum. The library was penalized for not going quickly to the 40-cent rate.

Similarly, in November 1989, a seventy-percent majority of voters approved the referendum to increase the Gail Borden Public Library District levy from 15 cents to 26 cents. When the tax cap was imposed in 1991 it negated the citizens' strong approval. As a result of the tax cap, the library is experiencing a loss of potential income of \$250,000 to \$300,000 per year and has been unable to collect the levy because of the tax cap.

- Planning and budgeting to accommodate the rapid advances being made in information technology have been impacted by the restrictive nature of tax caps. The uncertainty associated with near-total dependency on repeated referenda to generate sufficient revenues to support development of these high-tech resources makes it impossible to plan or implement programs in which new technology can be introduced over time.
- Just as the private sector is improving its bottom line thanks to the computer, public libraries are also seeking to hold down costs by reaping the benefits of technology. Tax caps limit a library to ongoing costs and don't allow for the retooling that is necessary to take advantage of new technology. As a result, technological improvements are delayed or completely out of the question, and tax payers are forced to support old structures and approaches.
- Information is available in an increasing variety of formats. Many are electronic and interactive and require sophisticated technology. Library personnel need

training to fully utilize these new sources. Libraries, like other sectors, are finding it necessary to allocate an increasing amount of their budgets to training. Nationwide figures show a 15% increase in training costs between 1990 and 1995. Such increases are yet another difficulty when operating under tax caps.

- Personnel costs are a significant portion of a library's budget, typically ranging between 55% and 85% of the total budget. In 1994, costs for health care benefits alone have increased between 5% and 6% in the United States. Even though library employment is not very well paid, costs have increased and are outstripping the increases that are possible with tax caps.
- In order to serve its community with up-to-date books and other media, the public library must have an adequate budget to purchase library materials. From 1991-1995 the average cost of a business book increased 54.83%, "general works" books increased 21.37% and technology books increased 50.77%. Given the tax cap, no library's materials budget can continue to provide the depth and breadth of items with increases of this magnitude.
- Access to resources not available in the community is an important part of library service. Illinois libraries have successfully established a system of sharing that enables library patrons to have the benefit of libraries not only in the neighborhood but around the state and across the nation. But participation in this network of libraries demands equity among libraries. Were there to be a growing

disparity between have and have-not libraries resulting from revenue inequalities spawned by the tax caps, this willingness to share resources with under-funded districts would likely erode. Competition for professional talent also could arise, with more qualified staff members being attracted away to those libraries with greater taxing authority.

- The tax cap legislation provides for the possibility of a library going for a one-year levy increase. But, the campaign costs both in time and energy are significant. As a result, even though this is a possibility in the legislation it is not a practical action on a year-by-year basis.

These arguments demonstrate that Illinois public libraries have customarily been operated with a high level of efficiency to serve the growing needs of their communities.

Specifically:

- **Public libraries are responsive to community needs**
- **Public libraries represent less than 5% of local property tax bills**
- **Public libraries are completely dependent on property taxes**
- **Public libraries are accountable to local citizens**
- **The taxpayers' local control of libraries has been usurped by the state legislature**
- **Planning and budgeting for libraries has been restricted by tax caps**

- **Tax caps are curtailing libraries' ability to respond to technological advances**
- **Training demands have increased**
- **Personnel costs have increased**
- **Library cooperation necessitates equity among participants**
- **One-year referenda are not a practical alternative for library budgets**

Therefore tax caps should be modified as they apply to public libraries in Illinois.

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