Ensuring that your library receives your State Aid and CKLS System Grant

- Each public library must fill out annual state and system reports
- Maintenance of effort. Maintenance of effort is based on assessed evaluation, mill levy, and getting at least the same amount of money this year as last year.

In this training tool there are two separate library examples. For these examples you will be looking at data from several years past. This information can be found online at http://www.da.ks.gov/ar/muniserv/BudgetDefault.htm. Click on City or Township, scroll down and locate your city or township. You can download the information (most often as a pdf or spreadsheet). You will need to scroll through the document to find the Notice of Budget Hearing and the Worksheet for State Grant-in-Aid to Public Libraries and Regional Library Systems.

Each city and township publishes a notice of the budget hearing annually in August. You can find this information by asking the city clerk or in the newspaper closest to your city or township. Sometime in January this information is added to the website above, but you can find out much sooner than January.

Notice of Budget Hearing:

- Look for the information in the orange outlined boxes on the samples. This is part of the information you should be looking for on the Notice of Budget Hearing form. Look for the Library line item on the proposed budget. It may not be in the same exact place on your city's form.
- Compare the estimate for the current year and the proposed year. The proposed budget should be the same or higher than the current year.
- Compare the assessed valuation for the current year and the proposed year.

Worksheet for State Grant-in-Aid to Public Libraries: On this worksheet there are two tests. To qualify for State Aid a library must pass only **ONE** of the two tests.

The first test

- The first test looks at total taxes in dollar amounts. Find the expenditures and actual tax rate for the current year and the proposed year. The total taxes for the proposed year must be the same or higher than the current year to pass this test.

The second test- this one is a bit trickier and has two parts

- The second test looks at both the assessed valuation and the levy rate.
- The first part of the second test asks if the assessed valuation decreased.
- The second part of the second test asks if the levy rate decreased.
- It can happen that the demographics of a city change and assessed valuation decreases. In this instance the established mill levy rate would raise less money than the previous year. The State Library knows this can happen.
- It could happen that the assessed valuation increases. Therefore the mill levy rate could be lowered, but still raise the same amount, or even more total tax dollars than the previous year. The State Library recognizes this. The mill levy rate may go down and that's okay if the total tax dollars are the same or higher.

NOTICE OF BUDGET HEARING

The governing body of

City of Arkansas City

will meet on August 7, 2012 at 5:30 p.m. at City Hall, 118 West Central, Arkansas City, Kansas for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.

Detailed budget information is available at City Hall, 118 West Central, Arkansas City, Kansas and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2013 Expenditures and Amount of 2012 Ad Valorem Tax establish the maximum limits of the 2013 budget.

This library passed the first test. The dollar amount of total taxes is higher in the proposed year than in the current year.
This library passed the second test. The assessed valuation increased and the levy rate also increased.

This library qualified for State Aid.

WORKSHEET FOR STATE GRANT-IN-AID TO PUBLIC LIBRARIES AND REGIONAL LIBRARY SYSTEMS

Budgeted Year: 2013

Library found in: City of Arkansas City
Cowley County

Two tests are used to determine eligibility for State Library Grant. If the grant is approved, then the municipality's library will be paid the grant on February 15 of each year.

[redacted]

	Current Year 2012	Proposed Year 2013
Ad Valorem Tax	$272,559	$299,017
Delinquent Tax	$3,980	$4,749
Motor Vehicle Tax	$44,691	$43,645
Recreational Vehicle Tax	$452	$479
16/20M Vehicle Tax	$205	$208
LAVTR	$0	$0
	$0	$0
TOTAL TAXES	$321,887	$348,098
Difference in Total Taxes:	$26,211	

[redacted]

[redacted]

Assessed Valuation	$46,271,228	$49,835,794
Did Assessed Valuation Decrease?	No	
Levy Rate	5.891	6.000
Difference in Levy Rate:	0.109	

[redacted]

[redacted]

If the municipality would not have qualified for a grant, please see the below narrative for assistance from the State Library.

NOTICE OF BUDGET HEARING

The governing body of

City of Belleville

will meet on August 12, 2013 at 7:15 pm at 1819 L Street, Belleville, Kansas for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax. Detailed budget information is available at Belleville City Hall and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2014 Expenditures and Amount of 2013 Ad Valorem Tax establish the maximum limits of the 2014 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

	Prior Year Actual for 2012		Current Year Estimate for 2013		Proposed Budget for 2014		
FUND	Expenditures	Actual Tax Rate *	Expenditures	Actual Tax Rate *	Budget Authority for Expenditures	Amount of 2013 Ad Valorem Tax	Estimate Tax Rate *
General	819,801	39.466	936,950	40.685	947,705	330,042	40.084
Library	115,169	11.799	126,567	12.780	126,045	102,403	12.437
202 City Recreation	31,504	2.881	25,100	1.236	30,350	10,936	1.328
205 Special Fire Equip	0	3.011	0	1.830	165,111	15,000	1.822
211 Employee Benefit	410,173	18.024	447,434	19.667	484,263	167,923	20.394
Special Highway	29,385		29,900		171,750		
208 Special Parks	0		0		32,800		
642 Sewage Util Prin & In	109,877		109,877		109,877		
661 Airport Operating	19,575		22,000		28,700		
681 Landfill Operating	105,313		115,000		115,000		
803 Health Insurance	305,769		345,000		345,000		
808 Convention & Tourism	30,830		33,050		41,850		
809 Travel Info Center	55,536		64,822		81,250		
601 Electric Operating	2,879,796		2,870,655		3,005,648		
611 Gas Util Operating	797,053		1,216,530		1,252,975		
621 Water Util Operating	427,320		368,490		382,609		
641 Sewer Util Operating	273,854		335,427		353,962		
Non-Budgeted Funds-A	509,676						
Non-Budgeted Funds-B	251,697						
Non-Budgeted Funds-C	697,530						
Totals	7,869,858	75.181	7,046,802	76.198	7,674,895	626,304	76.065
Less: Transfers	1,114,072		967,677		1,067,010		
Net Expenditure	6,755,786		6,079,125		6,607,885		
Total Tax Levied	612,641		624,607		xxxxxxxxxxxxxxxxxxx		
Assessed Valuation	8,159,363		8,197,687		8,233,852		

Outstanding Indebtedness, January 1,	2011	2012	2013
G.O. Bonds	0	0	0
Revenue Bonds	0	0	0
Other	1,277,203	1,206,121	1,057,270
Lease Purchase Principal	0	0	0
Total	1,277,203	1,206,121	1,057,270

*Tax rates are expressed in mills

Russell Piroutek

City Official Title: City Clerk

- The library did not pass the first test. The dollar amount of total taxes is lower in the proposed year than in the current year. The total amount of taxes decreased.
- The library did not pass the second test. The assessed valuation decreased and the levy rate decreased.

The library did not qualify for State Aid.

WORKSHEET FOR STATE GRANT-IN-AID TO PUBLIC LIBRARIES AND REGIONAL LIBRARY SYSTEMS

Budgeted Year: 2014

Library found in: City of Belleville Republic

Two tests are used to determine eligibility for State Library Grant. If the grant is approved, then the municipality's library will be paid the grant on February 15 of each year.

First test:

	Current Year 2013	Proposed Year 2014
Ad Valorem Tax	$104,758	$102,403
Delinquent Tax	$2,000	$2,000
Motor Vehicle Tax	$18,406	$18,490
Recreational Vehicle Tax	$283	$191
16/20M Vehicle Tax	$420	$761
LAVTR	$0	$0
	$0	$0
TOTAL TAXES	$125,867	$123,845
Difference in Total Taxes:	($2,022)	
Qualify for grant: Not Qualify		

Second test:

Assessed Valuation	$8,197,687	$8,233,852
Did Assessed Valuation Decrease?	No	
Levy Rate	12.78	12.437
Difference in Levy Rate:	(0.343)	
Qualify for grant: Not Qualify		

Overall does the municipality qualify for a grant: **Not Qualify**

If the municipality would not have qualified for a grant, please see the below narrative for assistance from the State Library.

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What if the library does not pass the first or second test and does not qualify for State Aid?

Most city council members, the city clerk, treasurer, and the mayor are not aware of the library maintenance of effort requirement. They do not know that reducing local funding for the library can end up as a costly reduction in aid. In most cases, the shortage from the city is far less than what would be lost in State Aid and the System Grant. K.S.A. 75-2556(b) <http://tinyurl.com/btqtems>, details maintenance of effort. The State Library and CKLS use maintenance of effort to ensure State Aid and the CKLS System Grant **enhance** local funding and are not replacements for local library funding.

It is the library board's responsibility to teach the city clerk, mayor, and city council about the maintenance of effort. This may be one of the most import jobs for library board members- securing funding for the library.

CKLS suggests the librarian and library board inform the city clerk, treasurer, mayor, and city council of the two tests and maintenance of effort each year in April. You can use this document as a teaching tool if you wish. The library submits the proposed budget to the city in May. By August when the city budget is published, it can be too late to fix if the city is not showing maintenance of effort.

CKLS suggests the librarian and library board look at the notice of budget hearing and the worksheet every August or September so you have time to work with the city if the library does not pass one of the two tests. By the time the city budgets are submitted to the Kansas Department of Administration, usually in January, there isn't much time to fix the problem.

If you determine the library does not qualify for State Aid, you can contact CKLS. CKLS will help you draft a letter to the city explaining the importance of local maintenance of effort and consequences of cutting local funding to the library. The letter alone does not suffice. You will need to meet with city council and the mayor and explain how all this works. Explain the actual dollar amount the library will lose- when you add up State Aid, the CKLS System Grant, Per Capita Grant, all CKLS Incentive and Competitive Grants it could be a significant portion of your library funding.

In the second library example, where the library did not pass both of the two tests, the city quickly stepped up and was able to show additional funding from the city general fund and other sources, which made up for the shortage. In the end the library did qualify for State Aid and consequently the CKLS System Grant.