

APA-1
11/96

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 520 Department or Agency Alabama Public Library Service
Rule No. 520-2-2
Rule Title: Supplemental State Aid to Public Libraries
X New Amend X Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? No

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer Rebecca S. Mitchell
Rebecca S. Mitchell, Director

Date March 16, 2012

(DATE FILED)
(STAMP)

APA-2
11/96

ALABAMA PUBLIC LIBRARY SERVICE
ADMINISTRATIVE SERVICES
March 16, 2012

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Public Library Service

RULE NO. & TITLE: 520-2-2 Supplemental State Aid to Public Libraries

INTENDED ACTION: The new chapter 520-2-2 is to repeal the old chapter 520-2-2 and adopt the new chapter 520-2-2.

SUBSTANCE OF PROPOSED ACTION: The new chapter 520-2-2 is to repeal current chapter 520-2-2 and adopt new chapter 520-2-2 which updates fiscal requirements.

TIME, PLACE, MANNER OF PRESENTING VIEWS: The Executive Board of the Alabama Public Library Service will conduct one (1) public hearing as follows:

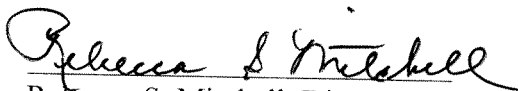
1. April 13, 2012 from 10:00 A.M. to 10:15 A.M. in the Alabama Room, Alabama Public Library Service, 6030 Monticello Drive, Montgomery, Alabama 36130

All interested persons are invited to present written comments on the proposed rulemaking action described above. Requests to make oral comments should be submitted by letter, addressed to Harry Lensch, Alabama Public Library Service, 6030 Monticello Drive, Montgomery, Alabama 36130 prior to the above date. The order of oral comments will be established based on the date(s) that the requests are received at APLS. The APLS Executive Board will establish time limits for the oral comments based on the number of requests.

Copies of these rules may be obtained upon written request to Harry Lensch at the above address.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: May 4, 2012

CONTACT PERSON AT AGENCY: Heather Oates, 6030 Monticello Dr., Montgomery, AL 36130-6000, (334) 213-3929


Rebecca S. Mitchell, Director
Alabama Public Library Service

"REPEALED"

ALABAMA PUBLIC LIBRARY SERVICE LIBRARY DEVELOPMENT DIVISION ADMINISTRATIVE CODE

CHAPTER 520-2-2 SUPPLEMENTAL STATE AID TO PUBLIC LIBRARIES

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520-2-2-.01 **Purposes.** The purposes of state aid funds are to support and improve existing libraries and library systems and to encourage the development of new library programs and services where needed.

Author: Eugene C. O'Donnell

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011

520-2-2-.02 **Definitions.**

(1) **Public Library.** A public library is a library established in accordance with the Code of Alabama for the purpose of providing free public library service to the population in its legal service area. Public libraries may or may not have BRANCHES (auxiliary service outlets with quarters separate from the central library, with no less than a basic collection of materials, a regular staffing level, and an established service schedule, but without a separate policy-making board of trustees). The following are types of public libraries:

(a) **Municipal Public Library:** A public library established and maintained by a city, town, or other municipality, whose policy-making board of trustees is appointed by the municipal authority.

(b) **County Public Library:** A public library established and maintained by a county for the use of the whole or a part of a county, whose policy-making board is appointed by the county commission.

(c) **City-County Public Library:** A public library established and maintained by joint contractual agreement or joint resolution between county and municipal governments, with a single policy-making board appointed in accordance with the agreements.

(d) **District Library:** A public library serving a taxing district which has been authorized by legislative action and created by majority vote of the residents of the district, whose policy-making board is elected in accordance with the provisions of the legislative action.

(2) **Public Library System:** An organization composed of PUBLIC LIBRARIES and formed for the purpose of providing library services within a framework of written contracts; a public library system may also have contracts with county commissions or municipal governments for the system to provide library services to county or municipal residents who would otherwise be unserved.

(3) **System Headquarters:** A site designated through contractual agreement to serve as administrative center for a PUBLIC LIBRARY SYSTEM. A system headquarters may serve any function established by contract.

(4) **Legal Service Area:** The legal service area of a library is the population within the boundaries of the geographic area the library is established to serve. A library may contract, in writing, to provide service to population outside its legal service area at the discretion of the library board of trustees of the affected areas. The following describe legal service areas of different types of libraries:

(a) The legal service area of a MUNICIPAL LIBRARY is the area within the municipality's corporate limits.

(b) The legal service area of a COUNTY LIBRARY is the area within the county's geographic borders.

(c) The legal service area of a CITY-COUNTY PUBLIC LIBRARY is all of the area within the corporate limits of participating municipalities and within the county's geographic borders.

(d) The legal service area of a PUBLIC LIBRARY SYSTEM consists of the legal service areas of the public libraries belonging to the system and any additional areas(s) for which the system contracts to serve with the appropriate governing body.

(e) The legal service area of a DISTRICT LIBRARY is the area of the taxing district authorized by legislative action and approved by majority vote of the population within the district.

(5) **State Aid:** Funds appropriated by the legislature as a supplement to local funds designated for the provision of library service.

(a) State aid funds are distributed quarterly by the Alabama Public Library Service on a per capita basis for the respective legal service areas and any area served contractually; population figures used are the most recently certified Bureau of the Census population estimates.

(b) Where legal service areas overlap, as in the case where there is both a COUNTY LIBRARY and a MUNICIPAL LIBRARY serving the same population, state aid funds for that part of the population shall be distributed in accordance with the terms of an annually renewed written agreement between the library boards. In order for first quarter funds to be distributed on schedule, a current copy of the agreement must be on file at APLS by October 1. If no contract has been filed with APLS by the beginning of the second quarter, all state aid funds for the county population residing within the municipality will be divided equally between the COUNTY LIBRARY and the MUNICIPAL LIBRARY, with funds for first and second quarters available for distribution during the second quarter and with remaining funds distributed on the regular quarterly schedule.

(6) **Non-Capital Funds:** Non-capital funds are those funds appropriated for normal/routine operations. They do not include funds specifically designated for the acquisition of and/or improvement to real property (buildings, land, etc.).

Author: Harry G. Lensch

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

520-2-2-.03 Library Establishment, Policy and Service Requirements. To qualify for state aid, public libraries (whether or not they are members of systems) and public library systems must comply with the appropriate requirements as follows.

(1) A public library and a public library system must be legally established according to Code of Ala. 1975, §§ 11-90-(1-4). A copy of the ordinance or resolution establishing the public library and copies of public library system contracts must be on file with the Alabama Public Library Service (APLS).

(2) In order to receive state aid, a library board must:

(a) notify APLS of official board appointments and the terms to be served within 30 days of the appointment;

- (b) meet a minimum of four times a year;
- (c) have written bylaws governing its functions;
- (d) approve written policies for the public library which cover the following:

1. Library objectives
2. Patrons
3. Personnel, including memberships in professional organizations, attendance at professional meetings, grievance procedures, job descriptions, performance evaluations, etc.
4. Cooperation with other libraries
5. Public relations
6. Materials selection policies
7. Regular services and special services to groups, the handicapped, nonresident borrowers, shut-ins, etc.
8. Overdue fines and other fees and charges
9. Gifts and memorials
10. Physical facilities
11. Other

(e) The public library must develop a written five-year, long-range program of service which will be reviewed and updated each year. The program should include as a minimum but not limited to:

1. The community's information needs and services
2. Staff development
3. Collection development
4. Capital expansion
5. Disaster Plan

6. Technology Plan

(3) The public library must employ a head librarian qualified to serve the needs of the public. All Directors Board members, and/or designated staff of public libraries must attend at least two APLS-sponsored meetings per year either on-site or by videoconference. Eligible meetings include quarterly Administrators' Meetings (October, January, April, July) and the Children and Teen Services Annual Conference (i.e. "Summer Reading Kick-off"). Attendance at the Alabama Library Association Annual Conference can count as an Administrators' Meeting.

(4) The public library must not deny service to anyone on the basis of age, race, sex or creed.

(5) A public library must be open to serve the public at least the specified number of hours per week based on the following scale:

<u>minimum hours open</u>	<u>for population served</u>
50	over 100,000
45	50,000-100,000
40	25,000- 49,999
30	10,000- 24,999
20	5,000- 9,999
16	under 5,000

(6) If a public library system headquarters provides direct patron services on-site (as opposed to extension services provided off-site), the system headquarters must be open the number of hours required in (5) above, based on the population of the county in which the system headquarters is physically located.

(7) Each library must strive to have a well-balanced collection of not less than one volume per capita and not less than 1.5 currently useful items per capita. The term "item" is intended to include print and non-print materials.

Author: Harry Lensch, APA Secretary

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

520-2-2-.04 Fiscal Requirements. A public library must have a current budget, and the participants of a public library system must have a cumulative total current budget, based on locally-appropriated non-capital funds, of not less than the amount of state aid for which the library or system is eligible nor less than the previous year's budget. Locally-appropriated non-capital funds may include a combination of municipal or county funds appropriated to the library or system budget and in-kind funds expended directly by local governments for public library services.

(a) If locally-appropriated funds received are not sufficient to match for state aid and/or if the locally- appropriated funds received are reduced from the previous

year, the amount of state aid for the current fiscal year will be reduced by an amount equal to the difference between the current locally-appropriated funds received and the average of the locally-appropriated funds received for the previous two (2) fiscal years.

Example of the effect of a local budget reduction, assuming a population of 10,000 and \$1 per capita state aid:

Local budget: 1990	\$18,000	State aid: \$10,000
Local budget: 1991	20,000	State aid: 10,000
Local budget: 1992	18,000	State aid: 9,000*
Local budget: 1993	18,000	State aid: 10,000**

*(State aid is reduced by the \$1,000 difference between the \$19,000 average of the previous two years and the \$18,000 amount budgeted for 1992).

** (State aid reverts to total eligible amount because the state aid amount is matched and there is no further local budget reduction.)

(b) A multi-county regional library can qualify for the total state aid amount for which it is eligible even if any county or municipality within the region is unable to match for its share, provided that supplementary local appropriations from other member counties or municipalities are available to match for the necessary amount of state aid. State aid funds received by a regional library by this method can only be used in the counties or municipalities providing the supplementary funds.

(c) No more than fifty percent (50%) of a library's state aid funds will be used for salaries during any fiscal year.

(d) No state aid may be used for construction, remodeling or alteration of buildings, or for utilities. If state aid funds are used for a non-allowable expense, such funds must be replaced with local money, or the amount must be returned to APLS.

(2) Where a public library system exists, all state aid funds for libraries or governmental units contracting to participate in the system will be forwarded to the system headquarters, providing that copies of the annually reviewed contracts are sent to APLS prior to receipt of state funding.

(3) State aid funds will be distributed directly to eligible public libraries, which are not in systems.

(4) Changes in the distribution of state aid can only be made at the beginning of the APLS fiscal year and under the following conditions:

(a) A public library that wishes to change its status as a state aid recipient by either joining or withdrawing from a system must file written notification with APLS

and the system headquarters by July 1 to ensure provision of state aid by the new fiscal year beginning October 1.

(b) A public library that is not currently receiving state aid, but wishes to do so, must file written notification with APLS, and submit documentation that it meets the requirements of Rule 520-2-2-.03 above, by July 1 in order to receive state aid by October 1.

Author: Eugene C. O'Donnell

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

520-2-2-.05 Audit Requirements.

(1) A Library receiving more than \$25,000 in state aid must provide an annual audit commissioned or requested by the library. Single line entries in a comprehensive city, county or other governmental audit are not acceptable. A multi-library system must show the revenue and operating cost for each individual library. Separate audits are not required from the system but one audit should include all libraries within the system. Libraries receiving \$25,000 or less in state aid must submit a simple financial statement for the previously completed fiscal year and a budget for the current year. This financial statement must be signed and notarized by the Library Director and the Board of Trustee's Chairman. The notarized financial statement must also be filed with APLS by March 15, of each year.

(2) These funds will be expended to provide library service in accordance with the plan filed with the Alabama Public Library Service. The audit and financial statement must include all library revenue and library operating costs for the period of time audited.

(3) The financial records of the library and all the financial records of the libraries to which it transfers state aid will be made available upon request from APLS to the Alabama Department of Examiners of Public Accounts and/or the Alabama Public Library Service. The library may be subject to an annual financial review by a licensed public accountant unless APLS requests an audit to be done by the Department of Examiners of Public Accounts or a licensed public accountant. Copies of this document will be forwarded to APLS and the Alabama Department of Examiners of Public Accounts.

(4) Because many libraries provide audits for users other than APLS, we suggest the auditor be instructed to include a consolidated statement of all cash receipts, disbursements and encumbrances.

Author: Harry Lensch, APA Secretary

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

520-2-2-.06 **State Aid Documentation Requirements.** All documentation required for the receipt of state aid must be filed with APLS by the deadlines specified below or within 30 days of mailing of forms from APLS. Filing of documentation with APLS after a deadline may result in delay in receipt of state aid funds.

<u>Required documentation</u>	<u>July 1</u>	<u>Oct. 1</u>	<u>Dec. 15</u>	<u>Jan 1</u>
(1) Notification of change in system membership status:	X			
(2) Documentation of new eligibility to receive state aid:	X			
(3) State aid application form:		X		
(4) Projected state aid expenditure form:		X		
(5) Copies of contracts from public library systems:		X		
(6) Copies of contracts between county and municipal libraries:		X		
(7) Annual statistical report form:			X	
(8) Statement of Fiscal Responsibility:				X

Author: Harry Lensch, APA Secretary

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

520-2-2-.07 **Appeal Process.**

(1) A public library or public library system that fails to meet any of the Rules and Regulations for State Aid may request special consideration by writing the Director of the Alabama Public Library Service. Such consideration shall be subject to the approval of the APLS Executive Board following a recommendation by the Director of APLS.

Author: Harry Lensch

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

520-2-2-.08 **State Aid Forfeiture.**

(1) Due to a breach of the obligation of any public library (independent or system member) to fulfill the requirements of state aid rules and regulations by the time

of the beginning of the last quarterly payment of state aid, said funds appropriated for the use of the library not in compliance shall be forfeited. The forfeiture shall result in the state aid funds being used in statewide support services in accordance with the concept of state aid support.

(2) Any public library not receiving or certified to receive state aid funds two consecutive years shall be removed from the list of eligible recipients for state aid funds. The formerly designated state aid funds of an ineligible public library shall be assigned to another public library of the same geographic county at the authorization of the APLS Director.

Author: Harry Lensch, APA Secretary

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

Ed. Note: Chapter 520-2-2 filed September 30, 1982. **Repealed and new chapter adopted:** Filed March 10, 1989. **Repealed and new chapter adopted:** Filed March 30, 1992. **Repealed and New Rule:** Filed December 18, 2006; effective January 22, 2007.

History: Effective October 27, 2009.

History: Effective November 18, 2011.

"NEW CHAPTER"

ALABAMA PUBLIC LIBRARY SERVICE LIBRARY DEVELOPMENT DIVISION ADMINISTRATIVE CODE

CHAPTER 520-2-2 SUPPLEMENTAL STATE AID TO PUBLIC LIBRARIES

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(6) If a public library system headquarters provides direct patron services on-site (as opposed to extension services provided off-site), the system headquarters must be open the number of hours required in (5) above, based on the population of the county in which the system headquarters is physically located.

(7) Each library must strive to have a well-balanced collection of not less than one volume per capita and not less than 1.5 currently useful items per capita. The term "item" is intended to include print and non-print materials.

Author: Harry Lensch, APA Secretary

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

520-2-2-.04 Fiscal Requirements. A public library must have a current budget, and the participants of a public library system must have a cumulative total current budget, based on locally-appropriated non-capital funds, of not less than the amount of state aid for which the library or system is eligible nor less than the previous year's budget. Locally-appropriated non-capital funds may include a combination of municipal or county funds appropriated to the library or system budget and in-kind funds expended directly by local governments for public library services.

(a) If locally-appropriated funds received are not sufficient to match for state aid and/or if the locally- appropriated funds received are reduced from the previous

year, the amount of state aid for the current fiscal year will be reduced by an amount equal to the difference between the current locally-appropriated funds received and the average of the locally-appropriated funds received for the previous two (2) fiscal years.

Example of the effect of a local budget reduction, assuming a population of 10,000 and \$1 per capita state aid:

Local budget:	1990	\$18,000	State aid:	\$10,000
Local budget:	1991	20,000	State aid:	10,000
Local budget:	1992	18,000	State aid:	9,000*
Local budget:	1993	18,000	State aid:	10,000**

*(State aid is reduced by the \$1,000 difference between the \$19,000 average of the previous two years and the \$18,000 amount budgeted for 1992).

** (State aid reverts to total eligible amount because the state aid amount is matched and there is no further local budget reduction.)

(b) A multi-county regional library can qualify for the total state aid amount for which it is eligible even if any county or municipality within the region is unable to match for its share, provided that supplementary local appropriations from other member counties or municipalities are available to match for the necessary amount of state aid. State aid funds received by a regional library by this method can only be used in the counties or municipalities providing the supplementary funds.

(c) No more than fifty percent (50%) of a library's state aid funds will be used for salaries during any fiscal year.

(d) No state aid may be used for construction, remodeling or alteration of buildings, or for utilities. If state aid funds are used for a non-allowable expense, such funds must be replaced with local money, or the amount must be returned to APLS.

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and the system headquarters by July 1 to ensure provision of state aid by the new fiscal year beginning October 1.

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Author: Eugene C. O'Donnell

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

520-2-2-.05 Statement of Fiscal Responsibility Requirement.

(1) All public libraries receiving state aid funds appropriated by the State of Alabama and administered by the Alabama Public Library Service (APLS) in any fiscal year shall, in the first quarter of the subsequent fiscal year, provide to APLS a Statement of Fiscal Responsibility denoting the usage of state aid funds during the most recently completed fiscal year. All public libraries receiving and using state aid funds in a fiscal year, either directly or indirectly, shall comply annually. The form and substance of the Statement of Fiscal Responsibility shall be mandated by APLS and shall be made available to the public libraries of Alabama by APLS.

(2) APLS shall make the Statement of Fiscal Responsibility form available to the public libraries of Alabama on or prior to October 1. In addition to the certification of receipt and expenditure of state aid, the public library director shall indicate that the funds were utilized in accordance with the public library's Five Year Plan of Service on file with APLS. All segments of the form must be completed by the public library and signed by the public library's Director and notarized.

(3) The financial records of the library and all the financial records of the libraries to which it transfers state aid will be made available upon request from APLS to the Alabama Department of Examiners of Public Accounts and/or the Alabama Public Library Service. The library may be subject to an annual financial review by a licensed public accountant unless APLS requests an audit to be done by the Department of Examiners of Public Accounts. Copies of this document will be forwarded to APLS and the Alabama Department of Examiners of Public Accounts.

(4) APLS shall accept a certified public accountant audit detailing the usage of state aid funds by a public library in lieu of the Statement of Fiscal Responsibility, if the audit is received in the first quarter of the subsequent fiscal year and the audit provides a comparable reporting of the Statement of Fiscal Responsibility.

(5) Failure to comply with these audit requirements for state aid funds shall result in the suspension of further funding of state aid funds to noncompliant public libraries.

Author: Harry Lensch, APA Secretary
Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).
History: Effective October 27, 2009.
History: Effective November 18, 2011.

520-2-2-.06 **State Aid Documentation Requirements.** All documentation required for the receipt of state aid must be filed with APLS by the deadlines specified below or within 30 days of mailing of forms from APLS. Filing of documentation with APLS after a deadline may result in delay in receipt of state aid funds.

<u>Required documentation</u>	<u>July 1</u>	<u>Oct. 1</u>	<u>Dec. 15</u>	<u>Jan 1</u>
(1) Notification of change in system membership status:	X			
(2) Documentation of new eligibility to receive state aid:	X			
(3) State aid application form:		X		
(4) Projected state aid expenditure form:		X		
(5) Copies of contracts from public library systems:		X		
(6) Copies of contracts between county and municipal libraries:		X		
(7) Annual statistical report form:			X	
(8) Statement of Fiscal Responsibility:				X

Author: Harry Lensch, APA Secretary
Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).
History: Effective October 27, 2009.
History: Effective November 18, 2011.

520-2-2-.07 **Appeal Process.**

(1) A public library or public library system that fails to meet any of the Rules and Regulations for State Aid may request special consideration by writing the Director of the Alabama Public Library Service. Such consideration shall be subject to the approval of the APLS Executive Board following a recommendation by the Director of APLS.

Author: Harry Lensch
Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).
History: Effective October 27, 2009.
History: Effective November 18, 2011.

520-2-2-.08 **State Aid Forfeiture.**

(1) Due to a breach of the obligation of any public library (independent or system member) to fulfill the requirements of state aid rules and regulations by the time of the beginning of the last quarterly payment of state aid, said funds appropriated for the use of the library not in compliance shall be forfeited. The forfeiture shall result in the state aid funds being used in statewide support services in accordance with the concept of state aid support.

(2) Any public library not receiving or certified to receive state aid funds two consecutive years shall be removed from the list of eligible recipients for state aid funds. The formerly designated state aid funds of an ineligible public library shall be assigned to another public library of the same geographic county at the authorization of the APLS Director.

Author: Harry Lensch, APA Secretary

Statutory Authority: Code of Ala. 1975, Section 41-8-(1-8).

History: Effective October 27, 2009.

History: Effective November 18, 2011.

Ed. Note: Chapter 520-2-2 filed September 30, 1982. **Repealed and new chapter adopted:** Filed March 10, 1989. **Repealed and new chapter adopted:** Filed March 30, 1992. **Repealed and New Rule:** Filed December 18, 2006; effective January 22, 2007.

History: Effective October 27, 2009.

History: Effective November 18, 2011.