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Federal Aid to Libraries: The Library Services and Technology Act

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Summary

Legislation reauthorizing the Library Services and Technology Act (LSTA) as Title II—Library Services and Technology, of the Museum and Library Services Act of 2003, was signed into law (P.L. 108-81) on September 25, 2003. H.R. 13 (Hoekstra), the Museum and Library Services Act of 2003, was passed by the full House on March 6, 2003. In the Senate, S. 888 (Gregg), also titled the Museum and Library Services Act of 2003, was incorporated into H.R. 13 and passed by the full Senate in lieu of S. 888 with an amendment by unanimous consent, on August 1, 2003.

The major changes regarding Library Services adopted in the reauthorized Museum and Library Services Act of 2003 are:

- prohibiting the funding of projects deemed obscene;
- defining “obscene” and the term “determined to be obscene;”
- requiring the Director of the IMLS to establish procedural standards for reviewing and evaluating grants;
- increasing minimum state allotments for library services to \$680,000 if the amount appropriated for a year, and available for state allotments, exceeds the amount of allotments to all states in FY2003;
- increasing minimum state allotments for outlying areas to \$60,000, if appropriations in a given year are sufficient to meet the higher state minimums of \$680,000. If remaining funds are insufficient to reach \$60,000, they are to be distributed equally among outlying areas receiving such funds;
- authorizing \$232 million for Library Services and \$38.6 million for Museum Services for FY2004;
- locating advisory functions (which for libraries were previously delegated to the National Commission on Libraries and Information Sciences) within a new National Museum and Library Services Board (previously solely a Museum Services Board) in the Institute of Museum Library Services (IMLS);
- making the Chairman of the National Commission on Library and Information Science a member (nonvoting) of the national Museum and Library Services Board;
- requiring the Director to carry out and publish analyses of the impact of museum and library services, and increasing from 3% to 3.5% the amount available for federal administrative costs, to provide funding for this new function;
- prohibiting the use of IMLS funds for construction; and
- permitting the Director of the IMLS to make national awards for library service, in addition to the already authorized national awards for museum service.

This report will be updated in response to legislative developments.

Contents

Background	1
Library Services and Technology Act Funding	3
History	5
Reauthorization Issues	5
108 th Congress	5
107 th Congress	7

List of Tables

Table 1. FY1997-FY2004 Appropriations for Library Assistance Programs Under Library Services and Technology Act (LSTA) Programs	4
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Federal Aid to Libraries: The Library Services and Technology Act

Background

The Library Services and Technology Act (LSTA) was originally adopted as part of the Museum and Library Services Act of 1996, which was enacted on September 30, 1996, as part of P.L. 104-208, the Omnibus Consolidated Appropriation Act of 1997. The bulk of LSTA funding is distributed to states via formula grants. Funding is also provided for library services for Native Americans, and for national leadership projects. LSTA grants to the states are allocated to state library administrative agencies (SLAAs), and may be used for the following basic purposes:

- (a) expanding services for learning and access to information in a variety of formats in all type of libraries, developing and improving electronic or other linkages and networks connecting providers and consumers of library services and resources; and/or
- (b) targeting library services to under served or disadvantaged populations, such as persons with disabilities, those with limited literacy skills, or children from poor families.

The LSTA's authorization expired at the end of FY2002; however, funding was not interrupted. P.L. 108-81, the Museum and Library Services Act of 2003 (MLSA), reauthorized the LSTA as Title II of the MLSA. P.L. 108-81 authorized \$232 million for Library Services in FY2004, and such sums as may be necessary for FY2005-FY2009. Of the total funds appropriated for the LSTA, the majority must be used for *state grants*, as described above. However, a percentage of total funds is reserved for *national activities*, *Native Americans*, and *federal administration*. Out of total LSTA appropriations for a given year, 3.75% must be reserved for *national activities*.¹ The latter may include competitively awarded grants or contracts for research, demonstrations, preservation, and conversion of materials to digital form, plus education and training for librarians. Congressionally directed grants have also been included in this category, and President Bush's Librarians for the 21st Century program (described below) is included under this heading. In addition, 1.75% of appropriations is reserved for services to *Native Americans* (including Indian tribes, Alaskan Natives, and Native Hawaiians), and up to 3.5% of appropriations may be used for *federal administration* of LSTA programs.

Of the total funding reserved for state grants, each state receives a "flat grant" of \$340,000 (\$40,000 in the case of outlying areas); remaining funds are allocated on

¹ The actual percentage varies due to the addition of congressionally directed grants.

the basis of total population in each state. The federal share of the total costs of assisted activities is 66% in all cases.² If there is no year-to-year decline in federal funding for the LSTA, states must maintain levels of spending for library programs, or their LSTA grants will be reduced in proportion to the reduction in state funding.

P.L. 108-81 provides for an increase in minimum state allotments for library services to \$680,000, if the amount appropriated for a year, and available for state allotments, exceeds the amount of allotments to all states in FY2003. In addition, minimum state allotments for outlying areas are increased to \$60,000, if appropriations in a given year are sufficient to meet the higher state minimums of \$680,000. If remaining funds are insufficient to reach \$60,000, they are to be distributed equally among outlying areas receiving such funds.³ However, the level of FY2004 appropriations for the IMLS is not sufficient to trigger the higher state grant amounts authorized by P.L. 108-81.

Participating states are required to develop 5-year plans that set goals and priorities consistent with the purposes of the LSTA (i.e., to enhance information-sharing networks and target library services to disadvantaged populations). The plans must provide for independent evaluations of federally assisted library services.

A wide variety of types of libraries — public, public school, college or university, research (if they provide public access to their collections), and (at state discretion) private libraries — may receive aid under the LSTA, not just the public and research libraries eligible for aid under the predecessor legislation to the LSTA, the Library Services and Construction Act (LSCA).⁴ No more than 4% of each state's grant may be used for administration; however, there is no limit on the share of funds that can be used at the state level to provide services, as opposed to being allocated to local libraries. The LSTA is intended to provide states with considerable latitude in the use of funds. LSTA funds are allocated within states on a competitive basis by the SLAA.

² This is essentially the same as the allocation formulas for the previous LSCA Titles I-III combined. Under the previous LSCA, the federal share varied from 33% to 66%, depending on each state's relative personal income per capita.

³ The share of LSTA funds allocated to the "Freely Associated States" (Palau, the Republic of Marshall Islands, and the Federated States of Micronesia) under this formula will be reserved and allocated among these areas plus the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, on a competitive basis, via the Pacific Regional Educational Laboratory in Hawaii.

⁴ The provisions of the LSTA were modified by the Museum and Library Services Technical and Conforming Amendments of 1997, P.L. 105-128. The amendments: (a) made "special libraries" (i.e., libraries other than public, school, college, or research libraries — these are frequently part of museums, corporations, or government agencies) eligible for aid under the LSTA; (b) expanded the funds reservation for Native Americans from 1.5% to 1.75%, adding Native Hawaiians to the eligible recipients of these funds; (c) reduced the maximum reservation for national programs from 4% to 3.75%; (d) clarified requirements of the LSTA regarding state maintenance of effort; and (e) authorized cooperative agreements, along with grants or contracts, under national programs.

The LSTA is administered by the Institute of Museum and Library Services (IMLS). The IMLS was created through expansion of the previous Institute of Museum Services (IMS). The IMLS contains an Office of Museum Services (OMS) and an Office of Library Services (OLS). The IMLS is under the general aegis of the National Foundation on the Arts and the Humanities, which also includes the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH). Nevertheless, the Institute acts as an independent agency.⁵ The IMLS directorship alternates between persons with “special competence” in library and information services or in museum services. The current IMLS director is Robert Martin, who includes in his past professional experience service as a Director and Librarian of the Texas Library and Archives Commission. At all times, an Office of Library Services within the IMLS is directed by a Deputy Director with a graduate degree in library science, and expertise in library and information services.

Library Services and Technology Act Funding

Table 1, below, shows the FY1997-FY2004 appropriations for the LSTA. The Bush Administration had requested funding of \$207.6 million for the agency for FY2004. The tentative funding for FY2004 is \$199.4 million. This amount (which may be subject to an across the board cut) has been approved by conferees, but is not yet finalized. The FY2004 budget includes \$20 million for an initiative first funded in FY2003 to train and recruit librarians, provide scholarships, support distance learning in under served rural areas, and enhance the diversity of librarians to better serve communities.

Beginning in FY2003, the OMS and the OLS were combined in one appropriation account within the Labor, Health and Human Services, and Education (L-HHS-ED) Appropriations bill. In the past there had been two funding streams, one account for OMS within the Department of the Interior Appropriations, and one for OLS within the L-HHS-ED Appropriations.

⁵ Several administrative functions, such as accounting, for the IMLS are being carried out by the NEH, through an interagency agreement.

**Table 1. FY1997-FY2004 Appropriations for Library Assistance Programs
Under Library Services and Technology Act (LSTA) Programs**
(in 000s)

Program	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003^a	FY2004^b
State Grants (includes interlibrary cooperation and resource sharing; LSTA Chapter 2)	112,500	133,901	135,367	138,118	148,939	149,014	150,435	158,563
Library Services for Indians and Native Hawaiians (LSTA Chapter 3, Section 261)	2,577	2,561	2,908	2,616	2,940	2,941	3,055	3,225
National Leadership Projects (LSTA Chapter 3, Section 262)	7,500	5,488	9,565	10,455	11,081	11,081	11,009	11,330
Directed Grants ^c	na	na	15,435	11,571	39,469	29,524	35,156	31,588
21 st Century Librarians	na	na	na	na	na	na	9,935	20,000
Federal Administration of Library Programs in the IMLS (LSTA Chapter 1) ^d	na	4,390	2,900	3,491	5,040	5,042	5,663	6,300
Total, LSTA	136,369	146,340	166,175	166,251	207,469	197,602	215,253	199,418
National Commission on Library and Information Science	897	1,000	1,000	1,295	1,495	1,000	1,010	1,000

a. Numbers include an across-the-board cut adopted in P.L. 108-7, Feb. 20, 2003.

b. These numbers have been agreed to by conferees, but are not yet finalized, they may be subject to an across the board cut of 0.59%.

c. Directed grants include both library and museum grants.

d. Before FY1998, federal administration of library programs was funded through the U.S. Department of Education's (ED) general departmental management account (specific amounts for administration of library programs are not available).

History

The federal government has provided direct aid for public libraries since initial adoption of the Library Services and Construction Act (LSCA) in 1956. The 104th Congress considered legislation to extend and amend LSCA programs, as well as to consolidate these programs with separate authorizations of federal aid to elementary and secondary school and college libraries.

The Library Services and Technology Act consolidated and replaced a number of programs under Title VII, Subtitle B of the L-HHS-ED Appropriations Act of 1997 within P.L. 104-208. These programs included the LSCA, plus library assistance programs authorized by Title II of the Higher Education Act (HEA), and Title III, Part F, of the Elementary and Secondary Education Act (ESEA).⁶

While states have had a large degree of discretion in selecting grantees and deciding how funds are to be used under both the former LSCA and the current LSTA, overall state discretion would appear to be increased under the LSTA. At the same time, some LSCA funds — particularly aid for construction under the former LSCA Title II — were intended for specific purposes that are *not* authorized under the LSTA. In fact, P.L. 108-81 includes a new provision explicitly prohibiting the use of funds for construction. The LSTA also focuses more thoroughly on relatively new forms of information sharing and networking, such as the Internet, than previous legislation.

Reauthorization Issues

Issues that were discussed during the reauthorization of the LSTA included: the adequacy of minimum state grants and overall authorization levels; the need for additional funding to provide for evaluations of the LSTA; and new provisions disallowing grants for projects deemed obscene.

108th Congress. On September 25, 2003, the Museum and Library Services Act of 2003 was signed into law (P.L. 108-81). The major changes regarding Library Services adopted in the reauthorized Museum and Library Services Act of 2003 are:

- prohibiting the funding of projects deemed obscene;
- defining “obscene” and the term “determined to be obscene;”

⁶ The LSTA repealed not only the LSCA but also aid to college/university libraries under HEA Title II, and an unfunded authorization of aid to elementary and secondary school libraries under ESEA Title III, Part F. This program was added to the ESEA by the Improving America’s Schools Act of 1994 (P.L. 103-382), but was repealed without ever being funded. The ESEA contained earlier authorities for aid specifically to school libraries under Titles II (1965-1974) and IV (1974-1981). Separately, local educational agencies may, and often do, use portions of their funds under the broad authority of ESEA Title VI, Innovative Education Program Strategies, to support school library services. In addition, P.L. 107-110 amends the ESEA to authorize a new program of aid to school libraries, under ESEA Title I, Part B, Subpart 4. An initial appropriation of \$12.5 million has been provided for FY2002.

- requiring the Director of the IMLS to establish procedural standards for reviewing and evaluating grants;
- increasing minimum state allotments for library services to \$680,000 if the amount appropriated for a year, and available for state allotments, exceeds the amount of allotments to all states in FY2003 (the level of FY2004 appropriations for the IMLS is not sufficient to trigger the higher state grant amounts authorized by P.L. 108-81);
- increasing minimum state allotments for outlying areas to \$60,000, if appropriations in a given year are sufficient to meet the higher state minimums of \$680,000. If remaining funds are insufficient to reach \$60,000, they are to be distributed equally among outlying areas receiving such funds;
- authorizing \$232 million for Library Services and \$38.6 million for Museum Services for FY2004, and such sums as may be necessary for FY2005-2009;
- locating advisory functions (which for libraries were previously delegated to the National Commission on Libraries and Information Sciences) within a new National Museum and Library Services Board (previously solely a Museum Services Board) in the IMLS;
- making the Chairman of the National Commission on Library and Information Science a member (nonvoting) of the national Museum and Library Services Board;
- requiring the Director to carry out and publish analyses of the impact of museum and library services, and increasing from 3% to 3.5% the amount available for federal administrative costs, to provide funding for this new function;
- prohibiting the use of IMLS funds for construction; and
- permitting the Director of the IMLS to make national awards for library service, in addition to the already authorized national awards for museum service.

H.R. 13 (Hoekstra), a bill to reauthorize Library Services within the Museum and Library Services Act of 2003, was introduced on January 7, 2003, and was reported favorably by the House Committee on Education and the Workforce on February 13, 2003. H.R. 13 was passed by the full House on March 6, 2003. H.R. 13, as passed by the House, would have changed the authorization for Library Services and Museum Services to \$210 million and \$35 million, respectively, for FY2004 and such sums as may be necessary for 2005 through 2009. H.R. 13 contained new provisions that would have required the IMLS Director to establish procedural standards for reviewing and evaluating grants, including a provision prohibiting the funding of projects determined to be obscene. New provisions in H.R. 13 also provided a definition of “obscene” and of the term “determined to be obscene.” It would have required the Director to carry out and publish analyses of the impact of museum and library Services, and would have increased from 3% to 3.5% the amount available for federal administrative costs, to provide funding for this new function. H.R. 13 would have located advisory functions (which for libraries were previously delegated to the National Commission on Libraries and Information Sciences) within a new National Museum and Library Services Board (previously solely a Museum Services Board) in the IMLS. It would have permitted the Director of the IMLS to make national awards for library service, in addition to

the already authorized national awards for museum service. It would have increased minimum state allotments for Library Services to \$680,000, if the amount appropriated for a year, and available for state allotments, exceeded the amount of allotments to all states in FY2003. Finally, it would have increased minimum state allotments for outlying areas to \$60,000 if appropriations in a given year were sufficient to meet the higher state minimums of \$680,000.

S. 888 (Gregg), was introduced on April 11, 2003, and reported favorably by the Senate Committee on Health, Education, Labor, and Pensions on May 14, 2003. On August 1, 2003, the Senate incorporated S. 888 into H.R. 13 and passed H.R. 13 in lieu of S. 888 with an amendment by unanimous consent. Authorization levels for FY2004 contained in the Senate passed bill were reduced from the authorization levels contained in S. 888 as reported by the Senate Committee on Health, Education, Labor, and Pensions (from \$250 million to \$232 million for Library Services; and from \$41.5 to \$38.6 million for Museum Services). The Senate passed bill included the following provisions that were contained in S. 888 as reported by the Senate Committee on Health, Education, Labor, and Pensions, but were not contained in H.R. 13 as passed by the House: provisions that would have made the Chairman of the National Commission on Library and Information Science a member (nonvoting) of the National Museum and Library Services Board; a prohibition against using IMLS funds for construction; and provisions that would have raised liability amounts in the Arts and Artifacts Indemnity Act.⁷

S. 238 (Reed) was introduced on January 29, 2003, and was referred to the Senate Committee on Health, Education, Labor and Pensions. The Library Services provisions of this bill were essentially the same as those in S. 2611 (Reed), introduced in the 107th Congress. Authorization levels in S. 238 were \$350 million for Library Services and \$65 million for Museum Services. S. 238, however, unlike S. 2611, also included amendments raising liability amounts in the Arts and Artifacts Indemnity Act.

107th Congress. On February 14, 2002, the House Subcommittee on Select Education held a hearing on “Equipping Museums and Libraries for the 21st Century,” at which Dr. Martin, the Director of the IMLS, and two librarians testified. On February 26, 2002, legislation was introduced (H.R. 3784, Hoekstra) that would have reauthorized the LSTA within the Museum and Library Services Act of 2002. The full House Committee on Education and the Workforce conducted a mark-up, and ordered H.R. 3784 favorably reported, as amended, on March 20, 2002. Legislation to reauthorize the Museum and Library Services Act of 2002, S. 2611 (Reed), was introduced in the Senate on March 11, 2002, and was referred to the Committee on Health, Education, Labor, and Pensions.

⁷ For more on Museum Services in IMLS see CRS Report RS20287, *Arts and Humanities: Background on Funding*, by Susan Boren.