

A Report on Recommended Alterations to the State Grant-in-Aid Funding Formula

Prepared by the Funding Formula Sub-Committee of
The Library Board of Rhode Island

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December 2016

Accepted by the Library Board of Rhode Island
January 2017

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Introduction

The following report has been drafted to offer recommendations and findings to the Library Board of Rhode Island (LBRI) regarding potential changes to the statutory formula used to distribute State funding to municipalities for the intended purpose of supporting local public library services. This “Grant-in-Aid” (GIA) is outlined in Section 29-6-2 of the Rhode Island General Laws.

Over the past several years, the distribution of state funding to Rhode Island public libraries through their municipalities as calculated by the formula has been criticized by certain groups and individuals. In general, that criticism has focused on the basis that the current formula favors libraries which provide a higher level of local funding – typically those based in affluent communities – rather than those poorer cities and towns where local support is constrained by a limited tax base and/or competing municipal services. A 2015 draft report completed by the Providence League of Women Voters noted: “When the ten richest and ten poorest municipalities in Rhode Island in terms of per capita income according to the 2010 census are compared, it is clear that the wealthiest communities have a decided advantage under the formula.”

This perceived and often promoted ‘flaw’ in the formula has led to the introduction of several bills introduced into the Rhode Island General Assembly over the past few years designed to either alter the formula or otherwise channel more state funds to libraries in less affluent communities.

As the Office of Library and Information Services (OLIS) is ultimately responsible for overseeing the distribution of state GIA, the LBRI has frequently offered testimony before the General Assembly on bills introduced to alter the formula. To date, this testimony has opposed any change to the formula. This opinion is based on the Board’s position that, since state fiscal year 2009, the total pool of funds allocated to support GIA has been below the amount specified by the funding statute. Until such time that GIA is fully funded, it has been the LBRI position that no change in the formula should be made.

Thanks to lobbying efforts by cities and towns and multiple advocacy groups, in 2016 the General Assembly increased GIA funding equivalent to 94.6% of the amount set in statute; that is, the total pool of funds allocated for GIA in fiscal year 2017 was 23.65% of the amount appropriated and expended from local tax revenues and libraries’ private endowments on library operating expenses. Based on the hope that eventually the General Assembly will fully fund the statute, and in anticipation that additional legislation will be forthcoming, the LBRI charged a sub-committee (The Committee) to develop recommendations for a more informed and cohesive position as to whether alterations to the formula would better fulfill the mission of OLIS to support public libraries so they may offer superior library services to all Rhode Islanders.

Charge to the Funding Formula Committee

The LBRI formed the Funding Formula Committee per the Board's bylaws at the April 2016 meeting of the Board with the following charge:

Charge to: State Aid Formula Review Committee

It will be the goal of the State Aid Formula Review Committee to review the current "Grant-in-Aid" funding formula as defined in Rhode Island General Law (RIGL) 29-6-2 to determine if:

- 1) The LBRI should endorse a change in the statute or to recommend that the statute not be changed.
- 2) Regardless as to the recommendation requested in Goal 1, bring the LBRI a minimum of one recommendation of altering the existing formula to align the funding in keeping with the overall mission of OLIS in providing superior library services to all Rhode Islanders.

LBRI Chairman Tom Viall and Board Member Ed Garcia have been charged with forming the committee with recommendations from the Chief of Library Services. Members need not be members of the LBRI.

The committee will elect a Chair at their first meeting. The committee Chair will be a member of the Library Board of Rhode Island. Although not mandated, it is recommended, that the committee Chair not be a representative of a LBRI constituency that would be positively or negatively affected by any change to the formula recommended by the committee.

It is requested that the committee report to the LBRI at each Board meeting as to the progress of achieving these goals, and submit their recommendation to the Board for open discussion no later than the first meeting after October 1st, 2016.

Additionally, the Chair requests that the Chief of Library Services appoints a member of the OLIS staff to serve the occasional needs of the committee.

Understanding Rhode Island General Law 29-6-2

To evaluate this report it is important that the reader has a basic understanding of how GIA is currently allocated and distributed based on the Rhode Island General Laws. In the most distilled description, RIGL 29-6-2 allocates state funds as a grant to match a percentage of the expenditures by the local community on its library. RIGL 29-6-3 sets eligibility requirements for receiving GIA. (Appendix IV, RI General Laws Relating to State Aid.)

How Grant-in-Aid Allocations are Calculated

The statute establishes two pools of state aid to libraries. The first is based on a percentage of the total amount of funds appropriated and expended by each municipality to support the

operating expenses of its library or libraries¹ two years previous to the current state fiscal year. While the statute contains language allowing the General Assembly to reduce the total state allocation, the statute also specifies that the amount of the allocation should be equal to “at least 25%” of the municipal funding. For example, if the total amount of local tax-based revenue expended by cities and towns on their libraries in 2016 was equal to 40 million dollars, the state allocation for GIA in fiscal year 2018 would be 10 million dollars. This pool of funds is commonly referred to as *Tax-Based GIA*.

The second pool of funding is based on the amount of funds expended from a local public library's private endowment on operating expenses two years previous to the current state fiscal year. Once again, the statute sets that percentage as “at least 25%.” For example, if the total amount of endowment funds expended on operational costs in 2016 equals 4 million dollars, the pool of funds allocated by the General Assembly in 2018 would be 1 million dollars. This pool of funds is commonly referred to as the *Endowment-Based GIA*.

How Grant-in-Aid Allocations are Distributed

Tax-based and endowment-based GIA are distributed directly to the 39 Rhode Island municipalities to support public library services. It is important to note that the tax-based funds support library services and not specific libraries; the municipality has the discretion to distribute these funds to the library or libraries it designates as the provider of library services in that community in accordance with the municipality's application for GIA. In some communities with multiple libraries (e.g., Providence, Warwick), the municipality may award all tax-based GIA to a single system. Conversely, endowment-based GIA, while awarded to the municipality, must be paid to the library system that has the endowment. In municipalities with multiple libraries with endowments, the endowment-based GIA is awarded to each library based on the expenditure from each library's endowment.

There are several factors that determine eligibility for these distinct pools of funding, which are stipulated in RIGL 29-6-3.

Primary among these is that in order to receive GIA, the library or libraries within a municipality must comply with the “Minimum Standards for Rhode Island Public Libraries” as set forth in regulation by OLIS. Additionally, in order to be eligible for GIA, a municipality must at a minimum ‘level fund’ their library at an amount equal to or greater than the preceding year; if a town reduced the funding of their library the municipality would not be eligible to receive any GIA. This requirement is known as “maintenance of effort.” Both of these requirements do include a process where the non-compliant community can request a waiver of the requirement from OLIS, and appeal any denial to the LBRI. To date, OLIS has not denied a waiver request, but libraries

¹ Throughout this report the term “library” is used to denote an independent library system, which may or may not include branches. There are 48 independent libraries in Rhode Island's 39 cities and towns. 7 municipalities have 2 independent libraries (Burrillville, Glocester, Hopkinton, Providence, Scituate, Smithfield, Warwick); one has 3 (North Kingstown). Additionally, there are 22 municipal libraries in the state and 26 non-municipal libraries, that is, private not-for-profit organizations that provide library services for their municipality. See Appendix V for a full listing of Rhode Island Public Libraries.

seeking waivers must document the reason for non-compliance and submit a plan to come into compliance. OLIS approves waivers on the basis of the compliance plan and monitors progress towards compliance within a specified time frame.

Once eligibility is established, OLIS distributes tax-based GIA to each municipality based on the percentage used to create the overall pool. For example, if the pool of funds is fully funded at 25% and a municipality expended 4 million dollars on their library, they would receive a grant of 1 million dollars. If the pool is allocated at only 20% then the municipality would receive \$800,000.

As stated above, endowment-based GIA is also distributed directly to the municipality. However, in the case of endowment GIA, it is the intent of the current legislation that those funds go to the *individual* library responsible for that endowment expenditure. This is an important distinction for libraries with endowments. For example, in the city of Providence where two distinct libraries operate, the Providence Public Library receives all of the endowment-based GIA as the Providence Community Library does not have an endowment. In the case of the tax-based GIA, however, the City of Providence has the discretion to award this funding to one or both libraries; the City has designated the Providence Community Library as the recipient of all tax-based GIA.

History of the Formula

In 1956, the Library Services Act was passed by the United States Congress to support public library development and extend and improve library services in rural communities. Using funds from the federal government, Rhode Island began a program of per capita-based grants to support public library services. In 1964, Governor John Chafee signed legislation creating the Department of State Library Services, now the Office of Library and Information Services; this legislation also included a provision for grant-in-aid to cities and towns at the rate of 25 cents per capita, this time funded by the State (federal funds were used to fund library construction under the new federal Library Services and Construction Act).

A statewide study of Rhode Island library services in the late 1980's recommended changes to the per capita formula, which were passed into state law in 1989 as the Library Funding and Networking Bill. This legislation changed the per capita-based state funding program into one based on local appropriations for library services, establishing the current formula in RIGL 29-6-2. The distribution characteristics of the new formula provided an incentive for cities and towns to increase local support for public libraries: the more they invested locally, the more state support they received. The legislation also included the provision that by the year 2000, state support to each community for library services would be equal to 25% of each community's appropriation and expenditure the second preceding fiscal year, in this case, 1998.

The state budget crisis in 1990 made it impossible to move forward with this plan. State support of public library services went down from a total of \$716,063 in 1989 to a low of \$293,050 in 1994, which had a great impact on library aid to cities and towns that were hard-pressed financially, such as Woonsocket, Central Falls, and Pawtucket. These communities' share of the limited grant funds available decreased, as the grants were now based on local expenditures rather than population.

As the state's economy improved, the LBRI identified the need to support participation in the Cooperating Libraries Automated Network (CLAN, now Ocean State Libraries). In 1995, a new Resource Sharing grant program was added providing basic grants to libraries to participate in CLAN. This funding particularly benefitted small public libraries, who were exempted from meeting the state's public library standards to receive Resource Sharing grants in the first two years of the program. By 1999, state support had increased to 2.8 million dollars for Resource Sharing and tax-based GIA, and by 2001 the state had achieved 25% funding of the total of all municipal appropriations and expenditures for public library services, 5.1 million dollars.

While the *total* grant-in-aid pool in 2001 was now 25%, cities and towns received differing percentages based on the amount they received for their Resource Sharing grant and tax-based grant. Over the next three years, with all public libraries full members of CLAN and meeting standards, the Office of Library and Information Services began systematically phasing out the Resource Sharing grants. This was achieved through a "hold harmless" policy that gradually brought libraries receiving over 25% of local appropriations and expenditures down to 25% and those receiving less up to 25%.

In 2003, through the efforts of Providence representatives in the General Assembly, RIGL 29-6-2 was amended to provide a grant to Providence Public Library based on the amount of money the library expended from its endowment; this new GIA to Providence totaled \$654,835 in state fiscal year 2004, the first year endowment-based GIA was awarded. In 2004, the Westerly Public Library and other libraries with endowments lobbied to extend this provision to all libraries, and the law was amended again so that all libraries became eligible to receive endowment-based aid in state fiscal year 2005, a total of \$864,650 distributed to 20 libraries.

By 2007, the total pool of aid had grown to \$7,698,411, where, due to a new economic downturn, it remained through 2016. The law was amended for the 2008 grants, changing the base year to the third preceding year, thus maintaining the 25% and adding a provision for 2008 only that allowed libraries to be eligible for grant-in-aid as long the municipality appropriated at least 80% of the previous year's appropriation to the library, as opposed to 100%. For the 2009 grants, the General Assembly allocated the same amount of funding as it had the previous two years, and the percentage started to slowly decline from 25% as the difference between the state allocation and the total local expenditures for library services grew. At this time, language was added to the law that enabled the state to reduce the grants proportionately in any year that 25% of local expenditures exceeded the amount appropriated by the General Assembly. By 2016, the percentage had dropped to 22% of the amount expended locally in 2014. During the 2016 legislative session, the General Assembly allocated an additional \$900,000 to the pool, bringing the total GIA for state fiscal year 2017 to \$8,598,411, or 23.65% of the amount appropriated and expended out of local tax revenues and expenditures from the library's private endowment.

Criticism of the Formula

While nearly all stakeholders support full funding of GIA – in lack thereof, certain groups have stepped forward that promote alteration of the formula. In general, these groups are seeking increased funding to a particular community. They commonly identify that the most prominent flaw in the formula is the matching nature of the grants. The direct result of matching local expenditure is that those local entities that are able to support greater funding for their libraries in turn receive a greater proportion of the tax-based GIA. Those communities that struggle financially – or for whatever reason choose not to invest in their libraries – receive a smaller portion of the grant pool. Proponents typically use the affluent town of Barrington compared to a poorer community such as Pawtucket. In 2015, Barrington received \$341,488 in state GIA while Pawtucket received \$329,493. This might seem equitable until population is factored in. When GIA is divided by population, Barrington received \$20.94 in state library aid per capita, while Pawtucket garnered just \$4.63 per capita. (Appendix VI, Table B)

These types of disparities in GIA distribution continue to be the major driver of legislation designed to alter the formula. Those in support of a change feel strongly that the distribution should be recalculated to offer more funding in those poorer communities where they argue that library services are most important.

Potential Impact of a Formula Change

While few would argue the important role our libraries play in the local community, there are significant repercussions to altering the formula. The most obvious of which is that since the distribution is based on a fixed amount of funds, any adjustment that would increase the amount distributed to one community would need to be offset by a reduction of aid to another community.

Additionally, if a given community begins to receive a disproportionately high amount of state aid versus their own investment, it might encourage that community to expend local dollars in areas other than their library, making that institution more reliant on state rather than local support. Whereas the law requires maintenance of effort in local funding for libraries, it does not require municipalities to increase funding for libraries. As such, municipalities may maintain the status quo with no incentive to increase funding.

Committee Methodology

Historic Overview

The committee began the task of evaluating the formula by understanding the history of the statute. In short, what was the *original reason* this legislation was instated and what factors have played a role in amending this section of the law since its inception.

Karen Mellor, Chief of Library Services, offered a brief but comprehensive history of the statute starting with the per capita support for public library services followed by the drive to automate

libraries and support the development of the public library consortium. This support enabled smaller libraries to join the consortium and contribute their holdings to the shared catalog, which in turn enabled greater resource sharing among libraries.

Ms. Mellor's overview also provided background on how endowment grants were later added to the statutes and also examples of the recent bills that had been introduced to alter the formula as well as the rationales behind those bills.

Metric Brainstorm

Following the historic overview, the committee held an open brainstorming meeting to identify which factors or metrics might be used in the calculation of a funding formula. As any change in the formula would need to be based on tangible metrics (such as population size, household income, overall municipal budget etc.), it was an important task to list as many of these factors as practical. A complete list of those possible metrics is listed in Appendix III of the report.

Goals of Funding

The committee had an open discussion regarding the role state funding should play in our libraries. Example topics included:

- Should state grants be awarded on potential outcomes? If so, what outcomes – how would they be measured?
- Should the GIA be specifically targeted at supporting unique aspects of library expense such as Ocean State Libraries (OSL) fees, or tangible improvements in resource sharing?
- Should the goal of the GIA be to offer a more 'level playing field' or otherwise used to improve the services in so called 'distressed communities' that might not have the necessary tax base to fully support their libraries?
- Would a change in the formula potentially serve as a disincentive for local leaders to fund their libraries and instead rely more and more on state funding?

These questions and others prompted thoughtful and sometimes lively discussions among the committee members. From these discussions it was the general consensus of the group that a goal of any change to the formula should be made in an effort to raise the level of library service in economically challenged communities that might not be able to support such services on their own.

It was concluded that to meet the OLIS mission of superior library services for all Rhode Islanders, state funding should seek to help raise the level of services in areas lacking local resources.

The Must List

An important outcome of the committee's open discussion was the formulation of a "must list" – an outline of criteria that any change in the formula would need to meet. The list also became known within the group as "Things we all agree on."

- **No change should in any way lessen the incentive for local communities to locally fund their libraries or in any way decrease funding for libraries.**

Early in our discussion the group came to consensus that one of the best attributes of the current formula was that it encouraged municipalities to, at a minimum, level fund their libraries out of the risk that reducing appropriations would jeopardize their eligibility for GIA.

- **The current formula (including endowment-based aid) and requirements listed in RIGL 29-6 to determine the eligibility for and allocation of funding should remain unchanged.**

The group agreed that since the "Minimum Standards" regulations benefited all Rhode Islanders – and not just regular library patrons of a specific community – that adhering to those standards as a requirement to receive GIA was vital.

- **Only a portion of the funds appropriated under 29-6-2 should be reallocated by a new formula.**
- **Any legislative changes to the allocation of funds under a new formula would be drafted and enacted in a "phased manner" to enable libraries to adequately plan and absorb the impact of funding changes that result from any reallocation of funds.**

With both of the above criteria the committee agreed that any full or abrupt alteration to current GIA funding would be detrimental to overall library services. Moreover, because GIA is based on expenditures made by local governments two years previous, these communities can budget and typically are already relying on the funding GIA will provide when formulating their own budget.

- **The determining factors that would identify those communities that would receive greater proportional aid under a new formula will be based only on their *ability* to locally fund their libraries.**

A common theme of discussion within the committee focused on the importance that any additional state funding be distributed to those cities and towns that do not possess a tax base great enough to proportionally fund their library.

- **All data used by the formula as determining factors must be 100% objective and widely accepted as accurate and timely.**
- **The data used by the formula as determining factors should be reasonably stable as to avoid any dramatic changes year-over-year of the funds allocated to each community.**
- **OLIS must have the ability to efficiently and reliably calculate the final allocation of funds to each community as determined by the formula.**

The above requirements all focus on those metrics that would fill the variables in the formula used to calculate distribution (for example, population.) It was the decision of the committee that the data had to be objective and the resource generating the data must be trusted and unbiased. Also it was agreed that the metric be stable and weighted appropriately in any formula to avoid significant shifts in how the funding was distributed. Lastly, the ability to calculate distribution of funds based on the formula should not place a significant burden on OLIS staff.

Determining the Total Allocation

Early in the committee's discussions the question was raised as to if the formula used by the state for determining the amount of the tax and endowment based allocations would need to mirror any change to the formula for determining the distribution of the state allocation.

It was the mutual agreement of the committee that there should be no change in the formulation of the allocation. This determination was based on two core factors: 1) The current allocation is currently underfunded according to the statute, and it was unlikely that any change in the formulation would boost the overall GIA funding, and 2) The current formula encourages communities to make investments in their local libraries as a means of receiving a matching grant of state dollars.

Determining the Endowment Allocation

The distinct allocation from the endowment-based pool was also extensively discussed by the committee. As most members recalled, legislation was submitted in 2014 which would have essentially eliminated distribution of tax dollars to match endowment spending but included those funds in the total amount of the allocation for distribution to tax-funded libraries. Although the legislation failed to move forward, it was widely debated in the library community – mostly questioning if state dollars should be used to match funding from private endowments.

While early data models of proposed formulas reviewed by the committee included the endowment pool, it was later decided to omit those funds from the models and focus only on the tax-based allocation. The rationale behind this decision was that the group thought that it had the high potential of making any proposed formula change too complex. Furthermore, the group agreed that redistribution of funds generated by a unique library's endowment to any other

institution was problematic due to the wide variation in the level of dependence on endowment funding; some libraries rely on endowment funds to support a substantial portion of their budget, while other library endowments contribute very moderate amounts to a library's overall budget.²

Examining the Data

Based on the data points identified in the committee's earlier brainstorming session, Lauren Plews, State Data Coordinator for OLIS, developed a series of comprehensive spreadsheets that outlined a large number of metrics for each of Rhode Island's 39 municipalities.

The main data points included:

- 2010 Census Population
- 2015 Population Projection
- Total Town Expenditures (with schools)
- Total Town Expenditures (excludes school system)
- Town Expenditures for Library
- % of Town Expenditure to Library
- Town Library Spending Per Capita
- Town Spending Per Capita (excludes schools)

- Median Family Income
- Median Household Income
- Income Per Capita

- Distressed Community Aid
- FY2015 State Library Aid
- FY2015 Total Appropriated State Aid
- % Library in Total Appropriated State Aid
- Library Aid Per Capita
- State Aid Per Capita
- FY2015 Total Shared and Appropriated Aid
- Total Shared and Appropriated Aid Per Capita

- Total Library Operating Expenditures
- Total Library Operating Expenditures Per Capita
- Local Government Library Revenue
- State Government Library Revenue
- Federal Government Library Revenue
- Other Revenue
- Total Library Operating Revenue

² In state fiscal year 2004, Providence Public Library reported that 25% of its operating budget was derived from endowment funds, while Westerly's percentage was 32%. 8 libraries (Barrington, Charlestown, Cranston, Cumberland, Newport, Pawtucket, Warren, Warwick) reported that 1% or less of their library's operating budget was derived from endowment funds. See Appendix VI, Table A for 2015 GIA distribution.

- Local Government Library Revenue Per Capita
- Total Operating Library Revenue Per Capita
- Library Reported Town Funds Appropriated
- Library Reported Town Funds Expended
- Library Reported Town Funds Appropriated Per Capita
- Library Reported Town Funds Expended Per Capita

- Total Population with Known Poverty Status
- Population Below Poverty Level
- % of Total Population with Known Poverty Status
- Population of Children Below Poverty
- Children as % of Total Population Below Poverty
- Children in Poverty as % of Population under 18
- Population of Age 65+ Below Poverty
- Population of Age 65+ in Pov as % of Population Age 65+
- Age 65+ as % of Total Population Below Poverty

The spreadsheets also contained the amounts of GIA provided to each of the communities in 2015. Selected data is included in Appendix VI; the full data set is available on the OLIS website.

The ability to sort and compare this data proved to be extraordinarily beneficial to the ongoing efforts of the committee. The data also served to dispel certain myths and revealed other insights. For example, if one were to only determine a community's financial health by the known percent of population living below the poverty level, Jamestown, Newport and Narragansett would fall in the bottom ten – yet both Narragansett and Jamestown, when ranked by median household income, both fall in the top 10.

The committee also felt it was vital to compare current state library funding as a percentage of total state aid offered to each community. This data point revealed that state library aid to Barrington, Cumberland, Jamestown, Little Compton, Middletown, New Shoreham and North Kingstown each constituted more than 40% of the total state aid these communities receive. (Appendix VI, Table A)

Most importantly, the data revealed that sorting the municipalities by any single metric failed to make a substantial case to justify a formula only based on that one statistic.

Reviewing Alternative Funding Scenarios

As the committee examined the data, several themes emerged from the ongoing discussions:

- 1) It would be the goal to favor additional funding for economically challenged communities, especially those in the urban core.

- 2) As libraries by nature are open to all there was no justifiable reason to focus any additional funding on age-based population.

Based on the review of the data, the committee looked at how other entities utilized similar data to determine community need. This vetting included the RI Educational Funding Formula, the criteria used by the RI State Legislature to define a “distressed community,” and a calculation used by the city of Boston to determine gap-based municipal aid.

All of these formulas are very complex but commonly use a variety of weighted data points to determine the ability of a community to reach a level of revenue significant enough to support itself.

Because of time and resource constraints, the committee adopted the current criteria used for defining a “distressed community” as stipulated by RIGL 45-13-12, the Distressed Communities Relief Fund, for the purposes of modeling impact of funding formula scenarios. Under the law, distressed communities are determined based on four “indices of distress.” These indices look at per capita income and property tax burdens relative to the wealth of taxpayers. The communities falling within the lowest 20% of these indices receives state aid from the fund. (Appendix VII)

The committee also settled on funding outcomes based on using either 10% or 20% of the current tax-based allocation as redistributed funds. In short, in each simulation, either 90% or 80% of the total allocation was distributed under the existing formula while the remaining 10% or 20% was distributed under a formula proposed to equalize the existing formula.

Additionally, as data became available, OLIS projected the fiscal year 2018 allocation as the baseline to determine the true impact of any change to the funding formula. By using these updated amounts, rather than the 2015 legacy data, it would be easier to identify the real differences between each municipality’s funding change from state fiscal years 2017 to 2018 under any proposed formula change versus not making any changes.

Lastly, the group concurred that they would focus simulations based on redistribution of the 10-20% funding to only distressed communities proportional to the size of their population as this proved to be the most equitable measure of that community's general needs.

An earlier simulation based on 100% redistribution using population size as the only factor for calculation had produced an engaging result. While the method closely matched the end goals of funding the urban core there were enough significant outliers to deter support of this proposal. Additionally, this method resulted in a significant funding loss for many smaller communities which already receive a low level of per capita support for their libraries at both the state and local level. Moreover, one could argue that the reduction of funding, combined with the lack of proximity to neighboring libraries in these often rural areas, would be extremely detrimental to those communities. With gains and losses exceeding \$200,000 in both directions, and 19 communities receiving less funding than the current formula provides, this model was discarded as a viable option.

Impact of the Fund Reallocation Models

Using the data model, the committee tested various iterations of percentage-based reallocations to the distressed communities based on their population. In simple terms, a portion of the 2015 tax-based allocation was divided by the total population of the seven identified distressed communities. That quotient was then distributed to each of the distressed communities per capita. (Appendix VI, Table C)

As would be expected, the redistribution was very successful in achieving the goal of raising the funding levels of those financially disadvantaged communities. However, the off-setting financial impact to a vast majority of other libraries was significant. For example, under an 80/20 split to distressed communities, the cities of Providence and Cranston would realize a 36% and 27% increase respectively. The city of Central Falls would see funding boosted by 324%. Unfortunately these gains were realized by a 20% across the board reduction to the other 32 city and towns. Cities such as East Providence – while not recognized as ‘distressed’ but certainly not considered to be a wealthy community – would lose \$72,000 in state funding. The City of Newport would see a similar reduction. The committee struggled to justify the change even in the most affluent communities; for example, the Town of Barrington would suffer a loss of \$3.92 per capita should such a change be implemented, with their tax-based GIA dropping from \$20.71 per capita to \$16.79.

Clearly this outcome could not be supported by the committee. Even when evaluating a phased approach, the impact across the board resulted in the majority of communities losing significant and needed state support. Additionally, a strong argument was made that a portion of overall state funding for distressed communities from the Distressed Communities Relief Fund (a separate, non-library pool of funds) should be channeled into library services to meet the overall goal of raising that community’s ability to stabilize their own internal finances.

Equalized by Population

In an effort to distribute funds more evenly across a greater number of communities, the committee next created a model that removed the distressed community factor from the formula. Under this scenario, the tax-based allocation is once again divided with 80% being distributed based on the current formula. Unlike the previous method, the remaining 20% was divided by the total population of all 39 communities with the resulting quotient distributed per capita back to all communities. This model was referred to as a “hybrid” formula, maintaining the current formula as the primary basis for funding while providing an equalizing factor funded by a portion of the aid.

The result, when compared to the previous models and a model reflecting the same period without any change, was far more encouraging. The number of communities benefiting from the change was greater, and the model also achieved the goal of channeling more GIA to the urban core.

Additionally, when the model was applied to the 2018 projected level funding, the change reflected an even more palatable outcome for those ‘affluent’ communities who would stand to lose GIA under the reallocation. Rather than being funded with fewer dollars than the previous year, the majority of these communities would still see an increase in funding, albeit a smaller increase than would have been realized if the current formula had remained unchanged.

While the formula did achieve the desired goals of the committee, the overall change was fairly minimal in terms of gains and losses. The committee agreed that although the additional funding to libraries in the urban core would be welcomed, the increase was simply not significant enough to have any tangible impact on the communities they serve. In short, the disruption of the change to all communities far outweighed any benefits that could be reasonably expected under such a change.

Impact of Full GIA Funding

It has long been the stance of the LBRI that changes to the formula should not be considered until GIA was funded at the full 25% specified by the statute. To that end, the committee developed one last model, applying the 80/20 population based redistribution to tax-based GIA with all GIA funded at the full 25%.

The added funding to the base of the formula made a substantial difference to the outcome of the distribution. The committee concluded that if the General Assembly were to fully fund GIA for the 2018 budget, and the 80/20 population based redistribution be implemented, libraries in the urban core would realize notable and impactful additional state support. Moreover, those benefits would come without placing an undue burden on communities better positioned to locally support their libraries.

Under this formula, the state’s largest municipality, Providence, would gain nearly \$217,000 while the state’s smallest community, New Shoreham, would lose \$21,000; however, per capita state library aid in New Shoreham would still be the state’s highest, at \$63.48 per capita versus Providence’s \$8.43 per capita. Under this formula, average state aid per capita would be \$10.83. Only five communities would lose funding and all less than \$21,000; the remaining 34 communities would gain funding. (Appendix VI, Table D)

Funding Committees Response to the Charge of the LBRI

By unanimous vote, it was the conclusion of the committee to recommend to the LBRI the following:

1. Should the LBRI endorse a change in the statute or to recommend that the statute not be changed?

No, not until the full 25% funding is restored. Based on the evaluation of multiple scenarios, it was the committee’s determination that a change in the formula under

current GIA funding would be detrimental to the majority of local libraries without making a significant impact on those libraries in the urban core.

2. Regardless of the recommendation requested in Goal 1, bring the LBRI a minimum of one recommendation of altering the existing formula to align the funding in keeping with the overall mission of OLIS in providing superior library services to all Rhode Islanders.

The recommendation is that at 25% funding, that 80% of the tax-based allocation is distributed per the existing formula, and the remaining 20% of the tax-based allocation be divided by the total state population and then that quotient be distributed per capita to each community. Endowment-based GIA would be distributed in accordance with the current formula in RIGL 29-6-2.

Additional Recommendations

Over the course of our work, the committee also wishes to make the following recommendations and/or suggestions in regards to the the funding formula:

- 1) The data formulated by the committee should be openly shared with the community via the OLIS website or other means. While the group was not able to create a supportable scenario unless GIA is fully funded, they welcome additional input from the greater community and feel that the data can be beneficial to populations ranging from advocacy groups to lawmakers in their continued evaluation of state funding to our local libraries.
- 2) The committee identified certain inconsistencies in how budget information was being reported to OLIS versus how local library funding was being attributed in those same community's public budget documentation. As the reported data is used by OLIS for the purposes of GIA distribution, it is important that this information is consistent from community to community. While there was no evidence to support any purposeful intent to manipulate data, it was the strong recommendation of the committee that OLIS staff expend the effort necessary to educate libraries as to the correct accounting practices to employ in order to ensure consistency of financial reporting to OLIS across all municipalities.
- 3) Given the meaningful impact full GIA funding would have on the overall library community, it is recommended that the LBRI provide the committee's findings to the Rhode Island Library Association as well as other advocacy groups to present to the General Assembly in an effort of achieving full funding in the 2018 fiscal budget.
- 4) A recommendation be made that a portion of the funds allocated by the State for 'distressed communities' be granted to those communities to support the library or libraries in these communities.

Appendices

I. Meetings of the Committee

The committee held meetings on the following dates at the Cranston Public Library, Central Library:

- July 28, 2016
- August 10, 2016
- August 30, 2016
- September 28, 2016
- November 7, 2016
- November 14, 2016 (via phone)
- November 29, 2016

II. Members of the Committee

- John Bucci: Member, Library Board of Rhode Island
- Annette Feldman: Director, Louttit Public Library, West Greenwich; Member, Library Board of Rhode Island
- Edward Garcia: Director, Cranston Public Library; Member, Library Board of Rhode Island
- Jack Martin: Director, Providence Public Library
- Karen Mellor: Chief of Library Services, State of Rhode Island
- Lauren Plews: State Data Coordinator, RI Office of Library and Information Services
- Thomas Viall: Chair, Library Board of Rhode Island
- Wilder Arboleda, Community Development Manager of Central Falls, represented Central Falls Chief of Staff Joshua Giraldo at the first two meetings but was unable to attend additional meetings.

III. Metric Brainstorming Exercise

The following Metrics were listed at the committee's July 28th Meeting as part of a brainstorming exercise to identify those factors which might be considered when granting aid for libraries.

- Population size
- Per capita income / Median Household income
- Employment status
- E-Rate – School lunches
- Property Values
- Municipal debt and or bond rating
- School population K-12
- Childhood/Senior Poverty Rate – We rank 47th mostly in 4 cities
- Renters vs. Homeowners
- Literacy rate
- Senior population
- Tax rate
- OSL net borrowing / net lending statistics
- Amount expended from library endowment
- Library Appropriation from the city/town
- Other operating revenues (donations, fund raising etc.)
- Library funding as a percent of total budget
- Broadband access
- Overall amount of State Aid to municipality (other than Libraries)

IV. RI General Laws Relating to State Library Aid

The following laws are extracted from Chapter 29-6, State Aid to Libraries, of the Rhode Island General Laws, available on the website of the RI General Assembly.

§ 29-6-2 Public library services.

(a) For each city or town, the state's share to support local public library services shall be equal to at least twenty-five percent (25%) of both the amount appropriated and expended in the second preceding fiscal year by the city or town from local tax revenues and funds from the public library's private endowment that supplement the municipal appropriation; provided, however, the state in any year shall not be obligated to match any amount from the endowment that exceeds six percent (6%) of the three-year (3) average market value, calculated at the end of the calendar year, of the investments in the endowment. The amount of the grant payable to each municipality in any year in accordance with this section shall be reduced proportionately in the event that the total of those grants in any year exceeds the amount appropriated that year for the purposes of this section. Provided further, however, that the reference year for the state's share of support to be paid in the year ending June 30, 2008 shall be the third preceding year.

(b) Those public libraries that do not qualify for aid pursuant to the provisions of subsection (a) of this section may apply for resource sharing grants, to be used exclusively for the purpose of payment of the ocean state libraries (OSL) annual assessment charges. Eligible public libraries shall apply directly to the office of library and information services for these resource sharing grants, and the grants shall be awarded to the libraries individually, rather than to the city or town. Eligible libraries must be or become members of the OSL upon receipt of the grant, serve municipalities that meet minimum standards for Rhode Island public libraries, and meet standards for member libraries of the library of Rhode Island (LORI) network.

(c) Provided, that notwithstanding any other provisions of this chapter to the contrary, the state's share to support local public library services shall also include funding to the Pontiac Free Library in the city of Warwick for said library's participation in the ocean state libraries (OSL). Such funding shall be provided regardless of whether the city of Warwick appropriates funds from local tax revenues to said library. The amount of said state support shall be equal to the average of the amount appropriated by the city of Warwick to each library in said municipality for participation in the OSL program, in accordance with the provisions of and formulas set forth in subsection (a). Provided, further, that in the event the city of Warwick appropriates funds from local tax revenues for the Pontiac Free Library, then the amount of the state's share to said library shall be calculated in accordance with the provisions of subsection (a) for any year in which such calculation is applicable.

History of Section.

(P.L. 1989, ch. 196, § 3; P.L. 2002, ch. 65, art. 7, § 3; P.L. 2003, ch. 376, art. 20, § 1; P.L. 2004, ch. 458, § 1; P.L. 2004, ch. 520, § 1; P.L. 2004, ch. 563, § 1; P.L. 2007, ch. 73, art. 25, § 2; P.L. 2010, ch. 191, § 2; P.L. 2010, ch. 211, § 2.)

§ 29-6-3 Eligibility requirements – Municipalities.

(a) To qualify for state aid under § 29-6-2, a city or town shall:

(1) Appropriate from local tax revenues an amount not less than the amount appropriated the previous year from local tax revenues and expended for library operating expenses, except in the fiscal years ending June 30, 2009 and June 30, 2010, during which the amount appropriated from local tax revenues is not less than eighty percent (80%) of the amount appropriated from the previous year from local tax revenues and expended for library operating systems. The appropriation would exclude any state funds received for public library services. Any funds received from the state shall not be used to supplant funds from local tax revenues;

(2) In the case of a city or town having more than one free public library therein, submit or cause to be submitted to the office of library and information services a plan for the allotment or division of the proposed state aid among the free public libraries in the city or town. The plan shall be developed by agreement among the free public libraries of the city or town;

(3) Submit or cause to be submitted to the office of library and information services evidence that free public libraries in the city or town meet standards of service as set forth in regulations to be made by the chief of library services pursuant to the provisions of chapter 3.1 of this title or that the regulations are inappropriate for that library;

(4) Submit or cause to be submitted a plan describing how the public library or libraries plan to address one or more of the priorities established by the office of library and information services.

(b) The chief of library services upon application and for cause shown may authorize an annual grant-in-aid under § 29-6-2, or a portion thereof, to a city or town not fully meeting the requirements set forth in subsections (a)(1)-(a)(3).

(c) Decisions as to the eligibility of cities and towns for grants-in-aid under this chapter, and the amounts of the grants-in-aid, shall be made by the chief of library services.

(d) The chief of library services shall require a preservation plan from any public library which receives an appropriation from the state of Rhode Island which states the preservation needs and objectives of the library for the coming fiscal year. The plan shall include, but not be limited to: condition of materials, assessment of building and environmental controls, and preservation measures to be taken.

(e) The chief of library services shall require a disaster preparedness plan from any public library which receives an appropriation from the state of Rhode Island which states the plan of action to be taken in the event of a natural or human made disaster. The plan shall be in accordance with a suggested plan published by the office. The plan shall be submitted no later than January 1, 1993 and shall be updated yearly.

History of Section.

(P.L. 1989, ch. 196, § 3; P.L. 1991, ch. 6, art. 19, § 1; P.L. 1992, ch. 239, § 1; P.L. 2008, ch. 100, art. 15, § 3; P.L. 2009, ch. 68, art. 6, § 1; P.L. 2010, ch. 191, § 2; P.L. 2010, ch. 211, § 2; P.L. 2016, ch. 511, art. 2, § 26.)

V: Rhode Island Public Libraries

Municipal Libraries

Barrington	Middletown
Bristol	Narragansett
Burrillville*	New Shoreham
Coventry	North Kingstown*
Cranston	North Providence
Cumberland	Pawtucket
East Providence	South Kingstown
Exeter	Tiverton
Jamestown	Warwick*
Johnston	West Warwick
Lincoln	Woonsocket

* Denotes municipality with both municipal and non-municipal libraries

Non-Municipal Libraries

Ashaway Free (Hopkinton)	Hope (Scituate)
Brownell (Little Compton)	Langworthy (Hopkinton)
Central Falls	Louitit (West Greenwich)
Clark Memorial (Richmond)	Newport
Cross' Mills (Charlestown)	No. Scituate (Scituate)
Davisville Free (No. Kingstown*)	North Smithfield
East Greenwich Free	Pascoag (Burrillville*)
East Smithfield (Smithfield)	Pontiac Free (Warwick*)
Foster	Portsmouth
George Hail Free (Warren)	Providence Community Library
Glocester Manton Free	Providence Public Library
Greenville (Smithfield)	Westerly
Harmony (Glocester)	Willett Free (No. Kingstown*)

* Denotes municipality that includes both municipal and non-municipal libraries

Statistics

Total Number of Municipal Libraries: 22

Total Number of Non-Municipal (Private) Libraries: 26

Total Number of Municipalities with only Municipal Libraries: 19

Total Number of Municipalities with only Non-Municipal Libraries: 17

Total Number of Municipalities with Both: 3

Total Number of Library Systems: 48

Total Number of Municipalities: 39

Municipalities with two independent libraries: 7 (Burrillville, Glocester, Hopkinton, Providence, Scituate, Smithfield, Warwick)

Municipality with 3 independent libraries: 1 (North Kingstown)

VI. Selected Data and Models

The Committee reviewed a substantial amount of data, including demographics, municipal spending, library revenue and expenditures, and state aid, both library aid and total state aid. All data is available on the OLIS website in the State Library Aid Funding Formula Report section of the OLIS website, located at www.olis.ri.gov/aboutus/lbri/funding/

Key data referenced in the report is presented here and includes:

- 1) Total State Aid and State Library Aid (2015)
- 2) Per Capita State Aid and Library Expenditures (2015)
- 3) Model: 20% Library Aid to Distressed Communities (2015) (rejected)
- 4) Model: Full Grant-in-Aid Funding, 20% Distribution Per Capita (2018)

Please note the following:

- 1) 2015 was used as the reference year for most calculations and models due to the availability of state data for other indicators. At the time of the committee's deliberations, 2015 was the most current data available.
- 2) Data was compiled from the following sources:
 - a. State Municipal Aid: RI Division of Municipal Finance
<http://www.municipalfinance.ri.gov/documents/state-aid/archive/FY15-Final-Revised-FY16-Enacted-State-Aid.pdf>
 - b. Library Data: RI Office of Library and Information Services, Public Library Annual Survey, Multiple Years
www.olis.ri.gov/pubs/compstats/

Table A. Total State Aid and State Library Aid (2015)

City	2010 Census Pop	Distressed Community Aid	Tax-based Library FY 2015	Endowment Library Aid FY2015	Total FY 2015 Library Aid	FY 2015 Total Appropriated State Aid	% Library, Total Approp. State Aid
BARRINGTON	16,310		\$337,844	\$3,644	\$341,488	\$671,962	50.82%
BRISTOL	22,954		\$139,595	\$0	\$139,595	\$1,190,559	11.73%
BURRILLVILLE	15,955		\$141,022	\$0	\$141,022	\$560,621	25.15%
CENTRAL FALLS	19,376	\$197,930	\$17,569	\$0	\$17,569	\$417,176	4.21%
CHARLESTOWN	7,827		\$46,802	\$964	\$47,766	\$125,222	38.15%
COVENTRY	35,014		\$222,474	\$0	\$222,474	\$608,167	36.58%
CRANSTON	80,387	\$1,160,322	\$525,290	\$13,789	\$539,079	\$9,027,770	5.97%
CUMBERLAND	33,506		\$271,320	\$1,792	\$273,112	\$654,328	41.74%
EAST GREENWICH	13,146		\$106,879	\$14,206	\$121,085	\$665,744	18.19%
EAST PROVIDENCE	47,037		\$363,025	\$0	\$363,025	\$1,386,531	26.18%
EXETER	6,425		\$45,664	\$0	\$45,664	\$158,815	28.75%
FOSTER	4,606		\$31,550	\$0	\$31,550	\$120,903	26.10%
GLOCESTER	9,746		\$70,506	\$1,125	\$71,631	\$211,049	33.94%
HOPKINTON	8,188		\$27,001	\$7,684	\$34,685	\$135,278	25.64%
JAMESTOWN	5,405		\$85,801	\$1,896	\$87,697	\$149,111	58.81%
JOHNSTON	28,769		\$122,579	\$2,150	\$124,729	\$637,713	19.56%
LINCOLN	21,105		\$191,018	\$0	\$191,018	\$528,772	36.12%
LITTLE COMPTON	3,492		\$30,298	\$0	\$30,298	\$71,047	42.65%
MIDDLETOWN	16,150		\$137,973	\$0	\$137,973	\$299,670	46.04%
NARRAGANSETT	15,868		\$122,983	\$0	\$122,983	\$294,985	19.60%
NEW SHOREHAM	1,051		\$379,652	\$2,087	\$381,739	\$89,915	87.05%
NEWPORT	24,672		\$78,270	\$0	\$78,270	\$1,947,686	19.60%
NORTH KINGSTOWN	26,486		\$267,286	\$6,154	\$273,440	\$627,082	43.61%
NORTH PROVIDENCE	32,078	\$948,672	\$176,242	\$0	\$176,242	\$2,258,003	7.81%
NORTH SMITHFIELD	11,967		\$63,304	\$0	\$63,304	\$296,486	21.35%
PAWTUCKET	71,148	\$1,387,409	\$324,639	\$4,854	\$329,493	\$3,272,486	10.07%
PORTSMOUTH	17,389		\$100,236	\$3,318	\$103,554	\$290,383	35.66%
PROVIDENCE	178,042	\$5,071,751	\$752,652	\$380,168	\$1,132,820	\$35,871,456	3.16%
RICHMOND	7,708		\$21,337	\$5,194	\$26,531	\$121,026	21.92%
SCITUATE	10,329		\$95,113	\$0	\$95,113	\$268,405	35.44%
SMITHFIELD	21,430		\$267,250	\$2,025	\$269,275	\$1,297,084	20.76%
SOUTH KINGSTOWN	30,639		\$185,419	\$13,926	\$199,345	\$700,848	28.44%
TIVERTON	15,780		\$102,842	\$0	\$102,842	\$284,681	36.13%
WARREN	10,611		\$53,016	\$900	\$53,916	\$186,601	28.89%
WARWICK	82,672		\$667,535	\$24,408	\$691,943	\$3,731,773	18.54%
WEST GREENWICH	6,135		\$92,253	\$163,585	\$255,839	\$115,777	24.32%
WEST WARWICK	29,191	\$783,095	\$28,154	\$0	\$28,154	\$1,311,075	11.87%
WESTERLY	22,787		\$142,205	\$13,439	\$155,644	\$731,746	34.96%
WOONSOCKET	41,186	\$835,279	\$196,505	\$0	\$196,505	\$1,860,222	10.56%
Min							3.16%
Max							87.05%
Median							26.10%
Average							28.10%

Table B. Per Capita State Aid and Library Expenditures (2015)

City	2010 Census Pop	State Library Aid Per Capita	Total State Aid Per Capita	Library Operating Expend. Per Capita	Local Gov. Library Revenue Per Capita	State Gov. Library Revenue Per Capita	Town Lib. Funds Expended Per Capita
BARRINGTON	16,310	\$20.94	\$41.20	\$93.95	\$95.94	\$20.96	\$95.94
BRISTOL	22,954	\$6.08	\$51.87	\$35.51	\$28.36	\$6.08	\$35.51
BURRILLVILLE	15,955	\$8.84	\$35.14	\$58.22	\$43.84	\$8.88	\$51.09
CENTRAL FALLS	19,376	\$0.91	\$21.53	\$11.27	\$5.62	\$2.56	\$5.62
CHARLESTOWN	7,827	\$6.10	\$16.00	\$38.66	\$27.11	\$6.23	\$27.11
COVENTRY	35,014	\$6.35	\$17.37	\$35.91	\$29.51	\$6.35	\$29.51
CRANSTON	80,387	\$6.71	\$112.30	\$38.01	\$30.32	\$6.71	\$30.32
CUMBERLAND	33,506	\$8.15	\$19.53	\$46.02	\$35.99	\$8.21	\$35.99
EAST GREENWICH	13,146	\$9.21	\$50.64	\$52.41	\$37.97	\$9.21	\$37.97
EAST PROVIDENCE	47,037	\$7.72	\$29.48	\$45.69	\$37.98	\$7.72	\$37.98
EXETER	6,425	\$7.11	\$24.72	\$34.60	\$34.28	\$7.11	\$34.28
FOSTER	4,606	\$6.85	\$26.25	\$84.45	\$31.64	\$6.85	\$31.64
GLOCESTER	9,746	\$7.35	\$21.65	\$44.72	\$33.66	\$7.35	\$33.66
HOPKINTON	8,188	\$4.24	\$16.52	\$27.99	\$15.88	\$4.24	\$15.88
JAMESTOWN	5,405	\$16.23	\$27.59	\$100.77	\$59.75	\$15.87	\$87.23
JOHNSTON	28,769	\$4.34	\$22.17	\$21.56	\$17.51	\$4.34	\$17.73
LINCOLN	21,105	\$9.05	\$25.05	\$55.91	\$44.10	\$9.12	\$44.10
LITTLE COMPTON	3,492	\$8.68	\$20.35	\$59.34	\$44.07	\$8.68	\$44.07
MIDDLETOWN	16,150	\$8.54	\$18.56	\$49.34	\$39.88	\$8.54	\$38.64
NARRAGANSETT	15,868	\$7.75	\$18.59	\$44.94	\$43.16	\$7.75	\$40.79
NEW SHOREHAM	1,051	\$74.47	\$85.55	\$429.79	\$351.74	\$74.47	\$355.32
NEWPORT	24,672	\$15.47	\$78.94	\$102.63	\$71.17	\$15.47	\$71.17
NORTH KINGSTOWN	26,486	\$10.32	\$23.68	\$61.63	\$45.95	\$10.56	\$45.95
NORTH PROVIDENCE	32,078	\$5.49	\$70.39	\$32.30	\$26.04	\$5.49	\$26.04
NORTH SMITHFIELD	11,967	\$5.29	\$24.78	\$34.74	\$27.84	\$5.29	\$27.84
PAWTUCKET	71,148	\$4.63	\$46.00	\$26.33	\$23.92	\$4.63	\$22.76
PORTSMOUTH	17,389	\$5.96	\$16.70	\$37.43	\$27.39	\$5.96	\$27.39
PROVIDENCE	178,042	\$6.36	\$201.48	\$51.62	\$21.48	\$8.96	\$19.91
RICHMOND	7,708	\$3.44	\$15.70	\$21.45	\$12.30	\$3.44	\$12.30
SCITUATE	10,329	\$9.21	\$25.99	\$55.01	\$42.99	\$8.98	\$42.79
SMITHFIELD	21,430	\$12.57	\$60.53	\$68.31	\$58.53	\$12.47	\$58.53
SOUTH KINGSTOWN	30,639	\$6.51	\$22.87	\$38.35	\$28.61	\$6.51	\$28.61
TIVERTON	15,780	\$6.52	\$18.04	\$39.32	\$31.11	\$6.52	\$31.11
WARREN	10,611	\$5.08	\$17.59	\$31.15	\$22.65	\$5.08	\$22.65
WARWICK	82,672	\$8.37	\$45.14	\$45.77	\$36.53	\$8.36	\$36.53
WEST GREENWICH	6,135	\$4.59	\$18.87	\$26.07	\$23.82	\$4.59	\$23.82
WEST WARWICK	29,191	\$5.33	\$44.91	\$29.35	\$22.06	\$5.33	\$21.59
WESTERLY	22,787	\$11.23	\$32.11	\$92.62	\$22.02	\$11.23	\$17.99
WOONSOCKET	41,186	\$4.77	\$45.17	\$24.94	\$19.33	\$4.77	\$18.61
Min		\$0.91	\$15.70	\$11.27	\$5.62	\$2.56	\$5.62
Max		\$74.47	\$201.48	\$429.79	\$351.74	\$74.47	\$355.32
Median		\$6.85	\$25.05	\$44.72	\$31.11	\$6.98	\$31.64
Average		\$9.40	\$38.74	\$57.13	\$42.36	\$9.21	\$43.23

Table C. Model – 20% Library Aid to Distressed Communities (2015 basis)

City	2010 Census Pop	80% of TB GIA	Library Aid to Distressed Community	Total TB GIA	Total GIA	Difference
BARRINGTON	16,310	\$270,275		\$270,275	\$273,919	-\$67,569
BRISTOL	22,954	\$111,676		\$111,676	\$111,676	-\$27,919
BURRILLVILLE	15,955	\$112,818		\$112,818	\$112,818	-\$28,204
CENTRAL FALLS	19,376	\$14,055	\$60,360	\$74,415	\$74,415	\$56,846
CHARLESTOWN	7,827	\$37,441		\$37,441	\$38,405	-\$9,371
COVENTRY	35,014	\$177,979		\$177,979	\$177,979	-\$44,495
CRANSTON	80,387	\$420,232	\$250,421	\$670,653	\$684,441	\$145,362
CUMBERLAND	33,506	\$217,056		\$217,056	\$218,848	-\$54,264
EAST GREENWICH	13,146	\$85,503		\$85,503	\$99,709	-\$21,376
EAST PROVIDENCE	47,037	\$290,420		\$290,420	\$290,420	-\$72,605
EXETER	6,425	\$36,531		\$36,531	\$36,531	-\$9,133
FOSTER	4,606	\$25,240		\$25,240	\$25,240	-\$6,310
GLOCESTER	9,746	\$56,405		\$56,405	\$57,530	-\$14,101
HOPKINTON	8,188	\$21,601		\$21,601	\$29,284	-\$5,401
JAMESTOWN	5,405	\$68,640		\$68,640	\$70,537	-\$17,160
JOHNSTON	28,769	\$98,063		\$98,063	\$100,213	-\$24,516
LINCOLN	21,105	\$152,814		\$152,814	\$152,814	-\$38,204
LITTLE COMPTON	3,492	\$24,238		\$24,238	\$24,238	-\$6,060
MIDDLETOWN	16,150	\$110,378		\$110,378	\$110,378	-\$27,595
NARRAGANSETT	15,868	\$98,386		\$98,386	\$98,386	-\$24,597
NEW SHOREHAM	1,051	\$62,616		\$62,616	\$62,616	-\$15,654
NEWPORT	24,672	\$303,721		\$303,721	\$305,808	-\$75,931
NORTH KINGSTOWN	26,486	\$213,829		\$213,829	\$219,983	-\$53,457
NORTH PROVIDENCE	32,078	\$140,994	\$99,929	\$240,923	\$240,923	\$64,681
NORTH SMITHFIELD	11,967	\$50,643		\$50,643	\$50,643	-\$12,661
PAWTUCKET	71,148	\$259,711	\$221,639	\$481,350	\$486,204	\$156,711
PORTSMOUTH	17,389	\$80,189		\$80,189	\$83,506	-\$20,048
PROVIDENCE	178,042	\$602,122	\$554,634	\$1,156,756	\$1,536,924	\$404,104
RICHMOND	7,708	\$17,069		\$17,069	\$22,264	-\$4,267
SCITUATE	10,329	\$76,090		\$76,090	\$76,090	-\$19,023
SMITHFIELD	21,430	\$213,800		\$213,800	\$215,825	-\$53,450
SOUTH KINGSTOWN	30,639	\$148,335		\$148,335	\$162,262	-\$37,083
TIVERTON	15,780	\$82,274		\$82,274	\$82,274	-\$20,568
WARREN	10,611	\$42,413		\$42,413	\$43,313	-\$10,603
WARWICK	82,672	\$534,028		\$534,028	\$558,436	-\$133,507
WEST GREENWICH	6,135	\$22,523		\$22,523	\$22,523	-\$5,631
WEST WARWICK	29,191	\$113,764	\$90,935	\$204,700	\$218,139	\$62,495
WESTERLY	22,787	\$73,803		\$73,803	\$237,388	-\$18,451
WOONSOCKET	41,186	\$157,204	\$128,302	\$285,506	\$285,506	\$89,001
Total		\$5,624,882	\$1,406,220	\$7,031,102		
Min		\$14,055	\$60,360	\$17,069	\$22,264	-\$133,507
Max		\$602,122	\$554,634	\$1,156,756	\$1,536,924	\$404,104
Median		\$98,386	\$128,302	\$98,386	\$110,378	-\$18,451
Average		\$144,228	\$200,889	\$180,285	\$197,395	

*Yellow denotes distressed communities.

Table D. Model – Full Grant-in-Aid Funding, 20% Distribution Per Capita (2018)

City	80%, current formula - TB	20% balance by pop -TB	Total TB GIA 25%	Endow GIA	FY18 Aid 25%, 80/20	Total Change 17->18	Per capita	% Change 17->18
BARRINGTON	\$330,187	\$26,501.28	\$356,688	\$4,269	\$360,957	-\$13,327	\$22.13	-3.6%
BRISTOL	\$164,228	\$37,296.77	\$201,524	\$0	\$201,524	\$15,665	\$8.78	8.4%
BURRILLVILLE	\$149,319	\$25,924.46	\$175,243	\$0	\$175,243	\$9,830	\$10.98	5.9%
CENTRAL FALLS	\$23,765	\$31,483.07	\$55,248	\$0	\$55,248	\$24,725	\$2.85	81.0%
CHARLESTOWN	\$43,705	\$12,717.69	\$56,423	\$1,122	\$57,545	\$6,323	\$7.35	12.3%
COVENTRY	\$209,025	\$56,892.45	\$265,917	\$0	\$265,917	\$21,544	\$7.59	8.8%
CRANSTON	\$499,628	\$130,616.70	\$630,245	\$14,838	\$645,083	\$49,808	\$8.02	8.4%
CUMBERLAND	\$247,646	\$54,442.18	\$302,088	\$3,536	\$305,624	\$17,977	\$9.12	6.2%
EAST GREENWICH	\$101,509	\$21,360.26	\$122,869	\$18,293	\$141,162	\$6,868	\$10.74	5.1%
EAST PROVIDENCE	\$364,799	\$76,428.00	\$441,227	\$0	\$441,227	\$18,780	\$9.38	4.4%
EXETER	\$46,459	\$10,439.65	\$56,899	\$0	\$56,899	\$4,812	\$8.86	9.2%
FOSTER	\$30,168	\$7,484.05	\$37,652	\$0	\$37,652	\$3,191	\$8.17	9.3%
GLOCESTER	\$67,409	\$15,835.77	\$83,245	\$1,250	\$84,495	\$5,732	\$8.67	7.3%
HOPKINTON	\$26,000	\$13,304.26	\$39,304	\$6,255	\$45,559	\$9,262	\$5.56	25.5%
JAMESTOWN	\$109,885	\$8,782.31	\$118,667	\$1,796	\$120,463	\$5,408	\$22.29	4.7%
JOHNSTON	\$107,157	\$46,745.27	\$153,902	\$2,288	\$156,190	\$33,979	\$5.43	27.8%
LINCOLN	\$178,544	\$34,292.43	\$212,836	\$0	\$212,836	\$2,296	\$10.08	1.1%
LITTLE COMPTON	\$30,780	\$5,673.97	\$36,454	\$0	\$36,454	\$57	\$10.44	0.2%
MIDDLETOWN	\$127,792	\$26,241.30	\$154,034	\$0	\$154,034	\$6,436	\$9.54	4.4%
NARRAGANSETT	\$168,221	\$25,783.10	\$194,004	\$0	\$194,004	\$40,924	\$12.23	26.7%
NEW SHOREHAM	\$65,219	\$1,707.72	\$66,927	\$0	\$66,927	-\$21,392	\$63.68	-24.2%
NEWPORT	\$359,105	\$40,088.26	\$399,193	\$2,500	\$401,693	-\$15,846	\$16.28	-3.8%
NORTH KINGSTOWN	\$243,996	\$43,035.74	\$287,032	\$4,501	\$291,533	-\$2,145	\$11.01	-0.7%
NORTH PROVIDENCE	\$177,404	\$52,121.89	\$229,525	\$0	\$229,525	\$37,291	\$7.16	19.4%
NORTH SMITHFIELD	\$68,731	\$19,444.56	\$88,176	\$0	\$88,176	\$9,386	\$7.37	11.9%
PAWTUCKET	\$356,892	\$115,604.73	\$472,497	\$2,798	\$475,295	\$90,827	\$6.68	23.6%
PORTSMOUTH	\$96,000	\$28,254.49	\$124,254	\$4,916	\$129,170	\$12,240	\$7.43	10.5%
PROVIDENCE	\$709,000	\$289,291.29	\$998,291	\$501,892	\$1,500,183	\$216,092	\$8.43	16.8%
RICHMOND	\$18,965	\$12,524.33	\$31,490	\$4,821	\$36,311	\$9,043	\$4.71	33.2%
SCITUATE	\$92,000	\$16,783.06	\$108,783	\$0	\$108,783	\$4,266	\$10.53	4.1%
SMITHFIELD	\$256,616	\$34,820.51	\$291,436	\$2,500	\$293,936	-\$5,059	\$13.72	-1.7%
SOUTH KINGSTOWN	\$178,107	\$49,783.74	\$227,891	\$17,439	\$245,330	\$19,677	\$8.01	8.7%
TIVERTON	\$108,000	\$25,640.11	\$133,640	\$0	\$133,640	\$17,555	\$8.47	15.1%
WARREN	\$49,028	\$17,241.27	\$66,269	\$813	\$67,082	\$9,298	\$6.32	16.1%
WARWICK	\$627,623	\$134,329.48	\$761,953	\$27,337	\$789,290	\$49,445	\$9.55	6.7%
WEST GREENWICH	\$29,228	\$9,968.45	\$39,196	\$0	\$39,196	\$6,884	\$6.39	21.3%
WEST WARWICK	\$132,877	\$47,430.96	\$180,308	\$12,201	\$192,509	\$29,879	\$6.59	18.4%
WESTERLY	\$82,000	\$37,025.42	\$119,025	\$247,269	\$366,294	\$48,149	\$16.07	15.1%
WOONSOCKET	\$164,032	\$66,921.01	\$230,953	\$0	\$230,953	\$49,653	\$5.61	27.4%
Total	\$6,841,048	\$1,710,262	\$8,551,310	\$882,634	\$9,433,944	\$835,533		
Median						\$9,386	\$8.67	
Average						\$21,424	\$10.83	

*Yellow denotes distressed communities, 2018.

VII. Distressed Communities

The following law is extracted from Chapter 45-13, State Aid, of the Rhode Island General Laws, available on the website of the RI General Assembly.

§ 45-13-12 Distressed communities relief fund.

(a) There is established a fund to provide state assistance to those Rhode Island cities and towns that have the highest property tax burdens relative to the wealth of taxpayers.

(b) *Establishment of indices.* Four (4) indices of distress shall be established to determine eligibility for the program. Each community shall be ranked by each distress index and any community that falls into the lowest twenty percent (20%) of at least three (3) of the four (4) indices shall be eligible to receive assistance. The four (4) indices are established as follows:

(1) *Percent of tax levy to full value of property.* This shall be computed by dividing the tax levy of each municipality by the full value of property for each municipality. For the 1990-91 fiscal year, tax levy and full value shall be as of the assessment date December 31, 1986.

(2) *Per capita income.* This shall be the most recent estimate reported by the U.S. Department of Commerce, Bureau of the Census.

(3) *Percent of personal income to full value of property.* This shall be computed by multiplying the per capita income above by the most recent population estimate as reported by the U.S. Department of Commerce, Bureau of the Census, and dividing the result by the full value of property.

(4) *Per capita full value of property.* This shall be the full value of property divided by the most recent estimate of population by the U.S. Department of Commerce, Bureau of the Census.

(c) *Distribution of funds.* Funds shall be distributed to each eligible community on the basis of the community's tax levy relative to the total tax levy of all eligible communities. For the fiscal year 1990-91, the reference year for the tax levy shall be the assessment date of December 31, 1988. For each fiscal year thereafter, except for fiscal year 2007-2008, the reference year and the fiscal year shall bear the same relationship. For the fiscal year 2007-2008, the reference year shall be the same as for the distributions made in fiscal year 2006-2007.

Any newly qualifying community shall be paid fifty percent (50%) of current law requirements the first year it qualifies. The remaining fifty percent (50%) shall be distributed to the other distressed communities proportionately. When any community falls out of the distressed community program, it shall receive a one-time payment of fifty percent (50%) of the prior year requirement exclusive of any reduction for first-year qualification; however, in the event that the total appropriation is increased from the prior year's appropriation, each eligible community shall receive: (1) A distribution based on the community's tax levy relative to the total tax levy of all eligible communities; and (2) A percentage of the amount of said increased appropriation which percentage shall be calculated based on a community's distribution relative to the total increase in the appropriation. The community shall be considered a distressed community in the fall-out year.

(d) Appropriation of funds. The state of Rhode Island shall appropriate funds in the annual appropriations act to support this program. For each of the fiscal years ending June 30, 2011, June 30, 2012, and June 30, 2013, seven hundred eighty-four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each qualifying distressed community.

(e) Payments. Payments shall be made to eligible communities each August.

(f) Mandatory participation for collection of debts. Any community determined to be a distressed community under this chapter shall, within three (3) months of said determination, contract with the tax administrator, in accordance with § 42-142-7, to allow the tax administrator to collect outstanding liabilities owed to the distressed community. The division of municipal finance shall determine which of said liabilities shall be subject to the collection by the tax administrator.

Distressed Communities, 2015

- Central Falls
- Cranston (falling out)
- North Providence
- Pawtucket
- Providence
- West Warwick
- Woonsocket

Distressed Communities, 2017

- Central Falls
- Cranston (coming in)
- East Providence (falling out)
- North Providence
- Pawtucket
- Providence
- West Warwick
- Woonsocket

Distressed Communities, 2018

- Central Falls
- Cranston
- Johnston
- North Providence
- Pawtucket
- Providence
- West Warwick
- Woonsocket