

- SUBJECT:** Establishing public library endowment funds and grant programs
- COMMITTEE:** State, Federal and International Relations — favorable, without amendment
- VOTE:** 8 ayes — Hunter, Berman, Chavez, Elkins, Isett, C. Jones, Madden, Juan Solis
- 0 nays
- 1 absent — P. Moreno
- WITNESSES:** For — Ivonne Jimenez, Texas Library Association and El Paso Public Library; Susan Mann, Texas Library Association.
- Against — None
- On — Robert Martin, Texas State Library and Archives Commission
- DIGEST:** HB 1673 would create the Public Library Endowment Fund and an operating fund titled the Texas Public Library Fund. It also would establish a grant program for Texas public libraries. The Texas State Library and Archives Commission would administer both the funds and the grant program.
- Under the grant program, HB 1673 would direct the commission to administer grants for facilities construction, acquisition of books and library collections, and administrative costs. The commission would adopt rules:
- ! for facility construction matching grants that require local government participation;
 - ! for direct library collections grants based on a formula plus an allocation proportional to the population that the library serves; and
 - ! limiting grant program participation to local public libraries that maintain a level of local funding at least as much as the preceding three-year average of local funding.
- The endowment fund would be held outside the state treasury by a bank or depository trust company. HB 1673 would outline procedures for operating the endowment fund, including directing the commission to:
- ! appoint an investment manager with specific qualifications;

- ! establish parameters for prudent fund investments;
- ! set rules for acquiring donations of money, securities and other property;
- ! ensure the beneficiaries of the fund are public library patrons; and
- ! return any unused interest income to the endowment.

The Texas Public Library Fund would:

- ! serve as a deposit account for interest and income from the endowment fund;
- ! receive donations, appropriations and proceeds of sales of certain items;
- ! fund the grants program;
- ! be held in the state treasury, outside the general revenue fund; and
- ! be exempt from certain dedicated revenue (§403.095 Government Code) and disposition of interest investments (§404.071 Government Code) laws.

HB 1673 would take effect September 1, 1999.

**SUPPORTERS
SAY:**

HB 1673 is the enabling legislation to establish a permanent fund and grants program that would provide direct aid to public libraries. It is the first step toward providing adequate support for Texas public libraries.

Texas public libraries are facing a funding crisis. Texas ranks 48th in the United States in per capita support for public libraries. It is one of only 13 states that does not provide direct funding for public libraries. Texas government provides only 26 cents per capita in indirect aid to local public libraries through programs and services of the Texas State Library and Archives Commission. Such chronic underfunding leaves public libraries unable to meet needs of the citizens they serve in terms of adequate library books, staff, and facilities.

Texas public libraries are a cornerstone of the educational and informational infrastructure in Texas. They may be the sole source of informational resources in some rural communities. Public libraries serve the lifelong learning needs of Texas students, complementing the resources available in elementary, secondary, and college libraries. Studies prove that children exposed to reading at an early age are more likely to excel in school.

Public libraries also provide adult learners with access to books and information to help them increase their business and job skills, continue their educations, or just stay informed.

HB 1673 would provide funding to libraries throughout Texas, not just urban areas. The commission has the power to adopt rules for grant implementation and traditionally has been very flexible about such rules. There is nothing in the law that would prevent flexibility in matching requirements tailored to the needs of smaller or less wealthy communities.

OPPONENTS
SAY:

The grants provided under HB 1673 would require some minimum qualifications that might prevent libraries in poor or rural areas from participating. For example, a public library in a small community may not be able to provide matching dollars for construction projects.

NOTES:

On April 13, during third reading consideration of HB 585 by West, allowing library districts to accept gifts, grants, and donations, the House adopted an amendment by Rep. Pitts adding the text of HB 1673, then passed the bill. HB 585 has been referred to the Senate Education Committee.

The companion bill, SB 691 by Lucio, passed the Senate on the Local and Uncontested Calendar on April 15 and was reported favorably, without amendment, by the House State, Federal, and International Relations Committee on April 23, making it eligible to be considered in lieu of HB 1673.