A Critical Analysis of State-Aid Formulas

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Contrary to instructions to writers for Library Trends, this article is not a review of recorded thought on the topic at hand (though it is to be hoped that it is "a thoughtful and authoritative paper"). The reason for not following the instructions is that there is very little recorded thought of an analytical or critical nature about this topic. To be sure, two evaluations of state plans exist,¹ and both deal in varying detail with such matters as the number of books, staff and other such measures. However, there has been little interchange of ideas on how to establish a formula for state aid or, more importantly, whether a state-aid formula should or can affect the basic conditions of public library service by, for example, altering the purposes of libraries or their organizational form. Neither has there been substantial discussion of the problems which state-aid formulas may cause or aggravate.

Analysis of a problem-oriented nature is needed if we assume that state aid is a growing phenomenon, which, of course, it may not be. Constructive criticism will be accomplished most fruitfully through objective study and research involving both librarians with a research orientation and specialists in public administration, political science, sociology and perhaps other disciplines.

A state-aid formula is usually, of course, one of the principal end results of a study of the conditions of library service. The results of the formula would probably be better if they were the result of a long-range, open-ended process of planning and thus perhaps open, by definition, to change. However, the fact is that most formulas are established following a relatively short period of study, and for a variety of reasons they become difficult to change. What should be a process then becomes an event, most often under the control of persons or groups of persons who do not carry responsibility for implementing the plan. The

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planners are under pressure to present a plan of action which will have some built-in short-term acceptability. They are usually heavily dependent on a few persons for finding out what may be acceptable. This problem is, of course, quite general and grows out of a reluctance in public life to making investments in planning processes.

Operating within this context, the planner or study director is constrained not to suggest experimental methods of operation, but rather to develop a program geared at least as much to present acceptability as to long-range flexibility. A general tendency, then, is to orient the end result of the plan (for example, the formula for state aid) to existing institutions and established service patterns. Given the broad spectrum of economic and social conditions in even the wealthiest of states, planning done on this basis is very apt to be institution-oriented; that is, it tends to reward the successful over the unsuccessful as judged by the presence of “acceptable” institutions.*

The development of a plan is part of a series of events running from the recognition of the need for a plan to the implementation of the result. With few exceptions, we view these events as properly being controlled by librarians or by persons who accept the premises of librarians. We assume, then, that librarians and their allies have the expertise necessary for the task. Specifically we assume that these people have a broad understanding of the processes of urbanization, that they are expert in planning, that they have become deeply involved in the main currents of public affairs, and that they have developed sensitivity with respect to political strategy, to say nothing of the requirements of program development, systems analysis and collection and analysis of statistics. Given the obvious restrictions which these assumptions suggest, it is hardly surprising that the methods of distributing funds in the various states tend to have many points in common. Neither is it surprising that certain ideas, such as the concept of levels of service, having become embedded in the education of librarians, are reinforced by the strength of precedent which the state-plan approach tends to impart. Almost any plan accepted and implemented in one state tends to become a justification for copying it (or parts of it) in other states.

* One might think, for example, to take an opposite extreme, of paying state aid for public library service directly to individuals and giving them absolute freedom to spend the dollars or credits in whichever institutions satisfy their needs. To belabor the point, even moving slightly in this direction is discouraged by the state-plan approach.

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First it may be useful to list some of the purposes which state-aid formulas are established to fulfill, second to identify some of the assumptions which are necessary for the establishment of the concept of state participation in the funding of libraries and therefore the development of formulas, and third to identify some of the problems to which both may lead. It may then be possible to suggest some principles for the development of formulas, although in a most tentative form. The following are some of the purposes for state aid to public libraries which have been articulated:

1. To stimulate local support for public library services. In this case, the state may attempt to use both the carrot and the stick (or "lever") to encourage certain levels of local support and/or organizational change (e.g., development of systems).

2. To equalize opportunity for residents of relatively poor areas. Equalization of educational opportunity has been a traditional role for state governments and public library services are regarded for this purpose as part of the educational network.

3. To relieve the local real estate tax load. Typically, states have produced income through taxes on sales, manufacturing processes, intangible property and income. In many cases the taxes on intangible property and income yield sums of money more closely tied to economic growth than is the case with real property taxes (the most common source of income for public libraries) and they represent sources not available, in many cases, to local governments.

4. To bring certain benefits to local libraries which they have not had available through other channels. Theoretically, there are advantages of scale which may be realized through the development of systems of libraries which most local libraries have not in fact made available to themselves.

One way to equalize service, of course, is to proceed to build many large libraries, furnish them with large collections of materials, and staff them appropriately. Since the population and economic base are not distributed evenly, however, that course is closed. A more pragmatic approach is to attempt to work out some mechanism by which human and material resources may be made available by differentiating among levels of service and by then providing for outlets throughout the state which are linked together. At least logically, then, the resulting service would have low unit costs as compared to the first method.

5. To permit established libraries to continue to exist (and develop)
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in the established patterns, despite erosion of the economic bases upon which they have traditionally depended as a consequence of relatively recent trends in urbanization. This purpose has seldom been articulated in state plans, but it has so commonly been the actual result of state-aid formulas that one must conclude that it was a real purpose all along. At any rate, this purpose has recently been articulated by local government officials and probably will be pressed by them as the older cities and towns continue to decline. Perhaps the prize example, though only because the circumstances are so clear, is the Newark, New Jersey, Public Library.

6. To recognize the responsibility of the state government toward providing for the information needs of persons not having connections with institutions. The thought in this case is that information has economic importance of various kinds and that society has a general responsibility to provide a flow of information to all if the society is to remain open.

Other purposes for state participation in the financing of public libraries have been advanced, such as the notion that state governments ought to fund these local services since they pay for or assist with some others, but those listed above appear most often.

Assumptions

As one examines the various state-aid plans and formulas, so many assumptions appear that it becomes difficult to identify them and to sort them out. Some are:

1. That need for public library service exists and is of such vital concern that it will command a degree of financial support from the state in scale with the problem as librarians define it. (The assumption here is that not only does the need exist but also that public library service can be presented so as to command the attention of legislators and executives who must also deal with economic development, transportation, formal education (at all levels), public health, environmental degradation, and other matters of great magnitude and urgency.);

2. That a plan can be devised which will attract the political support (or, at least, fail to attract political antagonism) of persons struggling with the problems of operating institutions (local library trustees and chief librarians, for example) while also providing for the development of a state purpose—for example, real equalization of
educational opportunity—which is necessary to the continued participation of the state;

3. That the needed services which are the basis of the plan will, in fact, be delivered to the persons who need them as a consequence of the payment of state aid. (We assume, then, that where state aid is paid for regional services, for example, to existing libraries—and/or organizations governed or operated by representatives of those libraries—the funds will in fact be used for regional purposes.);

4. That appropriate mechanisms can and will be developed so that the need for and nature of change in the plan/formula will be perceived;

5. That the organizations receiving and disbursing state aid will respond to changing conditions arising from economic and population shifts at all levels;

6. That a single (often rather simple) formula can be used to encompass continuing changed conditions or that the formula can be changed, once established; and

7. That the state agency charged with administration of the plan/formula is or can become a regulatory agency.

This list is by no means complete. Certain assumptions have been intentionally deleted, e.g., that what librarians label “systems” do, in fact, result in the advantages of scale. It will also be clear that certain of these assumptions depend upon others, e.g., the education of librarians is adequate for the complex tasks which they have assumed. It would be an interesting and quite possibly useful task to extend this list. Aside from the educational values inherent in such an exercise, it could provide the basis for outlining a major research effort.

Problems

In this post-industrial society, certain actions are becoming imperative. For example, if we do not solve the problems of pollution of the environment, we shall be penalized. Either solving the problems or incurring the penalties will result in costs—though quite different costs. In either event, some portion of our total resource will be absorbed. Thus, since it is generally assumed that the total resource will not grow rapidly enough to pay all the bills we can think of incurring, certain priorities are bound to be adjusted and certain of our actions will be curtailed. As these imperatives reach crisis proportions, furthermore, it is likely that some of them (environment, for example) will
tend to obscure others as popular issues. Thus, present action programs which are not clearly seen as imperatives may well tend to be downgraded.

With reference to state aid to public libraries, this inexorable trend may have two principal consequences. First, the whole concept may suffer; that is, the very slow trend toward state aid to libraries may become even slower or it may die out, never having been very strong. Second, if it develops that education as a general priority loses impetus, then the agencies which put themselves into that category will be forced to divide the total educational allotment differently if any part of the educational network is to prosper. In short, these agencies will be forced into internecine warfare. The attempt on the part of certain prominent school librarians to take over all service to children (and, of course, to claim part of the resource now allotted to public libraries for that purpose) may well be an early example.

The reason for this very brief review of a very important and complex issue is to suggest that the 1970s may be a period of even greater stress for libraries than were the 1960s. If that is true, then it is well to attempt to identify problems and ameliorate them in existing plans (or to avoid them in future plans) because they may be compared to imperfections in a casting. Such imperfections lead to fractures more readily as the stresses on the object increase.

The first problem to appear in examining the purposes for state aid set forth above is that some of them are antithetical. The first purpose (they are not presented in any order of importance, incidentally) is that of stimulating local support. It is obvious that this is the antithesis of the third purpose: that of relieving the local real estate tax load. One can rationalize his way out of this dilemma, of course. One common line of rationalization is to incorporate a "floor" of local support into the formula; another is to give increased state aid to jurisdictions for increments above the floor. The first is probably the more reasonable course, since it makes a certain sense, depending on one's point of view, to demand that any state-aided service reach some minimal support level. However, it may lead to leaving relatively large land areas unaided, thus tending to create cracks in the political supports. The second course leaves a "them as has gets" feeling with areas in economic difficulty; it suggests that rich people deserve more than poor people. Inclusion of equalization factors and extra rewards for serving large land areas (rather than large populations) seems the more realistic course.
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The second purpose (to equalize opportunity) appears to be antithetical to the fifth (to permit established libraries to continue more or less unchanged). Supporting city libraries is a relatively expensive process and may absorb a large percentage of the total expenditure if taken seriously. State payments have not yet reached levels necessary to furnish a large percentage of total support for these libraries, but pressures in that direction may build up. In fact, the issue may be taken out of the hands of librarians. At present, state aid plus the hope for more aid probably is tending to delay experimentation with equalization for the poor residents of cities. The libraries, in short, are following their constituency into the urban field (through designation as "resource" or "research" libraries) rather than concentrating on the closer but unfamiliar problems of dealing with growing numbers of "disadvantaged" persons, deteriorating housing, and so on.

Certain problems are inherent in the stated purposes themselves. For example, the sixth purpose is a most difficult one to demonstrate. It is known that individuals put information to work. Some classic examples are such men as Andrew Carnegie, Thomas Edison and Edward Land. Sophisticated technical information is becoming more and more expensive to produce, store and disseminate. Consequently, the scholar in an academic institution or the bench scientist in a large corporation is probably working at an increasing advantage as compared to the individual entrepreneur who needs up-to-date information. The argument hangs together, but the client group is unorganized so that we do not know the scope or real nature of the problem. Given the idea, what avenues do we then follow so as to know that we are effective? Without some measure of effectiveness, it is difficult to sustain the purpose.

As one examines underlying assumptions, the staggering problem is that so few steps have been taken to convert them to hypotheses so that they can be tested and few preparations have been made to do so in the future. "Library statistics," despite the attention given to them, are notoriously unreliable and incomplete and thus are generally unamenable to analysis. The research capacity of librarianship is quite limited and there is a general distrust of "outsiders." Librarians thus deprive themselves of the potential benefits of the analytical techniques and insights of, for example, the social sciences and mathematics.

With respect to need for public library service (the first assumption), the fact that people do in fact use libraries may be sufficient, at least for some time to come. Whether the evidence will stand in a period
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of increased stress is open to question. The fact that perhaps eight or ten states (after almost fifteen years of federal assistance) have appropriated more than token amounts of money for support of public library service suggests several problems. It may be that the case can be made, but that it rarely has been for reasons of lack of political skill, disagreement among the supporters of various plans, or other factors which conceivably could be overcome. Considering the number of studies which have not resulted in action, however, one is not encouraged to think that translation of need into demand is just around the corner.

The second assumption is related to the first. If one accepts the first, then it follows that building political support is essential. That support can be organized from any number of client groups, but one of the most important will always be the persons directly concerned with operating existing libraries; otherwise, destructive forces will be generated. Obviously, operators of institutions have a vested interest; they have expectations for their own institutions which they feel will be realized, at least in part, as a consequence of the receipt of state aid. In short, the established bureaucracy must become a part of the solution to "improved" or "extended" service. At the same time, certain state purposes must be encompassed if state aid is to be justified over a long period of time.

These two interests are in conflict. Operations of institutions have gathered power and it is probably a good generalization that sharing power is difficult for any person whose ego has driven him to accumulate it. An example would be one who has become head of a large city library. Beyond that, the state's purposes represent an intrusion on the established library which, after all, came into being with little or no help from the state. Of course, there is always the open question as to whether or not established bureaucracies can be counted on either to serve clients needing service or to adjust to social change.

It is perhaps needless to go on examining the problems flowing from these assumptions one by one. If they do not begin to appear of themselves at this stage, spelling them out will be pointless. Suggesting a few general problems which may result from the initiation of a state-aid formula may be more helpful.

State library agencies have traditionally operated in advisory capacities. Theoretically, they should become regulatory agencies when they assume responsibility for paying state aid. This shift of function is made difficult by both the tradition of the agency itself and by the view
of the agency which the recipients of aid hold. Perhaps we see here the basic reason for the general lack of feedback systems for the estimation of the result of the aid and for the perception of the effects of social change over time.

Administration of a state-aid formula is a difficult and time-consuming set of tasks. That fact, together with the novelty of the plan, may well reinforce the view of planning as an event rather than a process, noted earlier. In short, there is a natural tendency for the agency to be blind to the faults of the plan and to opportunities for action not related to the plan and administration of the formula.

Principles

One should approach the task of suggesting tentative principles (or guides) very cautiously. Perhaps the greatest fault of the "expert" is that he presents bad ideas in a convincing rhetoric. This subject, then, should be regarded as, at best, a basis for discussion.

One guide to the development of a state-aid formula is that, so nearly as possible, all of its results should be anticipated. If the results do not suit the purposes of the plan, either the formula should be modified or the results accepted. Where state aid is paid to any local library which achieves a certain level of local support, it is common for there to be a rise in the number of small libraries. Yet the library profession decries the proliferation of small units; either it should accept the result or change the formula. The point is that the result should not be a surprise. Of course, ability to anticipate results is, to a large degree, dependent upon ability and willingness to invest in research and development.

Another guide is that the plan/formula should be suited to the population distribution and to the distribution of the economic structure of the area(s) in which it is to be applied. Because of the great variation in both, it is reasonable that there should be more than one formula, or that a basic formula could be modified by the injection of one or more factors depending on the area to which it is to be applied.

Feedback systems should be devised and implemented either with the inception of the formula or very soon thereafter. In any event, the authorization to develop and apply such mechanisms should be in the enabling legislation, and the intent to use that authorization should be clear. It is possible that a portion of the funds appropriated for
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state aid should be earmarked for this purpose, under the general heading of research and development.

Last, it should be a stated obligation (and the formula again might include authorization for the use of funds) for the agency administering the plan to conduct experiments and demonstrations in areas of the state which do not take advantage of the state-aid formula.

References


2. Whether our view of “system” is such as to enable libraries to realize the advantages of scale is an open question. For one view, see Blasingame, Ralph, Jr., and De Prospo, Ernest R. “Effectiveness in Cooperation and Consolidation in Public Libraries.” In Melvin J. Voight, ed., Advances in Librarianship. Vol. 1. New York, Academic Press, 1970, pp. 189-206.