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BILL



ANALYSIS

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Senate Bill 278 (as reported without amendment)  
Sponsor: Senator John Proos  
Committee: Commerce

### **CONTENT**

The bill would enact the "Interstate Library Compact" to enter Michigan into the Interstate Library Compact with any bordering state that joined it. The Compact does the following:

- Allows the officials and agencies of the party states or their political subdivisions to enter into agreements for the cooperative or joint conduct of library services.
- Prescribes the matters to be addressed in an agreement for the cooperative or joint establishment, operation, or use of library services, facilities, personnel, or other items.
- States that nothing in the Compact supersedes, alters, or impairs an obligation imposed on a public library by law.
- Requires each party state to designate a Compact administrator.
- Prescribes the procedure for a state's withdrawal from the Compact.

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

The bill would have a small fiscal impact on the Library of Michigan, which would be required to include a Compact administrator. This would increase the Library of Michigan by 1.0 FTE position, with an appropriation increase necessary to fund that position's salary and benefits. The bill also could affect the State aid to library funding if a Compact agreement with another state allowed libraries to include populations across the State border for the population used to calculate the State aid to library payment. If this had an impact on only a few libraries, current State aid payments would be largely unaffected; however, if this allowed libraries at the border to significantly increase their population count, then the per capita payment amount would decrease in proportion to the increase in total State population. If the State wanted to ensure that there were no decreases to the per capita payment, additional appropriations could be needed.

The bill would have an indeterminate, but likely positive impact on local libraries that are located on the Michigan border with other states. How services would be shared across the border would be determined at the local level and could allow some libraries to share services, facilities, equipment, materials, or other items at a lower cost. If agreements allowed libraries to claim populations across the border in their population count, then a library's State aid to library payment would increase; the reverse would apply for populations claimed by libraries across the Michigan border. If a significant number of libraries were able to claim populations across the State border and receive increased payments, then other libraries could see decreases in their State aid payment, absent additional appropriations. Since State aid to library payments account for just under 2.5% of total public library revenue in the State, minor changes would be unlikely to significantly affect a library's total operating revenue.

Date Completed: 6-8-17

Fiscal Analyst: Cory Savino

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Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

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