

# Report for Congress

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## **Federal Aid to Libraries: The Library Services and Technology Act**

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Gail McCallion  
Specialist in Labor Economics  
Domestic Social Policy Division

# Federal Aid to Libraries: The Library Services and Technology Act

## Summary

The Library Services and Technology Act (LSTA), which consolidated and replaced the former Library Services and Construction Act (LSCA) and other federal library assistance legislation, was enacted in 1996. The LSTA is administered by an independent federal agency, the Institute of Museum and Library Services (IMLS). The LSTA's authorization expired at the end of FY2002; however, funding has not been interrupted. H.R. 13 (Hoekstra), introduced on January 7, 2003, and reported favorably by the House Committee on Education and the Workforce on February 13, 2003, would reauthorize Library Services and Technology as subtitle B of the Museum and Library Services Act of 2003. H.R. 13 was passed by the full House on March 6, 2003. S. 238 (Reed), introduced on January 29, 2003, would also reauthorize the Museum and Library Services Act of 2003. This report will be updated in response to legislative developments.

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# Federal Aid to Libraries: The Library Services and Technology Act

## Background<sup>1</sup>

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

- (a) developing and improving electronic or other linkages and networks connecting providers and consumers of library services and resources; and/or
- (b) targeting library services to under served or disadvantaged populations, such as persons with disabilities, those with limited literacy skills, or children from poor families.

The LSTA's authorization expired at the end of FY2002; however, funding has not been interrupted. For FY1997, \$150 million was authorized for the LSTA, while the authorization for each of FY1998-FY2002 was "such sums as may be necessary." Of the total funds appropriated for the LSTA, at least 91.5% must be used for *state grants*, as described above, and 3.75% of LSTA appropriations must be reserved for *national activities*.<sup>2</sup> The latter may include competitively awarded grants or contracts for research, demonstrations, preservation, and conversion of materials to digital form, plus education and training for librarians; these are similar to activities previously funded under Title II, Part B of the Higher Education Act. Congressionally directed grants have also been included in this category, and President Bush's Librarians for the 21<sup>st</sup> Century program (described below) is included under this heading. In addition, 1.75% of appropriations is reserved for services to *Native Americans* (including Indian tribes, Alaskan Natives, and Native Hawaiians), and up to 3% of appropriations may be used for *federal administration* of LSTA programs.

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<sup>1</sup> An earlier, now archived, CRS report by Wayne Riddle provided much of the material included in this report.

<sup>2</sup> The actual percentage varies due to the addition of congressionally directed grants.

Of the total funding reserved for state grants, each state receives a “flat grant” of \$340,000 (\$40,000 in the case of outlying areas<sup>3</sup>); remaining funds are allocated on the basis of total population in each state. The federal share of the total costs of assisted activities is 66% in all cases.<sup>4</sup> If there is no year-to-year decline in federal funding for the LSTA, states must maintain levels of spending for library programs, or their LSTA grants will be reduced in proportion to the reduction in state funding.

Participating states are required to develop 5-year plans that set goals and priorities consistent with the purposes of the LSTA (i.e., to enhance information-sharing networks and target library services to disadvantaged populations). The plans must provide for independent evaluations of federally assisted library services. States may establish an advisory council to assist in the development and implementation of the plan, but they are not required to do so.

A wide variety of types of libraries — public, public school, college or university, research (if they provide public access to their collections), and (at state discretion) private libraries — may receive aid under the LSTA, not just the public and research libraries eligible for aid under the predecessor legislation to the LSTA, the Library Services and Construction Act (LSCA).<sup>5</sup> No more than 4% of each state’s grant may be used for administration; however, there is no limit on the share of funds that can be used at the state level to provide services, as opposed to being allocated to local libraries. The LSTA is intended to provide states with considerable latitude in the use of funds. LSTA funds are allocated within states on a competitive basis by the SLAA.

The LSTA is administered by the **Institute of Museum and Library Services** (IMLS). The IMLS was created through expansion of the previous Institute of Museum Services (IMS). The IMLS contains an Office of Museum Services (OMS) and an Office of Library Services (OLS). The IMLS is under the general aegis of the National Foundation on the Arts and the Humanities, which also includes the National Endowment for the Arts (NEA) and the National Endowment for the

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

<sup>4</sup> This is essentially the same as the allocation formulas for the previous LSCA Titles I-III combined. Under the previous LSCA, the federal share varied from 33% to 66%, depending on each state’s relative personal income per capita.

<sup>5</sup> The provisions of the LSTA were modified by the Museum and Library Services Technical and Conforming Amendments of 1997, P.L. 105-128. The amendments: (a) made “special libraries” (i.e., libraries other than public, school, college, or research libraries — these are frequently part of museums, corporations, or government agencies) eligible for aid under the LSTA; (b) expanded the funds reservation for Native Americans from 1.5% to 1.75%, adding Native Hawaiians to the eligible recipients of these funds; (c) reduced the maximum reservation for national programs from 4% to 3.75%; (d) clarified requirements of the LSTA regarding state maintenance of effort; and (e) authorized cooperative agreements, along with grants or contracts, under national programs.

Humanities (NEH). Nevertheless, the Institute acts as an independent agency.<sup>6</sup> The IMLS directorship alternates between persons with “special competence” in library and information services or in museum services; the current IMLS director is Robert Martin, who includes in his past professional experience service as a Director and Librarian of the Texas Library and Archives Commission. At all times, an Office of Library Services within the IMLS is directed by a Deputy Director with a graduate degree in library science, and expertise in library and information services. The IMLS is advised by the National Commission on Libraries and Information Science, which continues under separate authorization.

## Library Services and Technology Act Funding

**Table 1**, below, shows the FY1997-FY2004 appropriations for the LSTA. The Bush Administration has requested funding of \$207.6 million for the agency for FY2004. The FY2004 proposed budget includes \$20 million for an initiative first funded in FY2003 to train and recruit librarians, provide scholarships, support distance learning in under served rural areas, and enhance the diversity of librarians to better serve communities. Beginning in FY2003, the OMS and the OLS were combined in one appropriation account within the Labor, Health and Human Services, and Education (L-HHS-ED) Appropriations bill. In the past there had been two funding streams, one account for OMS within the Department of the Interior Appropriations, and one for OLS within the L-HHS-ED Appropriations.

## History

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

The **Library Services and Technology Act** consolidated and replaced a number of programs under Title VII, Subtitle B of the L-HHS-ED Appropriations Act of 1997 within P.L. 104-208.

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<sup>6</sup> Several administrative functions, such as accounting, for the IMLS are being carried out by the NEH, through an interagency agreement.

**Table 1. FY1997-FY2002 Appropriations for Library Assistance Programs Under Library Services and Technology Act (LSTA) Programs**

(in \$1,000s)

| <b>Program</b>                                                                        | <b>FY1997</b>  | <b>FY1998</b>  | <b>FY1999</b>  | <b>FY2000</b>  | <b>FY2001</b>  | <b>FY2002</b>  | <b>FY2003<sup>a</sup></b> | <b>FY2004<sup>b</sup></b> |
|---------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|---------------------------|
| State Grants (includes interlibrary cooperation and resource sharing; LSTA Chapter 2) | 112,500        | 133,901        | 135,367        | 138,118        | 148,939        | 149,014        | 150,435                   | 166,419                   |
| Library Services for Indians and Native Hawaiians (LSTA Chapter 3, Section 261)       | 2,577          | 2,561          | 2,908          | 2,616          | 2,940          | 2,941          | 3,055                     | 3,225                     |
| National Leadership Projects (LSTA Chapter 3, Section 262)                            | 7,500          | 5,488          | 9,565          | 10,455         | 11,081         | 11,081         | 11,009                    | 11,650                    |
| Directed Grants <sup>c</sup>                                                          | na             | na             | 15,435         | 11,571         | 39,469         | 29,524         | 35,156                    | 0                         |
| 21 <sup>st</sup> Century Librarians                                                   | na             | na             | na             | na             | na             | na             | 9,935                     | 20,000                    |
| Federal Administration of Library Programs in the IMLS (LSTA Chapter 1) <sup>d</sup>  | na             | 4,390          | 2,900          | 3,491          | 5,040          | 5,042          | 5,663                     | 6,300                     |
| <b>Total, LSTA</b>                                                                    | <b>136,369</b> | <b>146,340</b> | <b>166,175</b> | <b>166,251</b> | <b>207,469</b> | <b>197,602</b> | <b>215,253</b>            | <b>207,594</b>            |
| National Commission on Library and Information Science                                | 897            | 1,000          | 1,000          | 1,295          | 1,495          | 1,000          | 1,010                     | 0                         |

<sup>a</sup> Numbers are estimates provided by the Institute of Museum and Library Services. Numbers include an across-the-board cut adopted in P.L. 108-7, February 20, 2003.

<sup>b</sup> Based on the Bush Administration's FY2004 budget request.

<sup>c</sup> Directed grants include both library and museum grants.

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

These programs included the LSCA, plus library assistance programs authorized by Title II of the Higher Education Act (HEA) and Title III, Part F, of the Elementary and Secondary Education Act (ESEA).<sup>7</sup>

While states have had a large degree of discretion in selecting grantees and deciding how funds are to be used under both the former LSCA and the current LSTA, overall state discretion would appear to be increased under the LSTA. At the same time, some LSCA funds — particularly aid for construction<sup>8</sup> under the former LSCA Title II — were intended for specific purposes that are *not* authorized under the LSTA. The LSTA focuses more thoroughly on relatively new forms of information sharing and networking, such as the Internet, than previous legislation.

## Reauthorization Issues

Issues regarding the reauthorization of the LSTA that are being discussed, include: the adequacy of minimum state grants and overall authorization levels; the need for additional funding to provide for evaluations of the LSTA; and new provisions disallowing grants for projects deemed obscene.

**108<sup>th</sup> Congress.** S. 238 (Reed) was introduced on January 29, 2003, and was referred to the Senate Committee on Health, Education, Labor and Pensions. The Library Services provisions of this bill are essentially the same as S. 2611 (Reed), introduced in the 107<sup>th</sup> Congress. S. 238, does, however, include amendments raising liability amounts in the Arts and Artifacts Indemnity Act.<sup>9</sup>

H.R. 13 (Hoekstra), a bill to reauthorize Library Services within the Museum and Library Services of 2003, was introduced on January 7, 2003, and was reported favorably by the House Committee on Education and the Workforce on February 13, 2003. H.R. 13 was passed by the full House on March 6, 2003. This bill includes all the amendments to the LSTA included in H.R. 3784, introduced in the 107<sup>th</sup> Congress. In addition, some changes have been added. First, the authorization for

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<sup>7</sup> The LSTA repealed not only the LSCA but also aid to college/university libraries under HEA Title II, and an unfunded authorization of aid to elementary and secondary school libraries under ESEA Title III, Part F. This program was added to the ESEA by the Improving America's Schools Act of 1994 (P.L. 103-382), but was repealed without ever being funded. The ESEA contained earlier authorities for aid specifically to school libraries under Titles II (1965-1974) and IV (1974-1981). Separately, local educational agencies may, and often do, use portions of their funds under the broad authority of ESEA Title VI, Innovative Education Program Strategies, to support school library services. In addition, P.L. 107-110 amends the ESEA to authorize a new program of aid to school libraries, under ESEA Title I, Part B, Subpart 4. An initial appropriation of \$12.5 million has been provided for FY2002.

<sup>8</sup> While it is possible to use LSTA grants for relatively minor construction or remodeling to accommodate new technologies or increase access by persons with disabilities, the more basic forms of construction authorized under the former LSCA Title II are not authorized by the LSTA.

<sup>9</sup> For more on Museum Services in IMLS see CRS Report RS20287, *Arts and Humanities: Background on Funding*, by Susan Boren.

Library Services and Museum Services would be changed to \$210 million and \$35 million, respectively, for FY2004 and such sums as may be necessary for 2005 through 2009. Secondly, H.R. 13 includes new provisions requiring the IMLS Director to establish procedural standards for reviewing and evaluating grants, including a provision prohibiting the funding of projects determined to be obscene. New provisions in H.R. 13 also provide a definition of “obscene” and of the term “determined to be obscene.” Finally, H.R. 13 would increase minimum state allotments for library services to \$680,000, if the amount appropriated for a year, and available for state allotments, exceeds the amount of allotments to all states in FY2003.

**107<sup>th</sup> Congress.** On February 14, 2002, the House Subcommittee on Select Education held a hearing on “Equipping Museums and Libraries for the 21<sup>st</sup> Century,” at which Dr. Martin, the Director of the IMLS, and two librarians testified. On February 26, 2002, legislation was introduced (H.R. 3784, Hoekstra) that would have reauthorized the LSTA within the Museum and Library Services Act of 2002. The full House Committee on Education and the Workforce conducted a mark-up, and ordered H.R. 3784 favorably reported, as amended, on March 20, 2002. H.R. 3784 was amended to include specific authorization levels for Library Services and Museum Services for FY2003, \$300 million and \$50 million, respectively. In addition, H.R. 3784 was amended to increase the minimum grant for outlying areas to \$60,000;<sup>10</sup> if appropriations were sufficient to permit state minimum grants of \$500,000.

H.R. 3784 would also have amended the LSTA in several other ways, including:

- increasing the minimum state allotment from \$340,000 to \$500,000, if the amount appropriated for a year, and available for state allotments, exceeded the amount of allotments to all states in FY2002;
- requiring the Director to carry out and publish analyses of the impact of museum and library services, and increasing from 3% to 3.5% the amount available for federal administrative costs, to provide funding for this new function;
- locating advisory functions (which for libraries were previously delegated to the National Commission on Libraries and Information Sciences) within a new National Museum and Library Services Board (previously solely a Museum Services Board) in the IMLS;
- permitting the Director of the IMLS to make national awards for library services, in addition to the already authorized national awards for museum service.

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<sup>10</sup> H.R. 3784, as amended by the full Committee, reinstated the language in the current LSTA which states that the share of LSTA funds allocated to the “Freely Associated States” (Palau, the Republic of Marshall Islands, and the Federated States of Micronesia) under this formula will be reserved and allocated among these areas plus the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, on a competitive basis, via the Pacific Regional Educational Laboratory in Hawaii.

Legislation to reauthorize the Museum and Library Services Act of 2002, S. 2611 (Reed), was introduced in the Senate on March 11, 2002, and was referred to the Committee on Health, Education, Labor, and Pensions. S. 2611 differed from the House bill (H.R. 3784) in several respects:

- it would have increased the overall FY2003 authorization level for Library Services and Museum Services to \$350 million and \$65 million, respectively;
- it would have increased the minimum state allotment for library services to \$680,000, if the amount appropriated for a year, and available for state allotments, exceeded the amount of allotments to all states in FY2002;
- it would have added the National Commission on Libraries and Information Sciences chair as a member of the newly consolidated advisory board — the Museum and Library Services board — and would have added one additional board member with expertise in museum services; and
- it would have made technical changes to the National Commission on Libraries and Information Sciences statute.

The American Library Association (ALA) argues that current funding levels provided for the LSTA are not sufficient to address the LSTA's mission, and in particular that the minimum state grant is too low for small states to provide improved library services to the communities they serve. The ALA argues that minimum state grants should be raised from \$340,000 to \$680,000, and the overall authorization for the LSTA should be increased to \$500 million. In addition, the ALA argues that there should be a specific line item providing for an annual evaluation of the LSTA's effectiveness.