

To: Bob Emerson, Budget Director  
From: Gretchen Couraud, Executive Director, Michigan Library Association  
Date: May 24, 2007  
Re: Moratorium on State Aid to Public Libraries

The current moratorium on FY 07 state aid to public library payments - \$7 million out of a \$12 million budget – is having unintended but immediate consequences and causing potentially irreparable harm to Michigan's library cooperatives.

Currently there are 13 library cooperatives in Michigan. State Librarian Nancy Robertson has taken a bold step toward examining the role and number of cooperatives in the state and has engaged the library community in a discussion about future plans. All cooperatives aren't alike and don't provide identical services. But many are the backbone of regional interlibrary loan and delivery services, computer automation services and internet access, among other services. Interlibrary loan is a system whereby libraries share all their books, DVDs, CDs and more, reducing costs to the overall library network and citizens of Michigan.

But, while the state and the library community develop a transition plan for cooperatives, the moratorium placed on state aid to public libraries has created a crisis that could destroy these systems this year or next.

While you correctly noted that state aid for public libraries is only approximately 5% of total library funding in the state of Michigan, it goes primarily to support statewide and/or regional services through the cooperatives. State aid represents over 70% of their funding. The moratorium cut off these funds without any warning and many have little in reserve funding as well as legally binding contracts they have to pay. Several cooperatives are seeking authorization for transfer of their assets in anticipation of closure of their operation. Local libraries use their state aid to purchase cooperative services or support their limited budgets.

The moratorium is also putting MeLCat at risk. MeLCat is an interlibrary loan system with 151 participating libraries throughout the state. There are 150 libraries in the process of joining MeLCat, or that have applied to participate. This system is also in jeopardy as a result of the implosion of library cooperative services. Without continued participation by participating MeLCat libraries in the statewide delivery system, the millions of library materials in the MeLCat catalog will only be partially available, and only available in part to those libraries whose cooperative or own budgets can maintain their current statewide delivery contracts.

The current status of cooperatives in Michigan illustrates the desperate nature of the situation:

- The Capital Library Cooperative serving Jackson region is closing September 31.
- The Southwest Library Cooperative serving the Kalamazoo region is closing May 31 leaving 25 libraries without interlibrary loan or delivery.
- The Northland Library Cooperative serving the Alpena area has closed, shutting down a library for the blind and physically handicapped in Alpena.
- The Mid-Michigan Library League serving the Cadillac region has shut down interlibrary loan, central library cataloging and processing, and internet access for member libraries.
- The Hiawathaland Cooperative serving Sault Ste. Marie region has shut down interlibrary loan, book purchases and Summer Reading stipends for children.
- The Lakeland Library Cooperative serving the Grand Rapids region has 41 member libraries at 79 locations. They serve 1,229,681 persons. The integrated library system (ILS) currently serves 707,155 patrons Last year, the LLC delivery system delivered 8.5 million materials to patrons' libraries in an 8-county area. If LLC cannot support delivery, patrons will need to confine their borrowing to their own libraries or drive to other

locations to pick up materials expending significant funds for gas. In FY 2006, they received 1,277,943 interlibrary loan items. In FY 2007, we project they will receive 1,515,264 interlibrary loan items. If the cooperative closes, there will be no interlibrary loan unless the libraries use MeL Delivery or the post office. They are looking toward closure by the end of the year which will shut down all library internet access from Grand Rapids to Muskegon, Holland and more, right in the height of the tourism season when tourists use libraries the most for email access.

- The Superiorland Library Cooperative serving the Marquette region is developing plans to shut down by year's end which would close another library for the blind and physically handicapped and potentially all internet access and interlibrary loan for half of the Upper Peninsula. Libraries are often the only place in the community in the Upper Peninsula to fill out an unemployment application online or conduct a job search.

The remaining five cooperatives are on hold. Detroit is a cooperative but its services are unique.

If the current moratorium on state aid to public libraries and cooperatives for the current fiscal year is not lifted, and soon, the remains of the regional library systems and the resulting devastating consequences to their local library members and Michigan's residents will be highly visible and irreparable.

Many libraries are beginning to provide their patrons with fill-in-the-blank form letters that the library can no longer provide interlibrary borrowing, lending and delivery of books and materials. This could become a public relations fiasco. We ask that you lift the moratorium on state aid to cooperatives and public libraries immediately and work with the Library of Michigan to develop a model for cooperative reform.