

## ***Quest for Funding Stability: An Historical Overview***

*Prepared for the Finance Committee March 2003*

*Presented to the Library Advisory Board October 2003*

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Levies to finance the library system have been voted on by citizens since 1976. Of ten requests, eight have been approved. Of the two that failed, one was in 1981 when there was an A & B ballot: A passed, but B failed, and the other was in May 2002 when the levy was approved but the turnout did not meet the double majority requirement.

### **June 1983**

BCC established the Multnomah County Commission on Library Policy & Administration to study the fiscal and administrative status of the library. Chaired by Commissioner Arnold Biskar; final report by consultant Don Barney.

### **Recommendations:**

- Place on May 1984 ballot a county charter amendment to establish an independent MCL Commission charged with the responsibility of administering, operating and maintaining the MCL, effective July 1, 1984;
- Place a 3-year levy on the May 1984 ballot;
- By July 1, 1986, the new Library Commission recommend a new independent source of public funding to be dedicated to the Library and to become the primary fiscal support of the Library after July 1, 1987. Among options open to the Library Commission, it is recommended that creation of a county service district, with a voter-approved separate tax base, be considered.

### **Outcome**

- The ballot measure to form a library commission lost by 206 votes;
- The 3-year levy passed.

### **August 1983**

Metropolitan Citizens League Board of Governors appointed a Library Systems Committee to take a broad and long-range look at the condition of library systems in the three metropolitan counties (Clackamas, Multnomah and Washington).

### **Funding Recommendations:**

- We recommend that this relationship be formalized through formation of a Tri-County Consortium dedicated to exploring new opportunities for service provision including needs assessment, long-range planning and stabilization of funding;
- A cooperative effort must be initiated among all participating libraries to identify and pursue alternative funding sources on a long-range basis.

### **April 1986**

Consultant Lowell Martin prepared "A Development Plan for the Multnomah County Library"

From the "Proposed Action" section of his report:

"What is needed is clear enough: adequate and stable funding, and government by a Board that the public believes represents their best interests.

As to adequate and stable funding, the only way to be assured of this over the long haul will be a voter-approved tax rate designated for library purposes."

Martin considered both a county library district with taxing power or a tri-county, metropolitan library district as the way to achieve long-term stable funding.

### **August 1986**

Report on the Future of Multnomah County Library – a City Club of Portland Bulletin

Funding Alternatives:

- Independent Tax Base – not enough time to form a library district and establish tax base before current levy expired.
- County General Fund – "Those interested in library services cannot expect any funding increase from the County General Fund at any time in the next few years."
- Special or Serial Levies – ". . . it is clear that another three-year levy is necessary to provide adequate library funding in the near future, given competing demands in the General Fund and the impossibility of holding a tax base election until 1988. Your Committee, therefore, has concluded that the MCL requires a continued commitment of County General Funds and an expanded serial levy to meet the funding goal of \$11,500,000 per year."

### **Summer 1987**

Option Paper by Dean Gisvold (Counsel to the LAP) & Rhea Kessler (Chief Ass't. County Counsel)

Memorandum from Larry Kressel (County Counsel) to the BCC, "Response to Questions Concerning Formation of a County Service District (ORS 451) for Library Services"

Both of these documents dealt with the legal questions around the process of forming a county service district or a special library district.

### **November 1987**

In response to the consultant's report and the City Club recommendations and a two year effort by library supporters, the Board of County Commissioners passed a resolution declaring their intent to form a county-wide library service district. The district was approved by the Gresham and Fairview City Councils and was on upcoming

agendas for Wood Village, Maywood Park, and Troutdale. Commissioner Pauline Anderson wrote a memo to the Portland City Council urging the City to adopt a resolution in support of the formation of a special service district.

Goals outlined in the memo:

- Stable and adequate funding;
- Strong, publicly accountable Board able to build public support for the library;
- Potential for building a Tri-County library system.

The Portland City Council unanimously opposed the resolution in early December so the district effort was halted.

### **December 1988**

Report “Governance – Multnomah County Public Library” presented to County Chair Gladys McCoy from a five-member Library Task Force she convened.

Recommendation:

- Form a nine-member Multnomah County Library Commission as a private, non-profit entity for the purpose of managing MCL. Should be fully accountable to the public and be subject to state law re: public meetings and records.

Comments:

- “The Task Force is aware that our governance recommendation, in and of itself, does not provide a more stable funding source for library services in Multnomah County. However, we expect the issue of stable financing to get early attention from the Multnomah County Library Commission with recommendations soon provided the Board of County Commissioners.”

### **1989**

The independent library commission was named, but before the contract was finalized, some other issues surfaced:

- Who would control the \$6 million endowment fund (made up of fines and personal donations)? The LAP wanted to maintain control.
- Citizens called for an audit of the endowment.
- Charles Davis took over as interim director. He discovered some irregularities in the LAP’s record keeping and asked the state attorney general’s office for a review. At issue was whether or not the LAP had exceeded its authority and whether control of library assets were unduly concentrated in the hands of one member.
- County Commissioners reconsidered the independent library commission and instead decided to take direct control.

### **1990**

- The Library became a county department.

- Measure 5 passed, limiting local government taxes to \$10 per thousand.

## **1992**

- Library Board, after about two years of study, unanimously approved recommending the BCC enact a tax on the consumption of natural gas and electricity.
  - “Adopt a Library Utility Tax of 2% to go into effect as soon as possible. 1% will provide restored library services – more hours and more books. 1% funds the library’s capital needs, Central and Midland, by replacing the present support from the County’s General Fund and requiring the County to assume obligation for capital costs.”
  - “At the same time adopt an additional 2% Library Utility Tax to go into effect July 1, 1993, to directly replace the expiring Library Levy.”
  - Also recommended that the BCC refer to voters a county charter amendment placing a cap on any additional increase of the utility tax.
  - Exempt those utility customers whose family income is less than 150 percent of the federally defined poverty level.
- BCC voted 3-2 to approve but opponents immediately moved to get it referred to the voters.
- Tax was repealed by BCC (two new members joined the Board who were against the tax) before it was implemented.

## **May, 1996**

- Three-year library levy passed, funding fiscal years 96-97, 97-98 and 98-99.

## **November, 1996**

- Measure 47 passed, repealed by Measure 50 before it was implemented.

## **May, 1997**

- Measure 50 passed (rewrite of Measure 47). Cut the property tax rate based on a set formula and capped it at 3% growth each year. Based on assessed value. Added a double majority requirement for tax measure outside of a general November election. Measure 5 limitations still applied.
- Cut, capped and rolled the existing library levy into the County’s permanent tax base – the General Fund. This is what is now known as the “fossil levy”.

## **November, 1997**

- Five-year library levy passed, funding fiscal years 98-99 through 02-3. Rate of 59.5 cents per thousand. Combined with “fossil levy” from the County’s General Fund. Compression from Measure 5 has an impact on the amount collected from the levy.

### **May, 2002**

- Renewal five-year levy passed but the election did not meet the double majority requirement.

### **November, 2002**

- Renewal five-year levy passed, taking effect July 1, 2003. Rate of 75.5 cents per thousand. Percentage of levy lost to compression continues to increase.

### **December 2002**

- Recognition of the continued uncertainty in library funding due to:
  - Levy losses from property tax compression;
  - Reductions made to the General Fund (“fossil levy”) during county budget crises; and
  - Cost and risk of library levy campaigns.
- With the approval of BCC Chair Diane Linn, Library Advisory Board Chair Susan Hathaway-Marxer commissioned a LAB Finance Committee with the goal of securing stable funding for the library.

### **2003**

- The Finance Committee met regularly throughout 2003 and took a resolution to the entire Library Advisory Board in October. The resolution recommended the pursuit of a library district through an amendment to the Multnomah County charter. The resolution was forwarded to Chair Diane Linn in November 2003.

### **November 2006**

- Five year renewal levy passed at rate of 89 cents per thousand. The levy took effect July 1, 2007.

### **2007-08**

- In May of 2007, the Board of County Commissioners, by resolution, created the Multnomah County Library Funding Task Force with the primary mission being “to assess the feasibility of all funding options and recommend the best option for funding Multnomah County Libraries.” Chair Wheeler appointed a 15-member Task Force, which met fifteen times from May 2007 through June 2008. In September 2008, the Task Force presented its report to the Board of County Commissioners, which recommended further work on establishment of a library district.

### **November 2008**

- Initiative measure passed by Oregon voters lifting the double majority requirement from May and November elections.