

No. 2000-57

AN ACT

SB 936

Amending the act of June 14, 1961 (P.L.324, No.188), entitled "An act relating to the establishment, operation and maintenance of the State Library and public libraries in the Commonwealth; amending, revising, consolidating and changing the laws relating thereto; imposing duties upon public officers; providing for State and local cooperation and assistance in the establishment and maintenance of libraries; prescribing penalties; and repealing existing laws," further providing for State aid to local libraries and library systems.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Sections 302, 303 and 305 of the act of June 14, 1961 (P.L.324, No.188), known as The Library Code, amended or added June 26, 1999 (P.L.408, No.37), are amended to read:

Section 302. Definitions.—As used in this article—

(1) "Basic Standards." The basic standards are standards promulgated by the State Librarian and approved by the Advisory Council on Library Development, in compliance with sections 201(15) and 303, which must be achieved by a local library to qualify for the State-aid authorized by [section 303(1) and (7)] *sections 303.2 and 303.11* and by a branch library or a bookmobile to qualify for the State-aid authorized by section [303(7)] *303.11*. The standards shall be those deemed essential to a library, branch or bookmobile for it to fulfill the definition of local library stated in section 102(1).

(2) "Direct Service Area." The municipality or municipalities to which the governing body of a library is responsible for extending all its library services without charge.

(3) "Financial Effort." The sum expended annually by a local library for the establishment, operation and maintenance of library services which derives from local taxes, gifts, endowments and other local sources, as may be provided under rules and regulations adopted by the Advisory Council on Library Development, and which is used to determine eligibility for State-aid.

(4) "Financial Effort Equal to One-half Mill." The financial effort equal to one-half mill times the market value of taxable property, as determined by the State Tax Equalization Board, in the municipalities for which aid is claimed or in the direct service area of a local library, whichever is applicable.

(5) "Financial Effort Equal to One-quarter Mill." The financial effort equal to one-quarter mill times the market value of taxable property, as determined by the State Tax Equalization Board, in the municipalities for

which aid is claimed or in the direct service area of a local library, whichever is applicable.

(5.1) "Internet." The international nonproprietary computer network of both Federal and non-Federal interoperable packet-switched data networks.

(5.2) "Local Government Support." Support from a municipality within a direct service area for the normal, recurring operating costs of a library or a library system serving that direct service area from appropriations, general purpose taxes, special library taxes or direct payment of any library expense. The term shall not include costs of shared services, in-kind costs or employment program costs.

(6) "Minimum Standards." Standards promulgated by the State Librarian and approved by the Advisory Council on Library Development, in compliance with sections 201(15) and 303, which must be achieved by a local library or a library system to qualify for incentive aid under section [303] 303.4.

(7) "Per Capita." Amounts determined on the basis of either the latest official United States Census report or the population upon which the 1979-1980 State-aid payment was based, whichever is greater. Beginning with the 1999-2000 fiscal year, the term shall mean the most recent official United States Census report for purposes of calculating payment under [section 303(b)(1.1) and (2.1)] *sections 303.2, 303.5, 303.8 and 303.10.*

(8) "Surplus Financial Effort." The financial effort which is in excess of a financial effort equal to one-half mill on market value in the direct service area or two dollars (\$2) per capita for each person residing in the direct service area of the local library, whichever is less.

Section 303. State-aid.—(a) Beginning in the 1985-1986 fiscal year and through the 1998-1999 fiscal year, in each year that the Commonwealth's total annual appropriation for the system of State-aid established by section 301 equals or exceeds seventeen million five hundred thousand dollars (\$17,500,000), two and three-quarters percent (2.75%) of said appropriation shall first be allocated as equalization aid, as provided for in [clause (6) of subsection (b)] *section 303.10* and the remainder of said appropriation shall then be allocated according to the percentages established in [clauses (1), (2), (3), (4), (5) and (7) of subsection (b).] *sections 303.1, 303.4, 303.7, 303.8, 303.9 and 303.11.*

(b) State-aid shall be paid when a library achieves the applicable standards determined by counselling with the State Librarian pursuant to the advice and recommendations of the Advisory Council on Library Development, or submits plans as set forth in section 304 of this act leading to the achievement of such standards, and makes a minimum financial effort [as follows], except that no library receiving State-aid prior to and at time of the approval of this act shall receive less State-aid as a result of the provisions hereof notwithstanding that such library has not accepted the provisions of this act[:].

[(1)] **Section 303.1.** Basic Aid to Local Libraries[.].—(a) For eligible fiscal years up to and through the 1998-1999 fiscal year, twenty-five percent (25%) of the Commonwealth's total annual appropriation for the system of State-aid established by section 301, or a minimum of twenty-five cents (25¢) per capita for each person residing in the municipalities of the libraries which qualify for basic aid, shall be allocated as basic aid.

(b) Any local library which makes a minimum financial effort equal to one-half mill, for the municipalities on behalf of which it applies for aid, or two dollars (\$2) per capita for each person residing in those municipalities, whichever is less and achieves the basic standards, shall qualify for basic State-aid. Such aid shall not be less than twenty-five cents (25¢) for each person residing in the municipalities. However, when the allocation for basic aid exceeds the amount necessary to pay the minimum rate, the entire allocation shall be distributed at a per capita rate which shall be determined by dividing the allocation by the number of persons in the Commonwealth on behalf of which local libraries and library systems apply and qualify for basic aid: Provided, That in the first year in which a library applies for State-aid it shall qualify by making a minimum financial effort equal to one-quarter mill, or one dollar (\$1) per capita for each person residing in the municipalities whichever is less.

(c) In each of the succeeding five years, such library shall qualify for maximum State-aid only when it increases its financial effort by the following scale of percentages of the difference between the financial effort with which such library initially qualified for State-aid and a financial effort equal to one-half mill, or two dollars (\$2) per capita for each person residing in the municipalities for which it applies for aid, whichever is less:

- 1st succeeding year—20 percent,
- 2nd succeeding year—40 percent,
- 3rd succeeding year—60 percent,
- 4th succeeding year—80 percent,
- 5th succeeding year—100 percent.

But where the increase in any year is less than the percentage specified above, the amount of State-aid shall be reduced by a percentage equal to one-fifth of the percentage which the difference between the required increase and the actual increase bears to the required increase multiplied by the number of years of participation in State-aid beyond the first year.

(d) After the fifth succeeding year, a local library shall not be eligible for further State-aid unless it makes a financial effort equal to one-half mill for the municipalities on behalf of which it applies for aid, or two dollars (\$2) per capita for each person residing in those municipalities, whichever is less.

[(1.1)] **Section 303.2.** Quality Libraries Aid[.

(i) **Beginning with fiscal year 1999-2000 and each fiscal year thereafter,].—(a) For fiscal year 1999-2000,** qualifying local libraries and library systems shall receive quality libraries aid to be allocated from the

sum total of a hold-harmless amount plus an annual supplement, both amounts to be derived from the Commonwealth's annual appropriation for grants to local libraries and library systems. The hold-harmless amount for quality libraries aid shall be the amount allocated under **[clause (1) above] section 303.1** for basic aid to local libraries for fiscal year 1998-1999 from the amount allocated from the Commonwealth's annual appropriation for grants to local libraries and library systems. For fiscal year 1999-2000, the annual supplement shall be forty-seven percent (47%) of any increase in the Commonwealth's annual appropriation for grants to local libraries and library systems above the amount appropriated for fiscal year 1998-1999. **[For subsequent fiscal years, the annual supplement for quality libraries aid shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriations Act for that fiscal year.] For fiscal year 2000-2001 and each fiscal year thereafter, the amount allocated for quality libraries aid shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriation Act for that fiscal year.**

[(ii)] (b) Quality libraries aid shall be allocated to qualifying local libraries and library systems on a per capita basis in the following manner: the annual allocation of funds available for quality libraries aid shall be divided by the total population on which all libraries and library systems qualify for State-aid to yield a per capita amount of quality libraries aid; the per capita amount of quality libraries aid shall then be multiplied by the total population residing within the municipalities served by a library or library system which qualifies for aid.

[(iii)] (c) To qualify, a local library or library system must make a minimum financial effort of five dollars (\$5) per capita for each person residing in the municipalities based on which it qualifies for aid.

[(iv)] (d) Any local library or library system that received State-aid under **[clause (1) above] section 303.1** for fiscal year 1998-1999 shall have up to three years to make the minimum financial effort of five dollars (\$5) per capita but must annually for each of those three years increase its minimum financial effort over that made in the preceding fiscal year in order to qualify for quality libraries aid.

[(v)] (e) Any local library or library system that did not receive State-aid under **[clause (1) above] section 303.1** for fiscal year 1998-1999 must make the minimum financial effort of five dollars (\$5) per capita in order to qualify for quality libraries aid.

[(vi)] (f) Any local library or library system which applies for State-aid on behalf of an economically distressed municipality as defined in **[clause (6) of this subsection] section 303.10** must expend a minimum of two dollars (\$2) per capita for the residents of the municipality.

[(vii)] (g) Except for the population of municipalities considered economically distressed, beginning with fiscal year 2002-2003, all libraries

and library systems which received State-aid in fiscal year 1998-1999 must make a minimum financial effort of five dollars (\$5) per capita to qualify for quality libraries aid.

[(1.2)] **Section 303.3. Quality Libraries Aid Criteria.**—To receive aid under [clause (1.1) above] **section 303.2**, the local library or library system must meet the following minimum standards:

[(i)] (1) Participate in the Access Pennsylvania Statewide Library Card Program.

[(ii)] (2) Lend materials free of charge on a reciprocal basis to all types of libraries in this Commonwealth.

[(iii)] (3) Provide interlibrary loans to residents of the library's direct service area free of charge.

[(iv)] (4) Be open for service at least twenty-six hours per week during hours best suited to the needs of residents of its service area, to include at least six hours during the weekend period beginning on Saturday and ending on Sunday. Weekend hours may be reduced to four hours during time periods as community-use patterns warrant for ten weeks per year.

[(v)] (5) The library director shall annually attend at least eight hours of continuing education programs approved by the Office of Commonwealth Libraries.

(6) *Participate in the county library plan for the coordination of county-wide services. In the absence of a county library, participate in the development of a coordinated county services plan developed with the district. The State Librarian may, on a case-by-case basis, grant a waiver of participation in certain provisions of the plan under this clause.*

[(2)] **Section 303.4. Incentive Aid to Local Libraries[.].**—(a) For eligible fiscal years up to and through the 1998-1999 fiscal year, twenty-five percent (25%) of the Commonwealth's total annual appropriation for the system of State-aid established by section 301, or a minimum of twenty-five cents (25¢) per capita for each person residing in the direct service areas of the libraries which qualify for incentive aid, shall be allocated as incentive aid.

(b) Any local library or library system which makes a minimum financial effort equal to one-half mill, or two dollars (\$2) per capita for each person residing in its direct service area, whichever is less and fulfills the minimum standards for local libraries or the minimum standards for library systems, whichever is applicable, shall qualify for incentive aid, which shall be in addition to all other amounts of aid provided in this section. Each qualifying library or library system shall receive incentive aid up to fifty cents (50¢) for each one dollar (\$1) of surplus financial effort but when fifty cents (50¢) per dollar of surplus financial effort is more than twenty-five cents (25¢) per capita the minimum incentive aid shall be twenty-five cents (25¢) per capita for each person residing in the direct service area. However, if after paying the minimum amount set forth in this [clause] **section** there is a balance in the allocation, the balance shall be prorated

among the libraries and library systems which qualify for a larger amount of aid at the rate of fifty cents (50¢) for each one dollar (\$1) of surplus financial effort rather than at the rate of twenty-five cents (25¢) per capita.

[(2.1)] *Section 303.5. Incentive For Excellence Aid* [.

(i) **Beginning with fiscal year 1999-2000 and each fiscal year thereafter,**].—(a) *For fiscal year 1999-2000*, qualifying local libraries and library systems shall receive an incentive for excellence aid to be allocated from the sum total of a hold-harmless amount plus an annual supplement, both amounts to be derived from the Commonwealth's annual appropriation for grants to local libraries and library systems. The hold-harmless amount for incentive for excellence aid shall be the amount allocated under [clause (2) above] *section 303.4* for incentive aid to local libraries for fiscal year 1998-1999 from the amount allocated from the Commonwealth's annual appropriation for grants to local libraries and library systems. For fiscal year 1999-2000, the annual supplement shall be fifty-three percent (53%) of any increase in the Commonwealth's annual appropriation for grants to local libraries and library systems above the amount appropriated for fiscal year 1998-1999. [For subsequent fiscal years, the annual supplement for incentive for excellence aid shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriations Act for that fiscal year.] *For fiscal year 2000-2001 and each fiscal year thereafter, the amount allocated for incentive for excellence aid shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriation Act for that fiscal year.*

[(ii)] (b) To qualify, a local library or library system must make a financial effort greater than five dollars (\$5) per capita for each person residing in the municipalities on behalf of which it applies for aid and meet the minimum standards for local libraries or library systems standards.

[(iii)] (c) Incentive for excellence aid shall be allocated to local libraries and library systems in the following manner: the annual allocation of funds available for incentive for excellence aid shall be allocated proportionately to qualifying local libraries or library systems for each one dollar (\$1) per capita or portion thereof a local library or library system shows in financial effort between five dollars (\$5) and seven dollars and fifty cents (\$7.50) per capita.

[(iv)] (d) A local library or library system shall not use incentive for excellence funds to reduce its financial effort.

[(2.2)] *Section 303.6. Incentive For Excellence Aid Criteria.*—Beginning with fiscal year 1999-2000 and each fiscal year thereafter, to qualify for aid under [clause (2.1) above, the] *section 303.5*:

(I) A local library or [member library within] a library system must [meet the following minimum standards:

(i) **Expend**] *expend* no less than twelve percent (12%) of [the] *its* total operating budget [of the library] on materials. A local library or [member

library within] a library system that expends more than twelve percent (12%) in the year in which it qualified for incentive for excellence aid **[shall] must** increase the total amount expended on collection each succeeding year by no less than five percent (5%) or the percentage increase in the appropriation for improvement of library services, whichever is less.

[(ii) Be] (2) A local library or a member library within a library system must be open for full services at least forty-five hours per week with at least seven of these hours during the weekend period beginning on Saturday and ending on Sunday. A local library or member library within a library system serving a population below seven thousand **[shall] must** be open at least thirty-five hours per week with at least seven of these hours during the weekend period beginning on Saturday and ending on Sunday. Libraries may reduce weekend hours to four hours for ten weeks per year during periods when community-use patterns warrant. A local library or member library within a library system may reduce total weekly hours by three hours per week during the ten-week period of reduced Saturday and Sunday hours if approved by the State Librarian.

[(iii) Require] (3) A local library or a member library within the library system must require at least six hours of continuing education every two years for paid staff working at least twenty hours per week in direct support of the library service.

[(3) County Libraries.] Section 303.7. County Coordination Aid.—(a) For eligible fiscal years up to and through the 1998-1999 fiscal year, ten percent (10%) of the Commonwealth's total annual appropriation for the system of State-aid established by section 301 shall be allocated as aid to county libraries. For fiscal year 1999-2000 **[and each fiscal year thereafter]**, aid to county libraries **and county library systems** shall be allocated from a hold-harmless amount to equal that amount allocated for aid to county libraries for fiscal year 1998-1999 from the Commonwealth's annual appropriation for grants to local libraries and library systems. **[For fiscal years subsequent to 1999-2000, any increase over the hold-harmless amount for county libraries shall be specified as an annual supplement in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriations Act for that fiscal year. Funds allocated for county libraries shall be distributed according to the provisions of this clause.] For fiscal year 2000-2001 and each fiscal year thereafter, the amount allocated for county coordination aid shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriation Act for that fiscal year.**

(b) In the case of a county library **[of a second, second A, third, fourth, fifth, sixth, seventh or eighth class county] or a county library system in counties of the second through eighth class**, State-aid shall be given in an amount measured by the amount appropriated by the county government from county moneys, either from the General Fund or a special library tax

or other sources[,] and from a district established pursuant to section 3110-B of the act of July 28, 1953 (P.L.723, No.230), known as the "Second Class County Code," for the support and maintenance of the county library, and shall be determined as follows:

Class of County	Percentage [of Aid Calculated on County Appropriation] Match
2	[15%] 5%
2A and 3	[20%] 30%
4	[25%] 50%
5	[33%] 50%
6	[50%] 100%
7	[75%] 100%
8	[125%] 100%

[The amount to be paid by the Commonwealth for the maintenance of any county library that qualifies under this clause shall, in any year, be not less than eight thousand dollars (\$8,000) whenever the applicable percentage of aid calculated on the county government's appropriation amounts to more than eight thousand dollars (\$8,000). If the applicable percentage of aid calculated on the county government's appropriation amounts to less than eight thousand dollars (\$8,000), then the county library shall receive such lesser amount. If the allocation for this category of aid is less than the total amount for which all county libraries qualify, the libraries shall be paid the minimum amount of eight thousand dollars (\$8,000) or such lesser amount as may be necessary. If the allocation is greater than the total amount of aid for which county libraries qualify, the balance shall be added to the amount of aid to be distributed under clause (7) of this subsection.]

(c) *County coordination aid shall be paid according to the provisions of this subsection.*

(1) *Payments to a county library or county library system in counties of the eighth class shall be calculated as follows:*

(i) *For fiscal year 2000-2001, a county library or county library system in a county of the eighth class shall be paid an amount equal to the percentage match in subsection (b) times the level of county support paid, or ten percent (10%) above the amount paid under this subsection in fiscal year 1999-2000, whichever is greater.*

(ii) *For fiscal year 2001-2002 and each fiscal year thereafter, a county library or county library system in a county of the eighth class shall be paid the greater of either an amount equal to the percentage match in subsection (b) times the level of county support paid, or an amount equal to the 2000-2001 payment providing the 2000-2001 payment was ten percent (10%) above the 1999-2000 payment and the level of county support paid is maintained. If the level of county support from its county decreases from the previous fiscal year, then the amount paid under this*

clause shall be an amount equal to the percentage match in subsection (b) for eighth class counties times the reduced level of county support paid.

(2) Payments to a county library or a county library system in counties of second through seventh class shall be made from the funds remaining after payments have been made to a county library or county library system in counties of the eighth class as provided in clause (1) and shall be an amount equal to the level of county support paid times the percentage match in subsection (b) for its county. If the funds remaining are insufficient to pay the total amount for which each county library and county library system in counties of the second through seventh class qualifies, then each shall be paid proportionately from the funds remaining.

(i) For fiscal year 2000-2001, payments to a county library or county library system in counties of the second through seventh class shall not be less than ten percent (10%) above the amount paid to it under this subsection in 1999-2000.

(ii) For fiscal year 2001-2002 and each fiscal year thereafter, a county library or county library system in counties of the second through seventh class shall be paid an amount equal to the greater of either the percentage match in subsection (b) for its county times the level of county support paid, or an amount equal to the 2000-2001 payment it received, provided the 2000-2001 payment was ten percent (10%) above the 1999-2000 payment and the level of county support paid is maintained. If the level of county support paid decreases from the previous fiscal year, then the amount paid under this clause shall be an amount equal to the percentage match in subsection (b) for its county times the reduced level of county support paid.

(3) A county library or county library system shall expend funds received under this subsection to implement a countywide cooperative plan to improve and extend service. The plan shall coordinate areas of library service and administration, including library resources and collections, technology, personnel, services to children, adults and special populations. If there is no county library or county library system, the district library center shall coordinate a countywide plan for services.

(d) A report of the expenditure of such State moneys shall be made annually to the county government and the State Librarian in such form as may be required. County libraries and county library systems may also apply for additional amounts of State-aid under [clauses (1.1) and (1.2) above, and clause (7) following. Payment of aid to county libraries shall be made to the board of library directors in charge of each qualifying library.] sections 303.2, 303.5 and 303.11. County coordination aid shall be paid to the board of library directors in charge of each qualifying county library or county library system.

[(4)] Section 303.8. District Library Centers[.].—(a) For eligible fiscal years up to and through the 1998-1999 fiscal year, thirty percent (30%) of

the Commonwealth's total annual appropriation for the system of State-aid established by section 301, or a minimum of twenty-five cents (25¢) per capita, shall be allocated as aid for district library centers. For fiscal year 1999-2000 [and each fiscal year thereafter], aid to district library centers shall be allocated from a hold-harmless amount to equal that amount allocated for aid to district library centers for fiscal year 1998-1999 from the amount allocated from the Commonwealth's annual appropriation for grants to local libraries and library systems. [For fiscal years subsequent to 1999-2000, any increase over the hold-harmless amount for district library centers shall be specified as an annual supplement in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriations Act for that fiscal year.] *For fiscal year 2000-2001 and each fiscal year thereafter, the amount allocated for district library centers shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriation Act for that fiscal year.* Funds allocated for district library centers shall be distributed according to the provisions of this [clause.] *section.*

(b) Any library designated by the State Librarian to serve as a district library center shall qualify for an additional amount of State-aid. [The rate of aid shall be determined by dividing the total amount allocated for district library centers by the total population of the State, but in no year shall that rate be less than twenty-five cents (25¢) per capita. The] *For fiscal year 2000-2001 and each year thereafter, the amount of aid to be paid each district library center shall be determined by multiplying the annual per capita rate set by the department by the number of persons residing in the district[.]; but in no case shall a district library center receive less than two hundred thousand dollars (\$200,000).*

(c) *For fiscal year 2000-2001 and each fiscal year thereafter, a district library center must meet the following standards to qualify for aid under this section:*

(1) *A district library center shall implement a program of service to local libraries through an agreement negotiated by representatives from the district library center, local libraries, library systems and the State Library. The program shall be implemented in accordance with district library center standards and guidelines issued by the State Librarian.*

(2) *As part of the negotiated agreement, the district library center shall provide leadership, coordination and consultation to local libraries in the following areas:*

(i) *Continuing education for library staff.*

(ii) *Library services to youth.*

(iii) *Library services to special populations, including, but not limited to, individuals with disabilities, homebound individuals, the elderly and individuals who are deficient in basic literacy skills.*

(iv) *Information technology and library automation.*

(v) Orientation and training for boards of directors of local libraries, library systems and district library centers.

[(5)] Section 303.9. Regional Library Resource Centers[.].—*(a)* For eligible fiscal years up to and through the 1998-1999 fiscal year, five percent (5%) of the Commonwealth's annual appropriation for the system of State-aid established by section 301 shall be allocated for aid to regional library resource centers.

(b) Any library designated by the State Librarian to serve as a regional library resource center shall qualify for additional State-aid. The allocation shall be divided equally among the libraries so designated, but in no year shall the amount be less than one hundred thousand dollars (\$100,000) per designated library. For fiscal year 1999-2000 [and each fiscal year thereafter], aid to regional library resource centers shall be allocated from a hold-harmless amount to equal that amount allocated for aid to regional library resource centers for fiscal year 1998-1999 from the amount allocated from the Commonwealth's annual appropriation for grants to local libraries and library systems. [For fiscal years subsequent to 1999-2000, any increase over the hold-harmless amount for regional library resource centers shall be specified as an annual supplement in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriations Act for that fiscal year.] *For fiscal year 2000-2001 and each fiscal year thereafter, the amount allocated for regional library resource centers shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriation Act for that fiscal year.* Funds allocated for regional library resource centers shall be distributed according to the provisions of this [clause] section.

[(6)] Section 303.10. Equalization Aid[.].—*(a)* Beginning in the 1985-1986 fiscal year and through the 1998-1999 fiscal year, in each year that the Commonwealth's total annual appropriation for the system of State-aid established by section 301 equals or exceeds seventeen million five hundred thousand dollars (\$17,500,000), two and three-quarters percent (2.75%) of said appropriation shall first be allocated as equalization aid.

(b) Any local library or library system which achieves or exceeds applicable basic standards, maintains or exceeds its financial effort of the preceding year and is supported by a municipality that is economically distressed by any one or more of the following criteria shall qualify for equalization aid. For purposes of determining eligibility for equalization aid, an economically distressed municipality shall be:

[(i)] (1) a city, borough, town or township having a market value per capita below the fifth percentile of all such cities, boroughs, towns and townships, as certified annually by the State Tax Equalization Board;

[(ii)] (2) located in a county having a personal income per capita below the fifteenth percentile of all counties, as certified annually by the Department of Revenue; or

[(iii)] (3) located in a county having an annual average unemployment rate above the seventieth percentile of all counties, as determined annually by the Department of Labor and Industry.

(c) Population data to be used for determining market value per capita and personal income per capita, as provided for in this **[clause] section**, shall be the latest available data from the Federal Bureau of Census for the direct service area of the local library or library system.

(d) In the case of a library or library system that is supported by an economically distressed municipality but that fails to maintain or exceed its financial effort of the preceding year, the library may still qualify for equalization aid if the State Librarian accepts evidence that the library or municipality did not attempt to substitute State funds for local effort.

(e) Beginning in the 1985-1986 fiscal year, twenty percent (20%) of the annual allocation for equalization aid shall first be distributed in equal amounts to all local libraries and members of library systems which qualify for such aid, as determined in accordance with the provisions of this **[clause] section**. The remainder of the annual allocation shall be distributed on a per capita basis to each local library and library system which qualifies for such aid, as determined in accordance with the provisions of this **[clause] section**, by dividing the number of persons residing in the direct service area of each such local library or library system by the total number of such persons residing in the direct service areas of all qualifying local libraries or library systems, and multiplying the result by the amount of the allocation to be distributed on a per capita basis.

(f) No local library or library system shall, as a result of the provisions of this **[clause] section**, receive in any year more than one-third of the total annual appropriation for equalization aid. During the 1985-1986 fiscal year and each fiscal year thereafter that the Commonwealth's total annual appropriation for the system of State-aid established by section 301 exceeds seventeen million five hundred thousand dollars (\$17,500,000), no local library or library system shall receive less equalization aid as a result of the provisions of this **[clause] section** than such local library or library system received for equalization aid during the 1984-1985 fiscal year. For fiscal year 1999-2000 **[and each fiscal year thereafter]**, equalization aid shall be allocated from a hold-harmless amount to equal that amount allocated for equalization aid for fiscal year 1998-1999 from the amount allocated from the Commonwealth's annual appropriation for grants to local libraries and library systems. **[For fiscal years subsequent to 1999-2000, any increase over the hold-harmless amount for equalization aid shall be specified as an annual supplement in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriations Act for that fiscal year.]** *For fiscal year 2000-2001 and each fiscal year thereafter, the amount allocated for equalization aid shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriation Act*

for that fiscal year. Funds allocated for equalization aid shall be distributed according to the provisions of this [clause] *section*.

[(7)] Section 303.11. Equal Distribution Grants to Local Libraries and Library Systems [and Certain District Library Centers].—For eligible fiscal years up to and through the 1998-1999 fiscal year, five percent (5%) of the Commonwealth's annual appropriation for the system of State-aid established by section 301, and all funds transferred from the county library allocation after the county libraries have been paid the total amounts for which they qualify, shall be allocated as hereinafter provided: [(i)] (1) five cents (5¢) per capita for each person residing in the entire district for each district library center which has a population in its direct service area as a local or county library which is twelve percent (12%) or less of the population of the entire designated direct service area; [(ii)] (2) the balance as equal grants to local libraries and library systems which qualify for aid under [clause (1) above] *section 303.1*. These grants shall be determined by dividing the total amount of money allocated by the number of local libraries, branch libraries and bookmobiles in the Commonwealth which achieve or exceed the applicable basic standards. Each library system shall receive an equal grant for each qualifying member local library, branch library and bookmobile. Each local library shall receive an equal grant for the central library and each qualifying branch library and bookmobile. For fiscal year 1999-2000 [and each fiscal year thereafter], equal distribution grants to local libraries and library systems [and certain district library centers] shall be allocated from a hold-harmless amount to equal that amount allocated for equal distribution grants to local libraries and library systems [and certain district library centers] for fiscal year 1998-1999 from the amount allocated from the Commonwealth's annual appropriation for grants to local libraries and library systems. [For fiscal years subsequent to 1999-2000, any increase over the hold-harmless amount for equal distribution grants to local libraries and library systems and certain district library centers shall be specified as an annual supplement in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriation Act for that fiscal year.] *For fiscal year 2000-2001 and each fiscal year thereafter, the amount allocated for equal distribution grants to local libraries and library systems shall be specified in the Commonwealth's annual appropriation for grants to local libraries and library systems within the General Appropriation Act for that fiscal year.* Funds allocated for equal distribution grants to local libraries and library systems [and certain district library centers] shall be distributed according to the provisions of this [clause] *section*.

[(c)] In any fiscal year in which the Commonwealth's annual appropriation for grants to public libraries and library systems is less than the amount appropriated for fiscal year 1998-1999, then the

amount allocated for clauses (1.1), (2.1), (3), (4), (5), (6) and (7) of subsection (b) shall be reduced proportionately.

(d)] Section 303.12. Transfer of Funds.—If necessary, the Department of Education may transfer funds among the allocations listed in **[clauses (1.1), (2.1), (3), (4), (5), (6) and (7) of subsection (b),] sections 303.2, 303.5, 303.7, 303.8, 303.9, 303.10 and 303.11,** provided that the aggregate amount transferred into or out of each allocation during a fiscal year shall not exceed five percent (5%) of the amount specifically allocated for that **[clause.] section.**

Section 305. Implementation Schedule.—(a) If a library or library system applying for State-aid in 1999-2000 fails to comply with the standards under *any* section **[303] of this article,** the library or library system shall not be eligible for funds under that section.

(b) The State Librarian may grant an extension of time to meet the standards under **[section 303(b)(1.2) and (2.2)] sections 303.3 and 303.6** if:

(1) the library or library system is financially unable to comply at the time of payment; or

(2) a plan is accepted by the State Librarian indicating how the library or library system will comply, to include specifics regarding budget, timeline and how the library is working in good faith to achieve the standards.

(c) An extension by the State Librarian shall continue until the time of the submission of the 2000-2001 plan for use of State funds under this act.

Section 2. This act shall take effect July 1, 2000, or immediately, whichever is later.

APPROVED—The 22nd day of June, A.D. 2000.

THOMAS J. RIDGE