

# **OREGON STATE LIBRARY MATCH & MOE**

Each year the Oregon State Library receives a two year grant from the Institute of Museum and Library Services (IMLS) for the Library Services and Technology Act (LSTA) state grants program. The grant funding must be spent on the purposes of LSTA. IMLS requires both a Match and a Maintenance of Effort for receiving the LSTA grants. All grants and related reporting are based on the Federal Fiscal Year (FFY) of October 1<sup>st</sup> to September 30<sup>th</sup>.

## **What are the purposes of LSTA?**

1. Promoting improvement in library services in all types of libraries in order to better serve the people of the United States;
2. Facilitating access to resources in all types of libraries for the purpose of cultivating an educated and informed citizenry; and
3. Encouraging resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public.

## **How does Oregon use LSTA?**

Oregon uses the LSTA funds as outlined in the 2013-17 Oregon LSTA Five Year Plan.

Goal 1: Provide access to information resources and library services.

Goal 2: Use technology to increase capacity to provide library services and expand access.

Goal 3: Develop a culture in libraries that promotes evaluation and use of evaluation results.

Goal 4: Develop information literacy skills.

Goal 5: Foster the joy of reading.

## **MATCH**

### **What is Match?**

20 U.S.C. Section 9133(b). Under the legislation, a LSTA State Library Administrative Agency (SLAA) must contribute funding that meets the purposes of the LSTA program from non-Federal sources. The non-Federal "match" may include contributions from a State, from local sources, or from other non-Federal entities, including, corporations and foundations. The "match," therefore, is not limited to State funds.

### **Why is Match required?**

The policies behind matching requirements are twofold. Federal matching requirements ensure that Federal funds are leveraging non-Federal contributions. They "assure local interest and involvement through financial participation." 59 Comp. Gen. 668, 669 (1980). Federal matching requirements also serve to hold down Federal costs.

### **How much Match is required?**

Match much total 34% of the LSTA program funding per year. The match is calculated based on the federal fiscal year (FFY) of October 1<sup>st</sup> to September 30<sup>th</sup>.

### **What is the History of State Library Match?**

FFY	LSTA Grant	Match Requirement	Total Grant + Match Req.	Match % of Total	Actual Match
2008	\$2,153,972	\$1,109,622	\$3,263,594	34.00%	\$1,169,384
2009	\$2,341,066	\$1,206,004	\$3,547,070	34.00%	\$1,537,997
2010	\$2,395,642	\$1,234,119	\$3,629,761	34.00%	\$1,364,090
2011	\$2,213,648	\$1,140,364	\$3,354,012	34.00%	\$1,466,752

### **What should a State do if it isn't able to fully meet the matching requirement?**

When drawing down funds, a State is representing to the Institute of Museums and Library Services (IMLS) that it is able to meet the matching requirement for the specific amount requested. States should monitor the amount of funds available to match the funds requested in each drawdown in order to ensure that they are not requesting funds that they are unable to match.

### **What are the consequences for failure to provide the required level of matching contributions?**

IMLS's legislation does not permit the agency to waive the matching requirement. A State is required to return to IMLS Federal grant funds that are not matched.

## **MAINTENANCE OF EFFORT (MOE)**

### **What is MOE?**

Independent of the matching requirement, IMLS's authorizing legislation requires a State "maintenance of effort" ("MOE"). Under maintenance of effort provision, a State is required, as a condition of eligibility for Federal funding, to maintain its financial contribution to a program at not less than the amount of its contribution for some prior time period. MOE will also count as Match however only the Match that is provided from the state for the purposes of LSTA and are expended by the (SLAA) count as MOE.

### **Why is a MOE required?**

Maintenance of effort formulas ensure that Federal assistance results in an increased level of library-related activity and that a State does not simply replace State dollars with Federal dollars over time. In the case of LSTA, the maintenance of effort demonstrates the States' commitment to library programs.

### **What counts as MOE?**

The level of State expenditures for the purposes of LSTA shall include all State dollars expended by the State library administrative agency for library programs that are consistent with the purposes of LSTA. All funds included in the maintenance of effort calculation under this subsection shall be expended during the federal fiscal year for which the determination is made, and shall not include capital expenditures, special one-time project costs, or similar windfalls.

### **How much MOE is required?**

The level of State contribution for the purposes of LSTA expended by the State Library Administrative Agency for the previous federal fiscal year must total no less than the average of the total of such expenditures for the 3 federal fiscal years preceding that previous fiscal year.

**Are there items that may reduce the level of MOE required?**

Yes, based on 20 USC Chapter 72, Sec. 9133(c)(i)(b) any decrease in federal support results in an equal percentage decrease in the MOE requirement for the preceding year.

For example: The Oregon State Library initially did not meet the MOE requirement for FFY2010 however the LSTA grant program was cut by 7.25% for FFY2011 resulting in an 7.25% reduction in the MOE requirement for the FFY2010 reporting cycle. Based on this reduction OSL did ultimately meet the MOE requirement for 2010.

**What is the history of MOE?**

FFY	LSTA Grant	MOE Requirement (Average of previous 3 yrs.)	Actual MOE
2008	\$2,153,972	\$1,322,853	\$1,417,138
2009	\$2,341,066	\$1,383,370	\$1,525,236
2010	\$2,395,642	\$1,341,580	\$1,364,090
2011	\$2,213,648	\$1,367,391	\$1,466,752
2012 Proj.	\$2,164,574	\$1,304,311	\$1,416,866 est.
2013 Proj.	\$2,080,092	\$1,337,760	\$1,631,010 est.

**What happens if MOE is not met?**

If MOE is not met then the LSTA grant is cut by the same percent that MOE is unmet by.

For Example: Let’s assume we have maintained a MOE of \$1M for the past three years. Based on the average of the past three years we need to have \$1M or more in MOE this year. If we only have a MOE of \$900k then we did not meet our MOE requirement by 10% and our next LSTA grant will be cut by 10% or approximately \$210k of the approximately 2.1M that we receive each year.

**What is the waiver process?**

Yes, IMLS grants waivers only when a State convincingly demonstrates that it has experienced “exceptional or uncontrollable circumstances,” and fully supports its contention that a waiver would be equitable.

**What considerations go into a waiver?**

IMLS takes a variety of considerations into account in determining whether “exceptional or uncontrollable circumstances” existed and whether it would be equitable to grant a waiver of the MOE. For example, if the waiver request is based on a State’s financial resources, these considerations generally include: whether the decline in the resources of the State was precipitous and unforeseen; whether it could have been prevented or mitigated; whether the decline was statewide; and whether the SLAA’s budget reduction was proportionately or disproportionately reduced in comparison to the budgets of other State agencies. In the case of a natural disaster, IMLS would consider the severity and extent of damages incurred. In each instance, the impact the circumstances have had upon those who are served by the SLAA’s program is an important factor.

**What is required in a waiver?**

- a) Details and supporting evidence of exceptional or uncontrollable circumstances.
- b) The State's total actual appropriations in the year for which a waiver is sought compared to prior years.
- c) The SLAA's total actual appropriations in the year for which a waiver is sought compared to prior years.
- d) An itemized report of the SLAA's actual expenditures calculated in the MOE in the year for which a waiver is sought and prior years.
- e) A detailed explanation of how a reduction to the SLAA's LSTA allotment would impact the SLAA's capacity to provide library services and programs in comparison to previous fiscal years.
- f) The actual appropriations for other State agencies in the year for which a waiver is sought compared to prior years.
- g) Other sources of revenue used by the State for library services and programs.
- h) The SLAA may want to include applicable State budget requests, Governor's reports, press releases, newspaper and periodical articles, or other supporting evidence for IMLS to consider.