

Testimony to House Appropriations

Budget Impacts of Potential Cuts to Federal Funding

Catherine Delneo, State Librarian & Commissioner, Department of Libraries testimony
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How much federal funding do you receive?

1. The Department of Libraries receives an annual allotment from the **Institute of Museum and Library Services** through its Grants to States program.
In 2024, that Grants to States allocation was **\$1,244.357**.
2. The Department of Libraries has received a one-time grant award of **\$16.4M** from the **U.S. Department of Treasury Capital Projects Fund** to support capital projects at public libraries.
3. The Department of Libraries has received a one-time grant award of **\$10M** from the **U.S. Department of Housing and Urban Development** to support capital projects at public libraries.

Which programs/services/activities are supported with federal funds?

Institute of Museum and Library Services (IMLS) Library Services Technology Act (LSTA) Grants to States (\$1.24M, annual grant award)

The annual Grants to States allotment from IMLS makes up roughly 1/3 of the Department's budget. The Department uses these funds to fulfill its statutory obligations and its Library Services and Technology Act Grants to States Five-Year Plan (2023-2027).

https://libraries.vermont.gov/sites/libraries/files/LSTA/VERMONT_LSTA_PLAN_2023_2027.pdf

	2020	2021	2022	2023	2024
Vermont	\$1,032,931	\$1,069,610	\$1,074,697	\$1,247,111	\$1,244,357

Source: <https://www.ims.gov/find-funding/funding-opportunities/grants-to-states/state-allotment-data>

All of the Department's efforts fall within these three broad categories:

1. Strengthening libraries in Vermont,
2. Enhancing Vermonter's access to information, and
3. Fostering learning and building community

The 2025 Program Budget reflects how the Department funds specific elements of each program using a combination of General, Special, and Federal Funds.

In addition to supporting contract costs, the funding the Department receives from the Institute of Museum and Library Services makes up roughly 34% of the Department's staffing and salaries budget. The Staff Program Involvement Chart reflects the degree to which individual staff support each program.

U.S. Department of Treasury Capital Projects Fund for Public Libraries (\$16.4M, one-time)

The Department has awarded 14 public libraries in Vermont a total of \$15.9 million dollars in competitive grants with funds from the U.S. Department of the Treasury's Capital Project Funds program through the American Rescue Plan Act (ARPA). These grants were announced on September 30, 2024.

<https://libraries.vermont.gov/capitalprojectgrants/treasury>

The Department will use approximately \$400,000 of this funding to offset the costs of administering this grant.

The Department has 2 limited-service staff who administer this program. Those 2 positions are 100% funded by this federal grant and the Department's other federal capital projects grant.

U.S. Department of Housing and Urban Development Public Facilities Preservation Initiative Grants for Small, Rural Public Libraries (\$10M, one-time)

The Vermont Department of Libraries has been awarded a grant of \$10M through the Congressionally Directed Spending Program. This Public Facilities Preservation Initiative Grants for Small, Rural Public Libraries in Vermont is administered by the U.S. Department of Housing and Urban Development (HUD) through their FY2023 Economic Initiative Community Project Funding program. This funding was made possible with the support of Senator Leahy, who included the Department's proposal in the Consolidated Appropriations Act of 2023. <https://libraries.vermont.gov/capitalprojectgrants/public-facilities-preservation>

The Vermont Department of Libraries will provide subgrants of up to \$499,999 to public libraries in Vermont to support the completion of necessary public library buildings capital projects with a focus on repair and maintenance.

The Department has 2 limited-service staff who administer this program. Those 2 positions are 100% funded by this federal grant and the Department's other federal capital projects grant.

Which programs/services/activities that are currently supported with federal funds are also supported with State funds?

The Department uses a combination of federal and state funds for all its regular programs except for the Courier Grants to public libraries, which are 100% federally funded.

Are there programs/services/activities that would continue in a reduced capacity if federal funds were eliminated or reduced?

Treasury and HUD Capital Projects

The Department's two capital projects programs are fully funded by Treasury and HUD. Both programs would likely be able to continue in a reduced capacity if either federal funds were reduced. Neither of these programs could continue in any capacity if those federal grants are terminated.

IMLS Grants to States

The federal funding the Department has received for decades from IMLS has helped it fulfil its duties as outlined in Statute – both those activities that the Department must do and those activities that it may do. The Department is committed to continuing to meet its statutory obligations to the extent that funded allows.

If we learn of a specific cut to our federal funding from the Institute of Museum and Library Services, we will first look at the Department's statutory obligations and develop a plan to meet those obligations using the funds appropriated to us by the state Legislature and any funds awarded to us by IMLS.

There would likely be significant need to change to our approach to supporting statewide library service if Vermont's Grants to States award from IMLS is reduced or terminated, particularly if no state funds are available to bridge the funding gap.