Texas Public Libraries

Maintenance of Effort (MOE) Explained

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Texas State Library and Archives Commission
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In order to maintain accreditation, libraries must maintain a local level of financial support that meets or exceeds what has been expended previously.
(a) A public library must demonstrate local effort on an annual basis by maintaining or increasing local operating expenditures or per capita local operating expenditures. Expenditures for the current reporting year will be compared to the average of the total local operating expenditures or to the average of the total per capita local operating expenditures for the three preceding years.

(b) A public library must have minimum total local expenditures of ...$18,000 in local fiscal years 2019, 2020, 2021; and $21,000 in local fiscal years 2022, 2023, 2024.

(c) Exemption: Libraries that expend at least $17.50 per capita and at least $150,000 of local funds are exempt from this membership criterion.
Three Parts

4.2 Total Local Library Operating Expenditures
§1.74(a) Simple Average

<table>
<thead>
<tr>
<th>Local Fiscal Year</th>
<th>Amount in 4.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$32,001</td>
</tr>
<tr>
<td>2018</td>
<td>$35,500</td>
</tr>
<tr>
<td>2017</td>
<td>$33,001</td>
</tr>
<tr>
<td>Sum</td>
<td>$100,502</td>
</tr>
</tbody>
</table>

MOE (Average) $33,500.67

$100,502/3
§1.74(a) Per Capita Calculation

<table>
<thead>
<tr>
<th>Local Fiscal Year</th>
<th>Amount in 4.2</th>
<th>Population Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$32,001</td>
<td>1,500</td>
</tr>
<tr>
<td>2018</td>
<td>$35,500</td>
<td>1,545</td>
</tr>
<tr>
<td>2017</td>
<td>$33,001</td>
<td>1,591</td>
</tr>
<tr>
<td>Sum</td>
<td>$100,502</td>
<td>4,636</td>
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</table>
§1.74(a) Per Capita Calculation

(Sum of 4.2) ÷ (Sum of Population) = Per Capita Average

$100,502 / 4,636 = $21.6786

Per capita average multiplied by current population

$21.6786 x 1,600

MOE $34,685.76
MOE

Maintenance of Effort is the lower of the two amounts.

Three-Year Simple Average: $33,500.67

Per Capita Calculation*: $34,685.76

*Only lower with decreasing population
§1.74(b) Minimum Expenditures

$18,000 - Minimum local operating expenditures, local fiscal years 2019, 2020, 2021

$21,000 - Minimum local operating expenditures for local fiscal years 2022, 2023, 2024
§1.74(c) MOE Exemption

$150,000 in local operating expenditures (4.2)

AND

$17.50 per capita ((4.2)/population)

If a library meets or exceeds these amounts, it is exempt from the MOE criterion.
Planning

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Library Budget</td>
<td>$33,000</td>
<td>$33,000</td>
<td>$33,500</td>
<td>$33,500</td>
<td>$33,000</td>
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<tr>
<td>Other local fundraising</td>
<td>$1,500</td>
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<td>$2,500</td>
<td>$3,500</td>
<td>$1,500</td>
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<tr>
<td>Expenditures</td>
<td>($35,500)</td>
<td>($33,001)</td>
<td>($34,750)</td>
<td>($37,050)</td>
<td>($34,595)</td>
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<tr>
<td>MOE</td>
<td>$32,750</td>
<td>$32,975</td>
<td>$33,501</td>
<td>$34,417</td>
<td>$34,934</td>
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<tr>
<td>Met?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
What if?

Failure to meet MOE puts library at risk of losing accreditation for the next State fiscal year.
1. Confirm inclusion of ALL operating expenditures.

2. Report indirect costs*.

Options

*Items not in the library budget, paid on behalf of the library by the local government funding authority.
Options

3. Appeal to LSA Advisory Board for a waiver of MOE.

4. Library is not accredited for the next State fiscal year.**

**MOE will reset to new level the following year.
Texas Public Libraries Annual Report Information

https://www.tsl.texas.gov/ldn/annualreport

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