

## VI. General (state funds), Miscellaneous Revenue, and Library Services Improvement Fund

### A.1. Finances – FY2026 Budget Requests – Action item

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The Idaho Commission for Libraries (ICfL) will prepare its fiscal year 2026 budget request in accordance with the Idaho Division of Financial Management’s (DFM) budget development manual. The Idaho Board of Library Commissioners discussed and approved two budget requests during the June 13, 2024, regular meeting. ICfL staff recommend two additional items outlined below.

#### NEW REQUESTS

##### **Spending authority request: Ongoing \$40,000 in Federal Funds for Library Services and Technology Act (LSTA) Grants to States**

The Institute of Museum and Library Services (IMLS) utilizes a population-based formula grant to fund the [Library Services and Technology Act \(LSTA\) Grants to States](#) program to State Library Administrative Agencies (SLAAs). The ICfL is the SLAA for Idaho and utilizes the funds to support statewide initiatives and services. The ICfL distributes funds through competitive subawards to libraries.

The grant award is set by the U.S. Congress each year and tends to increase. In 2023, the ICfL award increased by \$218,042: the LSTA22 award was \$1,522,464 and LSTA23 award was \$1,740,506. The LSTA24 award was similar to LSTA23 with a small increase to \$1,741,500.

The base spending authority in the ICfL’s Federal Fund – where the LSTA dollars live – is currently \$1,874,900. The ICfL is reaching its cap on spending authority and is likely to see an increase in the LSTA Grants to States allotment. The Federal Fund also houses Idaho Humanities Council funds in the amount of \$25,000 and State Department of Education passthrough funds in the amounts of \$19,000 and \$25,000. An on-going increase of \$40,000 in the Federal Fund T&B would allow the ICfL to spend the full LSTA Grants to States allotment should it increase.

##### **Re-appropriation request: One-time ~\$170,000 American Rescue Plan Act (ARPA) Capital Funds for Library Facilities Project, Capital Project Fund (CPF)**

In FY24, the ICfL received \$3,518,323 in Capital Project Funds from the U.S. Department of the Treasury to help libraries address critical construction needs in their communities. The ICfL awarded \$1,792,925 through competitive subgrants to Idaho libraries in FY24.

The ICfL received authority from the Idaho Legislature to spend funds in FY25 and would like to request additional spending authority to spend a small portion in FY26. The grant performance period for libraries to spend their subgrants concludes in December 2026. Spending authority in FY26 will allow the ICfL to administer final payments to libraries who are receiving the grant in a milestone reimbursement and provide an opportunity for libraries to request additional funds to cover any unanticipated “change order” type costs often associated with construction.

**REVIEWED BY BOARD IN JUNE 2024**

**Line-item request: Ongoing \$42,400 in General Funds for Education Opportunity Resource (EOR) Act reimbursements to Idaho public libraries**

This enhancement would increase the ICfL's appropriation for EOR, the state reimbursement program for public library and school district broadband costs, from its current level of \$232,600 to \$275,000. This increase would ensure sufficient reimbursement funds are available to public libraries for the portion of broadband costs that are not covered by the federal E-rate program. If any funds remain after EOR reimbursements are fulfilled, those may be used to help reimburse public libraries' internet content filtering and mobile hotspot costs.

The ICfL is responsible for distributing EOR reimbursements under Idaho Code 33-5602 to 33-5605. EOR reimbursements cover the internet service costs that remain after E-rate discounts, which are administered by the Universal Service Administrative Company under the direction of the Federal Communications Commission. When combined, federal E-rate discounts and state EOR reimbursements can fully cover a public library's internet service costs. EOR reimbursements are available to eligible libraries every six months.

The Education Opportunity Resource Committee determines the reimbursement methodology for the EOR program. Based on current E-rate funding requests, the ICfL estimates the current EOR funding level of \$232,600 will be exhausted and the agency will not be able to fully reimburse broadband costs for all eligible libraries in FY2026 and beyond.

**Spending authority request: Ongoing \$2,500,000 in Federal Funds for Digital Access for All Idahoans Capacity Grant Funds**

The ICfL is requesting spending authority of up to \$6 million from the National Telecommunications and Information Administration (NTIA) to implement the Digital Access for All Idahoans Plan. This will be the second year of funding provided by NTIA to implement the collaborative plan to address the human barriers that may prevent Idahoans from accessing digital resources. More than 90% of the funding will be made available to Idaho communities via subgrants and turnkey programs in FY26.

**Suggested motion:** I move that the fiscal year 2026 agency budget request be approved with the proposals as described in Board Document 25-04 and that the State Librarian be authorized to adjust the request as may be required by the Idaho Division of Financial Management or the Legislative Services Office.

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