State Grants-in-Aid Process

- The 4.5.2 New Mexico Administrative Code (NMAC) governs the state aid program.

- The state aid program is intended to supplement and encourage local effort in providing local library service. State aid funds are not intended to be a main source of operating income.

- State aid estimations cannot be provided prior to the New Mexico State Library (NMSL) knowing what its upcoming fiscal year’s budget is. This usually occurs late Summer.

- State aid grant amounts may vary by year, depending on the amount of the appropriation to the state library by the state legislature and the state library’s other budgeted expenses.

- The first step in eligibility for state aid is for a library to be recognized by the New Mexico State Library (NMSL) as either a developing or full public library.
  - There are currently 96 public libraries recognized by the NMSL.

- The Annual Report serves as the state aid application for both a developing and a full public library and is available online July 1 through mid-August. Information provided in the annual report is used to determine a public library’s eligibility for state aid. Once the annual report closes, information reported is reviewed (for all 96 public libraries) to determine eligibility.

- The amount allocated to individual public libraries depends on the number of libraries that meet 4.5.2 NMAC eligibility criteria.

- If a library is not eligible for state aid, a denial letter is sent to the library director. The library director has a choice to appeal the decision. The appeal is made in writing to the state librarian within 10 days of denial notification.
  - The state librarian will respond in writing with a decision within 30 days. The state librarian’s decision is the final action on the matter.

- Once the number of eligible libraries is determined, the appropriation is split equally among all eligible libraries and among any eligible branches with developing libraries’ receiving at least a quarter of a share. The Legal Service Area (LSA) population for eligible libraries is not used to calculate state grants-in-aid allocations.
  - Full public library = one (1) share
  - Branch public library = one half (.50) of a share
  - Developing public library = at least a quarter (.25) of a share

Over
**State Grants-in-Aid Process**

- A grant agreement packet is sent to the library director each Fall via email. Two (2) copies of the grant agreement must be signed (in blue ink) by an authorized agent who has authority to enter into a legal contract with the State of New Mexico and returned to the state library within **60 days** of receipt. If a library does not submit the grant agreement within the required time-period, it forfeits the grant award.

- Once the two (2) fully executed grant agreements are received, a request for payment will be processed.
  - The State Librarian will sign both grant agreements. One copy will be mailed to the library director.
  - Payments arrive via check or electronic fund transfer.
  - In odd-numbered fiscal years, state aid is disbursed using the **50% Rule**.

- The 4.5.2 NMAC indicates how state aid funds can be spent. There is an expenditure Guidance Sheet on the New Mexico State Library website (under Funding for Libraries) to assist with applicable expenditures.
  - The library director should provide a copy of the expenditures Guidance Sheet to financial officer.

- **ALL** state aid funds received must be spent in compliance with the 4.5.2 NMAC before the end of the state fiscal year, June 30.

- The Annual Report asks for a breakdown of how state aid funds were spent. There is a simple spreadsheet on the New Mexico State Library website (under Funding for Libraries) to assist with tracking state aid expenditures.

- See the New Mexico State Library website (under Funding for Libraries → State Grants-in-Aid) for public library state aid allocations.
State Grants-in-Aid Process

A recognized developing or full public library **may** be eligible to receive state aid funding → The Annual Report (AR) serves as a library’s state aid application → Based on the 4.5.2 NMAC, information provided in the AR determines eligibility

Grant amounts may vary by year, depending on the amount of the appropriation to the state library by the state legislature and the state library’s other budgeted expenses → Once all 96 public libraries’ state aid eligibility is determined, the appropriation is split equally among all eligible libraries - A library’s LSA is NOT used to determine allocation → Eligible libraries receive one share, eligible branches receive one half share, and eligible developing libraries receive at least a quarter of a share

Grant agreements and other information is sent to the library director each Fall - Grant agreements must be signed and returned within 60 days of receipt → Once the signed grant agreement is received, request for payment is processed → The 4.5.2 NMAC indicates how state aid funds can be spent - Guidance Sheets are available to assist with applicable expenditures

All state aid funds received must be spent before the end of the state fiscal year, June 30 → The AR asks for a breakdown of how state aid funds were spent – A spreadsheet is available to assist with tracking state aid expenditures → See the New Mexico State Library website (under Funding for Libraries → State Grants-in-Aid) for all 96 public library allocations.