



Illinois Heartland Library System

MEMO TO: IHLS Executive Committee
 FROM: Leslie Bednar
 DATE: August 20, 2025
 RE: IHLS Funding

As we await decisions on the federal FY2026 budget appropriation and its potential impact on the Institute of Museum and Library Services (IMLS), let's take a look at the sources of IHLS financial support. The organization is funded by federal, state, and member libraries. This support comes in the form of multiple grants and payment for services.

SAPG and IMLS

Our primary funding is from the annual System Area and Per Capita Grant (SAPG), which is allocated annually by the Illinois General Assembly. The annual award for SAPG is determined by a formula, based on the IHLS service area (square miles) and total population (per capita) served. The allocation, based in part on the decennial census, generally remains static for 10 years. Illinois Library Systems do not levy taxes as public libraries do. Since FY2023, our annual allocation has been set at \$3,919,852.

The Illinois State Library (ISL) applies for and receives funds from the IMLS Grants to States program. The ISL uses some of these federal funds to support library systems in the state, particularly for delivery services. In FY2025, \$659,722 (17%) of our \$3.9M SAPG award came from federal funds to support interlibrary loan through library materials delivery. In our FY2025 SAPG application, we estimated total delivery expenditures at \$1,798,886.15; therefore, the federal funds portion was approximately 37% of the cost to provide delivery services. We anticipate SAPG funding at the same level in FY2026.

While the administration's budget request proposes the elimination of IMLS, the US Senate Appropriations Committee proposed a different outcome for the agency in FY2026. In August, the Senate approved a bill that included level funding for IMLS. The Senate bill now waits for the US House of Representatives to return to Washington in September to consider its plans for IMLS and many other federal agencies. In addition, the Museum and Library Services Act (MLSA), which sunsets on September 30, must be reauthorized for October.

Additional Grant Awards

IHLS services are also made available through additional federal and state grants totaling \$1,078,468 in FY2026 through these projects:

- **iLEAD Trustee Training Portal:** The iLEAD Trustee Training Portal is an online learning platform for public library trustees and directors. In FY2026, IHLS requested \$196,979 to continue the project and to add information currently provided by the ISL through the Administrative Ready Reference.

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- Cataloging Maintenance Center (CMC): Through the CMC, IHLS provides cataloging training and database cleanup services statewide. In FY2026, we applied for a total of \$708,181 to continue the project.
- OCLC Billing Grant: Via the OCLC Billing Grant project, IHLS bills libraries statewide for their OCLC usage. Our request in FY2026 is \$173,308.

In July, IHLS received notification of a grant award of \$7,344 from Illinois Humanities. The project for the year will allow IHLS to expand our Mobile Memory Lab outreach to reach more member libraries and to add a preservation instruction component.

SHARE Services

The Sharing Heartland's Available Resources Equally (SHARE) Consortium budget in FY2026 is \$2,280,923 in expenditures. SHARE members support most of the service cost at 85%, and the remainder of the support comes directly from the General Fund and in-kind support. Annually, the General Fund allocates \$350,000 toward continued support of SHARE services. SAPG funds comprise the majority of our General fund.

Thank you for your careful consideration of the public funding that powers IHLS.