



# PROPOSAL

## 2020 MEMBER FEE FORMULA

### Budget Committee

Perry Stokes (Baker), Chair

Beth Ross (Sage)

Erin McCusker (UCSLD)

Denine Rautenstrauch (Enterprise)

Marsha Richmond (KCC)

Mark Rose (Hermiston)



**SAGE LIBRARY SYSTEM**

# PROPOSAL

## 2020 MEMBER FEE FORMULA

### **THE WHY**

**Disparities** – per capita & population thresholds

### **THE WHAT**

Objectives, Criteria, Formula options

### **THE HOW**

Meetings, surveys, research

### **The When**

5-Year Plan

# THE WHY

## Disparities – per capita & population thresholds

	A	C	F	G	H	I	J	M	O	Q	S	T	U	V
1	Library category	Population Served 2018 update	population served as % of total		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 FINAL Fee schedule		2019/20 PROPOSED Fee schedule	Cost per capita
2	Increase rate					2.0%	3.0%	8.0%	2.0%	3.0%	3.0%		7.0%	
24	<b>Public (7.5K - 15K)</b>													
25	Oregon Trail Library District	9,294	3.64		8,000	8,140	8,380	9,050	9,231	9,508	9,794		10,479	1.13
26	Milton-Freewater Public (UCSLD)	9,872	3.87		8,000	8,140	8,380	9,050	9,231	9,508	9,794		10,479	1.06
27	Umatilla Public Library (UCSLD)	9,676	3.79		8,000	8,140	8,380	9,050	9,231	9,508	9,794		10,479	1.08
28	Lake County District	8,015	3.14		8,000	8,140	8,380	9,050	9,231	9,508	9,794		10,479	1.31
29														
30														
31	<b>Public (4K - 7500)</b>													
32	Grant County Library	7,410	2.90		3,000	5,000	8,380	9,050	9,231	9,508	5,000		5,350	0.72
33	Harney County Library	7,320	2.87		8,000	8,140	8,380	9,050	9,231	9,508	5,000		5,350	0.73
34														
35														
36	<b>Public (2K - 4K)</b>													
37	Nyssa Public Library	3,285	1.29		1,350	1,375	1,420	1,534	1,564	1,611	1,660		1,776	0.54
38	Enterprise Public Library	3,239	1.27		1,350	1,375	1,420	1,534	1,564	1,611	1,660		1,776	0.55



# THE WHY

## Disparities – per capita & population thresholds

1	Library category	Population Served 2018 update	population served as % of total	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 FINAL Fee schedule	2019/20 PROPOSED Fee schedule	Cost per capita	Avg
2	Increase rate				2.0%	3.0%	8.0%	2.0%	3.0%	3.0%	7.0%		
47	<b>Public (750-2K)</b>												
48	Sherman County Public/Sch	1,795	0.70	1,200	1,220	1,260	1,361	1,388	1,430	1,473	1,576	0.88	
49	Vale Public Library	1,885	0.74								1,576	0.84	0.68
50	Athena Public (UCSLD)	1,576	0.62	1,200	1,220	1,260	1,361	1,388	1,430	1,473	1,576	1.00	
51	Wallowa Public Library	1,352	0.53	1,200	1,220	1,260	1,361	1,388	1,430	1,473	1,576	1.17	
52	Gilliam County Library	1,009	0.40	1,200	1,220	1,260	1,361	1,388	1,430	1,473	1,576	1.56	
53	Ione Library District	989									1,576	1.59	
54	Echo Public Library (UCSLD)	981	0.38	1,200	1,220	1,260	1,361	1,388	1,430	1,473	1,576	1.61	
55	Arlington Public Library	861	0.34	1,200	1,220	1,260	1,361	1,388	1,430	1,473	1,576	1.83	1.31
56													
57													
58	<b>Public (&lt; 750)</b>												
59	Wallowa County Library	603	0.24	1,000	1,020	1,050	1,134	1,157	1,191				
60	Fossil Library	475	0.19	1,000	1,020	1,050	1,134	1,157	1,191	1,227	1,313	2.76	
61	North Powder Public	679		300	305	315	340	1,157	1,191	1,227	1,313	1.93	
62	Ione Library District						1,134	1,157	1,191	1,227			
63	Adams Public Library (UCSLD)	490	0.19	1,000	1,020	1,050	1,134	1,157	1,191	1,227	1,313	2.68	
64	Helix Public Library (UCLSD)	259	0.10	1,000	1,020	1,050	1,134	1,157	1,191	1,227	1,313	5.07	
65	Ukiah Public/School Library (UCSLD)	432	0.17	1,000	1,020	1,050	1,134	1,157	1,191	1,227	1,313	3.04	3.10

# THE WHY

## Disparities – per capita & population thresholds

1	Library category	Population Served 2018 update	population served as % of total	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 FINAL Fee schedule	2019/20 PROPOSED Fee schedule	Cost per capita	Avg	Of Pe
2	Increase rate				2.0%	3.0%	8.0%	2.0%	3.0%	3.0%	7.0%			
14	<b>Public (15K - 30K)</b>													
15	Ontario Community Library	26,535	10.40	10,000	10,200	10,500	11,340	11,567	11,914	12,271	13,130	0.49		
16	Pendleton Public Library (UCSLD)	23,266	9.12	10,000	10,200	10,500	11,340	11,567	11,914	12,271	13,130	0.56		
17	Hood River Cnty District	24,735	9.69	10,000	10,200	10,500	11,340	11,567	11,914	12,271	13,130	0.53		
18	Hermiston Public Library	23,534	9.22	10,000	10,200	10,500	11,340	11,567	11,914	12,271	13,130	0.56		
19	Dalles/Wasco District	26,265	10.29	10,000	10,200	10,500	11,340	11,567	11,914	12,271	13,130	0.50		
20	La Grande Public Library	20,145	7.90	10,000	10,200	10,500	11,340	11,567	11,914	12,271	13,130	0.65		
21	Baker County District	16,510	6.47	10,000	10,200	10,500	11,340	11,567	11,914	12,271	13,130	0.80	0.58	
24	<b>Public (7.5K - 15K)</b>													
25	Oregon Trail Library District	9,294	3.64	8,000	8,140	8,380	9,050	9,231	9,508	9,794	10,479	1.13		
26	Milton-Freewater Public (UCSLD)	9,872	3.87	8,000	8,140	8,380	9,050	9,231	9,508	9,794	10,479	1.06		
27	Umatilla Public Library (UCSLD)	9,676	3.79	8,000	8,140	8,380	9,050	9,231	9,508	9,794	10,479	1.08		
28	Lake County District	8,015	3.14	8,000	8,140	8,380	9,050	9,231	9,508	9,794	10,479	1.31	1.14	

# THE HOW

## Meetings, surveys, research

### **DISCUSSION:**

What metrics are available to determine who is putting most demand on system & who is not?

Why do we charge academics more/schools less?

How does a more complex formula work based on checkouts, # records in system, # “active” cardholders, # simultaneous users?

What do other peer consortia use for pricing formulas?

# THE HOW

## Meetings, surveys, research

### TIMELINE OF EVENTS

- **Survey - satisfaction** **Jan 2019**
    - 16 respondents
  - **Budget/Strategic Planning Meeting** **Jan 30 2019**
    - 11 participants
- \*Implementation postponed by User Council

# THE HOW

## Meetings, surveys, research

- **Budget/Strategic Planning Committee**
  - 6 participants

Dec 17 2019  
Dec 19 2019
- **Consortia models survey**
  - 10 respondents

Dec 2019
- **Sage survey – % weight preferences**
  - 30 respondents (56%)

Jan 2020
- **Budget/Strategic Planning Committee**
  - 6 participants

Jan 6 2020  
Jan 15 2020



# THE HOW

## Meetings, surveys, research

- **Consortia Models Survey      Dec 2019**  
– 10 respondents

PINES (Georgia)

Virginia Evergreen Libraries

NOBLE

Evergreen Indiana

Missouri Evergreen

Consortium of Ohio Libraries

SC Lends

Pennsylvania Integrated Library System (PaILS)

NC Cardinal

Bibliomation

# Survey Results – Jan 2019

How much do you know about the way Sage member pricing is structured?

16 responses

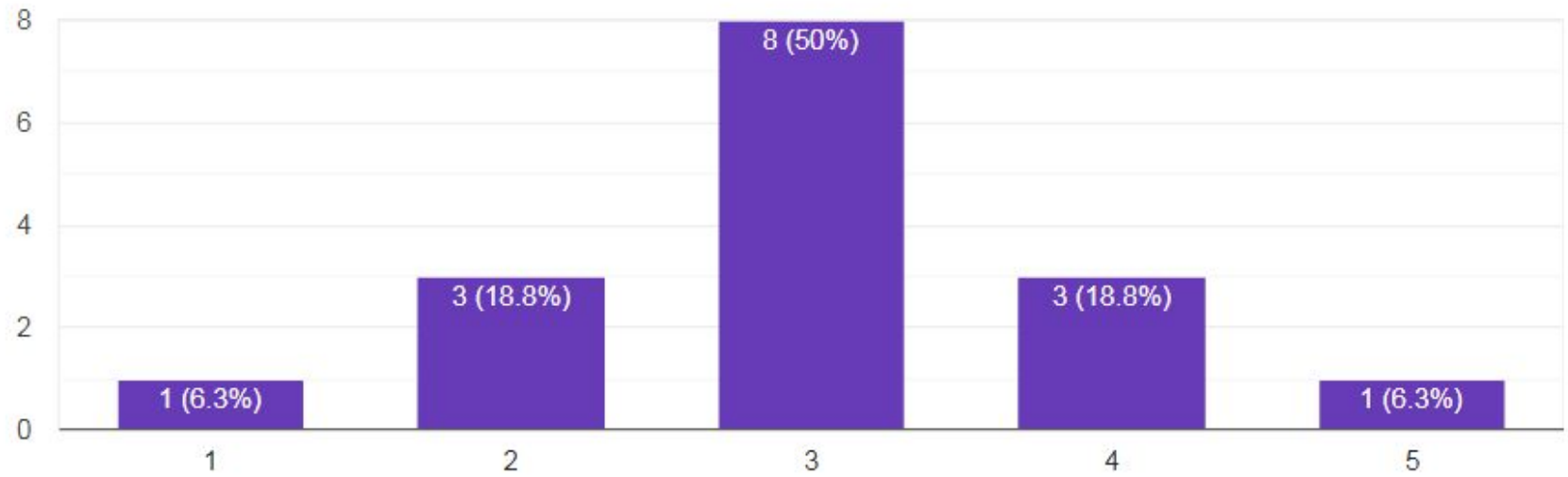


# Survey Results – Jan 2019

How satisfied are you with the current pricing structure for Sage membership?



16 responses



# Survey Results – Jan 2019

If dissatisfied, what is the reason?

5 responses

Because this library is on the low end

The disparity in cost per capita.

Arbitrary pricing groups have lead to unfair pricing model.

as as small public school with limited funds I am concerned we won't rejoin some years

The tiered structure means that the cost per capita is all over the place, and in looking at the budget spreadsheet it seems like the smaller libraries are paying much more per capita in the tiers. Baker for instance pays .81 per capita to Ontario's .51. The really small libraries are also paying significantly more per capita than the larger ones. I think we should find a system that is more equitable to all.

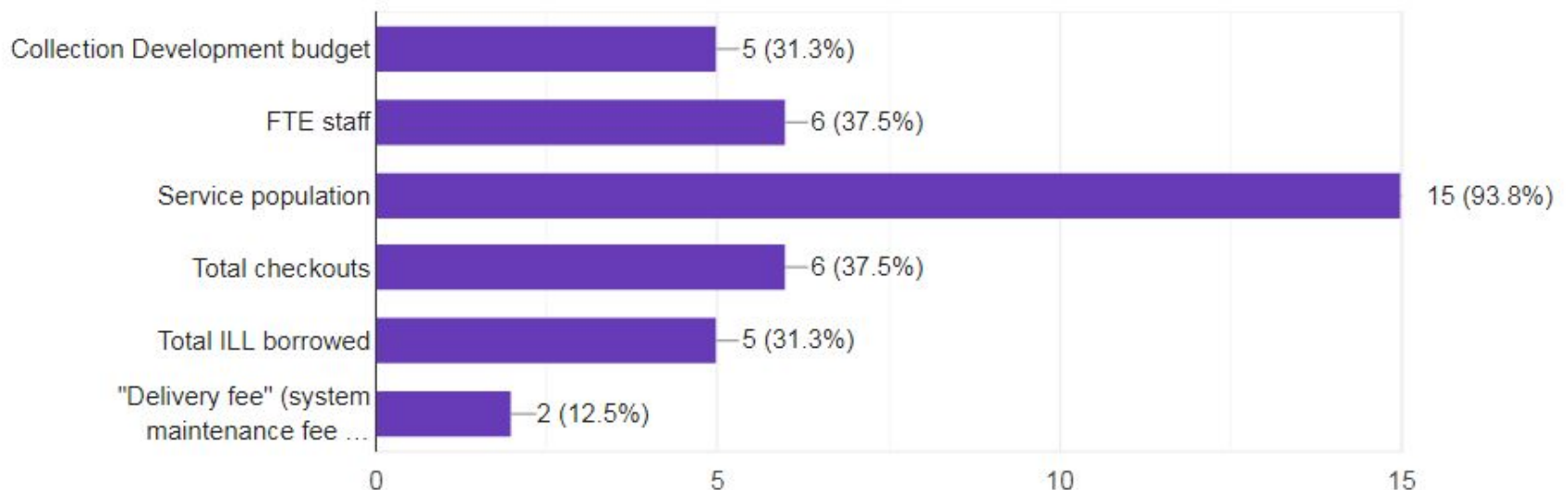
# Survey Results – Jan 2019

## Alternatives

Which of these criteria should be used to calculate member pricing? (Choose all that apply)



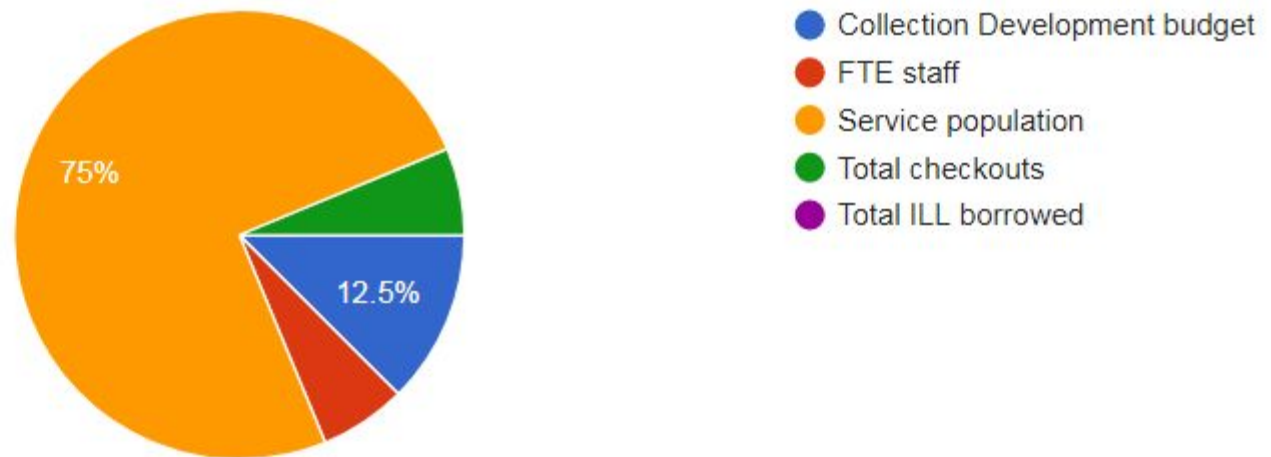
16 responses



# Survey Results – Jan 2019

Which of these criteria should be the most important metric for calculating member pricing?  
(Choose one)

16 responses

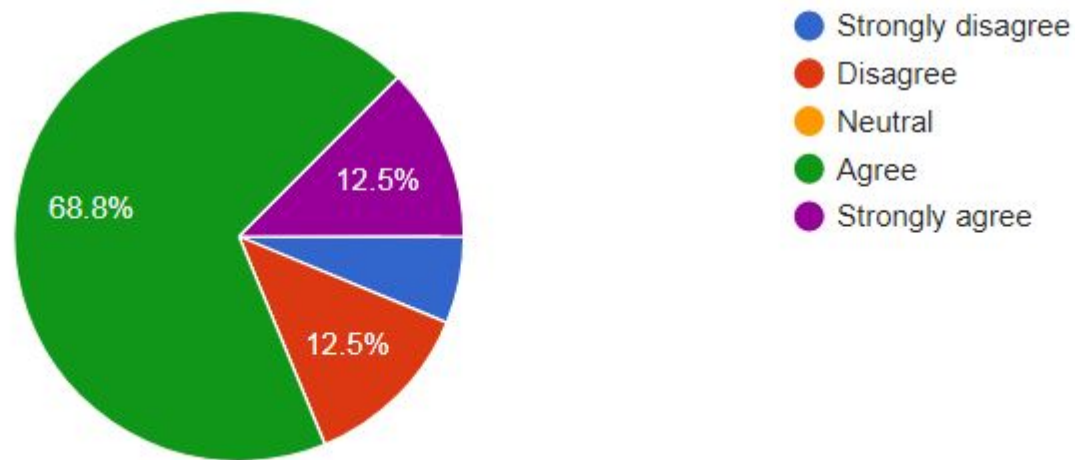


# Survey Results – Jan 2019

## Complications

Larger libraries should pay higher rates because their percentage of system usage is higher.

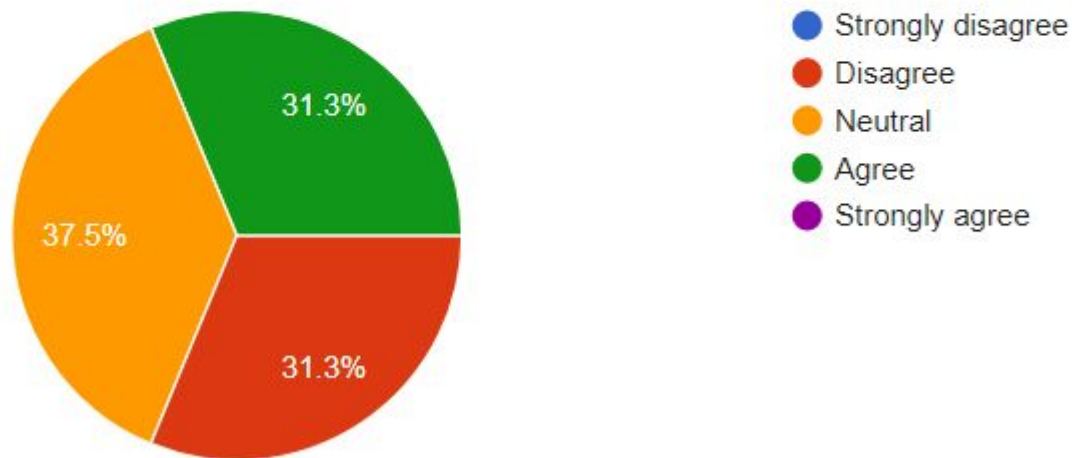
16 responses



# Survey Results – Jan 2019

Larger libraries should receive some pricing compensation for contributing resources and staff time.

16 responses



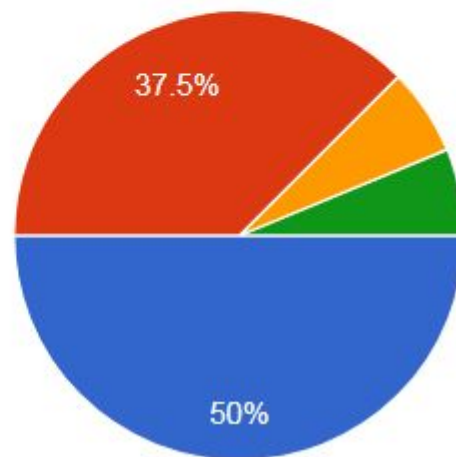


# Survey Results – Jan 2019

## Strategic planning

What challenge is most important for Sage to focus on?

16 responses

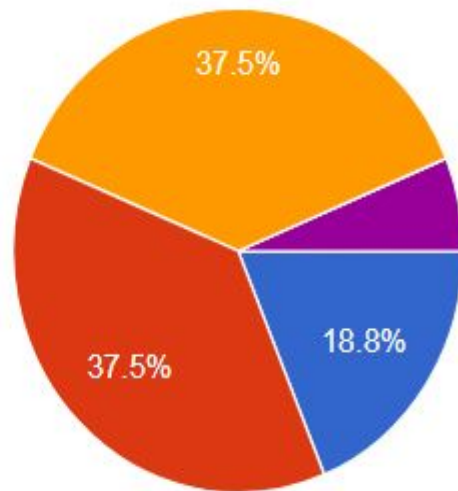


- Growing Systems Admin salaries to a competitive level
- Adding a Sage Cataloger
- Not losing libraries due to costs
- addressing both concerns would be my choice - both needed

# Survey Results – Jan 2019

What do you think about raising fees to address these challenges?

16 responses



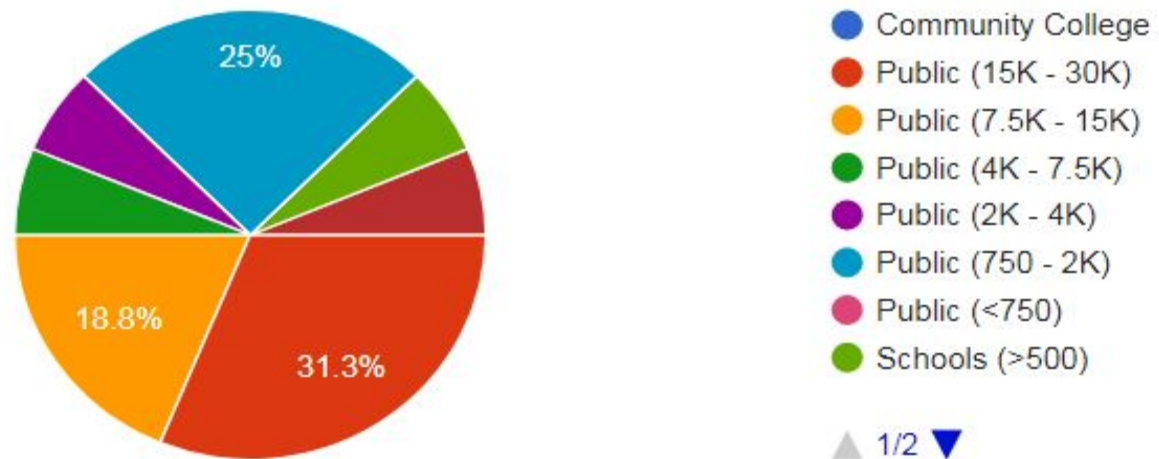
- No way. My library can barely afford Sage now.
- Maybe, depends on the amount.
- Good idea. These are important issues and my library would pay more to have them addressed.
- No comment.
- it is a bargain at this time but I worry about libraries not being able to afford it. It works because we are a large group.

# Survey Results – Jan 2019

## Demographics

Which Sage member tier do you represent?

16 responses



# Survey Results – Jan 2019

## Comments

3 responses

These are interesting and not easy questions. For instance some smaller libraries' staff members would like to volunteer for the user council, etc, but do not have the freedom to do so as they are the only ones in the library. If you discount larger libraries for volunteering, then who picks up the discounted amount? The smaller libraries don't have the budget to cover that either. A bit of a catch-22. I agree that the salary levels should come up to professional standards and also that a cataloging staff member is needed. As we look at options for funding both of those, is the only option for funding in raising the fees? Thanks so much

Our school was one of the first schools to join the inter-library system ( USING DOS SYSTEM). We used to borrow a lot of books but it takes at least a week to get them now. When we loaned out our books, especially the new titles, we have found the books take longer to return to the lending library because of multiple checkouts or renews. We are a small school so our budget is limited. We try to keep our new titles for 6 months before sending them to other libraries. We have lost some books and have never been compensated. We have some books that have returned back to us after 3 to 5 years. We like the cataloging attachment system. It helps us quickly get the book ready for check-out. it is helpful to know what other libraries have the same books. The only drawback is not being user friendly in having one button reports. You have to always set up the reports on how many checked out and who has them WHICH ARE NOT CURRENT. We don't have a up-to-date RUNNING report on which books are overdue and by whom.



# Survey Results – Jan 2019

## Comments

3 responses

In regards to the questions about what we should take into account for the pricing, I think the only fair way is service population. Some libraries have huge FTE staff and I don't think they should have to pay more because of that. Things like usage can be tricky because we're putting an incentive to not have high ILL usage and it creates a disincentive to want to increase circulation. I am opposed to charging larger libraries more for usage, or giving them a break because of staff time. We all use SAGE proportionally, some libraries may have to dedicate much more staff to the courier and ILL, but that is just as much as an impact to small libraries with only one person doing that job.

# Survey Results – Jan 2020

	A	B	C	D	E	F	G
1		What percentage of cost should be based on active cardholders?	What percentage of cost should be based on collection size	What percentage of cost should be based on amount of circulation	What percentage of the cost should be determined by a minimum base fee for all libraries?		Should Sage courier costs be prorated to member libraries according to usage?
33							
34	<b>MEDIAN</b>	25	20	25	25	YES	14
35	<b>AVG</b>	28.7	21.7	23.4	26.0	MAYBE	9
36						NO	7
37						<b>REPLIES</b>	<b>30</b>
38						<b>RESPONSE RATE</b>	55.6%
39							

## NOTES:

Median percentages do not total to 100%.

Averages suggest higher weight preference to cardholders / service pop.

# THE WHAT

## Objectives

- **Equitable**
  - Formula applicable to all
  - Prorated to usage
  - Some compensation for disproportionate contribution(s)
- **Sustainable**
  - Member retention
    - Minimal base fee for smallest
    - Fee competitive to market rate alternatives for largest
- **Stable**
  - Criteria based on 3 year averages
  - Phased implementation plan (3-5 years)

# Criteria obstacles

- **Collection Budget**
  - Redundant to # of items
  - Disincentivizes collection investment
  - How to get school member data?
- **FTE staff**
  - How to get school member data?



# Spreadsheet options discussion

- **Active accounts** – incentivizes account maintenance, disincentivizes creation of multiple cards for household (kid cards)
- **Service population** – assumes higher tax base, larger budget capacity, higher usage potential
- **Item/collection fee** – incentivizes weeding, disincentivizes collection growing
- **Circulation fee** – assumes increased system load for transactions

# Spreadsheet options discussion

- **Courier fee**

- Recovers *Sage portion* of courier costs from members prorated to use.
- Combination of base rate using proportion of total ILL traffic + surcharge/discount at set rate per item of net lent/borrowed.
- Provides counterbalance to libraries with large collections that are resource sharing assets for consortium.
- Provides some incentive for reducing barriers to ILL (age-based hold protection), collection development to serve own patrons.

# Spreadsheet options discussion

- See reference materials

# Spreadsheet options discussion

- X.0 MASTERS
  - Service pop reduces cost to Academic libraries = decreased proportion of users.
  - Active cardholders creates largest cost increase of any option for The Dalles.
  - Negligible impact to small libraries. High impact to largest (La Grande, Pendleton, the Dalles)
- X.1 25% Base Fee may drive away ILL only members.
- X.2 Larger libraries pickup larger % of burden. Least stress on “most at risk” libraries (smallest collection budgets)

\*NOTE: higher courier surcharge/discount effect on The Dalles (reduced total fee)

# Spreadsheet options discussion

- **Small libraries most consistently adversely impacted**
  - Athena
  - Elgin (HS & PL)
  - Enterprise
  - Ione School
  - Joseph
  - Nyssa
  - Sherman
  - Stanfield School
  - Union
  - Vale

# The When

## 5-Year Plan

- Target difference divided by 5, applied to “default rate”
- Operations budget scales up at assumed 1% growth rate
- **Note:** projected fees are **estimates only**, subject to change based on new population & usage data and Sage operations budget target

# Recommendation -- Stokes

OPTION 9.2	
Pop + item + base+ circ + courier fee (net ILL +/-)	
\$513	
35%	
0%	
25%	
15%	
25%	
<b>100%</b>	
0.25	

Favors service population

Low base rate

Results in least change variation

Best for member retention (least risk)

## VARIATIONS

VARIATION 1		VARIATION 2	
Pop + item + base+ circ + courier fee (net ILL +/-)		Pop + item + base+ circ + courier fee (net ILL +/-)	
\$521		\$521	
35%		30%	
0%		0%	
25%		25%	
15%		15%	
25%		30%	
<b>100%</b>		<b>100%</b>	
0.50		0.50	

Higher courier charge/rebate

- Recovers costs from greatest borrowers
- Rewards greatest lenders
- Results in lower costs to "most at risk"
- Large increase for "Net borrowers"

# RECOMMENDED NEXT STEPS

- Take time to digest, explore, discuss
- Decide on preferred formula(s) – March?
- Approve new structure with full member electronic vote