



Finding the sweet spot: New options for Washington County libraries

Prepared by Consensus
for Washington County Cooperative Library Services
January 2009

There is no one right way to fund and govern America's libraries. Each state and each community does things a little – and sometimes a lot – differently. The important thing is for the model to hit that sweet spot where the benefits to various stakeholders are balanced and maximized. There is agreement within Washington County that, in general, the current system has not yet found the sweet spot.

Washington County Cooperative Library Services (WCCLS) and its member libraries hope to change that. In 2006, after two failed attempts, voters approved a four-year local option tax levy for library services. The funds provide some breathing space for the county's libraries, which had cut services drastically. The libraries are using this reprieve to plan for the future. They are considering new options for funding and governing libraries in Washington County and they are creating a ten-year strategic plan.

WCCLS selected Consensus, a nonprofit firm based in Kansas City, Missouri, to conduct research and guide the process. Early in 2009, Consensus will hold 12 stakeholder meetings and four public meetings in Washington County. The three-hour stakeholder meetings will be held at member libraries and will include staff, board, and community members. Stakeholders will discuss funding and governance and will contribute to a strategic plan. The four public meetings will focus on funding and governance, and will provide a sense of what the public would and would not support. In addition, an online survey will allow the public and others to weigh in. In March, WCCLS leaders will consider all the information and agree on a course of action.

The current situation in Washington County

WCCLS leaders intend to identify a new option that is substantially better than the current situation, if one exists. The last thing they want to do is put effort into changing the system, only to find that the solution isn't much better than what it was intended to fix. Understanding the current system is vital to

deciding what to do next.

How libraries are currently governed

Decision-making about library services in Washington County happens at the county and city/community level. WCCLS is a county-wide cooperative that provides some centralized services to its member libraries. The County funds WCCLS from the general fund and a local option levy; WCCLS passes along most of the money it receives to its member libraries for operating costs, and libraries provide services directly to the public.

WCCLS includes 12 libraries with 14 sites. Ten sites are operated by nine municipalities, and the County runs one and two nonprofits run the other three sites. WCCLS is governed by the Washington County Board of Commissioners, which convenes the Executive Board to advise it. The Executive Board is composed of chief administrative officers of 11 municipal and nonprofit libraries, plus county representation. WCCLS convenes the Policy Group, which includes the directors of member libraries. The Executive Board deals with funding and long-term governance and funding strategies, while the Policy Group deals with operations and policy implementation. Each member library also has its own board of directors.

Pros...

Local leaders consider libraries to be central to their communities, and point with pride to both the buildings and the services they provide. While leaders say that they value cooperation, they also value the fact that the current structure allows for a substantial amount of local control. Member libraries decide how much to share. For example, libraries have chosen to buy and catalogue books independently, when having WCCLS handle that task it would cost less. Libraries say independence gives them the autonomy to design services for their unique communities.

...and Cons

Others say that the cooperative structure is missing some important pieces. Most important is the ability to make decisions at the county level about which libraries go where and what services they provide. This missing piece is especially vital to providing services to unincorporated Washington County. And, currently, WCCLS is entirely reactive. If a municipality wants to double the size of its library, it can, even though it means that County dollars must stretch further to cover the higher operating costs.

How libraries are currently funded

WCCLS will expend a total of about \$20 million in FY 08-09. About two-thirds come from the County general fund and about one-third from a county-wide local-option levy, which expires in 2011. In general, county funds pay for WCCLS central services (catalog, publicity, courier, website, etc.) and for library operations (staff, books, occupancy). County funds pay for an average of 65 percent of library operating costs, although that number varies by library. Cities and nonprofits pay for all capital costs and some operations.

Pros...

Libraries receive funds from several sources, a structure which provides some stability. County funding provides a base level of funds for each library. Because everyone in the county helps pay for that base level, it spreads the burden widely. In communities without that shared county-wide support, there is less incentive for cooperation and more problems with unequal library service. Library leaders appreciate the strong support they receive from the Washington County Board of Commissioners.

...and Cons

Concerns often center on the local option levy. Libraries must seek voter approval every few years, which is expensive and inefficient. When the levy doesn't pass, libraries are forced to reduce services. Other concerns are that city governments are not required to contribute towards library operations, and that residents in unincorporated areas don't pay as much as city residents. Competition is also an issue. WCCLS competes for funds with other county departments, and municipal libraries compete for funds with other city departments.

Washington County funding as a percentage of library revenues 2007-08

Public Libraries:	Operating Revenues	Revenue from WCCLS	% of Revenue from WCCLS
Banks	\$157,183	\$98,994	63.0%
Beaverton	\$6,232,273	\$3,803,315	61.0%
Cedar Mill	\$2,771,068	\$2,417,134	87.2%
Cornelius	\$236,276	\$117,670	49.8%
Forest Grove	\$768,214	\$612,949	79.8%
Garden Home	\$338,156	\$313,162	92.6%
Hillsboro Libraries	\$6,836,666	\$3,597,699	52.6%
North Plains	\$92,888	\$51,890	54.9%
Sherwood	\$840,611	\$595,309	70.8%
Tigard	\$3,172,100	\$2,196,844	69.2%
Tualatin	\$1,417,079	\$1,135,616	80.1%
West Slope	\$624,489	\$543,110	87.0%
Total	\$23,801,577	\$15,482,802	65.0%

How Washington County libraries compare to the state and the nation

To compare local libraries with the national average, we must use 2005 figures because that is the latest year for which national data are available. While 2005 was before the local-option levy kicked in, it does remind us what library services looked like without those funds.

The 2005 figures show libraries that were more efficient, more funded and visited far more often than the national average, but that had far less space and fewer books per capita than their peers nationwide.

- On average, WCCLS libraries spent about the same amount per capita as Oregon libraries, but 33 percent more than the national average of \$30.11 in 2005.

- Average materials expenditures per capita were \$4.03 for local libraries, which was below the state average and almost precisely the national average. At 2.1, local libraries had fewer book volumes per capita than their counterparts at the state (2.9) or national (2.8) level.
- Operating expenditures per circulation, which show efficiency, was \$2.88, slightly above the state average and more than a third less than the national average.
- Residents visited WCCLS member libraries 7.3 percent more often than their Oregon counterparts and 42.6 percent more often than the national average.
- In 2005, the county had only 70 percent of the average square feet per capita that one would expect to find in U.S. libraries. By 2008, with several new buildings, the county had 89 percent of the national average for square feet per capita. Beaverton, Forest Grove, North Plains and Tigard were above the national average for square feet per capita.

There are unequal levels of library service throughout the county

When we look at the WCCLS member libraries, we find that the figures vary from one library to the next. We would also note that, with staffing, materials and hours open purchased with funds from the local option tax levy, the quality of services for all libraries in the county have risen substantially based on Oregon Library Association (OLA) standards. The standards are voluntary and provide guidelines for three levels of quality: threshold, adequate or excellent. The latest figures available are for 2007-08.

- **Staffing.** Bringing libraries to an adequate level would cost some \$802,000 in additional personnel costs annually. Hillsboro would account for over half of this while Cornelius, Forest Grove, North Plains, and Sherwood would all need additional staffing. Several libraries are above the OLA adequate level and the total countywide staff compliment exceeds OLA adequate standards. Staff expenditure per FTE varies from \$32,935 in Garden Home to \$71,136 in Hillsboro.
- **Buildings.** Only Forest Grove exceeds the OLA standard for minimum building size in 2007-08. The remaining libraries ranged from as little as 32 percent of needed space (Cornelius) to 97 percent (Sherwood). In total, the county's libraries provided just 59 percent of space needed to serve the current population, according to the OLA minimum standard for building size.
- **Collections.** Banks, Cedar Mill, Forest Grove, Garden Home, North Plains, Tigard and West Slope met the OLA standard for adequacy in collection size. Beaverton, Cornelius, Hillsboro and Sherwood fell behind and Tualatin was almost exactly on target.
- **Hours open.** Eight libraries met the OLA standard for adequate hours. Collectively, libraries were 20 hours per week over the adequate standard and 160 hours per week short of excellent.

It would cost about \$7.24 million annually to get all libraries in Washington County to the OLA level of "adequate." That includes about \$802,000 for staffing, \$5.8 million for buildings at a conservative \$175 per square foot, and \$609,000 for materials.

Washington County residents pay different amounts for library services

If the tax burden for all libraries was spread throughout the county, the rate would be \$0.78. The \$.78 figure would be an increase for residents of unincorporated areas, which pay \$0.55, and for Cornelius, North Plains, Sherwood and Tualatin. It would be a decrease for Banks, Beaverton, Forest Grove, Hillsboro, and Tigard. (To reach OLA’s “adequate” standards would require a tax rate of \$0.94.)

Tax Revenue for Libraries

Library	2008 Assessed Value	County levy Tax with Central Support Services	Local Operating and Capital	Combined Operating and Capital Tax	Taxpayer Rate
Banks	\$96,396,494	\$52,074	\$44,200	\$96,274	\$1.00
Beaverton	\$7,288,431,637	\$3,937,250	\$4,109,704	\$8,046,954	\$1.10
Cornelius	\$489,139,947	\$264,236	\$99,427	\$363,663	\$0.74
Forest Grove	\$1,111,526,156	\$600,452	\$304,460	\$904,912	\$0.81
Hillsboro	\$7,963,202,164	\$4,301,765	\$3,361,877	\$7,663,642	\$0.96
North Plains	\$138,383,111	\$74,755	\$28,621	\$103,376	\$0.75
Sherwood	\$1,224,220,020	\$661,330	\$206,927	\$868,257	\$0.71
Tigard	\$4,732,621,073	\$2,556,587	\$1,809,405	\$4,365,992	\$0.92
Tualatin	\$2,342,432,702	\$1,265,395	\$478,986	\$1,744,381	\$0.74
Unincorporated & Other	\$18,329,203,744	\$9,901,534	\$238,000	\$10,139,534	\$0.55
Totals	\$43,715,557,048	\$23,615,379	\$10,681,607	\$34,296,986	\$0.78

Any resident can use any library

Communities around the country have different ways of dealing with the question of who pays to serve non-residents. Sometimes, people must buy a library card to use a library for which they don’t pay taxes. In other communities, people create agreements like the one in Washington County that allow anyone to use any library at no cost to the individual.

Pros...

Being able to use every library in the county is very popular with library users. Because resources are shared, libraries don’t all need to have the same materials. This reduces what libraries need to spend for materials and allows even small libraries to tailor collections to the interests of their residents.

...and Cons

Some libraries are more popular than others; the taxpayers for those libraries subsidize users who don’t pay taxes for that library. In Washington County, the situation is exacerbated by the fact that almost half of the county’s residents live in unincorporated areas. While a library may build a building and hire staff to serve all of its users, only a fraction are paying for capital or helping to subsidize operations.

Library, 2007-08	Municipal Population	Population Transfer	Service Population
Banks Public Library	1,435	3,605	5,040
Beaverton City Library	84,270	32,653	116,923
Cedar Mill Community Library		49,735	49,735
Cornelius Public Library	10,785	1,804	12,589
Forest Grove City Library	20,380	7,755	28,135
Garden Home Community Library		6,275	6,275
Hillsboro Public Library	84,445	73,126	157,571
North Plains Public Library	1,755	1,144	2,899
Sherwood Public Library	16,115	3,448	19,563
Tigard Public Library	46,300	18,896	65,196
Tualatin Public Library	22,585	2,435	25,020
West Slope		11,639	11,639
Unincorporated and other	212,515	(212,515)	0
Totals	500,585	0	500,585

Residents in urban unincorporated areas pay less and receive less

Those who live in urban unincorporated areas pay just the base county rate and can still use any library. A recent study showed that urban unincorporated residents receive \$600,000 in library services that they don't pay for. On the other hand, unincorporated residents have fewer libraries to serve them, so city libraries are often the library of choice. Of the 14 library sites within WCCLS, just four are located in unincorporated areas. This means that the 212,515 unincorporated residents have one library site per 53,126. The 288,070 residents of incorporated Washington County have ten library sites to serve them, or one library per 28,807.

The problem of providing services to urban unincorporated residents will only increase, as many new residents are moving into those areas. The county's population has grown 58 percent since 1990, and library circulation has grown even faster than the population has grown: 127 percent since 1990. Rapid population growth has increased demand for all sorts of county services, not just libraries. County government is expected to provide services at a level more normally provided by cities, but restrictions placed on traditional county funding sources make that difficult.

People who work at libraries are paid different salaries

If libraries in Washington County became consolidated, wages would need to be "harmonized," and they usually get harmonized to the highest rather than the lowest common denominator. Currently, staff expenditure per employee ranges from 2.2 to 1 between Hillsboro (high) and Garden Home (low). To pay all library employees at the Hillsboro level would add \$1.43 million, or 8.6%, to payroll costs. In most consolidations, there is some attrition and a case could be made for paying managers of smaller branches less than the larger ones, but salary costs would still climb significantly.

The Problem

The current method of governing and funding libraries in Washington County has worked reasonably well in the past, but rapidly growing population is among the reasons that leaders think it may not be the best choice for the future. Residents currently pay different amounts for unequal levels of service, there is no countywide method for siting new libraries, and the local option levy is an unstable and inefficient method of raising funds. How can Washington County provide library services in a way that is fair and sufficient for all residents of the county?

Members of the WCCLS Executive Board and Policy Group considered several options and selected the options below as the most promising new possibilities. None of the three are perfect. Each comes with tradeoffs and consequences, and only the people of Washington County can determine whether the benefits are worth it.

OPTION ONE: Cooperative County Service District

The broad remedy: Any option that separated libraries from government or that sacrificed municipal-level control for county-level control would not work. We should form a service district that would allow us to levy a permanent tax, but governance should be cooperative, like it is now, rather than consolidated. The district would have a board appointed by county government. The county would use an inter-governmental agreement to contract with libraries, which would continue to operate independently. Cities would retain ownership of their library buildings. The permanent tax levy should be just enough to assure a stable floor of funding. Cities that want to spend more or less on buildings or operations could do so. Equal service for equal taxes is less vital than giving communities the option to pay for excellence. It would be best to avoid using the local option levy, but that may not be possible in the long term.

Arguments for

- Because it is most like the current system, people may feel most comfortable with this option.
- The permanent tax levy would likely be much lower than for the other two options, and therefore might be more likely to pass.
- The loyalty within each city and nonprofit for the library would not be threatened.
- It would allow communities to spend more to provide excellent libraries.
- Each municipality or nonprofit would have control over funding, location and design of its library buildings and services. Staff members still would be city or library employees.

Arguments against

- It could still require using the local option levy, which is expensive and inefficient to pass.
- It wouldn't necessarily provide a method for building libraries in the urban unincorporated areas, so those residents could remain underserved.
- There would continue to be unequal service, as residents flock to some libraries but not others.
- The opportunities for efficiencies and economies of scale would largely be lost. Staff members would still be paid at different rates.

OPTION TWO: Consolidated County Service District

The broad remedy: We need to make decisions at the county level, but it would be a mistake to separate libraries from government. Instead, we should form a county service district and operate it in a consolidated manner. The county service district has a board appointed by county government and all library employees would be county employees. To assure equal levels of library service, the district could lease all the library buildings and pay for capital costs for future libraries through its permanent tax levy. The permanent tax levy should be enough to cover operating costs for all libraries throughout the county, including new ones built in the urban unincorporated areas and cities. It would be best to avoid using the local option levy, but that may not be possible in the long term.

Arguments for

- Unlike a special district, the service district doesn't require a new layer of government just for libraries.
- We could use the existing county infrastructure to manage aspects of the districts, like payroll and maintenance.
- Libraries would have a permanent tax levy and would no longer compete with county or city departments for funding.
- It achieves economies of scale and equal pay for library staff members.
- A consolidated district is likely to encourage about the same level of quality among all libraries.
- It solves the problem of unequal tax rates and unequal quality, and allows planning for library services throughout the county.

Arguments against

- This option, unlike a special district, doesn't allow libraries to be separate and distinct from government.
- Citizens would need to vote to establish the service district and might view it as a tax increase.
- Municipalities could lose control of determining building location, design, and level of services.
- The library would need to reimburse the county for services such as payroll and maintenance, when it might cost less for the library to handle them internally or through another vendor.
- While compression isn't currently a problem in Washington County, the library tax could eventually reduce funds available for other government services.

OPTION THREE: Special District

The broad remedy: It is vital that we make decisions at the county level, and the best way to do that is to separate libraries from county and municipal government entirely. We should form a county-wide library special district. The special district would be a separate unit of government, led by a five-person elected governing board and funded by a permanent property-tax levy. The district would hire all staff members and could own all library buildings. Special districts have more stable funding than other types of libraries because they don't have to compete with city or county services. Because they cover the whole county, they can assure an equal level of service and equal tax level for all residents. In Oregon, 18 public libraries already use the special district model.

Arguments for

- It takes library services out of local government entirely, so the library is the only priority of its leaders.
- The elected board is accountable to all residents of the county.
- It achieves economies of scale and equal pay for library staff members.
- It allows the county and municipalities to quit paying for libraries from their budgets.
- A special district is likely to encourage about the same level of quality among all libraries.
- It solves the problem of unequal tax rates and unequal quality, and allows planning for library services throughout the county.

Arguments against

- Citizens would need to vote to establish the district and might view it as a tax increase and as "another level of government."
- More decisions would be made at the county rather than local level, which could reduce the loyalty that some residents and friends and foundation groups feel for their libraries.
- There would be a loss of municipal-level control in determining building location, design, and level of services.
- Over time, libraries could start to feel more similar and less unique to their communities.
- While compression isn't currently a problem in Washington County, the library tax could eventually reduce funds available for other government services.

About Consensus. Consensus is celebrating its 25th year of putting the *public* in public policy. It has worked on national projects with MacNeil/Lehrer Productions, the Kettering Foundation and the Institute for Environmental Conflict Resolution. It works in metro Kansas City on behalf of the community and clients. It specializes in consulting related to library structure and funding, and has completed projects in metro Kansas City, Washington State, and Scott County, Iowa. The Consensus team includes: Therese Bigelow, Mary Jo Draper, Tom Hennen, Martha Kropf and Jennifer Wilding. For more information about Consensus, see www.consensuskc.org.