

Josephine Community Library District Economic Feasibility Statement

Josephine Community Libraries, Inc. (JCLI)



November 2, 2016

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EXECUTIVE SUMMARY

After Josephine County libraries closed in 2007, a group of citizens formed Josephine Community Libraries, Inc. (JCLI), rallied volunteers, and gathered donations that reopened the libraries temporarily. JCLI found that donations cannot keep up with the population, nor can it meet Oregon Library Association (OLA) standards for basic public library services. To respond to the ever-increasing demand for library services, including additional open hours and more books and other materials, a stable source of revenue is needed. This stable source of funding, together with volunteers and additional revenue sources, can provide basic services that can expand over time as needs warrant and resources allow.

To make this possible, the JCLI Board of Directors is proposing the formation of a noncontiguous library district within Josephine County. With the defeat of library district measures in 2006 and 2014, the board concluded that in 2017, the measure should redraw the district boundaries to reflect the will of the voters. This means for the 2017 version of the measure, the proposed library district will include largely those precincts that voted Yes in the 2014 election. The smaller library district would have its own taxing authority and voter-elected governing library district board separate from county government. Funds raised by the tax could only be used for the library district, and could not be diverted to other county departments.

JCLI's goal is to put the formation of a library district before voters in May 2017. If successful, the library system would have a stable funding base (39 cents per \$1,000 of assessed property value).

The services to be provided are in keeping with the vision and priorities that came from a group of 33 citizens who gathered together in June 2008. This vision was refined by the JCLI Board of Directors in 2010 and again in 2015. The library's service plan will keep the four community libraries open a combined total of 80-100 hours per week. Staff and volunteers will focus services to:

- Help children learn to read and succeed through early literacy services and programs.
- Help families by providing learning and leisure resources and activities.
- Help workers retrain and retool and the local economy develop and expand to provide more opportunities.
- Help people learn and use 21st-century technology to access the information they need to further their education, career, and business opportunities, as well as to connect with their community.

The estimated budget for the library in its first year is \$1,408,692. Expenditures are expected to increase on average of about 3 percent over the next two years to \$1,495,745 in FY 2019-20. Figure 1 below shows how funding will be allocated by category. The full three-year estimated expenditures budget is included in the Appendix.

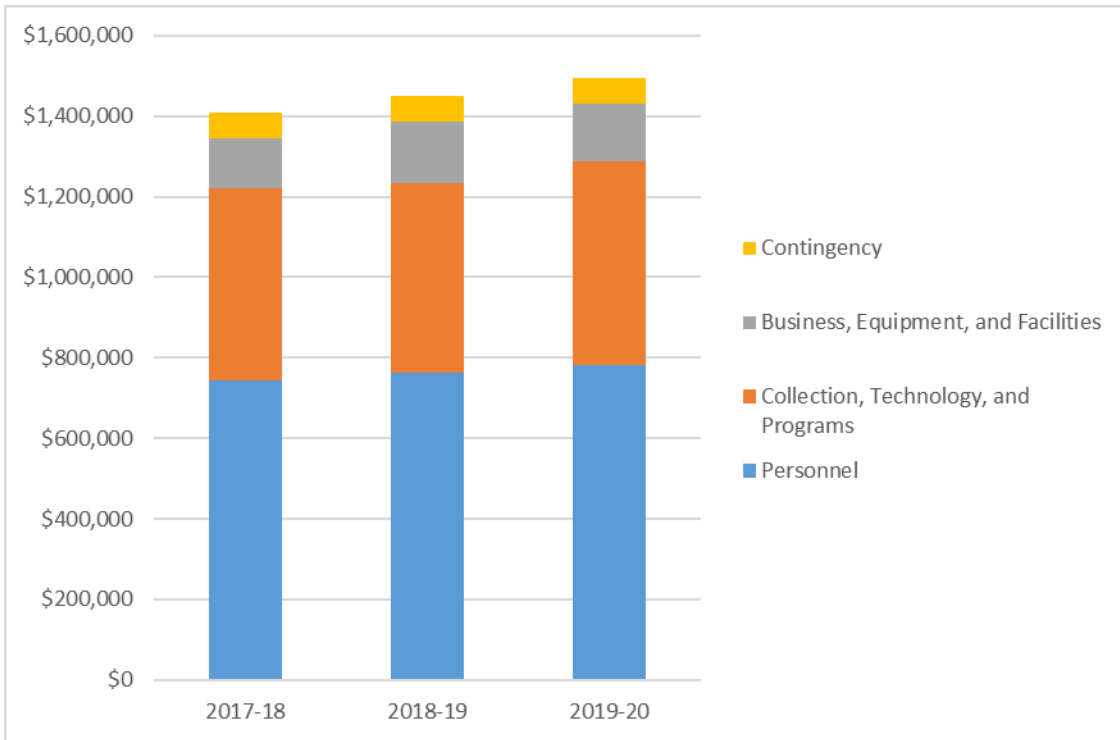


Figure 1. Budgeted expenditures by category for the first three years.

The staffing plan includes a cadre of about 400 volunteers working with staff to perform the functions and provide the services. The expected volunteer hours equal the equivalent of 14 full-time volunteers to complement paid staff consisting of another 17.5 full-time equivalent (FTE) employees.

Conclusion

A library district serving Josephine County is feasible at a property tax rate of \$0.39/\$1,000 assessed valuation provided that:

- The property tax revenues in the county continue to increase by an average of at least 3 percent per year. This increase will help offset the rising cost of services and materials.
- The future library district board builds the estimated fund balance each year to help offset the rising cost of services and materials in succeeding years, planning for long-term sustainability to withstand economic potential hardships.

- Library management sustains the necessary volunteer workforce, supported by an adequate number of paid staff.
- The future library district board and library management raises additional funds through gifts, grants, events, and standard fees.

With these provisos, the future library district board can provide the proposed basic library services at a tax rate of up to \$0.39/\$1,000 of assessed valuation. A library district in Josephine County will:

1. Provide stable funding for a library service plan that includes operating four community libraries a combined total of 80-100 hours per week.
2. Put control of the library with an independent elected library district board whose purpose is exclusively to provide library services.
3. Provide stable funding that cannot be used for other purposes.

Without this stable source of funding, the libraries in Josephine County will stagnate and fail to meet the needs of residents, and also fail to meet Oregon Library Association (OLA) basic public library standards. From an economic standpoint, this would be unfortunate for the county. When families and businesses relocate, they look at indicators of a healthy community like good schools and robust public libraries.

The libraries are part of the solution for economic development in the county, as libraries help people learn new skills for a constantly changing labor market. The libraries also support early literacy, early childhood education, the success of children in school, and the lifelong learning of all age groups. To help Josephine County residents prepare for the 21st-century job market, libraries provide essential technological access and opportunity to support the ever-changing landscape of digital resources essential to modern life.

INTRODUCTION AND BACKGROUND

Community public libraries need stable funding to provide library services in Josephine County. Over the years, funding from county government has been withdrawn. After the county closed the libraries in 2007, a grassroots effort by Josephine County citizens to fund the four libraries that made up the library system reopened the libraries temporarily until a permanent funding source could be secured.

Josephine County citizens' effort of the last few years has been led by Josephine Community Libraries, Inc. (JCLI), a nonprofit, community-based, volunteer-operated entity dedicated to the continuation of library services in Josephine County. JCLI is committed to making it possible for the community libraries to operate independent of county government, ensuring libraries will never again close in Josephine County.

The Growing Demand for Library Services

From its first business plan adopted in 2008 to the current 2016-2019 version updated this year, the citizen-based JCLI Board of Directors has made ensuring long-term library services its top priority. Since 2010, library usage has more than doubled, creating greater demand of library services than resources can supply. The board believes the ongoing support of the volunteers, patrons, and community organizations have made the success of JCLI possible, and that in turn has provided the impetus for the board to decide to seek voter approval for an independent special tax district to sustain and expand these necessary services to the community.

As part of the JCLI board's 2015 strategic planning process, a community survey was conducted. Respondents overwhelmingly said that priorities for improving the libraries in Josephine County are more hours of operation, a larger and more up-to-date collection of books and other materials, and more children's programs.

Although the current model of private fundraising has kept the libraries open in Josephine County, it will never allow for adequate hours or materials that meet demand or approach the standard level of service enjoyed by residents in neighboring counties (see Figures 2 and 3).

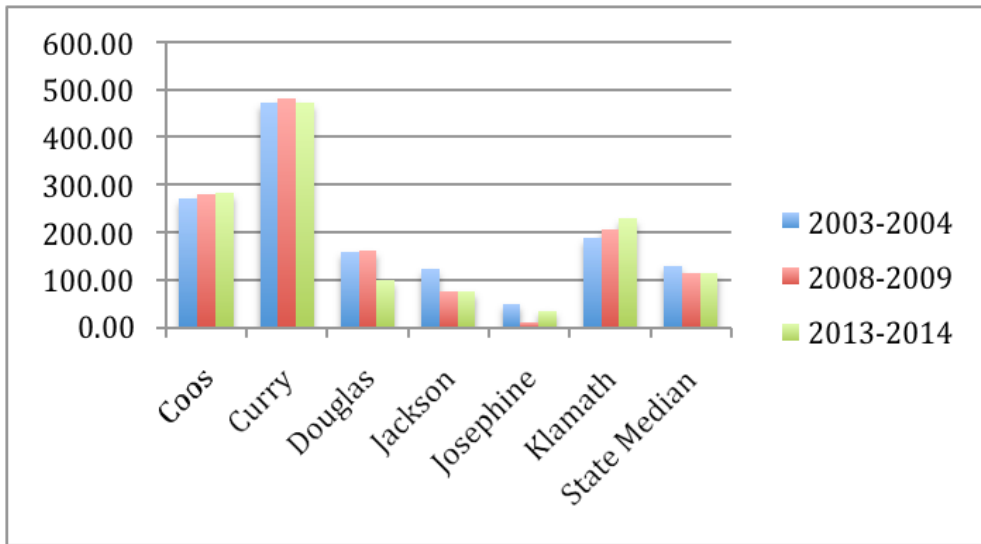


Figure 2. Library hours per 1,000 population. (Source: Oregon State Library.)

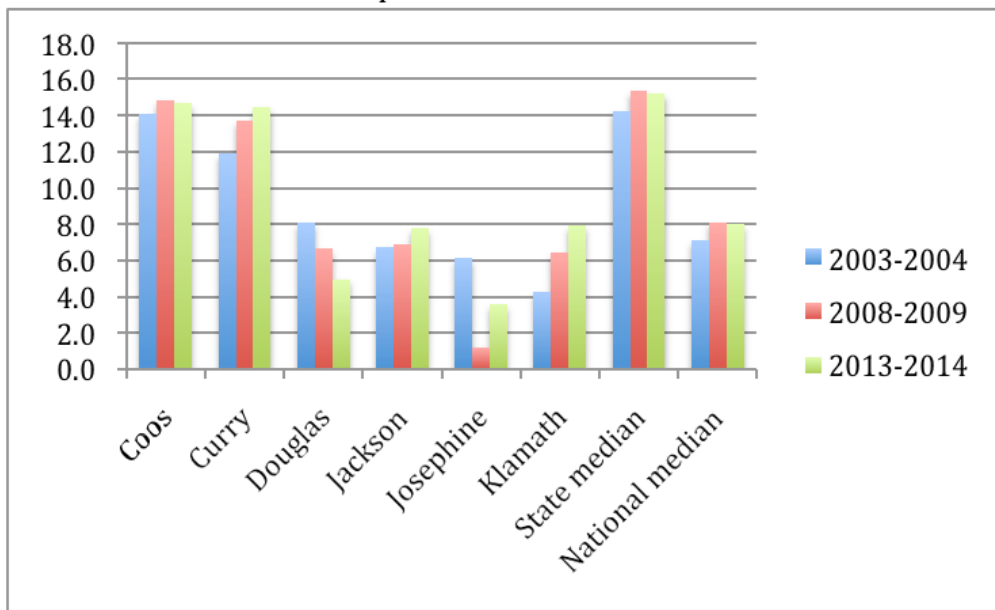


Figure 3. Library circulation per capita. (Source: Oregon State Library.)

Creating a Special Library District in Josephine County

Through the continued efforts of all library stakeholders, JCLI has demonstrated itself to be a responsible steward of library resources and operations. Forming a voter-approved district is the best way to preserve and perpetuate these invaluable resources for the future.

Under the Oregon Revised Statutes (ORS Chapter 198), there are two methods for creating a library district: citizen petition or Board of County Commissioners' order.

In 2014, the JCLI Board of Directors supported a petition to start the formation of a library district. The petition effort was successful, with volunteers gathering more than the required 10,000 signatures. As a result, the ballot measure was placed before voters on November 4, 2014. That measure proposed a countywide library district with a stable funding base of up to 39 cents per \$1,000 dollars of assessed property value.

Unfortunately, the measure did not pass, with 17,509 No votes (53.08 percent) to 15,474 Yes votes (46.92 percent).

The Proposed 2017 Library District Measure

After the measure's defeat, in 2015, the JCLI board carefully reviewed voter patterns, surveyed the community, and participated in a comprehensive strategic planning process.

The board found that the precincts surrounding three of the four branch libraries voted Yes for the library district, and in the fourth precinct, the measure lost by only eight No votes. Given this, the board decided that the next library district measure should propose a smaller, noncontiguous library district including mostly these precincts rather than the entire county. This solution has been determined to be the most realistic way to finally gain voter approval of a library district in Josephine County.

The Economic Feasibility Statement

Oregon state law requires that an economic feasibility statement for the proposed special library district be prepared. Further, state law (ORS 198.749) requires that the economic feasibility statement contain the following three components:

1. A description of the services and functions to be performed or provided by the proposed district.
2. An analysis of the relationships between those services and functions and other existing or needed government services.
3. A proposed first-year line item operating budget and a projected third-year line item operating budget for the new district that demonstrates its economic feasibility.

This document constitutes the economic feasibility statement for the establishment of a library district in Josephine County. This report is organized in three parts, consistent with the three requirements listed.

The elements in this report reflect a careful review of Oregon State Library public library statistics and standards to establish a library system in Josephine County that adequately complies with Oregon Library Association public library standards.

1.0 SERVICES AND FUNCTIONS TO BE PROVIDED

Development of the library collection, the services and programs provided to the public free of charge, the technology and facilities, and community volunteer engagement all reflect the dedication to modern information services relevant to Josephine County residents of all ages and critical to the educational and economic development of Josephine County.

The current library system consistently registers an average of 250 citizens for new library cards each month. The total number of library cardholders in Josephine County is now 34,205—about 40 percent of the county population of 84,745.

Every month, an average of 23,411 physical items are checked out. The checkout of eBooks has been increasing by 5,000 items every year. The use of online resources and references have also increased by orders of magnitude. An average of 6,539 patrons use the Internet computers at all four branches each month. In addition, a monthly average of 4,548 patrons use the libraries' high-speed wireless services with their own laptops and other devices.

The library itself is more than a repository for books and magazines; it's a technology hub and a community center, giving the people of Josephine County access and opportunity to connect with each other, connect with the world, and expand their prospects and their horizons.

The services and functions to be provided by the library district reflect the vision of libraries in Josephine County and core services established by JCLI. The library service plan will guide how this vision and the core services are phased in and implemented once the library district is formed.

1.1 Vision for the Josephine Community Libraries

The service and functions to be provided are in keeping with a future vision for Josephine Community Libraries. As part of its 2015 strategic planning summit, JCLI Board of Directors revised and adopted the JCLI vision statement as follows:

Communitywide access to 21st-century information library services that inspire, engage, and meet the needs of our residents.

In pursuing the development of a noncontiguous library district, the JCLI Board of Directors seeks to fulfill this vision. Such a library district will secure a level of funding that will:

- Provide 80-100 hours of service per week across the Grants Pass, Illinois Valley, Williams, and Wolf Creek branch libraries.

- Increase the number and quality of books, technology, and other library materials and digital resources available in the library and online.
- Improve and maintain current facilities, and plan for future growth needs.
- Strengthen and enhance library services throughout the county, including early literacy services for children and their families; programs for teens and young adults; and career, lifelong learning, and technology resources for adults.
- Meet Oregon Library Association basic or “essential” standards for public libraries. A public library operating below the essential level is considered in critical condition and needs local, state, and OLA support. (The higher standard levels are “enhanced” and “exemplary.”)

1.2 Core Library Service Roles

In keeping with the vision, the library service plan will emphasize the core services detailed in the following sections.

1.2.1 Collection

Maintain and circulate a curated and balanced collection of cataloged books and other materials selected for a wide range of interests for adults, youth, and children in the community.

The library collection features books and eBooks from popular bestsellers to the classics, an online reference collection, research databases, audio books and all other forms of media. The library's web presence provides local content and is also a portal to global information. Interlibrary services, such as the lending of materials among neighboring counties, give residents access to collections throughout the region and the world.

1.2.2 Facilities and Professional Staff

Provide a pleasant experience and convenient space for library users with trained volunteers and professional staff available for guidance in the acquisition of information.

The library facilities are welcoming, attractive, and functional community centers that engage the community with its programs, collections, services, and events.

A qualified, well-trained, and dedicated staff of professionals, specialists, support staff, and volunteers are committed to making the library an integral part of the economic development of the community and a vehicle for improving the quality of life in Josephine County.

While an Internet browser service such as Google or Bing can find more than a million answers to a single query, an information services professional such as a reference librarian will find the right answer.

The "State of Oregon's Public Libraries," the 2016 report to the OLA Library Development and Legislation Committee, emphasizes the crucial value of professional library staff:

Without librarians and library staff, buildings cannot open, books are not recommended and circulated, stories are not read out loud, and computer classes are not taught. Library users rely on librarians to provide access to information and to teach them how to use it effectively to increase their chances of getting a job, enhance their parenting skills, and more.

1.2.3 Technology

Provide access to the Internet and a variety of digital media with subsequent digital skills training.

Libraries and library services are in a tremendous state of flux. The libraries in Josephine County should be a library of the 21st century, providing Internet computers, wireless access, reference databases, eBook downloads, robotics and coding classes, and other digital services as well as the traditional collection materials of books, magazines, CDs, DVDs, and audio books. Through the Internet, library users have 24/7 virtual access to the library and its online resources.

1.2.4 Early Literacy

Provide special programming, services, and resources focusing on children, youth, and families to encourage children's literacy and supporting their educational growth.

Libraries provide early literacy resources for newborns to five-year-olds that no other Josephine County organization can provide. Programs for children from newborns to 18-year-olds include reading incentive programs such as the summer reading program, regular storytimes and crafts for children from babies and toddlers through school-age, the monthly Young Master Gardeners program, weekly K9 Reading Buddies (reading with therapy dogs), and more.

1.2.5 Lifelong Learning

Provide adult and teen programs that encourage lifelong learning.

Services and resources facilitate literacy and lifelong learning for all ages. The library supports students of all ages in pursuit of formal and informal education.

Library services and resources also focus on meeting the needs of Josephine County citizens looking to develop their prospects and improve their lives in the areas of education, employability, and entrepreneurship. To do this, the libraries partner with local service providers and deliver information literacy training workshops on the resources and technology available through the library system.

1.3 Library Service Plan

Over the first year—July 1, 2017 to June 30, 2018—the service plan will begin modestly but solidly, emphasizing increasing hours of library operations for residents' use, rebuilding collections, and building services to children and families. Management will be lean. Technology will focus on giving the maximum online access to county residents, leveraging the resources of the Internet, the region, and the state.

Open hours, outreach, and programming will grow over time as volunteers are trained by a cadre of paid staff and deployed throughout the communities. When operating at full capacity, the maximum hours will be 80-100 hours per week across the four library branches.

Library and community leaders will enhance the library's revenues through the acquisition of financial gifts, grants, and other revenue sources. The Josephine County Library Foundation will raise funds and build its endowment to sustain and develop the facilities. The Friends of the Libraries for each of the four branches will focus on fundraising through the sale of used books in the libraries in their respective communities, as well as through special events.

1.4 Library Service Plan Specifications

The first-year service plan of the library will meet these specifications.

1.4.1 Library Hours

- Open hours will total to at least 80 hours per week across the Grants Pass, Illinois Valley, Williams, and Wolf Creek branch libraries.
- When operating at full capacity in succeeding years, open hours will increase to a total of 100 hours per week.
- Specific hours at each branch will be decided by the library district board based on staff and volunteer recommendations.

1.4.2 Library Collection

- Maintain and build the collection of books, eBooks, periodicals, newspapers, audiovisual, digital, and electronic resources.
- Maintain online patron accounts and cataloging services.

- Update the children's collection.
- Double circulation by year 2.
- Expand access to books and other materials through interlibrary loan, reciprocal borrowing, and interlibrary delivery.
- Provide customers with online access to their own accounts for holds, due dates, and fines as well as access to downloadable eBooks and other online resources 24 hours a day, seven days a week (24/7) through an excellent library web portal.

1.4.3 Programs and Outreach

- Host daily early childhood literacy services and programs.
- Provide selected services to support kindergarten readiness and K-12 student achievement in partnership with both area school districts.
- Facilitate career and job readiness for middle school and high school students, for example, classes in robotics and coding.
- Develop outreach services targeted to teens, adults, seniors, and special populations such as home-bound residents and assisted living residents.

1.4.4 Facility Development

- Install and maintain high-speed wireless Internet technology at all four library branches, computer management software, self-serve technology, and basic library equipment.
- Explore the possibility of creating a "library of things," which is the lending and borrowing of objects besides books, for example, computers, tablets, cameras, video cameras, tools, baking pans, seeds, and so on.
- Develop a business resource center along with economic development partnerships to better serve the community.

1.4.5 Staffing

- To meet the demands of the population of 84,745 in Josephine County, it will be necessary to support operations and paid staff positions with a volunteer workforce of approximately 400 individuals working about 560 hours per week; this is equivalent to 14 FTE volunteers. Positions filled by volunteers may include but are not limited to circulation desk clerks, children's library desk clerks, reference desk clerks, shelving pages, database specialists, library docents, program coordinators, and more.

- In the first year of operations starting July 1, 2017, staff will be phased in to support volunteers and patron services at the branch libraries with at least 75 percent of staffing hired by June 30, 2018.
- Staffing would total 17.5 FTE (14 full time and 7 part time) paid staff. This staffing level is sufficient to open the libraries for 80-100 hours.

Position	Full- or part-time
Library Director	1.0
Assistant to Director/Office Manager	0.5
Operations Manager	1.0
Branch Coordinator	1.0
Human Resources Manager	0.5
Collection Development Librarian (MLIS)	1.0
Reference Librarian (MLIS)	0.5
Children's Librarian	1.0
Technical Services Manager	1.0
Cataloger/ Processing Coordinator	0.5
Adult Services Coordinator	0.5
Volunteer Coordinator	1.0
Circulation Coordinator	1.0
Fiscal Coordinator	1.0
Communications Manager	0.5
IT Manager/Network Support Technician	1.0
Facility Maintenance Supervisor	1.0
Illinois Valley Branch Manager	1.0
Illinois Valley Library Assistant	0.5
Williams Branch Manager	1.0
Wolf Creek Branch Manager	1.0

2.0 RELATIONSHIP BETWEEN LIBRARY AND GOVERNMENT SERVICES

In May 2007, the Josephine County Board of County Commissioners closed the Josephine County Library System due to budget constraints and the failure of a library district measure for 55 cents per \$1,000 assessed valuation in November 2006. The nonprofit organization Josephine Community Libraries, Inc. (JCLI) raised private funding and a volunteer force to reopen and operate the libraries. JCLI formed a unique partnership with Josephine County government, in which the county provided the buildings and existing books and other materials, while JCLI raised the funds to operate the libraries free of charge to all county residents.

If the library district is approved by voters, it is hoped that the ongoing partnership with Josephine County will continue, even while the library district itself is its own entity, separate from and independent of county government.

JCLI is committed to supporting a smooth transition to the new library district board. Therefore, as part of its adherence to public service, JCLI stands ready to share resources with the new library district—resources such as the catalog, computers, books, and more.

JCLI has a lease agreement with Josephine County through 2020, and Josephine County will continue to provide the buildings for the Grants Pass, Illinois Valley, and Williams branch libraries under its commitment to JCLI.

JCLI also has a lease agreement with the Josephine County Library Foundation for use of the Wolf Creek Branch Library, which the foundation built and owns.

2.1 Relationship of Library Services to Government Services

No other entity in Josephine County provides basic library services. The creation of a library district ensures that citizens retain the vital set of services that are afforded to those in all other counties in Oregon. It also ensures that Josephine County continues to receive state and federal funds that support library services for children and the general public.

With the library district, the combined total will expand to 80-100 hours per week across the Grants Pass, Illinois Valley, Williams, and Wolf Creek library branches, nearly double the current hours. This means people will be able to use the Internet computers to complete projects for school and work. After-school hours will be available for students who need homework help and a safe place to study. With an increase in weekend hours, more people will be able to check out new books and more easily return books.

Additional funds for materials, including books, eBooks, audio books, and online reference sources, will give more community members the opportunity to check out bestsellers and find reliable information they need.

More staff support will make it possible for volunteers to offer programs for the whole family.

Residents of Josephine County are already at a disadvantage. Josephine County has an alarmingly high rate of poverty, hunger, drug abuse, illiteracy, and unemployment. Josephine County is federally designated as “economically depressed.” According to the U.S. Census, in 2011, 18.8 percent of the population was below the poverty line, compared with 14.8 percent for all of Oregon, and 25 percent of children in Josephine County live in poverty. According to the Bureau of Labor Statistics, as of August 2016, the unemployment rate in Josephine County was 7.4 percent compared to the Oregon rate of 5.9 percent and the national rate of 5.6 percent.

In addition, education levels are lower, high school completion rates are lower, and children are more at risk than children elsewhere in Oregon. For instance, the county has a higher rate of youth suicide attempts, confirmed child abuse and neglect victims, unemployment, and poverty than in Oregon overall (“Status of Oregon’s Children in 2004,” Oregon Department of Human Services.)

Only 16.4 percent of the Josephine County population has a bachelor’s degree or higher, compared with 29.2 percent in Oregon as a whole (U.S. Census Bureau, 2010-2014).

Income levels are lower as well. In Josephine County, the median household income is \$36,699, compared with Oregon’s median of \$50,036. In addition, 24 percent of the Josephine County population is over 65 years old, compared with 15.5 percent statewide (U.S. Census Bureau, 2010-2014).

These conditions threaten the economic development of the county, the educational achievement of the county’s children and youth, the economic potential of individuals and families, and the desirability of Josephine County as a place to live.

The health and future of Josephine County depend on up-to-date library resources so citizens can create opportunities for a better life, remain competitive in the business market, and therefore create a better community.

Studies indicate that library use rises dramatically in economically difficult times, and this has been proven in Josephine County as citizens continue to recover from the effects of the recent recession. Residents are searching for jobs, taking classes, and preparing resumes, all on public computers at their local libraries.

Nationally, about one-third of residents do not have computers at home. The expectation is that this statistic is at least the same in Josephine County. Without computers, the Internet, or the help from trained library staff in web-based resources, county residents are left behind in the ever-developing arena of information literacy.

It is well established that public libraries are playing a pivotal role in economic development by assisting individuals of all ages and socio-economic status in their personal, career, and business development, including new business models from entrepreneurs. The library district proponents intend that the library will enhance the economic and social well-being of county residents by focusing on three key roles: basic literacy; education, career, and business information; and lifelong learning including key digital resources necessary in the 21st century. Libraries are key partners in educating and transforming communities.

2.2 District Tax Rate

Library district proponents hope voters within the district boundaries will be willing to fund library services at a rate of up to 39 cents per \$1,000 of assessed valuation. This tax rate is expected to collect for library services \$1,346,957 in the first fiscal year of the district, which will begin July 1, 2017, following the election in May 2017.

Unlike the library district measures in 2006 and 2014, the 2017 measure proposes a smaller, noncontiguous library district within Josephine County. This district consists mostly of voting precincts that voted Yes for the 2014 library district measure, mainly areas surrounding the four library branches in Grants Pass, Cave Junction, Williams, and Wolf Creek. Specifically, the precincts within the district are:

- City of Grants Pass
 - Highland
 - Greenwood South
 - Lincoln
 - Central
 - Riverside
 - Webster
 - Greenwood
 - Riverside South
 - Scoville
 - Robertson
 - Beacon
 - Crestview

- Rural areas
 - Kerby
 - Cave Junction
 - Grave Creek
 - Wolf Creek
 - Williams

If approved by voters in the May 2017 election, the tax will be applied by the Josephine County Tax Collector on statements issued October 2017 for the fiscal year which begins July 1, 2017.

The newly elected library district board can begin to commit the expected revenues, by prior arrangement with the county, effective July 1, 2017.

Possibly procuring grant support, borrowing from JCLI, or issuing Tax Anticipation Notes, the library district board will have the authority to acquire funds for operation, bridging the gap between July 1, 2017 and the actual receipt of revenues in November 2017.

JCLI is committed to the formation of the library district, and will provide resources to serve as a bridge, reducing gaps in library services during the transition until tax revenues are collected.

The amount of revenue generated will vary according to the assessed property value: as assessed value increases, decreases, or remains flat, so will the revenue generated by the permanent rate. Economic conditions will affect the gross revenue generated for the library district. Various other factors will affect the net receipts, such as nonprofit housing, new construction growth, and real market values.

Figure 4 shows the property tax impact for a 39-cent tax rate. It shows the tax due on assessed property values ranging from \$75,000 to \$250,000.

Tax (assessed value)	Property tax (39 cents per \$1,000)
\$75,000	\$29.25
\$100,000	\$39.00
\$150,000	\$58.50
\$200,000	\$78.00
\$250,000	\$97.50

Figure 4. Estimated annual property tax impact on a 39-cent rate.

For instance, a property owner would pay \$29.25 on a property assessed at \$75,000, \$39 on a property assessed at \$100,000, and so forth. The 39-cent rate stays the same, permanently. The assessed value of property is the variable. The tax would appear annually on the property owner's detailed tax statement issued by the Josephine County Treasurer, payable in three installments together with tax assessments by schools, governmental agencies, and other districts. All monies levied for the library district would go directly to library services, not to be used for any other purpose.

2.3 Compression

A library district would compete for property tax levy money with other non-school governments. Oregon's Constitution limits a non-school government's ability to levy taxes. The constitution (Article XI, Section 11(11)(b)) requires all non-school governments with levy authority to share a maximum of \$10 per \$1,000 of each unit of property's real market value. County, city, fire district and other special district taxing authorities over a unit of property may total a large portion of the \$10 limit. All permanent tax rate authority has priority over local option rate authority.

The constitutional limit can cause a proportional "compression" of all co-existing non-school governments' statutory levy authority for a unit of property. The total of all permanent rates and all local option rates levied against a unit of property is determined. If the total is less than the \$10 per \$1,000 cap, then all taxes are levied. If the sum is more than \$10 per \$1,000, then all local option levies are reduced proportionally to get under the cap.

Information from the Josephine County Assessor suggests that in all areas of the county there is "room under the cap" for the permanent property tax rate being considered for the proposed library district. This means that the total permanent tax rates against units of property will not equal or be greater than \$10.

2.4 Political Considerations

Proponents of the library district have given much thought and study into the forming of a special library district board, the level of voter support for a district, and the tax rate itself. Taking these all into account is the proposed ballot language. Instead of a petition process, proponents are asking the Josephine County Board of County Commissioners to refer the measure for the May 2017 ballot.

2.4.1 The Library District Board

County officials, library advocates, and community leaders generally agree that the district has a better chance with voters if it is independent of the Josephine County government with its own elected governing library district board. The

governing authority for the proposed district will be a five-member library district board, elected from a slate of candidates on the same ballot as the library district. It is important that these candidates have the skills and ability to launch and govern a new library district while also having credibility with voters.

This means that district proponents must work diligently over the next several months to clarify the desirable qualities of the new library district and ensure a strong slate of candidates. The library district board will be an at-large board.

2.4.2 Voter Support

The first attempt at making a library district possible in Josephine County took place in November 2006. After a successful petition drive that put the measure on the ballot, voters turned down a library district measure at a tax rate of \$.55 per \$1,000 of assessed property value, with 18,155 No votes to 13,661 Yes votes. The eventual result of the measure's failure was the closing of the entire library system in May 2007.

Josephine Community Libraries, Inc. (JCLI) was established in September 2007 by local citizens who raised awareness and funds and recruited volunteers to the point where all four library branches reopened one by one throughout 2009. However, to meet the ever-increasing demand for library services from the residents of Josephine County in a manner that lives up to minimum library standards, a library district is essential to provide consistent and sustainable funding through the years.

So, in 2014, the JCLI Board of Directors proposed a new library district measure for the county. The boundary of the proposed district was coextensive with Josephine County. It proposed a lower tax rate of 39 cents per \$1,000 of assessed property valuation, which would have generated about \$2.56 million for the 2015-16 fiscal year. Under the leadership of JCLI and the Keep Our Libraries Open political action committee, volunteers gathered 10,000 signatures to put the measure on the countywide November 2014 ballot. However, this measure also was defeated, with 17,509 No votes (53.08 percent) to 15,474 Yes votes (46.92 percent).

The experience of the last decade—a successful petition drive in 2006 for a ballot measure, the successful grassroots effort of the citizens in 2007 to form JCLI to reopen and operate the libraries ever since, and another successful library district petition drive in 2014—speaks well of strong community support for the library, especially in the precincts where the majority voted Yes in 2014. Voters are more likely to approve a new tax for a noncontiguous library district in areas that primarily voted Yes in previous elections. With the measure passing, these

taxpayers will support a publicly funded library that will be able to do so much more than the cash-strapped shoestring JCLI operation was able to.

It is important to emphasize to voters that this economic environment makes keeping libraries open even more urgent. Voting Yes keeps the libraries open for children, families, small business owners, and job seekers retraining for new and more viable careers.

Voting for the library district this time puts control of the library and its funding in the hands of voters who already supported previous tax measures. And, mapping a library district that includes mostly those voting precincts that voted Yes in the 2014 election offers the best chance for the measure to pass in Josephine County. Residents outside of the library district will have the option of obtaining a library card through annual fees.

Creating a library district that is independent of county government and that is governed by a board elected by the voters guarantees that the revenues generated are all dedicated to library operations.

The approval of a library district establishes a base of funding while establishing a sustainable tax rate. This base of funding will help leverage other forms of support, including volunteers, philanthropy, and grants that will benefit Josephine County residents and their neighbors.

2.4.3 The Tax Rate

The proposed tax rate levied each year will be no greater than 39 cents per \$1,000 of assessed property value.

This tax rate is lower than that of the 2006 library district election because of library leaders' commitment to the ongoing partnership with volunteers to operate the libraries, maintaining the core values of frugality and accountability, and continuing to raise funds from other sources including fines and grants.

New taxes are usually an issue in any community; an issue aggravated by the global recession of recent years and a mistrust of government financial practices. The main response to this is that the library district proponents have pared costs to a minimum and adhere to a strong ethic of financial transparency. They have substantially reduced the cost of personnel compared to all other library districts serving comparable populations, and will use trained volunteers for many of the libraries' functions including cataloging, shelving, and working the circulation and information desks.

With the proposed service plan, library district proponents are offering voters the option to have library services at a cost well below the average for library

services in Oregon. They are also offering a “custom-designed” library district including mostly those areas that voted Yes for the library district in 2014.

While the preference would have been for a countywide library district, the formation of a smaller, noncontiguous district is probably the last and best option to secure sustainable public funding for libraries in Josephine County. It is important to inform voters of these facts and to emphasize that the tax rate sets a limit.

2.4.4 Referral by the Board of County Commissioners

Library district proponents are proposing a new library district measure for the May 2017 ballot. Proponents plan to ask the Board of County Commissioners to initiate district formation by Board Order and refer the library district to the ballot.

The political action committee, Keep Our Libraries Open, is committed to pay all election costs associated with the library district ballot measure, such that the County Commissioners will not incur election costs.

2.4.5 Proposed Ballot Language

Although ballot language will not be finalized until the election is ordered in February 2017, the proposed draft ballot language is as follows:

BALLOT TITLE: Form Library Special District with Dedicated Funding for Library Services.

QUESTION: Shall a dedicated library district be formed with permanent rate limit of \$0.39 per \$1,000 of assessed value beginning 2017-2018?

SUMMARY: If approved, the Josephine Community Library District would be formed, with dedicated long-term funding for library services, books, materials, technology, online resources, and programs. The district boundary would include noncontiguous territory within Josephine County. Formation of a district would do the following:

- Provide permanent and dedicated library funding of \$0.39 per \$1,000 of assessed value; library revenue could not be used for any other purpose;
- Provide governance by separately elected, five-member public board, not the Board of County Commissioners, with local authority and power granted to library districts and public libraries under state and local law;

- Empower elected district board to sustain, rebuild, and restore library resources such as service hours, early literacy programs, student and job-seeker support, and outreach to senior citizens, teens, and other community members;
- Allow libraries to retain and expand service hours, educational resources, and programs.

The district would have the powers granted to library districts and public libraries under state and local law.

EXPLANATORY STATEMENT:

Until 2007, county government operated the libraries in Josephine County. In May of 2007, the county eliminated financial support and closed all the libraries.

In 2009, Josephine Community Libraries, Inc. (JCLI), a nonprofit organization formed by local private citizens, obtained donations and used volunteer staff to reopen the Grants Pass main library and the Illinois Valley, Williams, and Wolf Creek branches, free of charge to all county residents.

Use of the libraries has increased since 2009. In the past year, an average of 250 people per month have signed up for new library cards, and program attendance and computer usage has increased. Since 2009, JCLI has continued to operate the libraries with volunteer staffing and funding from grants and private donations. The public library system receives no funds from county taxes and currently the community need for services exceeds available resources. A stable and consistent source of revenue would help meet citizen demand and build sustainability.

Formation of a library district to include noncontiguous territory within Josephine County would provide a permanent and stable source of revenue dedicated to operating the library system, and would prevent the reduction of services. All revenue collected for the library district would be used only to fund library services.

The Josephine Community Library District would provide:

- Libraries: Increased hours at all libraries.
- Books and materials: An up-to-date and relevant collection in print or electronic format, selected for a wide range of interests.

- Trained staff: Library staff members answer reference questions on a wide variety of subjects every day the library is open.
- Facilities: Improve and maintain current facilities, and plan for future growth needs.
- Technology: Computers, wireless Internet access, online reference, and eBooks, along with 24/7 remote access to information, learning, and job resources, and the library catalog.
- Job resources: Services and opportunities for job-seekers and business owners for economic development.
- Early literacy: Resources for babies and toddlers, school-aged children, and families to build children's early literacy for educational success, including more storytimes for ever-increasing attendees, reading incentive programs, and the Summer Reading Program to maintain reading skills over summer recess.
- Teen services: Services, programs, and materials for young adults, including book clubs and volunteer opportunities.
- Rural outreach: Mobile information access for rural areas.

A five-member, independently elected board, not the Board of County Commissioners, would serve as the governing body of the district to provide oversight and accountability to the public.

If approved, the Josephine Community Library District would be formed with a permanent rate of 39 cents per \$1,000 of assessed property value. For every \$100,000 of a property's assessed value, the tax would cost \$3.25 per month or \$39.00 per year. The approximate tax increase for a home with an assessed value of \$150,000 would be \$58.50 per year, or approximately \$4.88 per month.

The estimated tax cost for this measure is an estimate only based on the best information available from the county assessor at the time of the estimate.

3.0 PROPOSED THREE-YEAR OPERATING BUDGET

3.1 Revenues

Revenue estimates are based on assessed values provided by the Josephine County Assessor's office and a conservative annual growth estimate of about 3 percent per year from FY 2017-18 through FY 2019-20. Figure 5 shows a summary of revenues by source.

	FY 2017-18	FY 2018-19	FY 2019-20
Library district \$0.39/\$1,000 property tax collection	\$1,346,957	\$1,387,366	\$1,428,987
Interest on annual revenues	\$6,735	\$6,937	\$7,145
Fines and fees	\$45,000	\$47,250	\$49,613
Grants	\$10,000	\$10,000	\$10,000
TOTAL	\$1,408,692	\$1,451,553	\$1,495,745

Figure 5. Revenue estimate.

In addition to the tax revenues, the library district will have other revenues from interest, overdue fines, fees, grants, and possibly gifts.

Grants and philanthropic giving typically are earmarked by the grantor for specific purposes. Therefore, the revenue estimate includes no grant revenues as these would be offset by grant expenses. One exception is the Oregon State Library Ready to Read grant, from which the library system can confidently expect \$10,000 per year for the summer reading program and other early literacy initiatives.

Philanthropic gifts for special projects like building improvements would generally be made to the Josephine County Library Foundation and included in its budget. Such funds would be transferred to the library district budget when needed for the intended purpose.

As much as possible, the year-ending fund balance and revenues from interest and fines and fees should be carried forward to ensure sufficient revenues for increased expenses in succeeding years. In addition, any unexpended contingency funds would also be carried forward into the succeeding year's budget to create a reserve fund.

Although fundraising has been a large part of the JCLI revenue equation, it's not included in the library district budget because it's unknown how successful fundraising efforts would be after the district passes. Community members who

have donated money to the library in recent years might not be willing to continue doing so when they are also being taxed. Donations that might be raised would likely be for special projects and capital improvements, and not for regular operations.

The uncertainty about donations makes it all the more important for the library district board and staff to be frugal and conservative, especially in the early years of library district operations. Through its enhanced outreach programs, the library district will continue to partner with other organizations throughout Josephine County to leverage resources.

3.2 Expenses

The baseline budget for FY 2017-18, (see the Appendix) establishes that the library district could operate the specified service plan on a tax rate of up to \$0.39/\$1,000 plus its additional revenues. Figure 6 shows how the estimated expenditure budget would be allocated, by category.

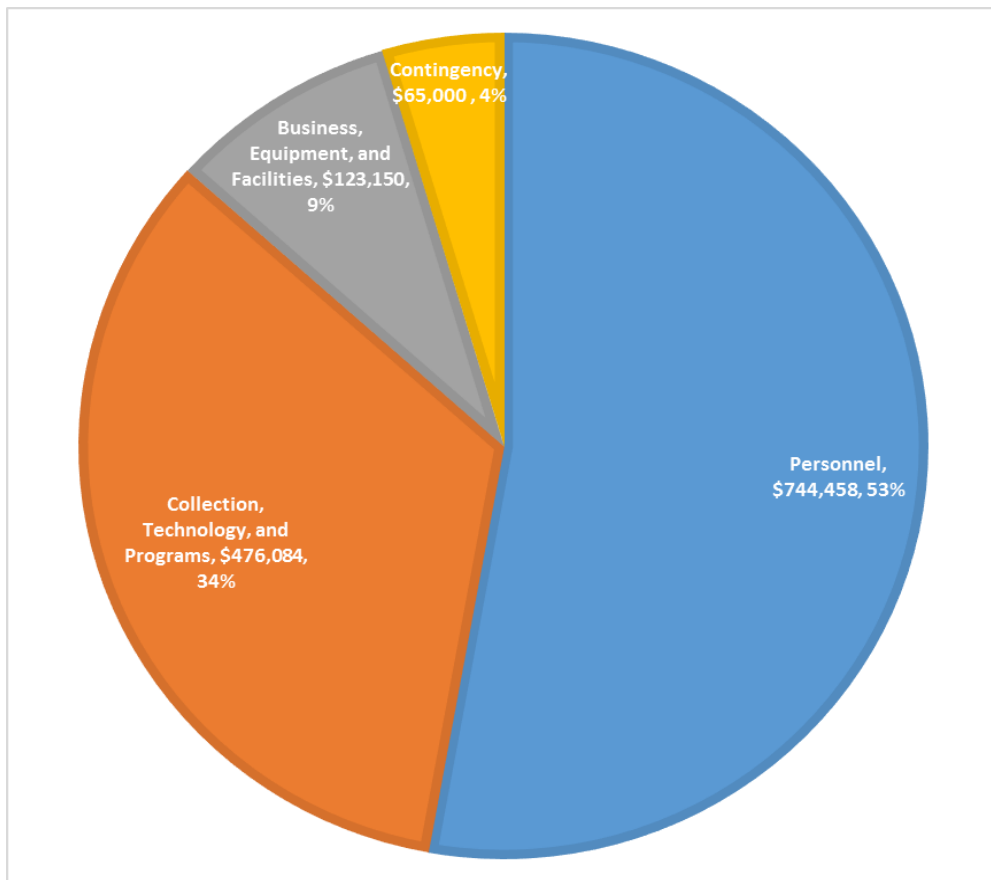


Figure 6. FY 2017-18 estimated expenditures.

3.3 Expenditures Narrative

The following narrative briefly describes what is included in these general fund categories. See the Appendix for the line item budget for the first three years of operation.

3.3.1 Collection, Technology, and Programs

The Collection, Technology, and Programs category consists of elements of the library providing direct services to library patrons.

Collection. Modern library collections include up-to-date books, eBooks, periodical and newspaper subscriptions, audiovisual items, online references, and databases. The collection budget is based on the regional average of \$3 per capita, with some increases for inflation.

Audiovisual materials include audio books, CDs, and DVDs.

An example of an electronic database is ChiltonDYL.com, a searchable database of the well-known Chilton auto repair manuals for all makes, models, and years dating back to 1940.

An example of an online service is Answerland, through which patrons can submit reference questions to a librarian and get a quick reply from the librarian across the state of Oregon who's staffing Answerland at that time.

Through the Gale databases, library patrons have access to thousands of peer-reviewed articles and other information on scores of topics.

Library2Go is a subscription service for borrowing and downloading eBooks, audio books, and videos.

LearningExpress Library is an online learning site with practice tests, software tutorials, job search resources, and career certification preparation.

Technology. The backbone of library customer accounts and inventory is its integrated library system (ILS), which library patrons use to find, place holds, and renew books and other materials in the library collection. The budget includes the cost of maintaining the Polaris ILS.

Also within the Technology category are patron services and telecommunications. This provides for monthly fees at each facility for Internet service lines. This also provides for the addition of new computers, tablets, and other devices for patron use and additional staff to bridge the digital divide through media, formal and informal learning networks, and other emerging technologies and information science resources.

The interlibrary loan program is a popular means, as well as a library standard, for significantly broadening the information resources for county residents, especially those living in the rural library communities. The budgeted amount is the 2003 cost of the Southern Oregon Library Information System (SOLIS), the interlibrary loan program that allowed for sharing of library materials between the Josephine County Library System, Jackson County Library System, and Rogue Community College. The program ended with the closing of the Jackson and Josephine county library systems in 2007, and did not return when both systems reopened under private management. This interlibrary loan program is an essential service to be reinstated under the special library district.

Programs. In addition to the library collection and technology access, library programs and events are key to fulfilling the library's core services of early literacy and lifelong learning such as training workshops.

Libraries provide early literacy resources for newborns to five-year-olds that no other Josephine County organization can provide. Children's programs include reading incentive programs such as the summer reading program, regular storytimes and crafts for children from babies and toddlers through school-age, monthly Young Master Gardeners program, weekly K9 Reading Buddies (reading with therapy dogs), robotics and coding classes, and more.

Lifelong learning programs for teens and adults include digital skills training, eBook workshops, computer classes, film series, game nights, author events, Conversation Projects, Community Reads, and book festivals.

Another program of special importance in which the libraries play a significant role is Oregon's ambitious "40-40-20 Goal" for educational attainment. Approved by the Oregon Legislature in 2011, the "40-40-20 Goal" is for 40 percent of adult Oregonians to hold a bachelor's or advanced degree, 40 percent to have an associate's degree or a meaningful postsecondary certificate, and all adult Oregonians to hold a high school diploma or equivalent by the year 2025. Through active partnerships with the two area school districts and Rogue Community College, the libraries in Josephine County are instrumental in helping achieve this goal.

3.3.2 Business, Equipment, and Facilities

The Business, Equipment, and Facilities category includes the business functions and system-wide support infrastructure that any library district requires to operate.

Business. Business operations for the library district include accounting, audit, banking, debt collection, payroll and other human resources services, insurance, recruitment, resource development, and security services. The library district may also contract for professional, technical, security, courier, and other business services.

Additional costs in this category include dues and memberships, outreach and promotional materials, postage and freight, training-related registration and tuition, various supply accounts, training, travel expenses, vehicle expenses, and miscellaneous operating expenses.

Equipment. The libraries use catalog computers, Internet public access computers, an ILS, staff and volunteer computers, and various other equipment and peripherals that make the information technology work.

The budget allocates funds to equipment maintenance contracts, provides an allocation for small equipment replacement. It also allocates funds for the annual replacement of a portion of the library's computers that are used by patrons (catalog computers and Internet public access computers) to access cataloged materials and information as well as by the staff and volunteers for the business of the library. It assumes a three- to four-year replacement schedule for the public computers. Costs include Internet costs and computer software, hardware, and peripherals.

This account includes funding for large equipment purchases, such as a telephone system and an accounting/ human resources system. The library will gradually add standard equipment such as an LCD projector at each facility. It will also selectively add technology for efficiency: for instance, self-serve check-out machines and computer and print management software.

Facilities. The facilities budget provides funds for property rental, utilities, routine or minor repairs such as leaky faucets or broken pipes, maintenance of the library facilities on a schedule, custodial and safety supplies, and alarm systems.

Budget is also set aside for building improvements needed to acquire furnishings, small equipment, telephone and computer systems, and other costs associated with the expansion of staff.

JCLI has a lease agreement with Josephine County through 2020, and Josephine County will continue to provide the buildings under its commitment to JCLI. The intention is to continue fulfilling the contract between JCLI and Josephine County which requires an annual deposit of funds into a maintenance agreement account held jointly by the two entities.

This category also includes an operating contingency line item to provide the board with a margin of discretionary flexibility and for unforeseen expenses. Unexpended funds, as in all other categories, would become part of the year-end fund balance and could be carried forward into the succeeding year's budget.

3.3.3 Personnel

The Personnel category accounts for 17.5 FTE staff allocated across the four libraries, according to staffing specifications itemized in section 1.4.5 above. The estimate for personnel includes payroll taxes, as well as health and retirement benefits for full-time staff. Budget does not anticipate participation in the Oregon statewide PERS program, but projects a conservative budget utilizing a 503b Retirement Plan as part of ethical business practices. Salary and other personnel compensation and benefits will be set by the proposed library district's governing board.

The library service plan includes many volunteers. In the current system, JCLI has developed a cadre of about 360 volunteers who work about 500 hours per week or approximately 13 FTE. With the library district, recruitment will increase the number to 400 volunteers working about 560 hours per week, or approximately 14 FTE. These volunteers are intrinsic and vital to the success of the proposed service plan.

3.3.4 Contingency

This category provides a fund for unforeseen expenses at an average of 5 percent of operating costs. Any unexpended amount would become part of the ending fund balance and would carry forward into the succeeding year to create a reserve fund.

CONCLUSION

A noncontiguous library district in Josephine County is feasible at a property tax rate of up to \$0.39/\$1,000 assessed valuation within selected voting precincts provided that:

- The property tax revenues in Josephine County continue to increase 3-4 percent per year. This increase will help partially offset the rising cost of services and materials.
- The future library district board builds the estimated fund balance each year to help offset the rising cost of services and materials in succeeding years, planning for long-term sustainability to withstand economic potential hardships.
- Library management sustains the necessary volunteer workforce, supported by an equal amount of paid staff.
- The future library district board and library management raises additional funds through gifts, grants, events, and partnering to leverage funds.

A library district in Josephine County will:

1. Provide stable funding for a sustainable library service plan that includes operating four community libraries a combined total of 80-100 hours per week.
2. Put control of the library with an independent, elected library district board whose purpose is exclusively to provide library services.
3. Provide stable funding that cannot be used for other purposes.

Without an increased source of stable public funding, the libraries in Josephine County will stagnate and continue to fail to meet the needs of residents and also fail to meet basic standards for public library service in the state of Oregon. From an economic standpoint, this would be unfortunate for the county. When families and businesses relocate, they look at indicators of a healthy community like good schools and robust public libraries.

More than ever, communities today need their libraries to survive economic hardships and prepare for a successful future. To help area residents prepare for the 21st-century job market, libraries provide essential technological access and opportunity to support the ever-changing landscape of digital resources essential to modern life.

The public library is a uniquely American institution that has survived largely because citizens and benefactors like Andrew Carnegie have understood its importance in transforming lives.

The four libraries in Josephine County are a special place, a special service, and a key to the future of the community, the City of Grants Pass, the City of Cave Junction, Josephine County, and the southern Oregon region. Not only are they a social center of the community—a meeting place where citizens share thoughts and experiences, they are a critical piece of the educational and cultural fabric woven into a sound community prepared for future challenges and the new technologies of the 21st century.

APPENDIX: Operating Expenditure Budget

	FY 2017-18	FY 2018-19	FY 2019-20
PERSONNEL SALARIES AND BENEFITS			
17.5 FTE plus employment tax	\$653,033	\$669,359	\$686,093
Health and retirement	\$91,425	\$93,711	\$96,053
	\$744,458	\$763,069	\$782,146
COLLECTION, TECHNOLOGY, PROGRAMS			
Automation and Computer Services	\$100,000	\$102,393	\$108,036
Collection (books and other materials)	\$266,234	\$274,557	\$302,337
Patron Services and Telecommunications	\$37,500	\$20,863	\$21,463
Events/Programs	\$18,250	\$19,163	\$20,121
Communication and Outreach	\$25,000	\$25,000	\$25,000
Volunteer Expenses	\$4,100	\$4,305	\$4,520
Courier Services	\$25,000	\$25,000	\$25,000
BUSINESS, EQUIPMENT, AND FACILITIES			
Admin Support	\$37,900	\$41,690	\$45,859
Facilities and Equipment	\$9,250	\$9,713	\$10,198
Utilities	\$45,000	\$49,500	\$54,450
Insurance	\$6,000	\$6,300	\$6,615
Audit	\$15,000	\$15,000	\$15,000
Facilities Master Plan	\$0	\$20,000	\$0
Facilities Lease Agreement	\$10,000	\$10,000	\$10,000
CONTINGENCY (5% of operating costs)	\$65,000	\$65,000	\$65,000
TOTAL EXPENSES	\$1,408,692	\$1,451,553	\$1,495,745