EXECUTIVE SUMMARY

In April 2021, the Board of County Commissioners and the Chapel Hill Town Council jointly approved creation of a Library Task Force to study County funding for Chapel Hill Public Library and examine the cost/benefit of increased interoperability between library systems. The Dispute Settlement Center was hired to act as facilitator to the Task Force.

From January 2022 through February 2023, the Task Force met eight times to explore and discuss both funding and interoperability. Members considered historical information, statewide best practices, different funding formulas, future impacts and expenses of the Southern Branch Library, potential cost/benefit scenarios, and the current systems, services, data, and operations of both the Orange County Public Library and Chapel Hill Public Library.

Based on their work, the Task Force strongly recommends that:

1. The County consider entering an MOU with the Town to fund library services for County residents who live in the Town of Chapel Hill. The MOU would be based on the "Access/Service Provider" model, which calculates the County contribution to the Town by multiplying the percent of County residents who live within the jurisdiction of the Town by the amount that the County budgets for operating expenses at County libraries.

2. Orange County Public Library and Chapel Hill Public library do not pursue any formal efforts toward increased library system interoperability. The Task Force did not find that expanded interoperability would result in significant cost savings or clear benefits to users. The Task Force recommends that leadership of both libraries continue to communicate and collaborate informally.

TASK FORCE OVERVIEW

In April 2021, the Board of County Commissioners and the Chapel Hill Town Council jointly approved creation of a Library Task Force to study County funding for Chapel Hill Public Library and examine the costs of expanding interoperability between library systems.[1] Maggie Chotas from the Dispute Settlement Center was hired to act as facilitator to the Task Force.

Task Force Members are Tiffany Allen (Chair of the Chapel Hill Public Library Advisory Board), Karen Curtin (Chair of the Friends of Chapel Hill Public Library), Diane Kelly (Chair of the Orange County Friends of the Library), Nerys Levy (Chair of the Carrboro Friends of the Library), Jess Anderson (Chapel Hill Town Council Liaison), and Amy Fowler (Orange County Commissioner Liaison).

Staff support has been provided by Erin Sapienza (OCPL Director), Susan Brown (CHPL Director), Travis Myren (Orange County Deputy Manager), Maurice Jones (Chapel Hill Town Manager), Chris Blue (Interim Chapel Hill Town Manager), Mary Jane Nirdlinger (Deputy Chapel Hill Town Manager), Richard White (Carrboro Town Manager), Nitya Fiorentino (Orange County Public Library), Jason Richmond (Orange County Public Library), and Meeghan Rosen (Chapel Hill Public Library).

The Task Force met eight times between January 2022 and Feb 2023. Meeting notes prepared by the Dispute Settlement Center are in the final Appendix of this report.[2]

GROUNDWORK

After establishing ground rules, the Task Force agreed to work on the issues of funding and interoperability separately, beginning with funding. They then asked staff to provide data and briefings on several topics.

The Task Force reviewed the history of Orange County funding for Town library services.

> Prior to 2012, the County annually provided $250,000 to the Town for library operations.

> On September 28, 2012, the Town of Chapel Hill and the County entered into an inter-local agreement regarding the funding of the Chapel Hill Municipal Library and improved interoperability of library services. The inter-local agreement between Orange County and Chapel Hill expired in 2017.

> In early 2015, a work group met to discuss the terms of the inter- local agreement as well as pro-actively renew the agreement. The work group was unsuccessful at revising or renewing the agreement due to the uncertainty of how the construction to replace the existing Orange County Southern Branch Library system would impact library services in Southern Orange County.

> Since 2017, the County has continued to provide annual funding to the Town equal to the amount allocated when the MOU expired, $568,139.

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[1] Appendix A Task Force Establishment
[2] Appendix B Library Task Force Meeting Notes

In November - December 2019 the Chapel Hill Public Library Advisory Board engaged in conversation regarding Orange County funding for library services. The Board's position was that the current funding model was inherently inequitable in providing equal funding for library services for all Orange County residents. They developed several options for a more equitable and sustainable funding formula.

In May 2021 the Board petitioned Council to create a Task Force to examine equitable County funding for library services.[3]

Members received information about the wide variety of funding arrangements that currently exist between the other 13 municipal libraries in NC and the counties within which they reside:

- No common funding formula exists and each system has a different arrangement.
- All municipal libraries that receive county funding provide free library cards to county residents.
- None provide interoperability in the form of shared catalogs or collections.[4]

Members received and discussed facts about current library system expenditures, services, and usage data.[5] Personnel costs account for over 78% of total operating expenditures for both systems.

The Southern Branch Library is scheduled to open in the 203 Project in early 2024. The estimated annual operating costs are $537,668.[6] Impacts that the Southern Branch will have on users across the county are unknown. Usage pattern impacts at other branches and to Chapel Hill Public Library are also unknown.

FUNDING

The Task Force considered why the County provides library funding to the Town. They identified two reasons:

1. Because the Town provides library services for the approximately 61,000 residents of Orange County who live in Chapel Hill.
2. So that 89,000 County residents who do not live in Chapel Hill can have a CHPL account without paying an out-of-jurisdiction fee.

The Chapel Hill Public Library Advisory Board Chair shared the Board's desire for a thoughtful, equitable, and sustainable model and provided three potential solutions to meet these goals. [7] Task Force members generally agreed with the Board's desire for a thoughtful, equitable, and sustainable model and expressed an additional interest that the formula be simple, straightforward, and easy to understand and calculate.

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[3] Appendix C 2022_05 CHPL Board Petition
[4] Appendix D NC Municipal Library Funding NCPLDA
[5] Appendix E 2022_09_08 Library Snapshot Data
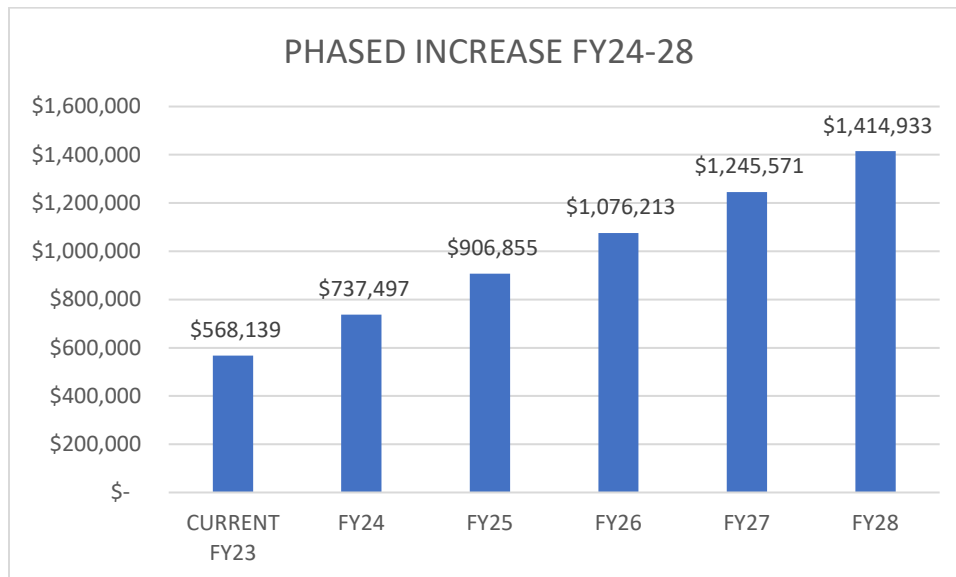[6] Appendix F 2022_09_08 203 Greensboro Project
[7] Appendix G 2022_10_06 Funding History

Members discussed many possible models & scenarios and debated the extent to which each model met the desired outcomes. They examined multiple factors and variables. They reached consensus around a formula based on the number of County residents who live in Chapel Hill and have access to library service via the Town of Chapel Hill.

In this "Access/Service Provider "model, the County would continue to fund county library services as part of its annual budget process. Once that budget has been established, the County would allocate a percentage of that amount equal to the percent of County residents living with the jurisdiction of the Town, based on the previous year's census estimate. The Town would continue to fund Chapel Hill Public Library as part of the Town's annual budget process.

The model calculates the County contribution to the Town by multiplying the percent of County residents who live within the jurisdiction of the Town of Chapel Hill by the amount that the County budgets for operating expenses at County libraries.

Members further recommended that funding based on this "Access/Service Provider" model be phased in over five years at a rate of $169,358 /year to help mitigate the impact of the increased cost to the County. [8] This rate was calculated by projecting what the County contribution would be in FY2027-28 [$1,414,933], subtracting the County's current contribution [$568,139], and dividing the difference by 5 [$169,358/year]. Source data and projections can be found in the Appendices.

The facilitator called on Task Force members to show their level of enthusiasm for this funding proposal on a scale of 1-5 (from 1 "low support" to 3 "I can live with it" to 5 "Yes!"). Elected officials, Advisory Board, and Friends Board members all expressed strong support for this proposal.

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[8] Appendix H 2023_01_24 Funding Recommendation

INTEROPERABILITY

Task Force members revisited information about interoperability between other municipal libraries in N.C and the counties they reside within. All municipal libraries in NC that receive County funding provide free library cards to all county residents. None provide interoperability in the form of shared catalogs or collections.

Members examined Commissioner Bedford's petition[9] for the exploration of interoperability and asked staff prepare a cost / benefit analysis.

The Task Force received and discussed staff's Interoperability Report in February 2023[10]. Members evaluated the points raised in the Commissioner's petition. They learned about current library system expenditures, software systems, and services.

Currently, Orange County Public Library and Chapel Hill Public Library are two separate systems. Each system has its own governance structure, budget, staffing model, catalog of materials, database of patron accounts, subscription services, website, eBook platform, etc.

All County residents are eligible for library cards at both libraries, at no cost. If OC materials are returned to CHPL (or vice versa), staff communicate and agree on a way to return them to their correct location. Library staff occasionally collaborate on public programming, while Library Directors and Assistant Directors regularly communicate about services, policies, and best practices. Beyond that, there is no "interoperability" between the systems.

All residents of Orange County have free access to all library services at both OCPL and CHPL. Any county resident can establish an account at both CHPL and OCPL by showing proof of residency and identification. Both systems offer a similar suite of library services.

County residents do not need a library card to:

- Visit any library in the county
- Attend public programs and story times at any library in the county
- Use in-house library computers, printers, or WiFi services at any library in the county
- Reserve a meeting room

County residents do need a library card to check out books or other library materials and equipment.

Task Force members agreed that increased interoperability could be valuable if the outcomes were:

1. Operational cost savings
2. Benefits to library users

Members learned that the new Southern Branch will connect to Orange County Public Library's existing borrowing / collection inventory system (a.k.a. Integrated Library System or ILS). Adding the Southern

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[9] Appendix I 2021_04 JBedford Petition
[10] Appendix J 2023_02_23 Interoperability Report

branch library to the County's current system won't increase the County's contracted costs with the ILS vendor.

The County contracts with Innovative Interfaces Inc. for OCPL's ILS service. Integrated library systems are complex relational databases that libraries use to create and maintain records of all registered account holders and all items in the collection, including purchasing and catalog records. The records in OCPL's ILS database are unique to its library collection and cardholders.

The Town also contracts with Innovative Interfaces Inc. for its library ILS. Each library system maintains its own contract with III. Each pay for slightly different services. The records in Chapel Hill's ILS database are unique to its library collection, cardholders, and acquisitions.

The Orange County Public Library and the Chapel Hill Public Library ILS are not connected in any way. Community members search each catalog separately. The library systems contract with different vendors for user interfaces, apps, websites, and are members of different eBook consortia.

Based on their analysis of the current situation and projections regarding the Southern Branch Library, the Task Force sees no evidence that interoperability would result in either cost savings or benefits to users. They do not recommend pursuing any formal efforts toward library system interoperability.

The Task Force encourages the Library Directors and staff to continue to cooperate, collaborate, and share best practices for the benefit of residents. Members recommend that library staff:

- Meet to discuss service planning in advance of opening Southern Branch to consider potential opportunities for complementary, value-added programs and services
- Consider promoting library services & opportunities county-wide
- Consider providing an annual/periodic report to the BOCC & Town Council about county-wide library services and collaborations

Members encourage the library Directors to review data, share information, and consider if any more in-depth collaborations are needed/warranted a few years after the Southern Branch has opened. The Task Force also recognizes that Orange County's Broadband Initiative to expand access to affordable, high-speed internet service in Northern Orange may impact future library demand and usage.

NEXT STEPS

The Task Force will provide this final report of their findings and recommendations to both the BOCC and Town Council.

The Task Force is prepared to cease work once their findings and recommendations have been published. No additional meetings are anticipated.