



MEMO

To: Network Advisory Council
From: Jennie Stapp
Subject: Statewide Projects Single Cost Share Formula Proposal
Date: November 8, 2023

Summary:

The Montana State Library and the Network Advisory Council have a stated goal to create a cost share formula that can be applied to all collaborative statewide library services offered by the State Library. The goal of changing the cost share formulas for our statewide services is to:

- Have sharing models that are not use-based because use-based models have the potential to result in swings in costs and could unintentionally discourage users;
- Simplify budget calculations and cost projections for the State Library and Montana libraries;
- Align cost share models with the formula for state aid if appropriate; and,
- Give libraries more timely information about their costs for budgeting purposes.

The analysis reveals that through a user-based model, a few libraries would see relatively significant increases or decreases in their costs. We are evaluating how to minimize the impact of these swings over a period of time.

Analysis:

Current statewide services: MTLib2Go, OCLC, MT Shared Catalog

Library Types: Academic, Special, K12, and Public.

The new formula is derived from a data point called “Cost Share User Base”. It is meant to refer to all potential users of a library. This term is defined as follows:

- Academic Libraries “Cost Share User Base” is defined as Student FTE + faculty at the library. This is an accurate representation of the population utilizing academic libraries.
**Flagship University Cost Share User Base is defined as city population.
- Special libraries “Cost Share User Base” is defined as the staff count at the library. These specialty libraries tend to belong to Montana based agencies, corporations, etc. This is an accurate representation of the population utilizing special libraries.
- K12 Libraries “Cost Share User Base” is defined as enrollment count + Teacher Count. This is an accurate representation of the population utilizing K12 Libraries.
- Public Libraries “Cost Share User Base” is defined as the Service Area population, which is determined in MSL’s existing State Aid calculation based on census data driven



population counts. This is an accurate representation of the population utilizing public libraries.

To minimize the impact of a new formula and to reflect the value of the services offered, MSL has established cost minimums. These are based on the minimum payments collected in FY 2023.

The new formula is calculated as follows:

1. Determine Library participation in a specific service.
2. Establish Cost Share User base by Library type.
3. Each participating library is charged as follows:
 - a. Minimum payment amount
 - b. Additionally, their CSUB as a percentage of total participating libraries CSUB, multiplied by the remaining balance needed to fully fund the tool.