

# Mountain View Library

## Service & Spending Analysis

2005

Prepared by  
Randall Stock  
4/22/05

### SUMMARY

This analysis provides background on Mountain View Library service demands and spending history, including comparisons with other similar Bay area libraries. It's intended to provide context for making FY2005-06 budget decisions.

#### General Operations

- Service usage has increased significantly in the past four years
- Library Services Department is doing more with less
- Operational efficiency has increased, holding down costs
- Mountain View efficiency compares well with that of other libraries

#### Materials (Collection)

- Materials Investment has already been significantly reduced in prior years
- Mountain View invests less in materials than other libraries
- Narrative budget recommendation was to further reduce Materials Investment by \$50K

#### FY2005-06 Conclusions

- Operations proposal is reasonable but will require further increases in efficiency
- Materials Investment is already under-funded and should not be cut

#### Recommendations

- Restore the \$50K to the Materials budget
- Consider additional funds beyond that to close the gap with other libraries

## Background

Library planning includes Operations, Materials, and Capital Projects. This report looks at the first two categories. It provides trend data for Mountain View and compares the library with the most recent statistics from similar Bay area libraries.

Benchmark libraries were selected based on the following criteria:

- Population served
- Proximity to Mountain View
- FY2003-04 data availability

The California State Library classifies libraries by population served. Mountain View is part of Group 4, with populations from 60,000 to 100,000. In addition to Group 4 candidates, two larger libraries (Sunnyvale, Santa Clara) and one smaller library (Menlo Park) were considered.

Santa Clara did not respond to a request for data. Menlo Park serves less than half the population of Mountain View and does not provide library attendance. Both were therefore dropped from this report. While Sunnyvale serves almost twice as many people as Mountain View, it made sense to include Sunnyvale due to its proximity and other similarities. The final set consists of:

<u>Library</u>	<u>Population*</u>
Palo Alto	60,200
Pleasanton	67,000
Mountain View	71,600
Redwood City	75,100
Sunnyvale	131,700

This report uses the following data sources:

- *California Library Statistics*, published annually by the California State Library
- FY2003-04 Reports for *California Library Statistics*, provided by Bay area libraries
- FY2004-05 Mountain View projections, from 1/19/05 Library Service Dept. report
- 3/25/05 Mountain View Narrative Budget Report – General Operating Fund
- U.S. Bureau of Labor and Standards website, CPI, April 2005

\* Population served is defined by the CSL and may include adjustments so that no person is credited to more than one library.

## **Operations Summary**

Operations covers all library activities. Functionally it includes Circulation, Collections Management, Reference Service, and Outreach. From a budget perspective it includes salaries, wages, benefits, supplies, postage, telecom, contract payments, etc. It does not include collection materials or capital outlay.

Circulation and Attendance (Visits) are the two most significant library service measurements. Both are objective and quantitative values.

Efficient operations will provide services while minimizing expense. It can be expressed as the ratio of output (circulation, visitors supported) to input (operating dollars). Higher ratios reflect greater efficiency.

Data Analysis (see the following charts for specific details)

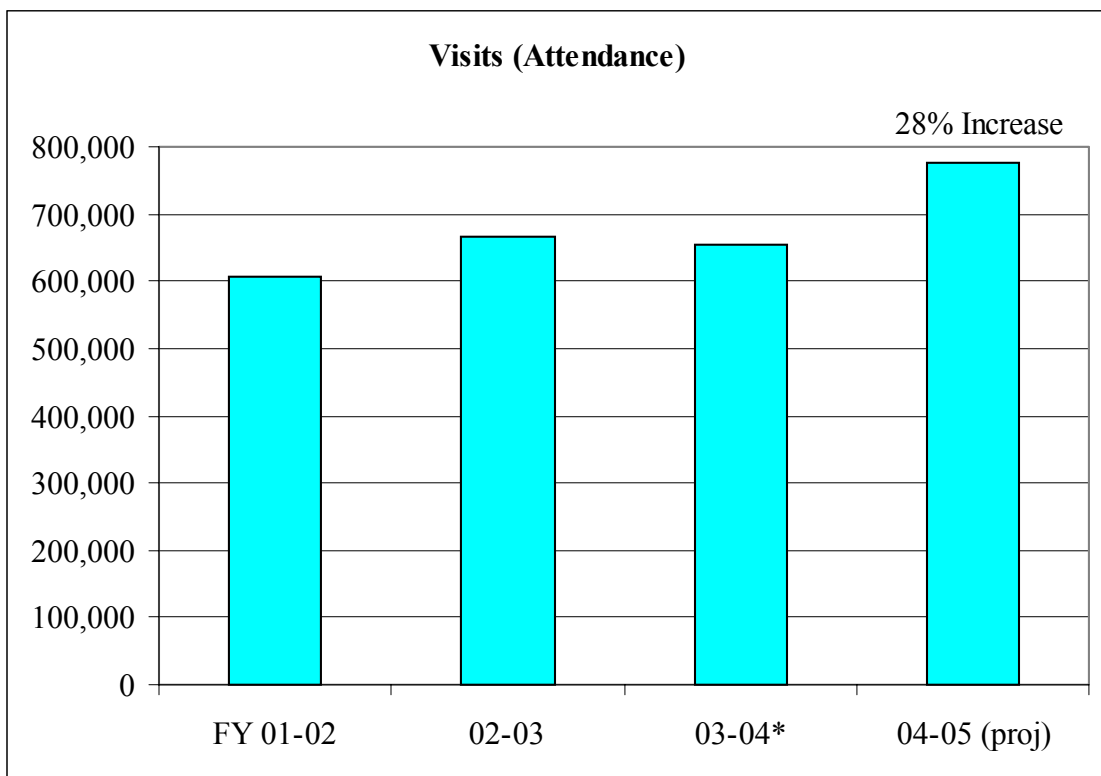
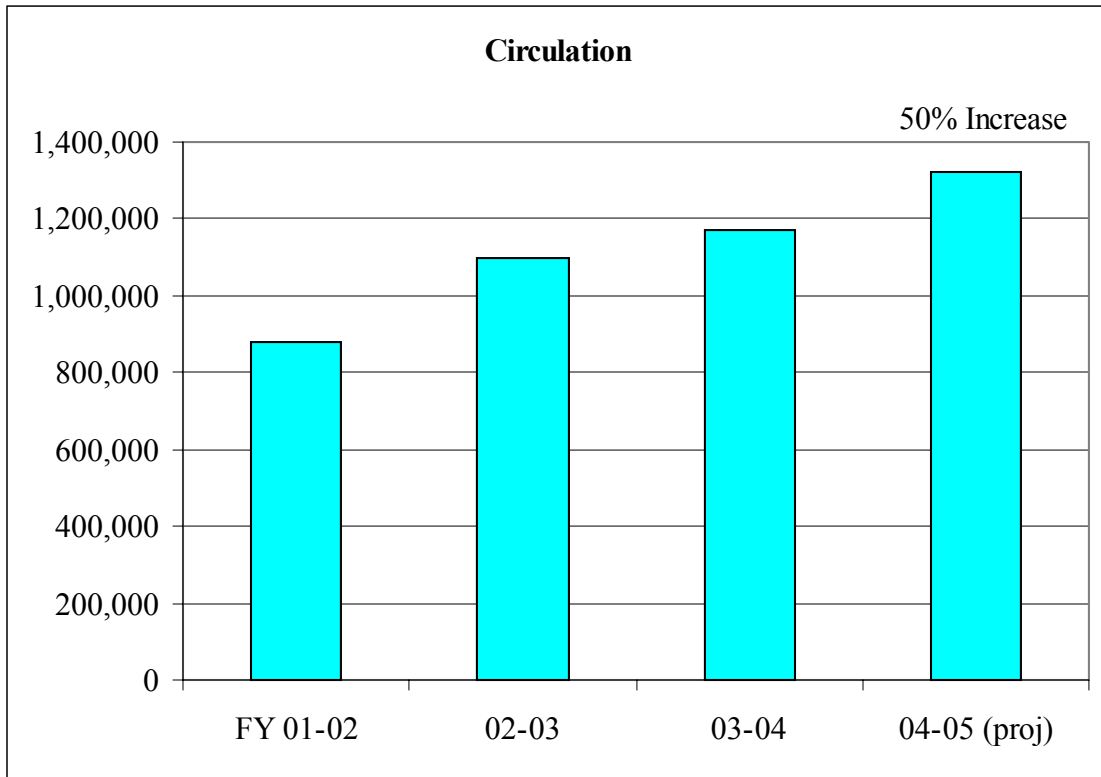
- Service usage has increased significantly in the past four years
- Library Services Department is doing more with less
- Operational efficiency has increased, holding down costs
- Mountain View efficiency compares well with that of other libraries

Data Notes:

1) "Operating Dollars" in the charts does not include materials. This provides a better gauge of efficiency since it measures only activities/service delivery.

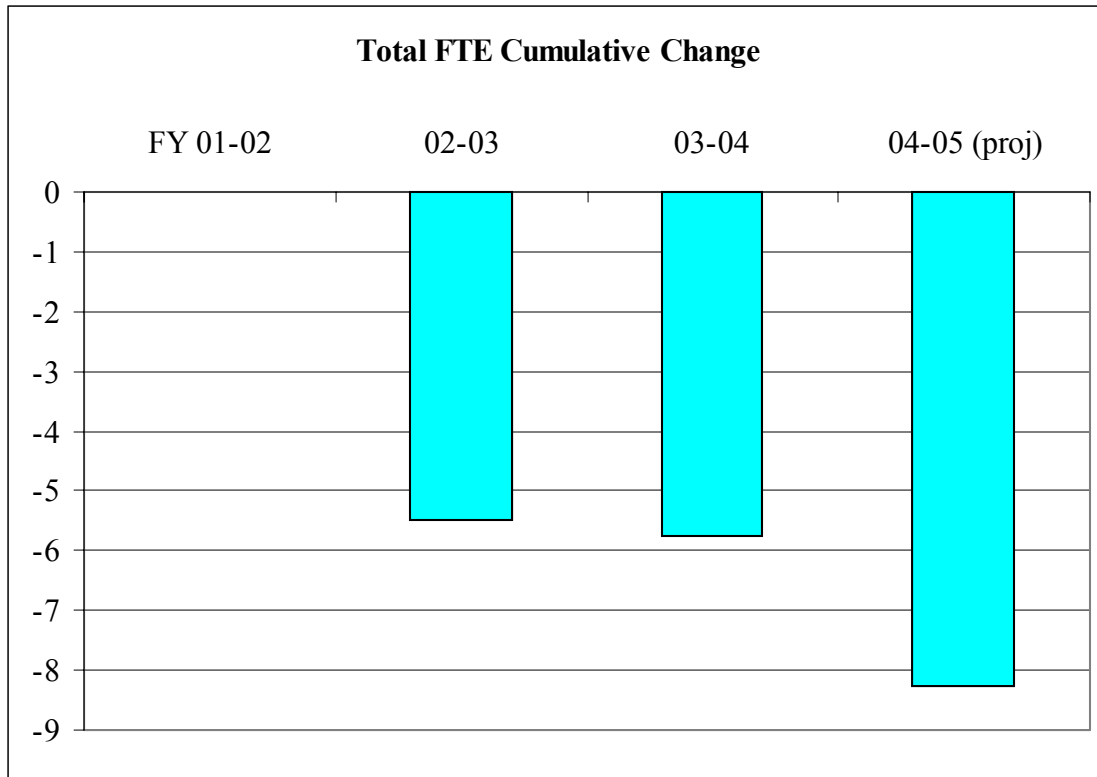
2) Mountain View attendance for FY2003-04 was understated due to a gate counter problem. Since there were actually more visitors than reported, both service use and operational efficiency are higher than what is shown in these charts.

## Demand for Services is Increasing



Source: *California Library Statistics*

## Library Service Department Reductions



Source: 1/19/05 Library Service Dept. report

### Narrative Budget Report – General Operating Fund

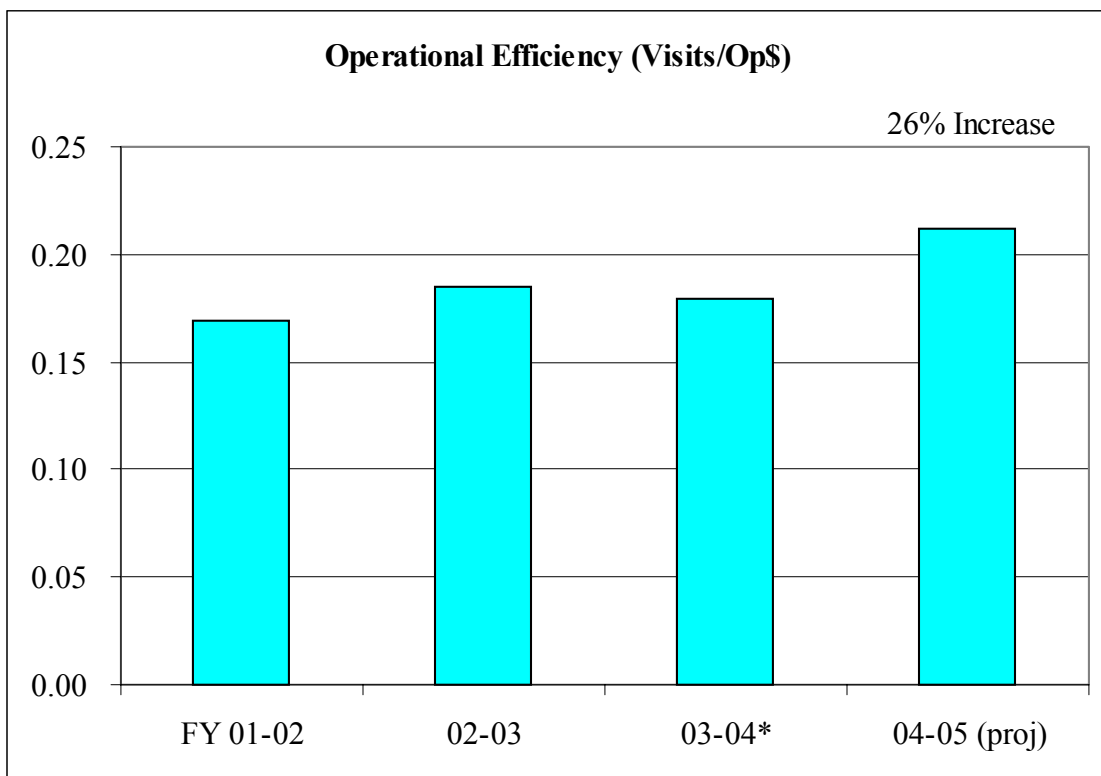
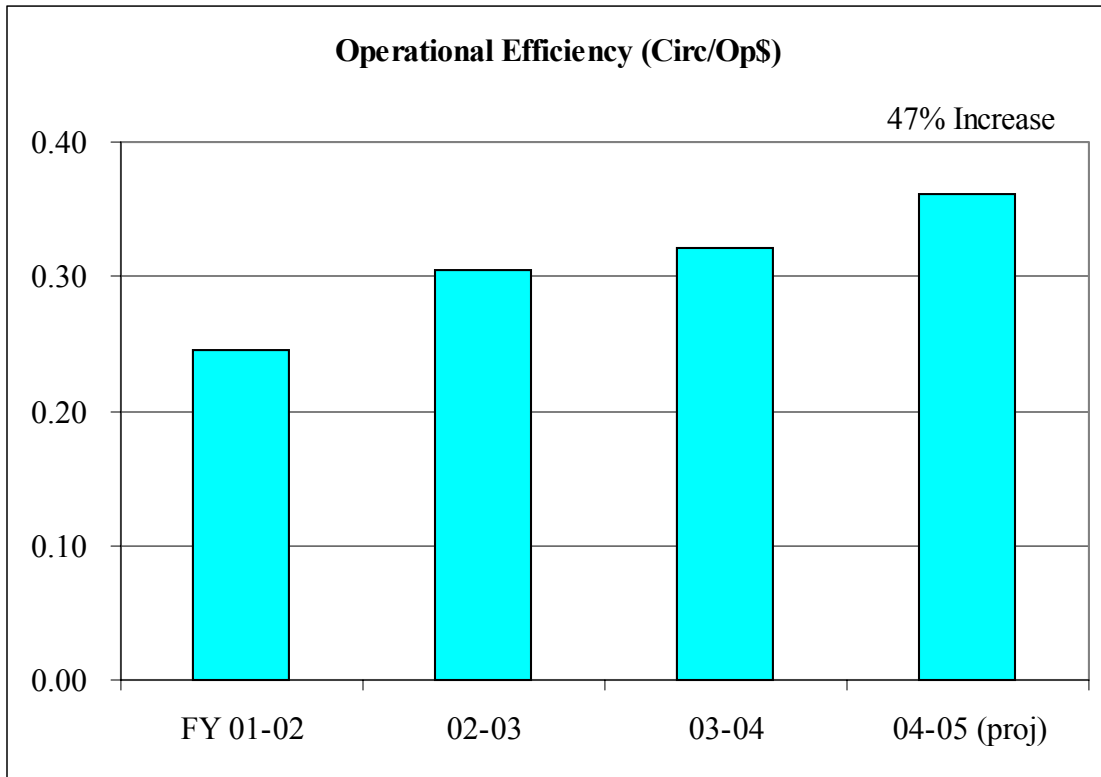
March 25, 2005

Page 22

#### Three-Year Dollar Reductions

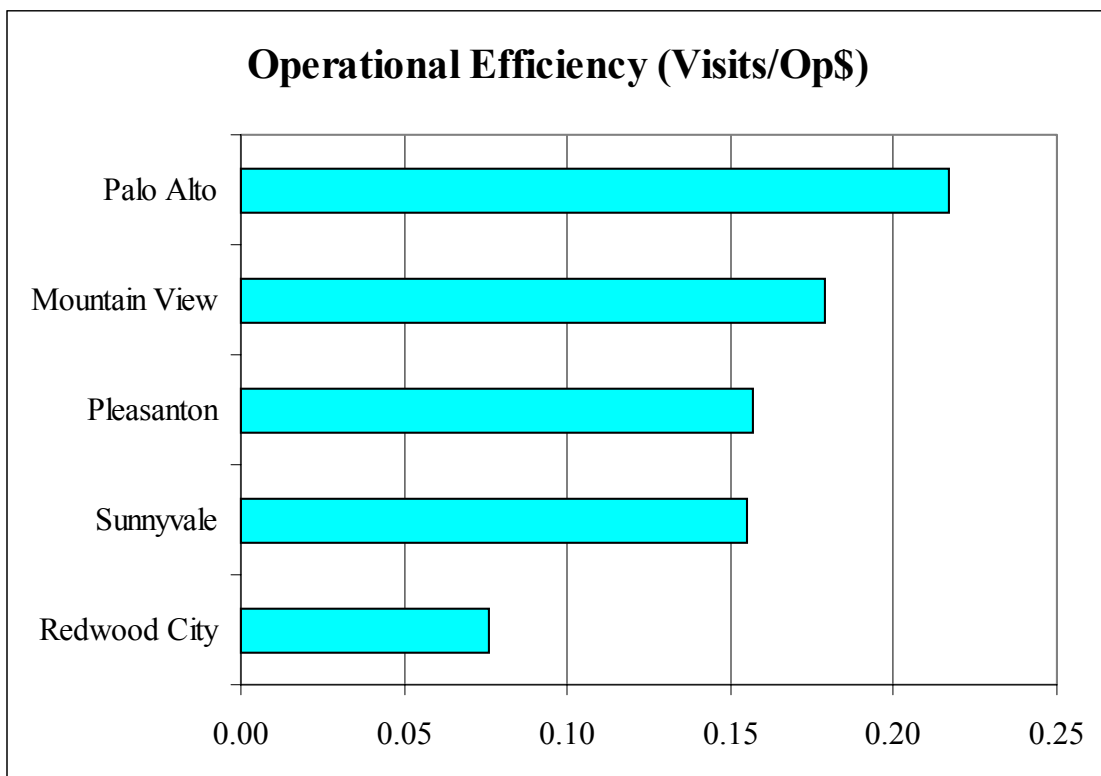
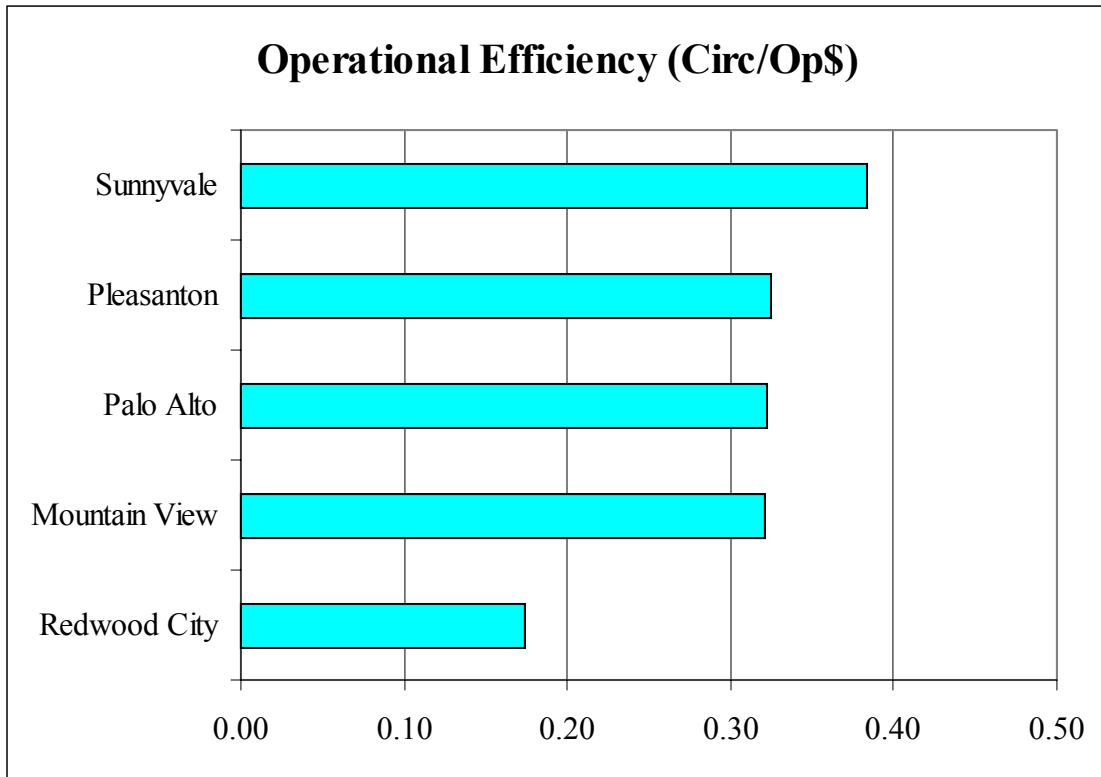
2002-03 through 2004-05: \$501,000 (12.6%)

## Increasingly Cost-Effective Operations



Source: *California Library Statistics*

## Favorable Efficiency Comparisons



Source: *California Library Statistics*, reported FY2003-04

## **Materials (Collection) Summary**

The Materials Collection is the heart of a library. It includes books, DVDs, magazines, newspapers, microforms, etc.

Investing in Materials creates an asset. It has a cumulative effect. If you buy a book this year, people will read it for many years. Prior budget cuts, on the other hand, mean that you have fewer recent items in your collection for current users.

Cuts in operating expenses tend to have a one-time effect. Cuts in materials are multiplied because they have a cumulative effect. To restore the collection you have to both restore ongoing investments and make-up the missed investments from prior years.

Another difference is that inflation has more of an impact on materials than on operations. The library has more control over operating expenses. It's possible to offset inflation and tight budgets by increasing productivity and efficiency. Materials expenses are driven by inflation. When books cost more, it is effectively a "cut" in the materials budget that the library cannot change.

It's important therefore to examine trends in materials investment in both nominal and inflation-adjusted (CPI) terms. Investments between libraries are made comparable by using per capita or percentage figures.

Data Analysis (see the following charts for specific details)

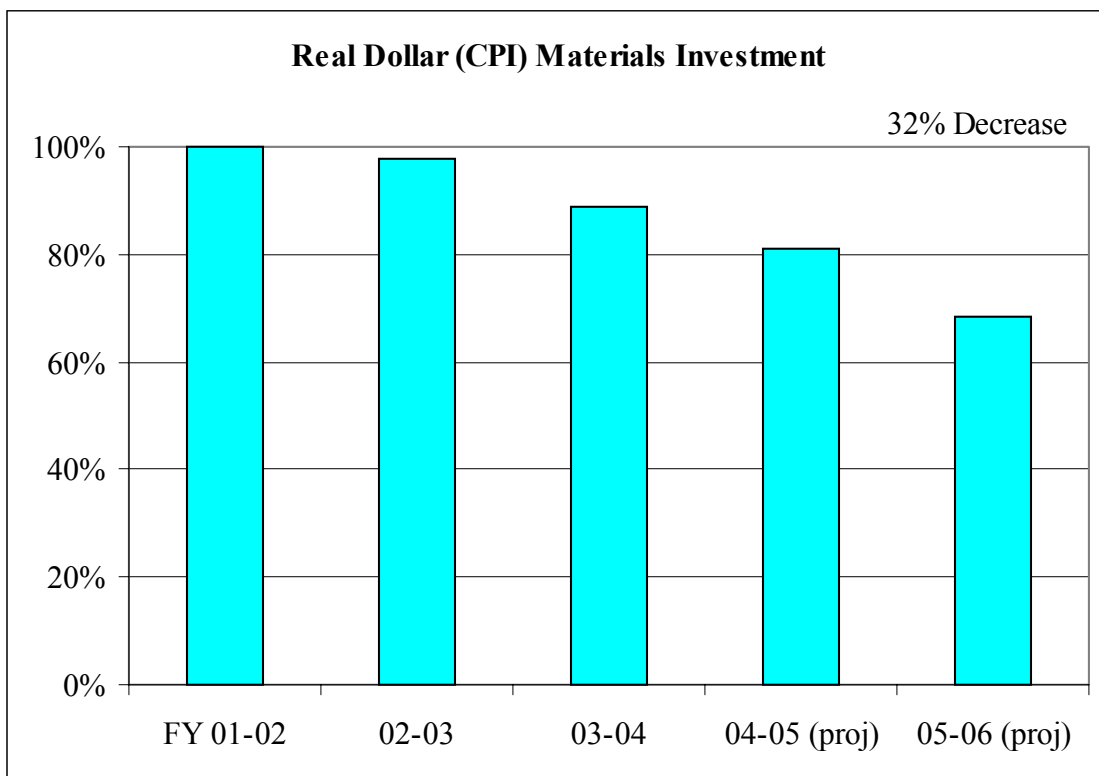
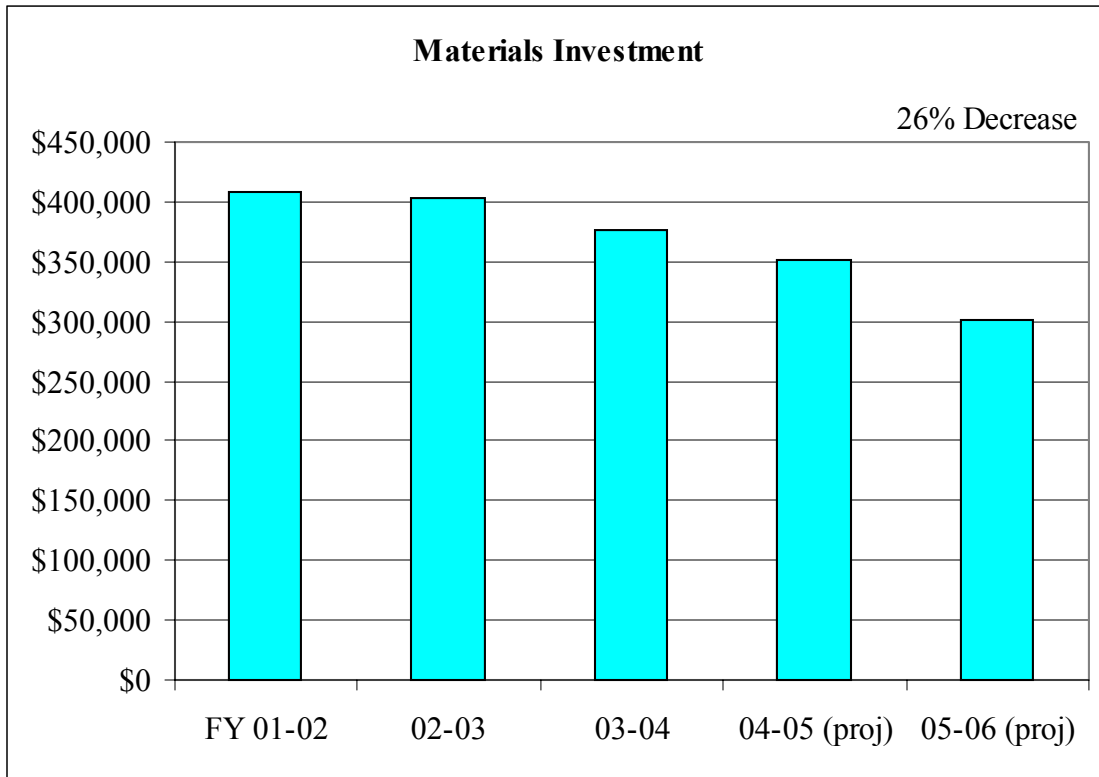
- Materials Investment has already been significantly reduced in prior years
- Narrative budget recommendation was to further reduce Materials Investment by \$50K
- Mountain View invests less in materials than other libraries

Data Notes:

1) The Mountain View charts for Materials Investment show a projected FY2005-06 amount based on the \$50,000 reduction in the 3/25/05 Narrative Budget Report.

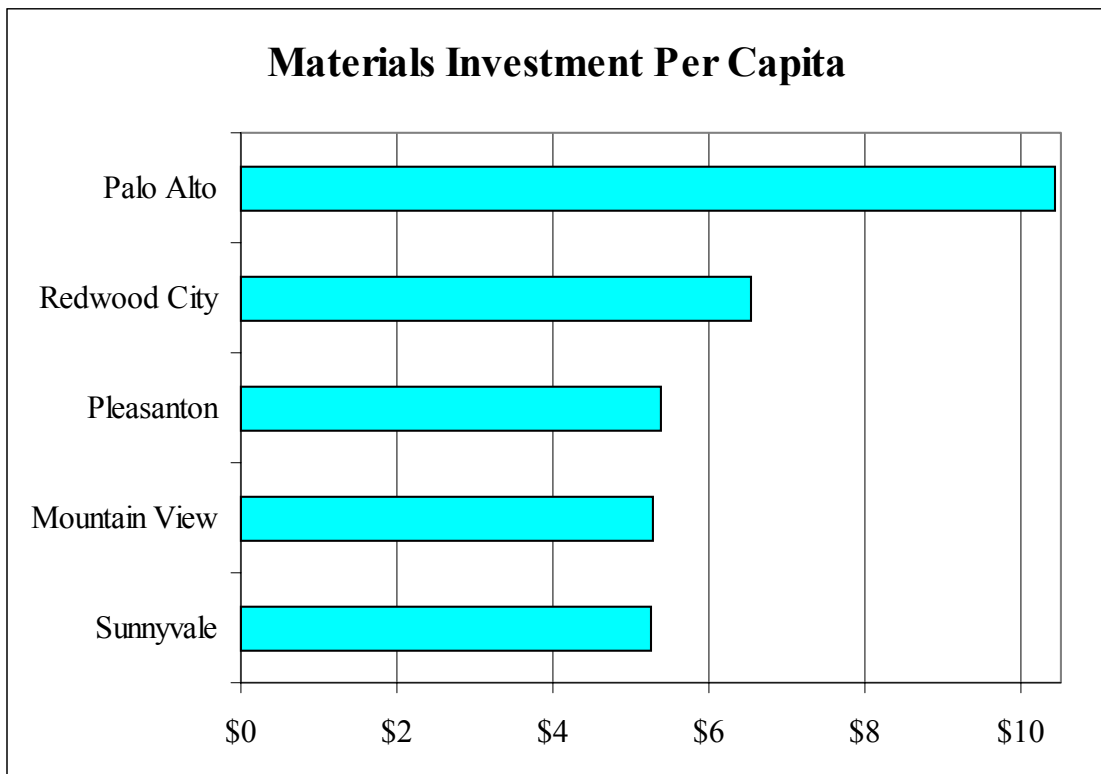
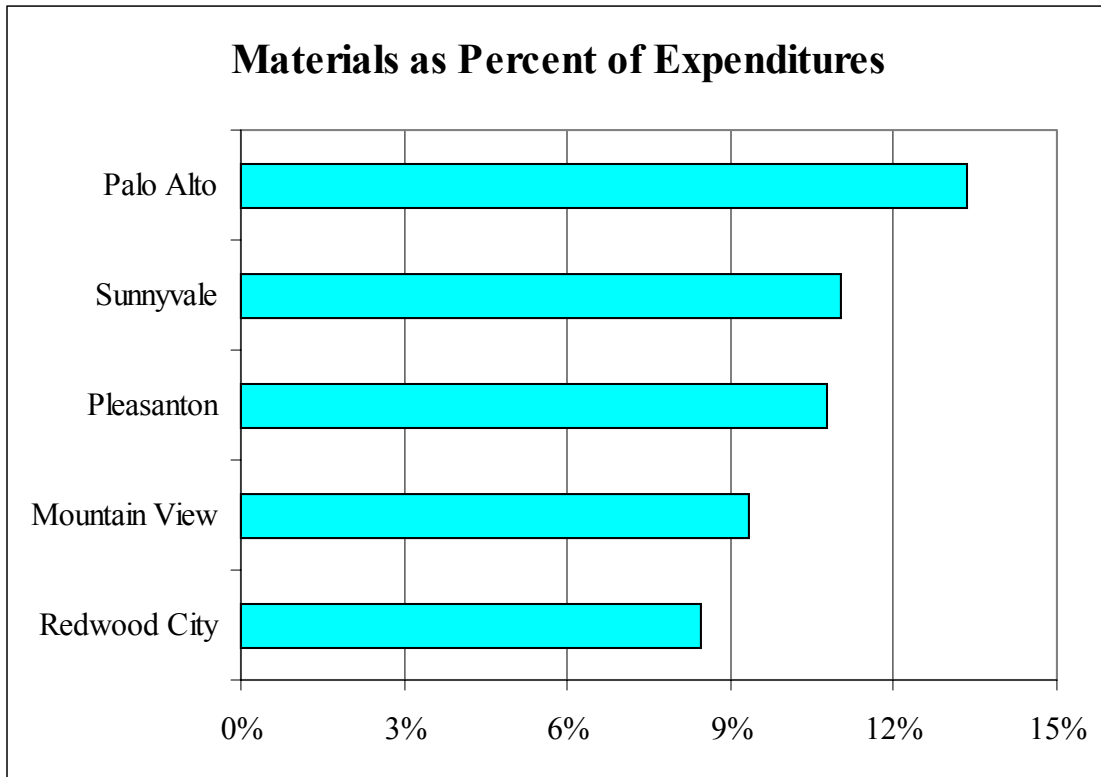


## Materials Budget Already Under Pressure



Source: *California Library Statistics*; 3/25/05 Narrative Budget Report; CPI

## Lagging Support for Materials



Source: *California Library Statistics*, reported FY2003-04

## Conclusions

### Operations

- Service usage is increasing
- Increased productivity is holding down costs
- Mountain View operations meet library standards for cost efficiency

### Materials

- Materials investment has been cut each year
- Inflation increases the impact of these annual cuts
- Mountain View invests less in materials than other libraries

Library planning needs to take into account both Operations and Materials. The Mountain View library is facing increased service demands and tight budgets. Its met operational demands by increasing efficiency. However, it has not kept up its investment in materials.

Given past trends, it's likely that service demands will increase for FY2005-06. With flat funding for operations, the library will need to further increase operational efficiency to meet these demands. The library is already performing to standard for similar libraries.

Increased demands for services brings with it a need for more materials. The library has cut materials investment by \$50,000 since FY2001-02, and the Narrative Budget proposes cutting this an additional \$50,000 for the next fiscal year. That's a 26% decrease since FY2001-02 and a 32% decrease in inflation-adjusted dollars. Since materials investment has a cumulative impact, these percentages understate the effect on the entire materials collection.

Mountain View is investing less than the benchmark libraries. It could easily be argued that the library should match the per capita or percentage average of these other libraries, which would yield an FY2005-06 figure of roughly \$450,000. Given budget realities, it makes sense to at least maintain the current FY2004-05 funding level of \$351,000.