Feasibility Report for
Multnomah County Library District
July 16, 2012

(1) A description of the services and functions to be performed or provided by the proposed district

Overview
Multnomah County Library is the oldest public library west of the Mississippi, with a history that reaches back to 1864. Today, Central Library and the other 18 neighborhood libraries that make up the library system house about 700 computer search stations for the public and a collection of two million books and other library materials.

As Oregon's largest public library, Multnomah County Library serves nearly one-fifth of the state's population with a wide variety of programs and services. Multnomah County Library is second in circulation in the US, behind only New York Public Library. In 2011, the Multnomah County Library system circulated almost 24 million items, and over 35,000 people use the library each day, either online or in person. Provision of library services is a matter of continued county concern.

This document details a proposal to establish a Multnomah County Library District upon the approval of a majority of the voters in Multnomah County. The library district will be established as a municipal corporation, with powers granted by Multnomah County's home rule charter and those granted by state law to library districts and public libraries. The Board of County Commissioners will be the governing body of the library and will appoint a district librarian. Upon passage by the voters, the District will be created with boundaries inclusive of all territories within Multnomah County. The boundary change will not result in the withdrawal of the affected territory from the legal boundary of any necessary party.

History
What is now Multnomah County Library was established when Portland was a frontier town with frame buildings, muddy streets and few sidewalks. Multnomah County Library was the first public library in the West, and the fourth county library established in the entire United States.

A small group of Portland citizens met in 1864 to establish a subscription library and reading room, organizing under the name "Library Association of Portland." The City of Portland – which operated a free public library at City Hall – later transferred all of its library assets and levying authority to the Library Association of Portland.

On March 10, 1902, the library became a tax-supported free public library, open to all residents of Portland. In 1903, services and levying authority were extended to include all residents of Multnomah County, and in 1911, the Multnomah County commissioners became *ex officio* members of the library board.

Under the leadership of Mary Frances Isom from 1902 to 1920, the library experienced a period of unprecedented growth. Central Library, located at 801 Southwest 10th Avenue in downtown Portland, opened in September 1913. The Central Library building, now on the National Register of Historic Places, continues to be the heart of what has become a system of branch libraries that serves library users all over Multnomah County.

On July 1, 1990, after 126 years of guiding the library to the respected community position it currently enjoys, the Library Association of Portland transferred ownership of the library's buildings, books and other holdings to the people of Multnomah County, to be governed by the Multnomah County Board of County Commissioners.

Library operations
The Multnomah County Library system includes Central Library in downtown Portland and 18 other libraries: Albina; Belmont; Capitol Hill; Fairview-Columbia; Gregory Heights; Gresham; Hillsdale; Holgate; Hollywood; Kenton; Midland; North Portland; Northwest; Rockwood; Sellwood-Moreland; St. Johns; Troutdale; and Woodstock.

In its nearly 150 years of service to this community, Multnomah County Library has upheld the principles of intellectual freedom and the public's right to know by providing people of all ages with access and guidance to information and collections that reflect all points of view.

In 1864, that access and guidance was exclusively through books. In 2012, in addition to books, the library serves this community via the web, electronic databases, Twitter, Facebook, e-books, chat and more. Transcending the ongoing evolution of information delivery and in spite of reduced resources, there are three pillars that define the library's unique role and value in this community:

- Free access for all
- A trusted guide for learning
- The leading advocate for reading

The service priorities listed below build upon these pillars and guide the decision-making process to ensure that Multnomah County Library is providing this community the best services possible while using limited resources wisely. As the economy, the needs of the community, and the ways in which people access information change, the library will continue to respond.

1. We think yes.
2. We champion reading for all.
3. We help the community flourish.
4. We prepare young minds for success.
5. We speak your language.

Overview of library services
Multnomah County Library serves approximately 35,000 patrons each day with a collection of nearly 2 million physical items like books, periodicals, zines, compact discs,

DVDs, and other library materials. Library materials include collections in Spanish, Russian, Vietnamese, and Chinese. The library offers a host of virtual resources including e-books, audiobooks, databases, and homework help for students.

The library provides reference and readers advisory services with creativity, collaboration, and skill to connect people with the resources, experiences, and information they seek. Reference staff are available to assist residents in person, by phone, email, chat, and text.

Libraries play an important role in serving children from birth through grade 12. Multnomah County Library Youth Services promotes literacy and the enjoyment of reading for youth from birth through adolescence – and for their families and caregivers – by providing programs and facilitating the use of library resources in a variety of formats.

The School Age Services division works in partnership with school districts and after school programs to improve student success by encouraging pleasure reading and by providing instruction on using public library resources while meeting educators' needs for curriculum support as well as literacy-focused after school programs.

Multnomah County Library also offers library services to Multnomah County residents underserved by traditional library means, including older adults, new immigrants, people with disabilities, adult learners, people who are in correctional settings, and people in transitional housing or shelter facilities.

The library's programming staff develops, coordinates, and supports events and classes across a wide spectrum of interest and need. These include storytimes for children; personalized help and instruction for job seekers; citizenship classes for new immigrants; book discussion groups; financial literacy; culturally specific offerings; crafts, nature, and family history programs; and much more.

Library funding model is unstable
Multnomah County Library is the second busiest library in the United States, but it operates on what is essentially temporary funding, which has accounted for as much as 66% of the library's budget in the last few years. In Fiscal Year 2013, about 55% of the library's annual revenue is derived from the recently approved three-year local option levy. Multnomah County's General Fund provides 25% of funding. Another 6% is from one-time-only county money to mitigate service cuts, 7% is from diminishing library reserves, and the remainder is from fees, fines, grants, and other incidental sources.

The current levy, even with considerable additional fiscal support from Multnomah County, will not maintain current services over its three-year life, due primarily to property tax compression. Due to amendments approved by voters in the 1990s, the Oregon Constitution sets limits on the amount of property taxes that can be collected from each property tax account. These "Measure 5 limits" cap collection of taxes at $10 per $1,000 of real market value (RMV) for general government taxes, like the library. If taxes on a property reach or exceed that limit, the taxes are reduced or "compressed" until

the limit is reached. Local option taxes like the library's levy are compressed first. Compression is expected to affect 36% of levy funding in FY13.

Library district model offers stable funding, continued benefits
A library district would establish a permanent rate, sufficient to cover inflation and allow for long-range fiscal planning. This permanent rate would replace the recently approved levy and ongoing General Fund contributions from Multnomah County. Under the proposed library district model, the library would restore seven-day-per-week service and programs to Fiscal Year 2012 levels for the foreseeable future. A library district would allow the county to focus resources on other critical services like public safety, mental health care, and substance abuse treatment.

Efforts to establish Multnomah County Library as an independent library district have been underway for more than 25 years. Library districts are common throughout the US and in Oregon – where 25 are currently in place. If approved by a majority of voters, a library district would replace two unstable funding streams with one dedicated permanent rate and spare the expense of repeated political campaigns.

On November 2, 2010, ballot measure 26-114 passed with 72% voter approval. This measure amended the Multnomah County Home Rule Charter to allow for the direct referral of a library district measure by the Board of County Commissioners (the Board) to the voters, and recognized that the operation of Multnomah County Library is a matter of county concern.

On June 28, 2012, the Board of County Commissioners initiated the process to explore formation of a Multnomah County Library District by Order No. 2012-089. Public input was solicited using an online electronic survey and through a series of public listening sessions. This report is expected to be issued to the public at least fifteen (15) days before the July 31, 2012, public hearing. The Board of County Commissioners is set to decide whether or not to refer a library district to the ballot on August 2, 2012.

A Multnomah County Library District would serve the same community as the current organization, with the same boundaries, aligning with Multnomah County's established political boundaries. The proposed rate for this entity is $1.22 per $1000 in assessed value. On a home with the county's median assessed value of $149,920, taxes would increase $49.47 per year above the rate of the current three-year levy.

(2) An analysis of the relationships between those services and functions and other existing or needed government services; and

Multnomah County Library provides an essential and unique set of services, tailored to the needs of individual neighborhoods and communities. Library services have adapted over time to meet shifting demographics and changing technological demands. Multnomah County Library supports and complements the services of Multnomah County, cities, school districts, human services agencies, and community groups.

The library has always embraced the concept that a public library must be free and open to all. Besides residency in the county, there are no membership requirements, no annual fees, and no restrictions based on age, income, gender, race, or creed. Anyone can walk through the library's doors, whether physically or virtually, and access all the opportunity it has to offer.

The library shares or coordinates with other agencies in its provision of the following services:

- Supporting learning, literacy and success in school: Vibrant and well-attended storytimes for children from birth to school age engage children and foster a familiarity and love of books and other materials that will later become critical to their success in school.

  Programs targeted to preschool-age guardians and caregivers place books in the hands of children who might otherwise not have them. The library offers homework help for students and a wide array of research and information resources. Nearly 100,000 students participate in the library's annual Summer Reading program.

  The library also partners with Multnomah County's popular SUN program to augment the wrap-around services children receive at their neighborhood schools, and provides books to children in the county's juvenile detention system. Some of these services have been provided in the past by schools and school librarians, but schools across Oregon have seen steady declines in staffing and programs outside of core academic areas.

- Engaging underserved adults and non-English speakers: The library offers services to Multnomah County residents underserved by traditional library means, including older adults, new immigrants, people with disabilities, adult learners, institutionalized people, and people in transitional housing or shelter settings. The library supports and works with a variety of public and nonprofit agencies to provide these services.

- Nurturing a vibrant community: Through book discussion groups, citizenship classes, one-on-one help for job seekers, resources and assistance for people struggling to become financially literate, the library complements a wide range of outside service partners, from community development organizations to federal agencies.

Public libraries also provide a range of important services, materials and resources that are available nowhere else. These include:
- Free access to books, e-books, audiobooks, CDs, DVDs, and other materials
- Free access to databases and electronic resources including newspaper archives, health topics, language learning software, academic resources, and much more
- Personalized advisory services to help patrons answer their particular question or find just the right book or other library material

- Free personal assistance with job-related tasks, such as using computers, job searching, completing online applications, and following up
- Free use of computers (desktops, Chromebooks, laptops) and Wi-Fi access
- Community meeting and gathering spaces

(3) A proposed first year line item operating budget and a projected third year line item operating budget for the new district that demonstrate its economic feasibility.

Each year, Multnomah County Library develops and publishes its operating budget as part of Multnomah County's budgeting process, which includes numerous opportunities for public review and input prior to adoption.

Under a library district structure, Multnomah County Library's areas of service and expenditures would remain virtually the same as before. Therefore, prior years' budgets will serve as an excellent blueprint for projections of future budgets.

The library's [Fiscal Year 2013 budget][1] reflects a reduction of approximately $6.5 million below funding levels necessary to provide the same level of hours, services, and programs as the previous year. Estimates included here are based on "full service" levels of Fiscal Year 2012.

Using the [Fiscal Year 2012 budget][2] as a basis, simple inflation factors and cost trends allow us to predict estimated costs of that level of service into what would be the first and third years of a library district. The table and charts below show projected first and third year budget totals and projected expenditures by service.

Budget projections:
First and third years of proposed library district (FY2014, FY2016)

			Year 1	Year 3
Expenditure by category	FY 2012	As percent of expenditures	FY 2014	FY 2016
Personnel	$39,688,041	63%	$42,810,242	$46,749,855
Contractual Services	$1,982,127	3%	$2,138,058	$2,334,813
Materials, Supplies & Capital	$3,815,993	6%	$ 4,116,192	$4,494,984
Library Books & Materials	$6,790,300	11%	$7,324,483	$7,998,519
County-provided services (e.g. facilities, IT)	$10,930,447	17%	$11,790,330	$12,875,335
Total	**$63,206,908**	**100%**	**$68,179,305**	**$74,453,506**

[1] http://multco.us/sites/default/files/budget/documents/tab_4_-_fy_2013_library_adopted.pdf
[2] http://web.multco.us/sites/default/files/budget/documents/tab_4_-_library_-_adopted.pdf