



Reaching Across Illinois Library System

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TO: RAILS Board

FROM: Jane Plass, RAILS Associate Executive Director

ABOUT: Proposed Fees for Find More Illinois Participation

Recap and Requested Action

As discussed at the July 26 Board meeting, the Find More Illinois pilot program is going well, and RAILS plans to open participation to more libraries in fall 2018. Before we can do this, we need to establish the fee structure. The proposed fee structure was still under development when the area and per capita grant application was approved by the RAILS Board in May, so we are asking for Board feedback and approval now that it's ready.

There will be two fee components: a one-time implementation fee and an annual fee. The following paragraphs repeat the information included in the July Board packet, with one additional clarification that collection expenditures from special grants and endowments can be excluded when determining the annual membership fee.

We ask that the RAILS Board approve the proposed fee structure at its August 24 meeting.

Recommended motion: I move that the RAILS Board approve the proposed Find More Illinois fee structure as presented.

Implementation Fee

The one-time implementation fee for a library will be a pass-through fee of vendor costs and will depend on several factors, including the library's integrated library system (ILS), library type, and number of sites that do interlibrary loan. Because of these variables, RAILS will provide interested libraries with a customized quote.

RAILS plans to provide some assistance with implementation fees for early adopters; the FY2019 budget includes \$30,500 for this. RAILS will also cover the ILS implementation fee for consortial systems within RAILS; the FY2019 budget includes \$6,000 for this.

Annual Fee

RAILS wants the annual cost to be as affordable as possible for libraries of all sizes and types. After exploring multiple fee models using various factors (including service population, number

of registered cardholders, annual circulation, and collection expenditures) and sample data from over 400 libraries, a scaled fee structure based on total regular collection expenditures seems the most promising.

As shown in the attached chart, the proposed fee structure begins at \$150/year and is capped at \$10,000/year. For libraries with annual collection expenditures of \$100,000 or more, the fee would be 1% or less of their collection expenditures.

This structure has the following advantages:

- It's easy to explain and easy to understand.
- It's scaled to accommodate libraries of all sizes and budgets, while providing a cap for the largest libraries.
- Collection expenditures are related to the library's overall budget and are easy to determine. (The overall operating budget is difficult to obtain for some nonpublic libraries, especially school libraries.)
- Find More Illinois is designed to support resource sharing, so there is a logical connection between collection expenditures and expenditures for resource sharing. The RAILS membership standards under development also take this connection into consideration.
- The structure is modeled after the RAILS scaled-fee model for discounted Management Association memberships for public libraries with operating budgets under one million dollars. That model has worked well. The proposed Find More Illinois model is more granular to minimize increases between levels.
- As the project grows, the revenues should be sufficient to offset the increased vendor costs.

The proposed fee structure was discussed by the Find More Illinois Working Group at its June 18 meeting. Feedback was positive, and working group members did not recommend any changes.



Proposed fee structure as of August 17, 2018; subject to review and further changes

Annual collection expenditures include total regular expenditures for print materials, electronic materials, and other materials. (Expenditures from special grants and endowments can be excluded.)

Annual Collection Expenditures	Annual Find More Illinois Fee
Under \$10,000	\$150
\$10,000 to \$24,999	\$250
\$25,000 to \$49,999	\$400
\$50,000 to \$74,999	\$600
\$75,000 to \$99,999	\$800
\$100,000 to \$124,999	\$1,000
\$125,000 to \$149,999	\$1,250
\$150,000 to \$199,999	\$1,500
\$200,000 to \$249,999	\$2,000
\$250,000 to \$299,000	\$2,500
\$300,000 to \$349,999	\$3,000
\$350,000 to \$399,999	\$3,500
\$400,000 to \$449,999	\$4,000
\$450,000 to \$499,999	\$4,500
\$500,000 to \$549,000	\$5,000
\$550,000 to \$599,000	\$5,500
\$600,000 to \$649,000	\$6,000
\$650,000 to \$699,999	\$6,500
\$700,000 to \$749,000	\$7,000
\$750,000 to \$799,000	\$7,500
\$800,000 to \$849,000	\$8,000
\$850,000 to \$899,000	\$8,500
\$900,000 to \$949,999	\$9,000
\$950,000 to \$999,999	\$9,500
\$1,000,000 and over	\$10,000