City of Palo Alto
City Council Informational Report

Report Type: Informational Report
Meeting Date: 6/13/2011

Title: Santa Clara County- Library Charges (Non Resident)

Subject: Palo Alto Options in Reaction to Santa Clara County Library (SCCO)
Withdrawing from the Pacific Library Partnership and Charging Non-Residents an Annual Fee for a Library Card

From: City Manager

Lead Department: Library

Recently, the Santa Clara County Library’s governing board (JPA) decided to cease membership in the Pacific Library Partnership and, effective July 1, begin charging non-residents an annual fee of $80 to check out their materials. In-house use of materials, limited computer use, and attendance at library programs will continue to be available to anyone. The Santa Clara County Libraries (SCCo) service area includes Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Morgan Hill, Saratoga, Monte Sereno, Stanford and all unincorporated areas in the county. The Board expects that no more than 2% of non-residents currently using their libraries will purchase a non-resident card. Almost 7,000 Palo Alto residents have SCCo library cards.

Palo Alto has several options described below in reacting to this decision.

BACKGROUND
The California Library Services Act (CLSA) and its regulations which are included in the California Education Code provide the framework for library cooperation among public libraries.

CLSA requires that if a library belongs to a cooperative public library system, it must “provide equal access to all residents of the area served by the system.” Equal access is sometimes referred to as “reciprocal borrowing”. Palo Alto is a member of the Pacific Library Partnership, (PLP), a cooperative system that includes all of the public libraries in San Mateo County, the San Francisco Public Library, libraries in Alameda County except for San Leandro, Santa Cruz County, Monterey County, and Santa Clara County as well as a few public academic libraries in Santa Cruz, Monterey and San Mateo counties).

CLSA also established “universal borrowing” as a service in which each California library may participate. Under this service, a library issues its card to California residents who live outside of its cooperative library system boundaries. Libraries participating in universal borrowing may not exclude the residents of any California jurisdiction maintaining a Public Library. Palo Alto currently participates in universal borrowing and has done so for a number of years.
CLS also provides for reimbursement for those libraries that loan more than they borrow. If a library directly lends a greater number of items to users from outside its jurisdictions than its residents directly borrow from libraries of other jurisdictions they have a net imbalance and are net lenders. A library that lends fewer items to users from outside its jurisdiction than its residents borrow from libraries of other jurisdictions is a net borrower, does not incur a net imbalance, and does not receive any reimbursement. Palo Alto City Library is a net borrower.

The California State Library coordinates two week surveys each quarter to determine the specific direct lending and borrowing to non-residents for each library. It uses this data to determine eligibility for reimbursement and the amount of reimbursement. The California Library Services Board annually sets a reimbursement rate based on the average state-wide cost of an over-the-counter loan of library materials. As the number of eligible loans has increased, the state budget for CLS reimbursement (sometimes call “Transaction Based Reimbursements or TBR) has not kept pace. Consequently, net lenders are currently reimbursed for only a small portion of their costs of lending. The Governor’s earlier Proposed Budget eliminated CLS funding entirely. However, the state legislature passed a budget that added back 50% of the funding. The May Revision to the Governor’s budget maintains the 50% reduction. Attached is a report that shows estimated annual loaning and borrowing from the most recent four quarters data as compiled for Palo Alto by the State Library.

**ANALYSIS:**

**Option 1.** Palo Alto remains a member of PLP and also continues its participation in the universal borrowing service.

There are a number of advantages to membership in PLP. There is the opportunity to collaborate with other libraries, to share resources and ideas, and to leverage buying power and dollars. This option also maintains the city’s long-standing policy of opening our collections to everyone living in the state. Palo Alto is an employment center with many non-residents working here as well as Stanford residents who bring large amounts of sales tax to the City. City residents would lose the benefit of borrowing from the County Library facilities but County Library residents would not be restricted from borrowing from City facilities.

**Option 2:** Palo Alto remains a member of PLP and discontinues its participation in universal borrowing. It either charges an annual non-resident fee to people living outside of the PLP service area or simply does not allow borrowing by them.

Palo Alto continues to provide equal access to the majority of non-resident users outside SCCo and their home libraries continue to provide access to Palo Alto residents. The reciprocal nature reflects the value of sharing resources and opening collections to the many people who live in one community, and work, regularly shop and visit in others. The cooperative system is working as intended - people use other libraries to supplement their use of their own library.

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County Library residents who regularly use Palo Alto libraries and do not wish to pay a non-resident fee may inform its Governing Board that equal access was an important benefit. An unknown amount of revenue would be generated to the City’s General Fund if 5-10% of non-resident users (mainly Stanford residents) purchased cards.

Option 3: Palo Alto withdraws from membership in PLP and also discontinues its participation in universal borrowing. It either charges an annual non-resident fee to people living outside of Palo Alto or simply does not allow borrowing by them.

Many people working in Palo Alto, doing business in Palo Alto, or visiting Palo Alto for an extended time would no longer be able to use the city libraries and their resources. For example, people who work for a Palo Alto business but reside elsewhere would be unable to use materials and online resources unless they paid an annual fee. These businesses, and their employees contribute to the City’s revenue through sales tax, business license tax and other sources yet could not have equal access.

Other PLP libraries might also then withdraw from PLP and universal borrowing, and Palo Alto residents would lose access to them or pay a non-resident fee.

Option 4: Palo Alto no longer loans to non-residents.
Like Option 3 but no annual fees are charged. No check-out of materials or use of online resources are available to non-residents.

RECOMMENDATION:
Option 1. At this time, the City of Palo Alto should continue to offer universal access to California residents and review this policy in six months. At this point, all the other library jurisdictions in Santa Clara County besides the County Library are planning on maintaining current non-resident borrowing privileges.

Attachments:
- FY 2010 Reciprocal Borrowing (XLS)

Prepared By: Evelyn Cheng, Administrative Assistant
Department Head: Monique Le Conge, Library Director
City Manager Approval: James Keene, City Manager

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