17 August 2017

**TO: SWAN Board**

**FROM: Dee Brennan**

**subject: Funding questions**

Dear SWAN Board members,

Rich Wolff shared with me some questions that you have relative to our funding of SWAN and other LLSAPs, the overlay project, and grants for libraries to join LLSAPs. I hope that the responses below will be helpful, at least as a beginning. I look forward to attending a SWAN board meeting or a membership meeting in the near future. As always, I am happy to talk any issues over, and I reiterate my strong support for LLSAPs and my many fond memories of my time as a SWAN library director and board member.

Some background:

Resource sharing is our main goal. When we say resource sharing, we think broadly about our services – resource sharing means sharing materials, expertise and financial resources to help our libraries and enhance their ability to serve the residents of Illinois. Our strategic plan lays out our vision, mission, strategic initiatives, goals and objectives and they are all based on a philosophy of resource sharing.

RAILS serves approximately [1,300 private, public, school, and university library members](https://www.railslibraries.info/membership/member-directory), which have a total of more than 4200 library facilities in a 27,000 square mile area. Needless to say, there is great diversity in our membership – large, small, urban, rural, well- -funded. It is our job to serve all of these members in ways that help their individual situations.

20% of our annual budget, or 2.25 million dollars is spent directly on LLSAP support. Of this amount, SWAN will receive $503,447 cash in FY2018, with additional in-kind services at a cost to RAILS of approximately $65,000. This amount does not include grants to libraries to join SWAN (or other LLSAPs) and does not include the $295,003 grant we just funded for the migration of the 19 libraries from MAGIC and LINC joining SWAN.

Specific questions and answers:

1. There is a feeling that the migration of MAGIC into SWAN was not recognized in the funding formula.

That is correct for FY 2019. The funding for all LLSAPs in FY 2019 is “frozen” at the FY 2018 amount. This decision enabled us to provide specific information to the LLSAPs in time for their budgeting cycles.

1. Has the direction regarding the overlay and the changes in the LLSAP funding formula been discussed with the RAILS board and are they on board with it?

Absolutely. Paul Mills, as Chair of the Consortia Committee, reports on the work of the committee – including the overlay and the consortial model working groups – at every meeting.

1. Is revenue being diverted from the funding of LLSAPS to the overlay project? In particular, the suspension of the grants for libraries to join LLSAPs.

In no way is it a diversion. We have a declared a one-year moratorium on the grants, and will discuss the future of the grants during FY 2018. One of our concerns is that we ensure that libraries can sustain their membership in an LLSAP that they join. This is for the good of the LLSAP as well.

1. Why continue to make OCLC the monster?

We do not make OCLC the monster. On the contrary, many of our members are very unhappy with the prices they pay and the unit cost of using OCLC. The State Library is also unhappy with OCLC’s inability to explain its pricing and its unwillingness to make changes or even be transparent. To ensure appropriate stewardship for RAILS and all RAILS member libraries, it is our responsibility to provide data and information to our members about OCLC costs when they request it, and to seek more affordable alternatives if they exist. And they do exist. Of course, libraries may choose to continue their OCLC membership if they wish.

1. Communication and transparency.

It is a high priority for us to communicate accurate, timely and complete information to our members. To accomplish this goal we use the following communication tools:

* Weekly e-news
* Quarterly member updates
* Board agendas, minutes and documents are posted on the website. These documents include monthly executive director and operational reports.
* Committee agendas, minutes and documents are posted on the website
* Annual budget and plan of service are posted on the website
* Strategic plan is posted on the website at   
  https://www.railslibraries.info/about/plans-and-policies
* RAILS staff are available by phone and email and respond to question in a timely way
* RAILS staff attend many meetings with members throughout the year
* Board meetings and member updates are viewable through streaming service and via Polycom at 18 different sites across RAILS
* RAILS provides a program budget to the board and members to show how money is spent

1. Bring back the grant for libraries to join LLSAPs.

We understand and are glad of the success of these grants. We will re-evaluate their future during FY 2018.