Library Systems and Services Study 2017

Manske Library

Farmers Branch, Texas

A Study for the Farmers Branch City Council

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I. Introduction

Background of Study

The City of Farmers Branch is an inner-ring suburb of Dallas with a population of nearly 30,000 residents. In November 2011, the City of Farmers Branch City Council unanimously approved a proposal from Library Systems and Services (LS&S) to take over management of the Manske Public Library (MPL) at a cost savings of more than $200,000. A new five year contract with LS&S was recently approved during the December 13, 2016, City Council meeting with unanimous approval of Resolution No. 2016-105 (Item I.1).

Outsourcing of some core functions of an organization dates back to the 1980s and has its precedent in business practices (Ma and Lee, 2016). While public libraries have for many years outsourced peripheral functions such as janitorial services and photocopying, and some important functions such as the cataloging, the development of automated systems, and material acquisition, the use of outside commercial vendors to manage fiscal functions and the entire library system is less common. Manske Library joins just two other Texas public libraries managed by Library Systems and Services, LLC. How efficient and effective is this arrangement?

Purpose of the Study

The purpose of this study is to conduct an independent review of the MPL. The study will compare MPL with other libraries on several relevant library service metrics. The study findings will help assess future MPL investments.

Library Systems & Services, LLC

Library Systems & Services is a Maryland-based company that offers public-private partnership (P3) services to over 80 libraries nationwide (see Table 1 below for list of libraries). Such P3 services range from needs assessment, planning, to managed services. In the area of managed services, LS&S offers optimization (aligning staff, equipment and other resources to budget and local priorities), efficiencies (knowledge gained across 83 libraries nationwide applied locally), and community building solutions. Most libraries engaged LS&S to manage the library function, as is the case for Farmers Branch. Managed service is still outsourcing—quite different than privatization where the privatized entity is fully transferred to a commercial organization along with all policy or operational authority. Under a public-private partnership arrangement, the library maintains ownership of all library assets and controls operational policy. LS& focuses on managing day-to-day operations. This public-private partnership arrangement and the nature of library services that seem to make the management of services work for the libraries involved and LS&S.

Table 1. List of libraries served by LS&S

Library	State	Number of Branches
Arlington	TN	1
Camarillo	CA	1
Collegedale	TN	1
Farmers Branch	TX	1
Finney County	KS	1
Germantown	TN	2
Jackson County	OR	15
Leander	TX	1
Millington	TN	1
Moorpark	CA	1
Moreno Valley	CA	1
Osceola County	FL	6
Palmdale	CA	1
Red Oak	TX	1
Redding/Shasta County	CA	3
Riverside County	CA	36
Santa Clarita	CA	3
Simi Valley	CA	1
Sumter County	FL	5
Upland	CA	1

LS&S and Riverside County Library System
A Case Study of Long-Term Results

In 1997 LS&S entered its biggest partnership with the Riverside County Library System in California. Based on LS&S self-reporting, they have managed the library system since 1997 without ever needing to request an increase to the 1.15% ad valorem property tax dedicated to the library. Most impressive still is the fact that the library system has continued to grow since 1997. For example, as Table 2 shows, in 1997 the library system had 24 branches and 38 in 2015, a growth rate of approximately 37 percent. Similarly, materials circulation has grown from 1.9 million in 1997 to 2.4 million (plus e-books) in 2015. By all accounts, these are impressive measures of increase of operational performance without an overwhelming use of fiscal resources.

Table 2. Long-Term Results of the Public-Private Partnership

	1997	**2015**
Facilities	24	38
Weekly operating hours	612	1,488
Materials circulation	1.9 million	about 2.4 million + e-books
Full time staff	125	218
Full time staff w/MLS	20	35
Book budget	$180,000	$1,000,000
Annual visits	1.9 million	4.2 million
Program attendees (all)	20,844	141,049
Program attendees (adult)	1,082	66,028

Source: Changing Direction—The story of Riverside County's historic partnership with Library Systems & Services

II. Methodology

MPL's performance will be assessed on the basis of a comparative analysis against five distinct categories of Texas public libraries. The categories are:

- Market comparable libraries ('apples to apples' comparison) – This category includes Cedar Hill, Weatherford, Cleburne, and Waxahachie, all Texas public libraries serving cities that are the most similar to Farmers Branch on the basis of demographics and social-economic factors.

- LS&S peer libraries – This group of libraries includes Red Oak and Leander, all Texas public libraries that have outsourced their management services to Library Systems & Services, LLC.

- Prominent local libraries – This includes Irving and Richardson, two cities that Farmers Branch uses as aspirational benchmarks.

- Carrollton – One library that is included in the study and used by Farmers Branch as aspirational benchmark and separate from other categories due to its proximity to Farmers Branch.

- State libraries – This category includes 61 public Texas libraries whose population is between 25,000 and 50,000.

Comparing Farmers Branch against these five categories of libraries allows for a true comparison across, not only a select few sample of convenience, but also a more comprehensive assessment that controls for population size, demographics, and different socio-economic levels. The study also assessed Farmers Branch's MPL against the other two libraries in Texas that have their management services outsourced to Library Systems & Services, LLC. Finally, MPL is also compared to libraries serving cities whose populations fall within 25,000 to 50,000.

Data

The data used on the comparisons is a reliable data set published annually by the Texas State Library and Archives Commission (Commission). The Commission

> "participates in a national public library data collection system. The purpose of this system is to ensure the collection of comparable data in all states. The data is used for the creation of a composite report on the public libraries of the United States and for state-to-state comparisons by the Institute of Museum and Library Services IMLS. This report is also used to accredit Texas public libraries and some data elements are used for that purpose." Texas Public Libraries Annual Report for Local Fiscal Year 2016 questionnaire, page 1.

The Commission data is most reliable and published annually by Texas public libraries to comply with federal legislation, state statues, and State accreditation requirements. Libraries risk not getting accredited if they don't report by the given deadline.

In addition to controlling for extraneous variables by using appropriate groups of cities as a comparison basis, this study uses data fields that further control for population differences by using per resident and per capita measures. The list of measures below shows a definition of the metric and how that metric is related to some controlling variable. For example, 'material expenditures' is shown as a 'percentage of operations' in an effort to relate material expenditures to some other contextualizing measure. The assumption for this study is that it is not enough to say that a library expends a certain amount in material expenditures. It is more informative to policy makers to know what those expenditures are as a percentage of total expenditures for operations. The eight metrics used for this study are defined and listed below:

1. Library Square Footage per Resident
   This is the area on all floors enclosed by the outer walls of the library divided by the number of residents in the jurisdiction.

2. Material Expenditures as a Percentage of Operations
   This includes all expenditures for collection materials (print, electronic, and other) divided by the total expenditures for operations.

3. Books in Print Per Capita
   Books are non-serial printed publications (including music scores or other bound forms of printed music, and maps) that are bound in hard or soft covers, or in loose-leaf format. The number of books include non-serial government documents, the number of physical units, including duplicates, and books packaged together as a unit, such as a 2-volume set, and checked out as a unit are counted as one physical unit. Books in print per capita is defined as the total number of books divided by the number of residents in a jurisdiction.

4. Number of Materials Lent to Each Resident
   This is the total number of all items in circulation or loaned out divided by the number of residents in the jurisdiction.

5. Materials Lent per Paid Employee
   This is the total number of items in circulation or loaned out divided by the number of paid employee working for the library.

6. Number of Residents per Librarian
   This is the total number of residents in a jurisdiction divided by the number or librarians working for a city library.

7. Number of Full-Time Employees
   This is the number of full-time employees working for the city library.

8. Number of Residents per Paid Employee
   This is the total number of residents divided by the number of paid employee working for the city library.

III. Analysis

The comparative analysis uses the Farmers Branch Manske Library measures on the eight selected metrics and compares them against the average metric of cities within a particular category. The only case that is different is the Carrollton Library. In that case Manske Library's measures are compared directly against Carrollton Library's measures.

1. Library Square Footage per Resident

Farmers Branch Manske Library with 33,000 square feet of library space fares well given the city's population of 32,560. As shown in Figure 1, MPL's 1 square foot per resident is better than any of the averages for the five categories of cities used in the comparison. The State average for cities whose population falls within 25,000 and 50,000 (25-50K average) is 0.5 square foot per resident. A similar average square footage per resident measure is shown for prominent local libraries (Irving and Richardson), but a much lower average for market comparable cities average (0.35 square foot per resident). Even a lower average is shown for LS&S peer cities.

Figure 1. Library square footage per resident
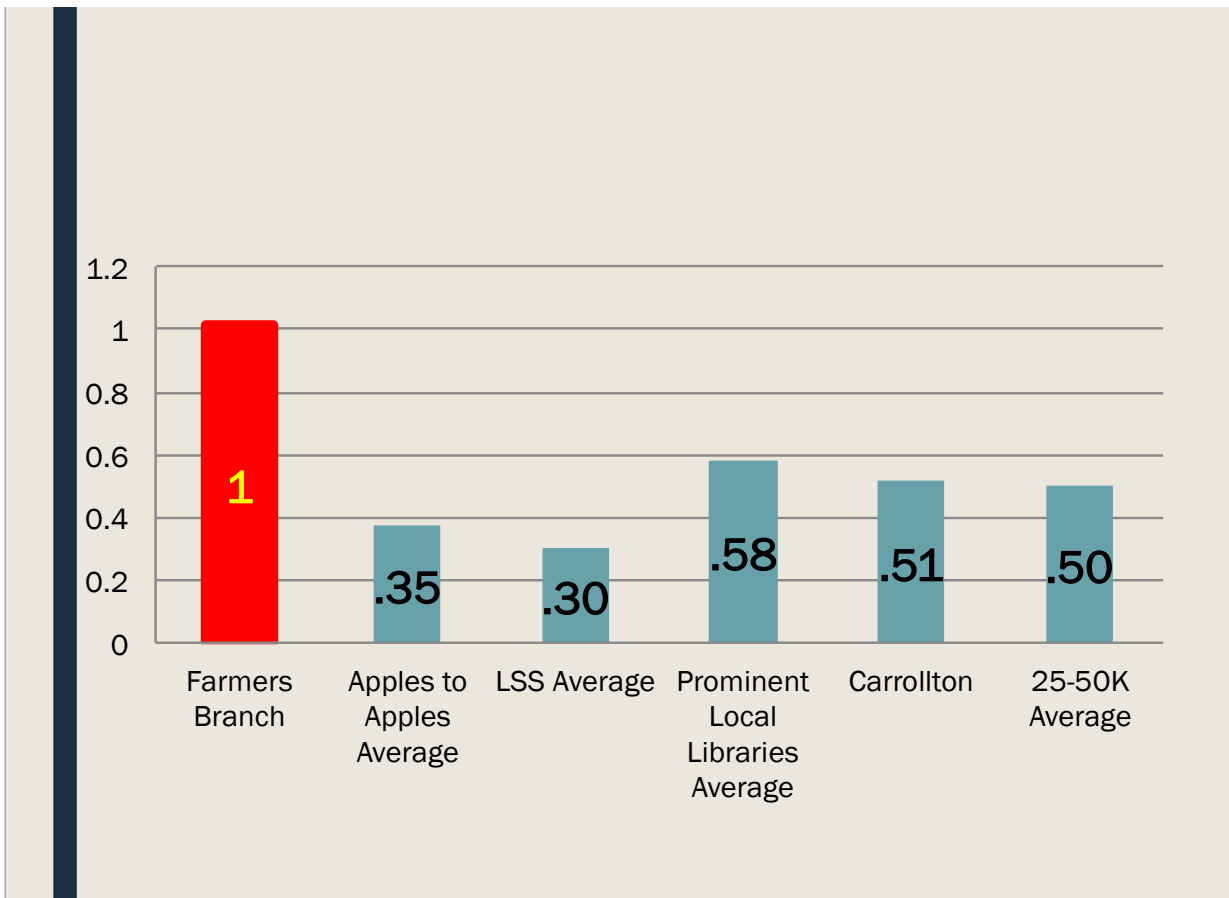
2. Material Expenditures as a Percentage of Operations

In 2015, MPL spent a total of $1,617,112 in operating expenditures and a total materials expenditure of $173,818, or 10.75 percent of total operating expenditures. Figure 2 shows that MPL spends 11 percent of total operating expenditures to acquire library materials. Except for LS&S libraries, other groups of libraries show identical or very similar percentages. LS&S cities average show that they spend 16 percent of total operating expenditures on material acquisition. That higher percentage average is probably due to the small number of staff for these two cities (an average of 4), which would bring down total operating expenditures.

Figure 2. Material expenditures as a percentage of operations
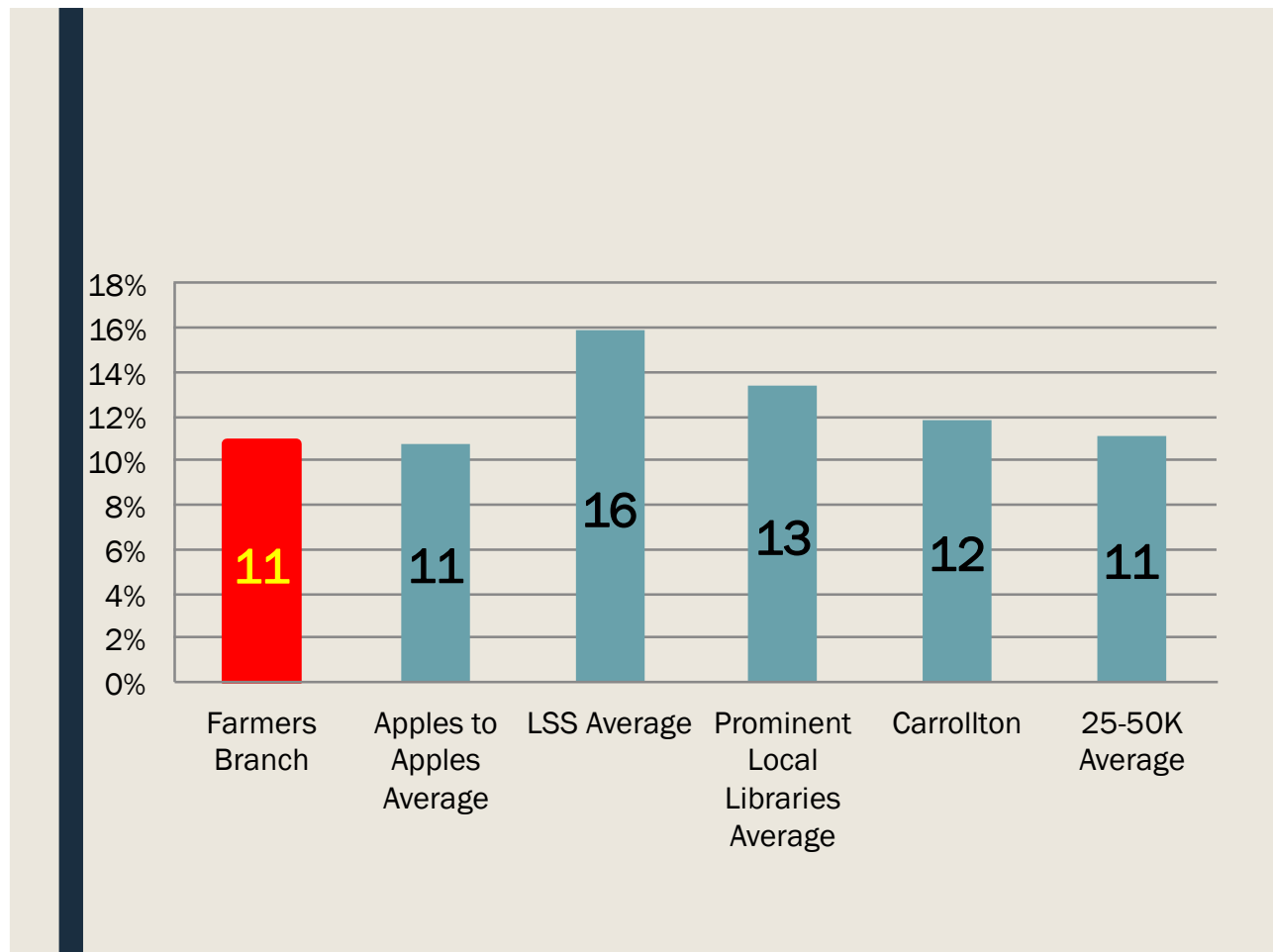
3. Books in Print Per Capita

MPL has a book collection of 122,741 and given that the 2015 city population is 32,560, books in print per capita is 3.8 (see Figure 3). At 3.8 books in print per capita, MPL is well above the averages of all other groups of libraries. The difference is especially evident when compared to LS&S libraries and Carrollton public library. However, even when compared to the 61 Texas libraries in the 25-50K group, the difference is over twice as many books as the 25-50K average.

Figure 3. Books in print per capita
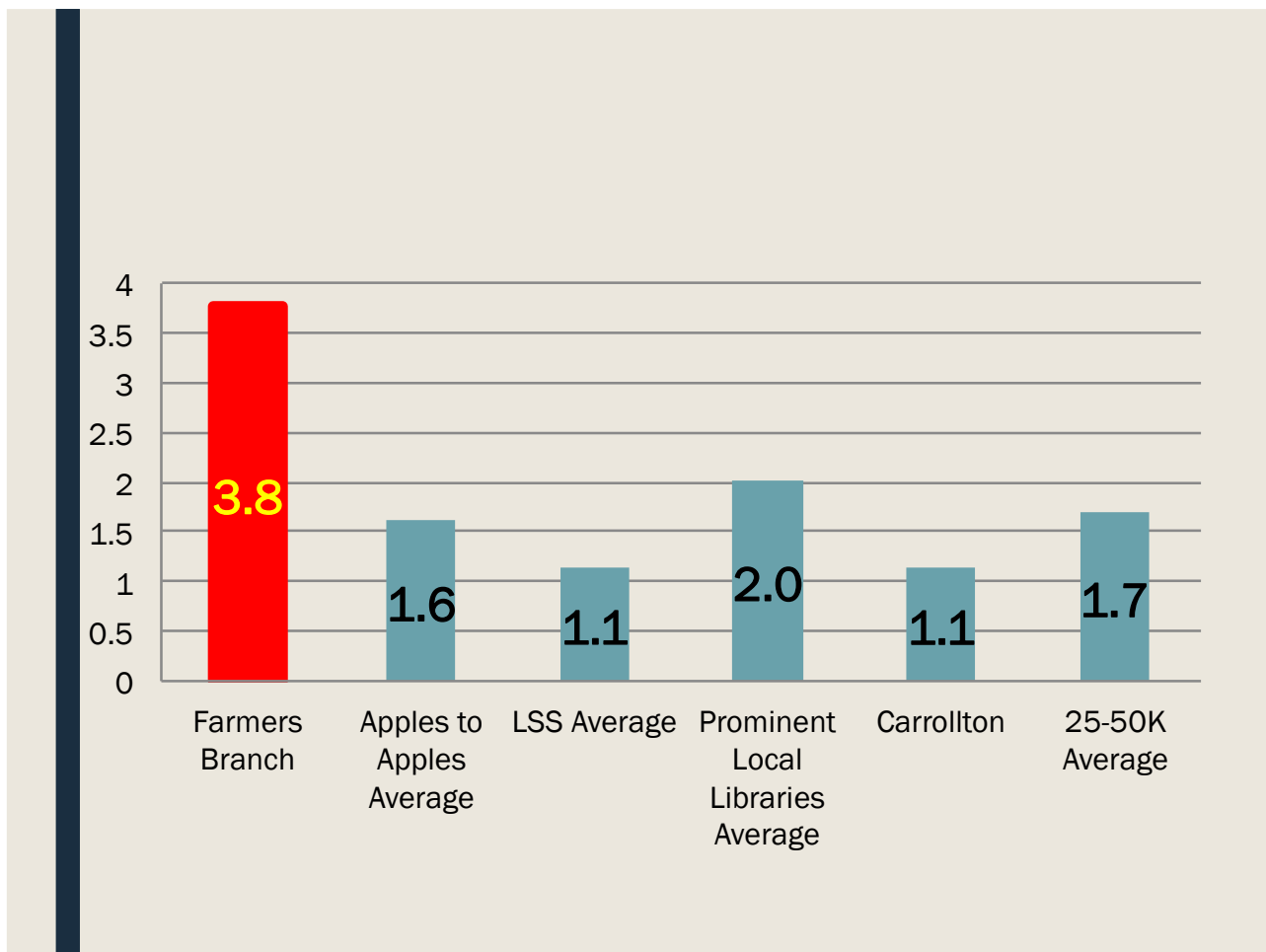
4. Number of materials lent to each resident

As shown in Figure 4 the number of materials lent to each resident (10.6) is much higher for MPL than any other group of libraries. The prominent local libraries group (Irving and Richardson) comes close with an average of 9.3 items lent to each resident. Here again, the measure for the LS&S libraries comes last with a 3.4 average items lent to each resident. It is worth noting, that Red Oak public library (population around 11,560) is likely pulling down the averages for the LS&S group. For example, on the number of materials lent to each resident (circulation per capita), Red Oak shows 2.61 while Leander reports 4.17 for an average of 3.4; clearly, Red Oak's measures pull down the average measure for the LS&S group.

Figure 4. Number of materials lent to each resident
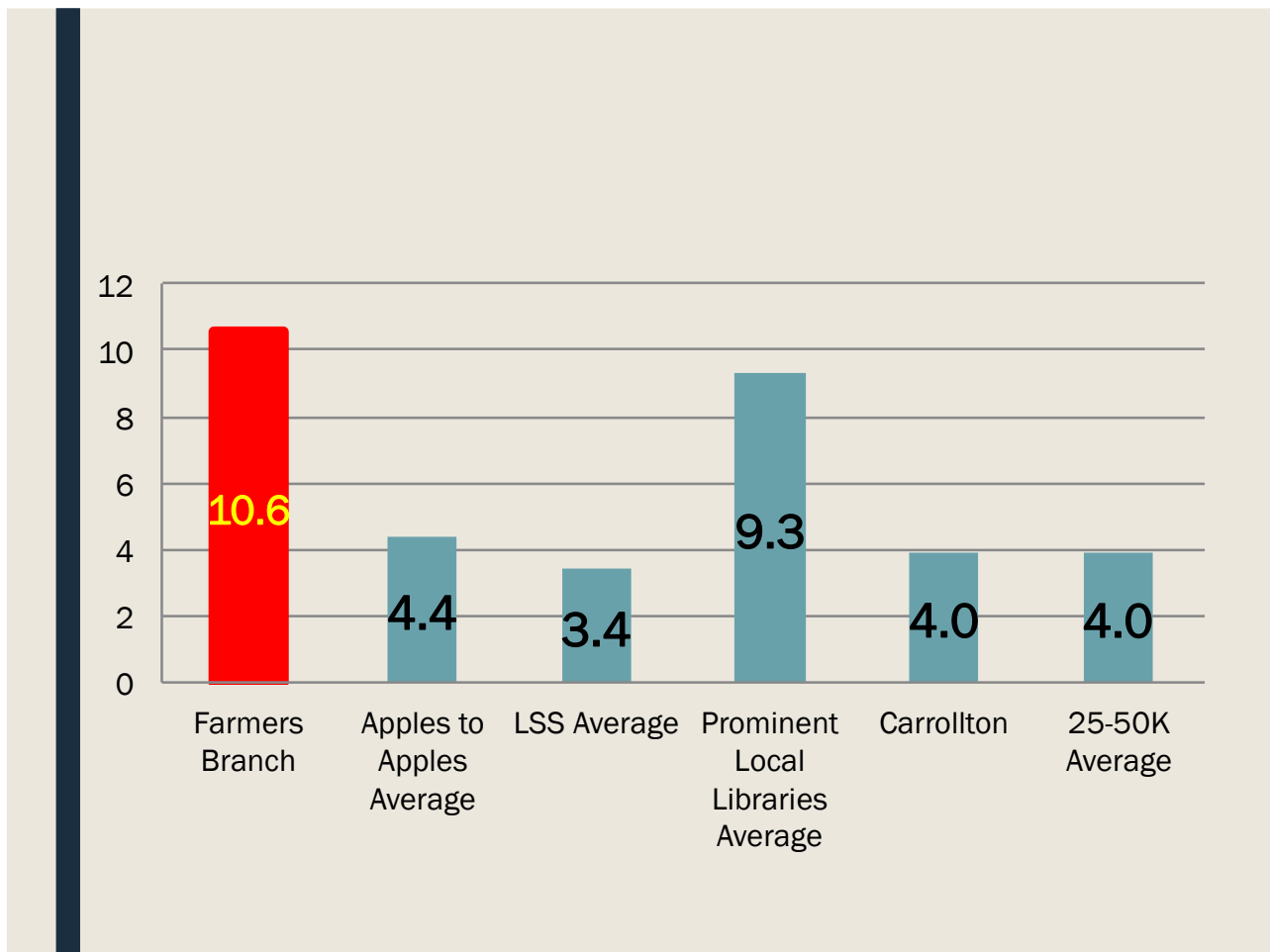
5. Materials Lent per Paid Employee

In 2015, MPL reported a total circulation of 343,592 items and 16 paid employees for a ratio of materials lent to paid employee of 21,341. Figure 5 shows that prominent local libraries reported a slightly better average ratio and the 25-50K group of libraries reported a significantly lower average ratio of 14.3. The apples to apples group of libraries reported a similar average at 19.

Figure 5. Materials lent per paid employee (in thousands)
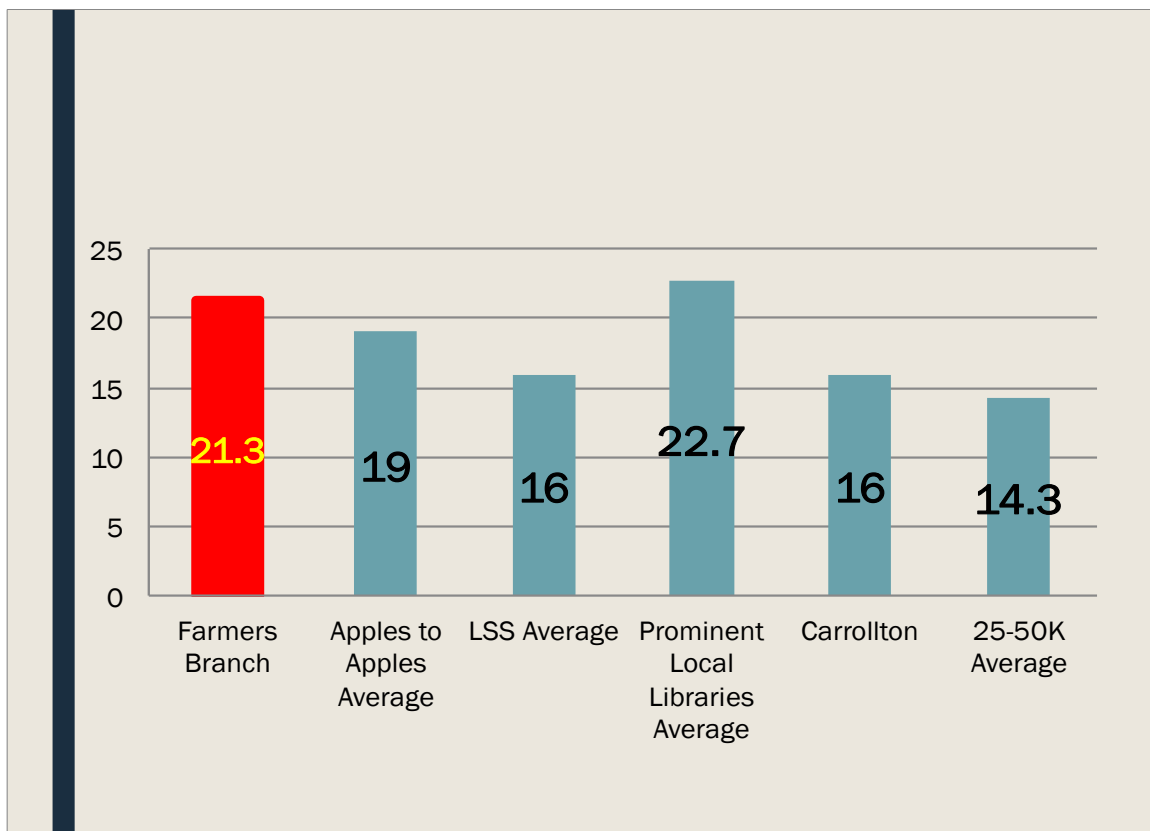
6. Number of Residents per Librarian (in thousands)

MPL reported 7.5 full-time equivalent ALA-MLS librarians[1] and a population in the legal serving area of 32,560, which amounts to 4,341 residents per librarian (rounded to 4 thousand in Figure 6). Libraries strive to have as many as ALA-MLS librarians as possible. MPL's low number of residents per librarian is thus better than the 19 thousand average reported by the 25-50K group of libraries and is in fact, better on this measure than any other group. The prominent libraries group comes closes to Farmers Branch at 8 thousand residents per librarian.

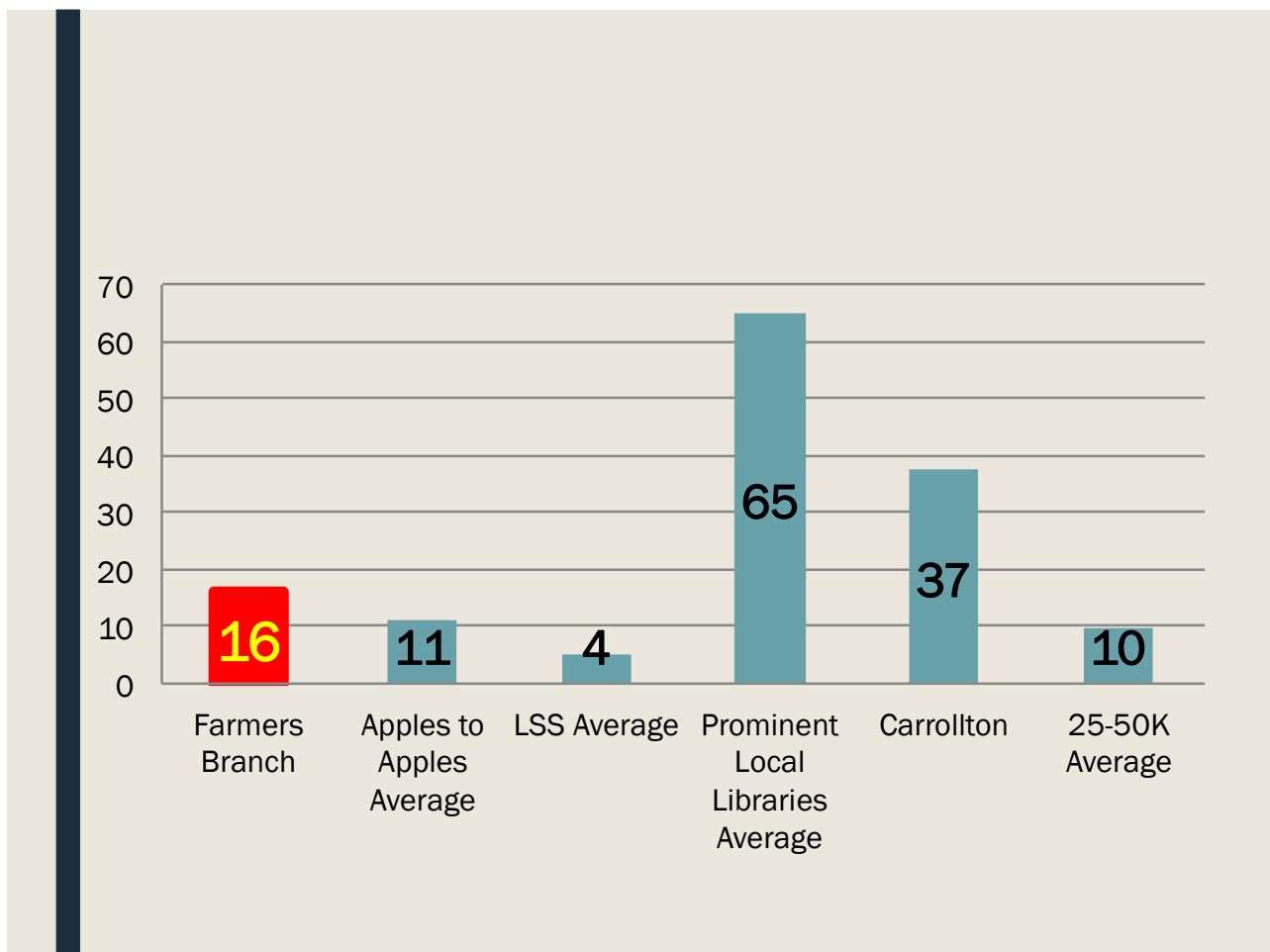Figure 6. Number of residents per librarian (in thousands)

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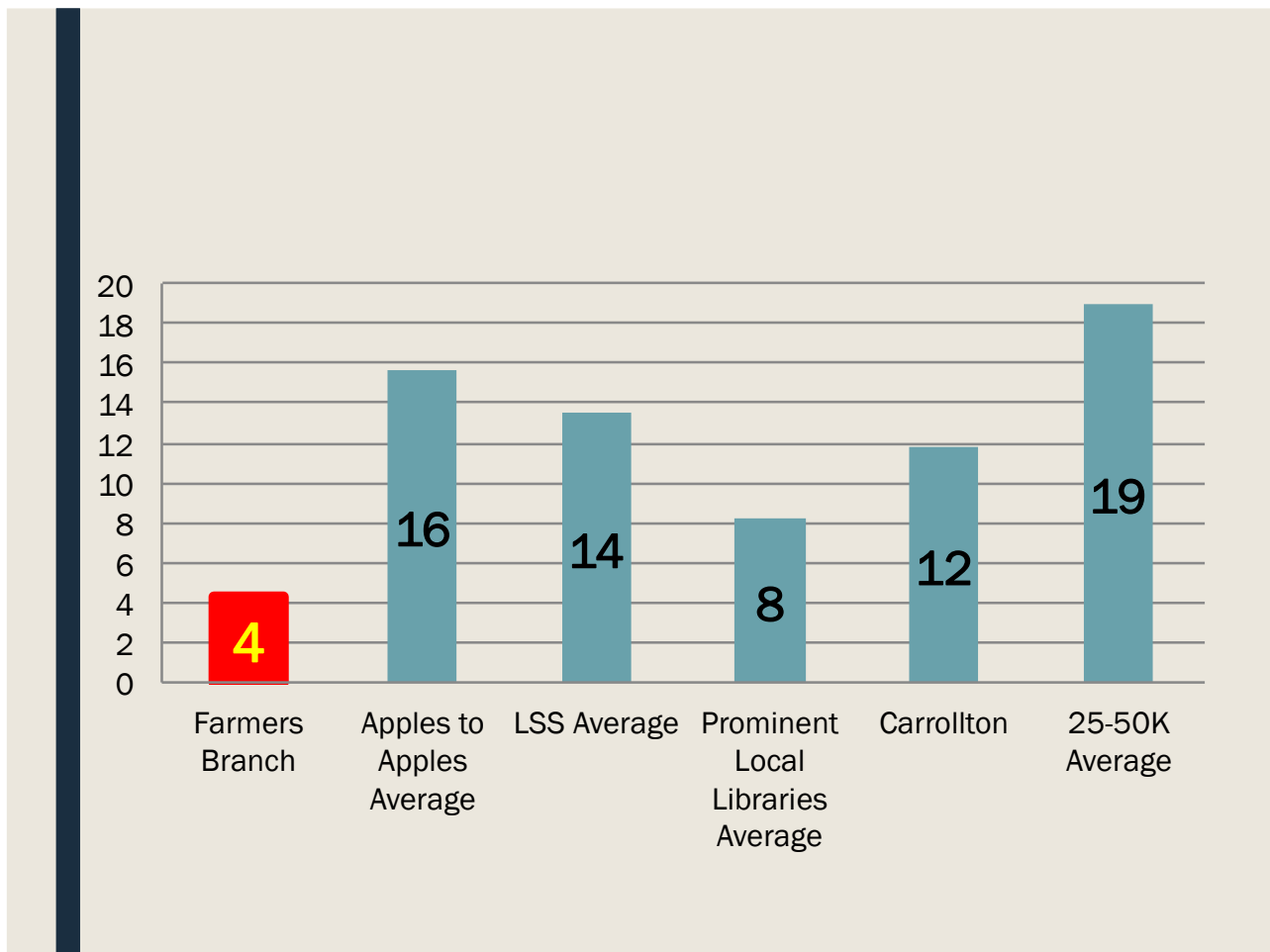
[1] ALA-MLS librarians have a Master's in Library Science from a program accredited by the American Library Association.

7. Number of Paid Employees

Figure 7 shows that MPL reported 16 paid employees in 2015. The prominent local libraries reported a much higher number of paid employees at an average of 65. Likewise, Carrollton, the city library MPL aspires to be, reported a much higher number of paid employees at 37. The other three groups reported numbers much lower than MPL. Particularly telling is the average of 4 paid employees reported by the LS&S group. Here as well, Red Oak's 2.3 total paid employees brings down the 7.63 paid employee number that Leander would have reported on its own.

Figure 7. Number of paid employees

8. Number of Residents per Paid Employee

As Figure 8 shows, MPL reported approximately 2,000 residents per paid employee. The only group that comes close to MPL is the prominent local libraries group, which reported an average of 2,500 residents per paid employee. The LS&S average of 4,700 is the worst of all groups, followed closely by the apples to apples group and the 25-50K group, both reporting 2,500 residents per paid employee.

Figure 8. Number of residents per paid employee (in thousands)
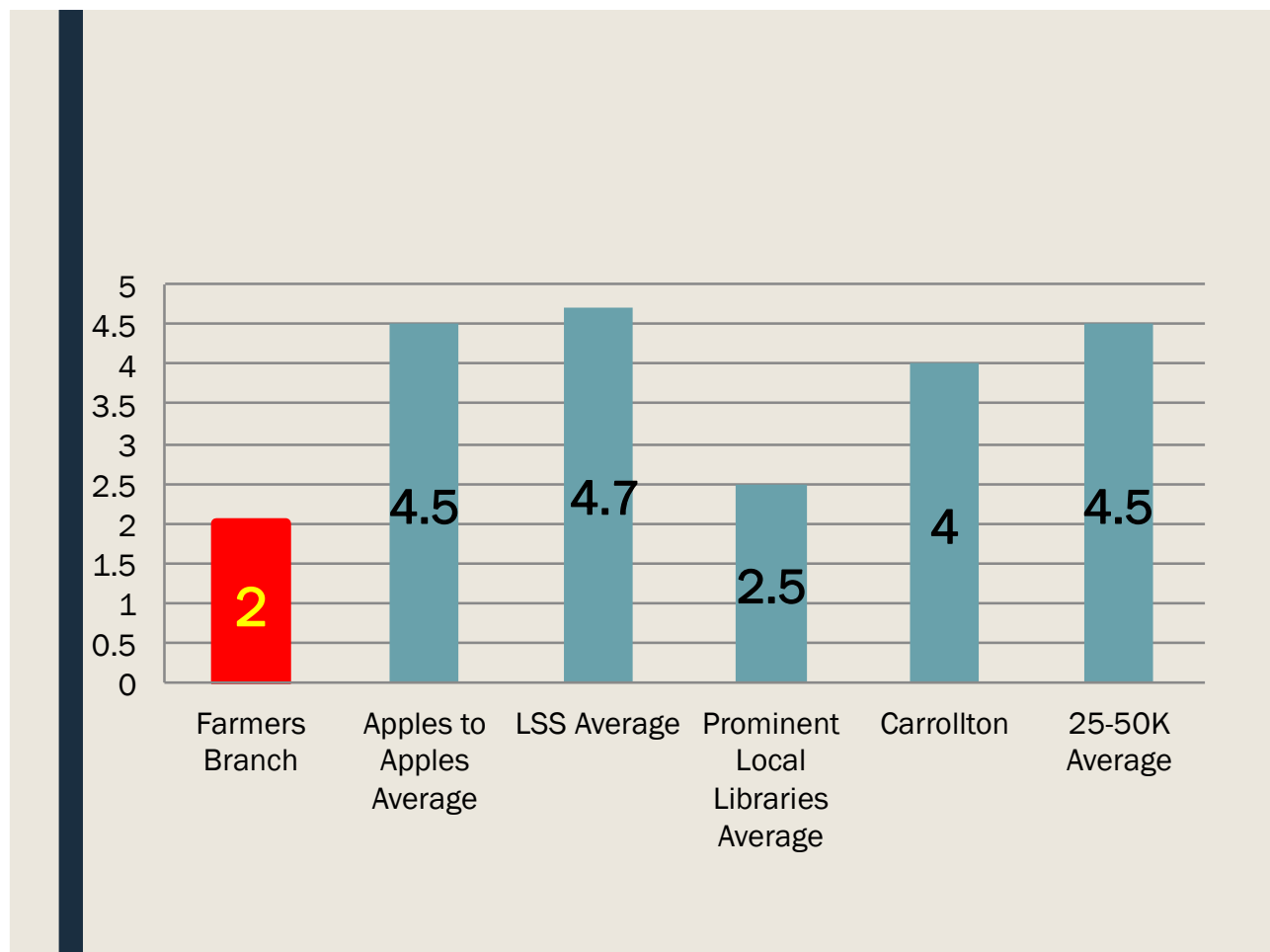
IV. Findings

Findings for this study are reported under two sub-management functions: operational and financial performance.

Operational

The operational performance findings—based on the analysis of the eight metrics discussed above across four city groups and the city of Carrollton—are very clear and straightforward. That is, the Farmers Branch Manske Library is doing remarkably well when compared to the four groups of libraries selected for the study and also when compared to the Carrollton Library, a neighboring city, and one that Farmers Branch deems an aspirational city.

Financial

A full financial assessment of the Farmers Branch policy decision to outsource the library management to LS&S is outside of the scope of this study. However, this author believes that a brief review and analysis based on selected city budget excerpts is appropriate. Beginning in FY 2005-2006 we can see that the total MPL total budget was $1.749 million with a personnel/services/benefits amount of $1.212, or nearly 70 percent of the total library budget was spent on personnel/services/benefits. The rate of growth of total expenditures increased from FY 2005-06 to FY 2009-10 and the percent of personnel/services/benefits increased at basically the same 70 percent rate. In FY 2010-11, total expenditures decreased from $1.854 the previous year to $1.612 in FY 2010-11. This was partially the result of the start of the public-private partnership between Farmers Branch and LS&S. The personnel/services/benefits expenditure decreased from $1.167 in FY 2009-10 to $472, 300 in FY 2010-11. The total library expenditures continued to decreased until FY 2013-14 when it increase slightly to $1.655 as the City spent $186,300 in repairs and maintenance to the library facilities. The total expenditures have continued to increase--$1.811 in FY 2015-16 as repairs and maintenance expenditures continue to accrue ($194,700 in FY 2014-15 and $276,700 in FY 2015-16). To sum up, the library total expenditures have barely increased from FY 2005-06 to FY 2015-16 (3.4 percent rate of growth), while the expenditures for personnel has slightly decreased. The fiscal efficiencies resulting from outsourcing the management function of the library have been reallocated to repairs/maintenance of the facility and to increase its collection.

VI. Conclusions

This study aimed to conduct an independent review of the Manske public library, Farmers Branch, Texas. The study compared MPL with five distinct categories libraries on eight relevant library service metrics. A straightforward methodology was used to perform a comparative analysis using data collected and published annually by the Texas State Library and Archives Commission. The overriding finding of this study is that Manske Library performed better in almost all eight measures used against almost all groups compared.

With regard to financial findings, a brief review of available budget documents indicate that savings have been achieved by outsourcing the library's management function and that such savings have been allocated to repairs and maintenance of the facility and to increase its collection.

A final key finding of this study is that the Farmers Branch approach to library service provision follows a management strategy and it is not a temporary decision devised to merely work around fiscal constraints. The management strategy allows Farmers Branch leadership to maintain policy and budgetary control while also strengthening and improving library services through its partnership with LS&S.

References

Library Systems and Services, LLC (undated). Changing Direction: The story of Riverside County's historic partnership with Library Systems & Services. Accessed September 3, 2017 file:///Users/alerod/Downloads/Riverside_Case_Study_FINAL_.pdf

Data open access at https://www.tsl.texas.gov/ld/pubs/pls/index.html
At the time of this study the 2015 data was the most recent data set. The 2016 data became available when the report analysis phase had already been completed.

Tsu-Jui Ma, Gwo-Guang Lee, (2016) "Outsourcing library functions: a bibliometric study in SSCI", The Bottom Line, Vol. 29 Issue: 4, pp.251-258, https://doi-org.ezproxy.uta.edu/10.1108/BL-12-2015-0022

Alejandro Rodriguez, PhD – Study Author and Principal Investigator

Alejandro Rodriguez is Associate Professor in the Department Public Affairs, College of Architecture, Planning and Public Affairs at the University of Texas-Arlington, where he has taught since 2001. He served as the Masters of Public Administration Director from summer 2007 to summer 2010 and is currently the Interim Chair of the Department of Public Affairs. Professor Rodriguez has a Ph.D. in Public Administration from Florida International University, a Master's in Public Administration from Marist College, New York, and a Bachelor's of Science in Architecture from City College of New York. Professor Rodriguez teaches public budgeting, public capital budgeting, local politics in the intergovernmental setting, and ethics in the public sector among other courses.

His research interest focuses on government reform and performance measurement. His recent publications include, "Conceptualizing Leadership Psychosis: The Department of Veterans Affairs Scandal," "Cultural Differences: A Cross-cultural Study of Urban Planners from Japan, Mexico, the U.S., Serbia-Montenegro, Russia, and South Korea," "Urban Governance Reform Index: An Alignment of Contemporary Reform and Public Choice Propositions," and "Latin American Subnational Government Reform: A Hybrid Government Reform Model."

Prior to his academic work, Dr. Rodriguez worked as a senior city planner for the City of New York (12 years) and Miami-Dade County, Florida (2 years). He also served in the U.S. Army and later in the National Guard leaving after 14 years with the rank of Major to concentrate on graduate school.

Appendix B

Scope of Work

This study's scope of work includes the following components:

a. Research the overall concept of outsourcing public library staffing to establish the pros and cons for such an arrangement.

b. Evaluate LS&S as the service provider utilized by Farmers Branch.

c. Assess the level and quality of service provided by the Farmers Branch MPL. Use performance metrics reported by the Texas State Library and Archives Commission for cities the size of Farmers Branch in their Annual Report.

d. Identify market comparable city-run libraries in terms of the population they serve, the size of Farmers Branch, size of the library system (Farmers Branch has one library), etc. Utilize annual reporting data sent to the Texas State Library and Archives Commission (TSL&AC) to allow for a true "apples to apples" comparison.

e. Perform an analysis of the level of service provided by Farmers Branch's Manske Library compared to comparable city-run library systems that are not outsourced and how this correlates to empirical research that has already been done.

f. Based on the service level analysis, apply cost metrics (TSL&AC metrics) for each of the libraries analyzed and make a final conclusion based on cost and level of service that identifies the best library alignment for the residents of Farmers Branch with support from the research conclusions.

g. Write a report of the study findings. Incorporate graphs and any other graphics to make the report readable to all Farmers Branch residents and stakeholders.

h. Present the report and findings to the Library Board and City Council.

i. Complete a final report based on any feedback from the Library Board. Then, develop a presentation that clearly presents the findings and the value added or lost by Farmer's Branch choice to use Library Support and Services to run the Manske Library.