
Library Ad Hoc Committee Update

Board of Supervisors Meeting, May 9, 2023

Presented by Community Services Department
and LegacyWorks Group

Recommended Actions

- A. Receive and file an update on the work of the Library Ad Hoc Committee
- B. Appoint Zone 5 Library Administrator to the Library Ad Hoc Committee
- C. Provide staff direction regarding Library Ad Hoc Committee recommendations and next steps
- D. Determine recommended actions are not subject CEQA

Santa Barbara County Library System

There are five City operated municipal libraries in the County. The County contracts annually with four cities and their municipal libraries (outlined in white) to administer eight branch libraries. Three of the branches are in smaller cities and receive city and county funding (filled in white). The remaining five branches are in unincorporated areas and have no other public funding source.



Purpose of the Library Ad Hoc Committee

Outline a path to achieving a sustainable and equitable finance and governance system for county libraries

Library Ad Hoc Committee

Established by the Board of Supervisors in October 2018

Purpose: To outline a path to achieving a sustainable and equitable finance and governance system for county libraries

Members

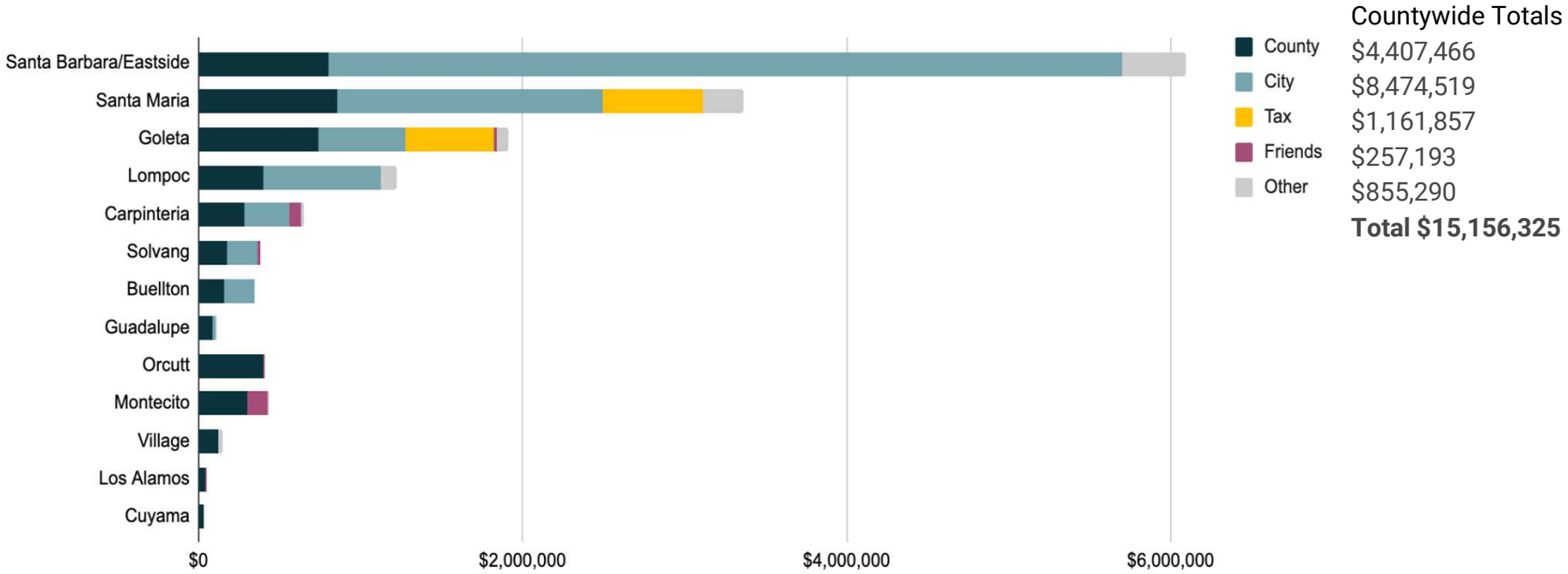
- 2 County Supervisors
- 4 Library Directors
- Friends Member
- Library Advisory Committee Member
- Community Services Department Director

Committee requested facilitation, which has been provided by LegacyWorks Group

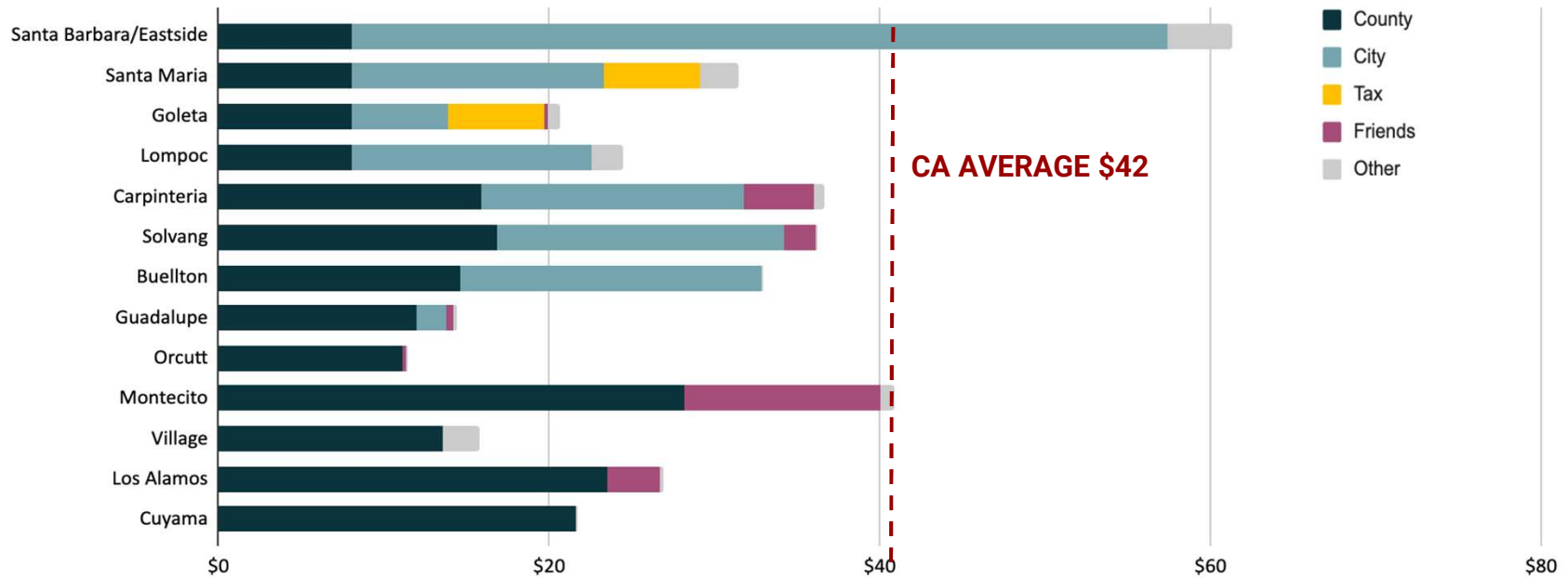
Problems we are trying to solve

- Address chronic budget shortfalls
- Rebuild library staffing and services, which have been eroded over time
- Improve equity and address the needs of small and unincorporated branches
- Reduce dependence on private sources to cover core operating expenses
- Provide a forum for communication and joint decision making among jurisdictions
- Enhance coordination and planning to strengthen the countywide system

Total library funding by library (2021-22)



Library funding total per capita by library (2021-22)



Library Ad Hoc Committee

Outline a pathway to a sustainable and equitable finance and governance system for county libraries



Joint Powers Authority Findings

The Ad Hoc Committee's governance working group found:

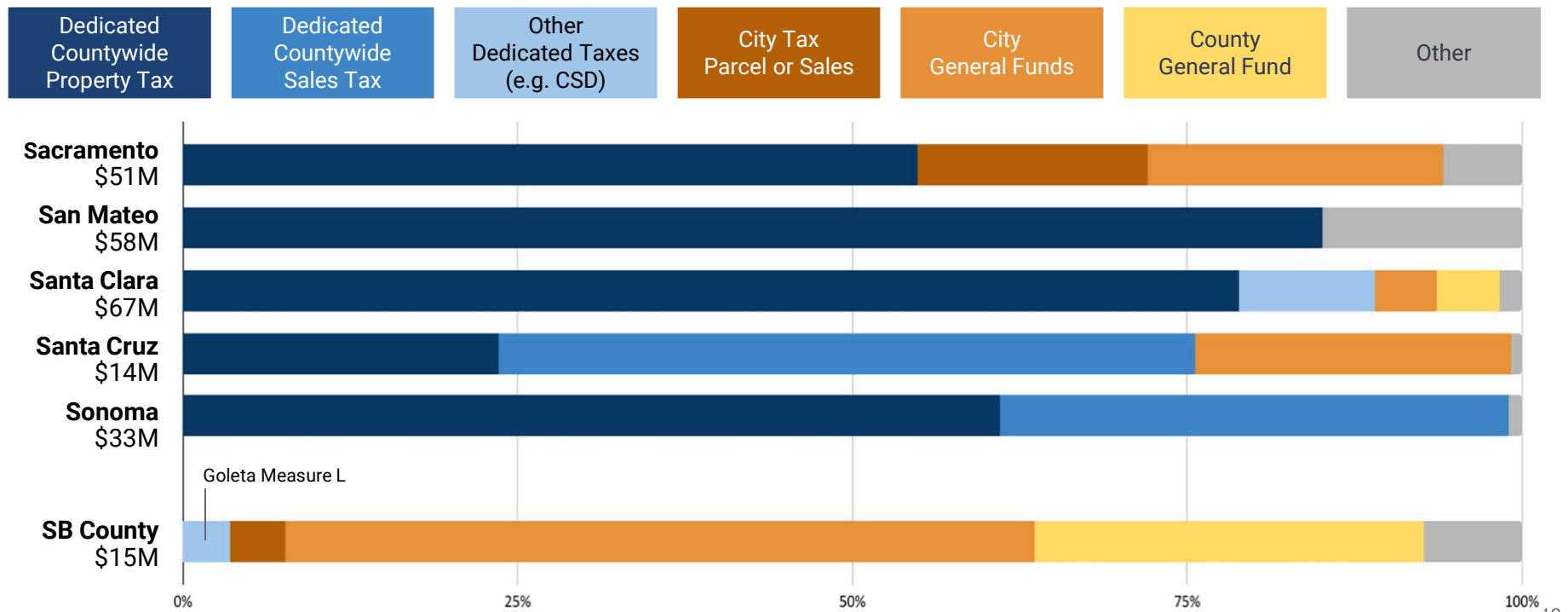
- A **Joint Powers Authority** could provide a forum for multi-jurisdiction decision making and a mechanism for raising dedicated funds for libraries via a new tax
- **Centralization** has generally improved performance and equity and reduced conflicts and costs for library systems administered as JPAs (five CA counties)
- **Dedicated and sufficient revenue** is a key ingredient in other systems' success
- A JPA is not a one size fits all solution. It **may face barriers** but it is **highly customizable**

Ad Hoc and City Representatives Considered Several Options

OPTION	RECOMMENDATION?
<p>Full fledged library JPA with enhanced funding via a new tax and centralized administration and operation of all participating libraries</p>	
<p>Library JPA with opt-in operations, providing funding via a new tax and library administration for county branches and those cities that wish to opt in</p>	
<p>Library finance JPA providing enhanced funding via a new tax; libraries continue to be administered via existing zone structure</p>	
<p>No JPA + county levied tax in which libraries continue to be administered via existing zone structure but county levies new tax and controls distribution of revenue</p>	

Library Revenue Models – JPAs v. Santa Barbara County

Dedicated revenue makes up 55-100% of the JPAs' budgets but just 11% in Santa Barbara County



Funding needed to meet branch minimum service levels

- In 2020, the Ad Hoc Committee recommended *minimum service level* standards for the branch libraries based on state and national benchmarks
- We did not set standards for the municipal libraries
- **None of the branches met all the standards in FY 21-22**
- We estimated it would cost roughly **\$710K** to bring the branches up to the minimum service levels in FY 21-22
- Enhanced funding to meet the minimum service levels remains a need

Potential tax revenue countywide vs. unincorporated areas only

COUNTYWIDE	UNINCORPORATED ONLY
<p>Parcel tax</p> <ul style="list-style-type: none"> • 132,484 parcels in the county (2022) • \$60/parcel would generate ~\$8M 50% of total 2022-23 county + city funding 	<p>Parcel tax</p> <ul style="list-style-type: none"> • 49,847 parcels in the county (38% of total) • \$60/parcel would generate ~\$3M 19% of total 2022-23 county + city funding
<p>Sales tax</p> <ul style="list-style-type: none"> • \$8.4 billion taxable sales (estimated from 2022 Q4 CA sales tax) • 0.125% sales tax (\$0.00125 per dollar) would generate ~\$10.5M 66% of total 2022-23 county + city funding 	<p>Sales tax</p> <ul style="list-style-type: none"> • \$960 million taxable sales (11% of total) • 0.125% sales tax (\$0.00125 per dollar) would generate ~\$1.2M 7.5% of total 2022-23 county + city funding

Sales Tax Rates and Measures

*Unincorporated sales tax rate 7.75%
 **Goleta CSD also has Measure L 1990 dedicated parcel tax for libraries

City	New Sales Tax Rates*	Recent Sales Tax Measures (effective date)	Purpose (all sales tax measures are general, not dedicated, funds)
Goleta**	8.75%	2024 Measure B 1.0% <i>passed by 64.39%</i>	to maintain and expand city services and programs... could be used to repair and upgrade aging local infrastructure, support and expand after school programs
Solvang	8.75%	2023 Measure U 1.0% <i>passed by 62.93%</i>	to protect and maintain funding for City services, including recreation programs and other vital city services
Guadalupe	8.75%	2021 Measure N 1.0% <i>passed by 70.88%</i>	to maintain/enhance essential services, including... opportunities for youth... library, and other vital services
Lompoc	8.75%	2020 Measure I 1.0% <i>passed by 69.37%</i>	to maintain and improve public services... including community and recreational services
Santa Maria	8.75%	2019 Measure U 0.75% <i>passed by 74.18%</i>	to support city essential services... increased spending on library services, recreation, homelessness and programs for at-risk youth
Carpinteria	9.00%	2019 Measure X 1.25% <i>passed by 56.31%</i>	for public safety and vital services, including...prevent cuts to local library, senior, youth programs
Santa Barbara	8.75%	2018 Measure C 1.0% <i>passed by 56.20%</i>	to maintain essential services and repair critical infrastructure. Council establish priorities include protecting parks, youth, and senior services
Buellton	7.75%	N/A	

Recommended JPA Model

OPTION	RECOMMENDATION
<p>Full fledged library JPA with enhanced funding via a new tax and centralized administration and operation of all participating libraries</p>	<p>Rejected - Fails to maintain local control</p>
<p>Library JPA with opt-in operations, providing funding via a new tax and library administration for county branches and those cities that wish to opt in</p>	<p>Rejected - Too complex</p>
<p>Library finance JPA providing enhanced funding via a new tax; libraries continue to be administered via existing zone structure</p>	<p>Recommended - Provides forum for joint decision making between Cities and County and a source of supplemental funding</p>
<p>No JPA + county levied tax in which libraries continue to be administered via existing zone structure but county levies new tax and controls distribution of revenue</p>	<p>Rejected - Does not provide forum for joint decision making between Cities and County</p>

April 2023
Recommendations of
the Library Ad Hoc
Committee
and Invited City
Participants

1. *Ad Hoc recommends the finance JPA model with a dedicated revenue source to be determined via research and voter polling and to be placed on the 2024 or 2025 ballot.*
2. *Ad Hoc requests the County prepare a letter to the cities that lays out the foundational background, articulates the proposed direction, and requests ongoing city participation. The letter should be followed by a presentation to answer questions.*

Potential Next Steps

- Further investigate potential options for levying a tax.
- Conduct voter polling to assess voter preferences around such a new tax.
- Conduct outreach to cities to determine their interest in forming a JPA.
- Answer key questions about the design of the JPA, including its functions, governing board membership, and voting structure.
- Consider hiring a .5 FTE Library Contracts Administrator who could lead the county's efforts to implement the recommendations of the Ad Hoc Committee and support the countywide library system through fiscal oversight, strategic planning, and collaborative fundraising.

Questions?

Carrie Kappel, carrie@legacyworksgroup.com
Megan Miley, megan@legacyworksgroup.com

Appendix

Comparison of options with and without JPA

OPTION	PROS	CONS
<p>Library finance JPA providing enhanced funding via a new tax; libraries continue to be administered via existing zone structure</p>	<p>Forum for joint decision making between Cities and County</p> <p>Significant source of system-wide, dedicated supplemental funding</p>	<p>Tepid appetite for new taxes in cities</p> <p>Difficult, complicated process to get all jurisdictions to work together and negotiate details of the JPA</p>
<p>No JPA + county levied tax in which libraries continue to be administered via existing zone structure but county levies new tax, hires a Library Contract Administrator, and controls distribution of revenue. Library Contract Administrator provides system-wide coordination and advocacy.</p>	<p>Source of supplemental funding</p> <p>Enhanced library expertise within County</p>	<p>Does not provide forum for joint decision making between Cities and County</p> <p>Uncertain allocation pathway</p> <p>Funding may not be dedicated</p>

Library JPA – Governing Board Structures

Library JPA	Size	Representation	Voting	Board Composition
Sacramento	15	Weighted by population	<i>Tiered voting</i>	City electeds + 5 County supervisors
San Mateo	12	Equal	<i>Majority rules</i>	County and City electeds on Governing Board County and City administrators on Operations Committee
Santa Clara	11	Equal*	<i>Majority rules</i>	City electeds + * 2 County supervisors
Santa Cruz Library Financing Authority	4	Equal	<i>Unanimous vote</i>	County and City administrators
Santa Cruz Joint Powers Board	9	Weighted	<i>2/3 vote required for approval</i>	2 County, 2 Santa Cruz City, 1 Capitola, 1 Scotts Valley, 3 at-large citizens
Sonoma	13	Equal*	<i>Majority rules; 2/3 for new taxes/bonds</i>	Citizens appointed by the County and Cities *County and Santa Rosa share 1 additional rep

Critical questions

Process

Are all jurisdictions willing to explore the option of forming a library finance JPA?

How will the effort be funded? (staffing, legal support, polling, tax campaign, etc.)

Who will champion and keep the momentum through difficult negotiations?

JPA Agreement

Governing board structure & composition

Voting structure (equal or weighted)

Staffing

Allocation formula?

Maintenance of effort?

Equity?

Minimum Standards?

Tax Proposal

Target revenue?

Parcel or sales?

Timeline?

Allocation formula?

How will a new library tax affect or be affected by existing Measures L, U and X?

What other tax proposals are being considered?

Draft timeline for JPA establishment and new tax

- Secure funding to hire public opinion research firm; conduct voter polling - 2023 Q3
- Identify leadership and funding for ballot campaign - 2023 Q3
- Retain legal counsel with JPA experience and negotiate terms of JPA - 2023 Q4
- Determine staffing for JPA administration (new or leveraging existing) - 2023 Q4
- Draft and ratify joint powers agreement (each party passes a resolution) - 2024 Q1
- File a notice of Joint Powers Agreement with Secretary of State - 2024 Q1
- Appoint members to the governing board - 2024 Q1
- Put tax measure on the ballot; campaign - **2024**
- Allocate new funding for **FY 25-26**

Process for JPA establishment

- Negotiate powers to be shared and size, structure, and membership of governing board
- Draft a joint powers agreement among the participating parties
- Each party passes a resolution to ratify the agreement and establish the new agency
- File a notice of Joint Powers Agreement with Secretary of State
- Parties appoint members to the governing board
- Fund the initial start up (optionally, if prior to tax passage)
- Levy a new tax for libraries (either County or JPA, depending on sequencing)
- Hire a JPA library director to oversee the library district

JPA Survey Takeaways

- Not all jurisdictions participated and the overall response rate was lower than hoped (11/ 28)
- The majority of respondents were enthusiastic or hopeful about the concept of forming a JPA
- There was good consensus on the benefits a JPA could deliver
- There is agreement that it would be difficult to form a JPA but only two respondents identified insurmountable hurdles
- There is much work to do to designate roles and respective functions if a JPA were established
- The point of strongest agreement is that a JPA could bring more financial stability to the system
- The question that needs the most attention is how power will be distributed between the JPA and municipal cities who wish to retain authority over municipal libraries, staff and budgets
- If the JPA solely serves a financing function, is it still better than a tax levied and administered by the County?

Alternative governance models (4-5 of 7)

- 3 ● Option 4: County contracts with a private vendor to provide library services to unincorporated areas
 - Political non-starter because of unpopularity of privatization of public services

- Option 5: County provides library service to unincorporated areas directly, administering all non-municipal branch libraries
 - Source: Management Partners Report
 - Would require in house library expertise
 - Probable political non-starter because it implies taking County \$ away from City libraries (and Main Library services away from smaller City libraries)

Slide 27

- 2 _Marked as done_
Megan Miley, 5/3/2023
- 1 @carrie@legacyworksgroup.com
Reassigned to Carrie Kappel
Megan Miley, 5/3/2023
- 3 _Re-opened_
link in speakers notes if you want to review context
Megan Miley, 5/3/2023