



DA Meeting – January 2015 - Supplemental Document 8

Based on the MHLS 2013 Annual Survey, the MHLS Board of Trustees identified as a 2014 priority the review of service fees paid to MHLS by MHLS member libraries.

A. Member libraries are paying service fees to MHLS through: (1) Member Assessment Fees, and (2) licensing of eResources.

1. Member Assessment Fees

a. Due to the Great Recession and a 23% reduction in NY State Aid to MHLS, member libraries considered how to ensure the continuation of key MHLS services. The original projected amount of the Member Assessment was \$707,000. The Member Assessment amount was changed to a target of \$600,151, recognizing the amount may be adjusted based on State Aid and the overall State of the MHLS budget.

b. The Member Assessment is determined by combining a General Fee with assessments based on system holds activity and Sierra usage. Member Assessment service fees are associated with: (1) Holds Delivery; (2) Sierra Fee General; (3) Sierra Hosting Fee (3) Sierra Licenses; and (4) Sierra Fee Capital.

c. Member Assessment Fees¹ by Year:

2012	2013	2014
\$445,678	\$533,985	\$532,397

d. Funding Sources & Actual Costs - Sierra (ILS), Cataloging, and Delivery Services

i) Funding Sources

- a) Member Assessment = \$532,374 (59%)
- b) MHLS General Operating Funds = \$329,673+ (36%+)
- c) Central Library Aid = \$47,755 (5%)

ii) MHLS Actual Cost for Services in Member Assessment Table

- a) ILS Services = \$271,175+
- b) Cataloging Services = \$135,202+
- c) Deliver Services = \$503,425+

¹ A "Member Assessment" based on the current formula was first implemented in 2012. In 2011, an Automation Maintenance License Service Fee (\$101,236), a Circulation Service Fee (\$109,240), and a Delivery Service Fee (\$220,000) were charged for a total amount of \$430,476.



2. e-Resources Fees

- a. e-Resources selected by and paid for by members are: (1) Databases; and (2) eBooks/eAudiobooks.
- b. e-Resources fees amounts are:

2012	2013	2014
\$81,863	\$60,813	\$60,911

- c. Fees for e-Resources are pass through payments to vendors. MHLS uses NONE of these fees for MHLS operations.
- d. The MHLS Moving Forward Assessment of Cooperative Collection Development Services document MHLS expended more than \$90,000 in 2013 in support of the services associated e-Resources.

3. Summary - Member Assessment & e-Resources Fees Paid by Members to MHLS

YEAR	2012	2013	2014	Amount of Change 2012-2014
ASSESSMENT	\$445,678	\$533,985	\$532,397	+\$86,719
E-RESOURCES	\$81,863	\$60,813	\$60,911	-\$20,952
TOTAL	\$527,541	\$594,798	593,308	+\$65,767

B. MHLS "Great Recession" Funding Cut = \$198,517

YEAR	State Aid Operating Funds
2008	\$1,735,832
2009	\$1,535,881
2010	\$1,476,230
2011	\$1,383,072
2012	\$1,450,422
2013	\$1,521,566
2014	\$1,537,315
CUT	-\$198,517