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TECHNICAL
R E P O R T



Assessing the Future of Carnegie Library of Pittsburgh

Pathways to Sustainability

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Prepared for Carnegie Library of Pittsburgh



EDUCATION

The research described in this report was prepared for Carnegie Library of Pittsburgh and was conducted by RAND Education, a unit of the RAND Corporation.

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Summary

Despite its importance in communities and the local economy, Carnegie Library of Pittsburgh is faced with decreasing operating revenues that limit its ability to adapt and respond to its users. About 60 percent of the library's operating funds come from local sales tax revenues for which numerous other organizations compete. Total and local revenues have varied but yield a downward trend in both nominal (unadjusted for inflation) and real dollars (adjusted for inflation). Total and local revenues in 2000 were nearly identical to those in 2007; real operating revenues fell 20 percent over the period. And CLP faces funding uncertainty moving forward as the primary source of local revenue for CLP, the Allegheny Regional Asset District (RAD), reconsiders the extent to which it will fund CLP and other regional contractual assets that RAD was created to support.

CLP asked RAND to identify critical factors that affect the library's financial soundness and to develop a framework to assess how these factors can be manipulated to provide a more stable and sound financial base. The result is a set of nine options, expressed as opportunities, for CLP to consider. With this information, the library, in concert with regional elected officials and funders, plans to create a process to evaluate opportunities to improve CLP's ability to secure the funding required to meet its mission in the future.

Report Purpose

This exploratory report investigates areas and issues that may affect the library's near- and long-term financial sustainability and provides opportunities that could be addressed by a task force. We identify some of the policy levers that can be used to improve financial stability, including those with the potential to increase revenues, to decrease expenses, or to change the organizational form of the library. The findings may help CLP leadership identify important factors and begin to understand how other libraries have dealt with them. They may also help CLP leaders make decisions concerning whether and how to engage others in the process of addressing those issues. As such, it is suggestive and possibly provocative, but in no way definitive.

Approach

We proceeded in this exploration in a very straightforward manner. First, we conducted a review of literature and studies on public libraries and the issues they face in attracting stable and adequate funding. We identified a set of 15 libraries that on a series of indicators has some

of the same characteristics or challenges as CLP. Based on the literature, we developed an interview protocol to explore resource sustainability factors with these libraries. We interviewed 17 library directors and individuals at nonprofit and governmental agencies who are involved in the high-level management or funding of libraries.

Using the interviews and literature, we identified three broad factors that affect financial sustainability and stability in public libraries: the demand for and extent of consumption of library services, the role and effectiveness of advocates for public libraries in generating community support, and the organizational form of the library. We used data from interviews with library leaders in other cities facing similar issues and a literature review to develop a simple framework to assess how these three factors may affect CLP. The framework considers how each of the broad factors contributes individually or in combination to the approaches available to organizations when resource supply and demand are out of balance. The framework yielded nine opportunities for CLP to explore further with the aid of a task force.

Findings

In our interviews, our library leaders and policymakers stated that their greatest challenge is to secure adequate funding to serve their communities and meet their missions. When funding is tight, libraries have three basic options, that can be conducted in combination or separately, to bring them into balance with operating demands:

- Seek additional funds
- Reduce expenses, including removing services
- Implement more efficient modes of operation.

We explored whether or how the broad factors—and the tradeoffs inherent in each option—may impact the sufficiency of funding needed by CLP to meet its mission. Table S.1 summarizes our findings on the areas in which libraries, and CLP in particular, may influence the factors that affect resource stability and sustainability. The first column lists the factors that affect CLP sustainability: demand for and consumption of services, the role and effectiveness of library advocates in generating community support, and organization decisions such as governance and structure (number of branches). The next three columns provide a snapshot of how each may be a resource contributor, affect or be affected by a decrease in services, or use library resources more efficiently.

Using this framework, we reviewed the available information and identified nine opportunities that might help promote sustainable funding for CLP to explore with the help of a task force. These opportunities are summarized in Table S.2. The opportunities can be combined to yield greater impact. For example, identifying new and emerging community needs is one step in determining the proper mix of services to provide. However, to engage existing and new users in the programs and services might require promotion of the library through outreach and through selecting and working toward performance measures that stakeholders, including taxpayers, care about. Opportunities one, three, and four are methodologies that can contribute to the ability of a library to identify, evaluate, effectively implement, and promote

Table S.1
How Libraries Can Influence Sustainability

Factors	Methods to Increase Operating Revenue	Steps to Decrease Expenses	Means for Improving Efficiency
Consumption of services	Engage users and innovate	Right size services and programs	Create more efficient programs and services
Advocacy effectiveness	Connect stakeholders to mission by demonstrating personal and community value	Internally promote new culture and values	Advocate with greater efficiency and innovation
Organization	Adopt more supportive and effective fund-raising models	Right size facilities, labor, and holdings	Reorganize some services and structures

programs for users. Opportunities three through six allow the library management to more effectively identify and serve community needs, which is important for justifying its funding demands.

In this report, we reviewed some of the relationships between the organizational form of a library and its resources. We learned that library districts, which are funded through voter-approved property taxes, tend to have more stable funding relative to other organizational forms. We also reviewed literature on library mergers and consolidations and found some evidence that larger library systems may have more stable funding as well.

Table S.2
Summary of Opportunities for CLP

One	Evaluate and use methods for identifying service demand and for increasing innovative activities to engage users.
Two	Conduct a rigorous right-sizing assessment for the number and size of services and programs and implement findings.
Three	Evaluate ways to leverage existing and new resource multipliers to meet stakeholder needs and implement findings.
Four	Identify, develop, and use performance measures that provide indicators of progress and uncover areas of need to demonstrate value.
Five	Assess how to involve library staff as part of institutional changes. Evaluate the costs and benefits of training librarians and staff in outreach and of a dedicated outreach department. Implement new approaches.
Six	Evaluate the benefits and drawbacks of formalizing "Library Friends" of CLP. Develop measures of board engagement and participation and assess the effectiveness of the board as advocates for and as partners with CLP. Develop new governing options to increase financial sustainability.
Seven	Evaluate the costs, benefits, and long-term financial stability of new organization models, such as a public library district, including an assessment of the costs of a media campaign to garner public support.
Eight	Conduct a right-sizing assessment for the number and size of facilities, staffing, and holdings and implement the new strategy.
Nine	Evaluate the service and resource efficiencies and tradeoffs from a countywide merger of libraries and implement the best option.

Recommendations

As noted, this report is intended only as a roadmap of where the library might go in its quest for stable funding. It does not provide recommendations for which path to take, but it illustrates some of the benefits and drawbacks for each of the nine opportunities identified. A thorough analysis of each opportunity, which will determine whether and how to proceed, is beyond both the scope and resources of this report.

Of the opportunities identified in Table S.2, all may be appropriate for a task force to explore. However, in light of the recent RAD announcement (RAD, 2008) that it will review whether and how it supports regional assets past 2010, there is some urgency in finding those opportunities that might be most closely linked with stable funding. As a starting point, we recommend that a task force seriously consider an evaluation of *opportunities seven and nine*. The reason for using these as a jumping off place is that the resource underpinning of CLP is currently at risk. Accordingly, it is critical to assess whether the current RAD funding model is the best way for the region to support CLP. Such an assessment can be done only relative to alternative funding models, e.g., through a model of a public library district. Additionally, while examinations of a CLP merger with the county is a politically charged topic, such a model deserves to be revisited if a consolidation could provide more stable funding to all libraries in the county as well as relieve service inequities that exist in the less affluent municipalities.

The library is and can be a stronger partner for community and economic change, particularly in the face of the regional struggle with economic stability and growth. Identifying the right partners to engage who can leverage the strengths of CLP requires engaging advocates and board members who can champion the message and garner the necessary resources.