# NC Cardinal Service Prioritization

Financial Background: As of FY25, federal LSTA funds represent 75% of the NC Cardinal operating budget. The remaining 25% of operating funds are provided through membership fees from participating libraries, calculated using an equalization formula: 50% eligible branch fees and 50% population/per capita income (example provided farther down this page).
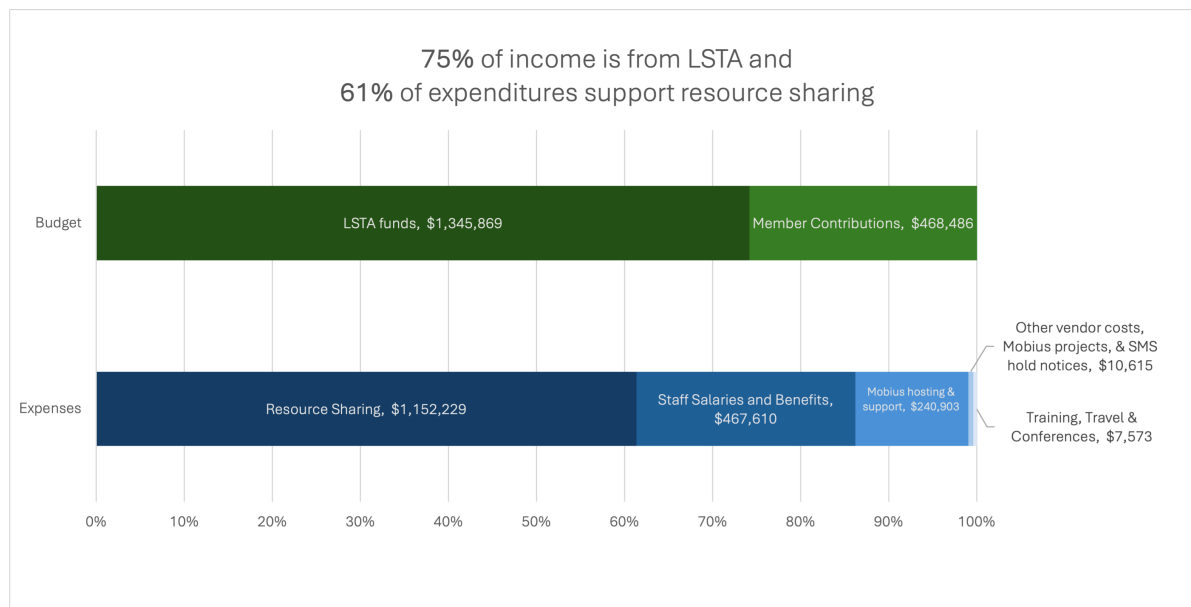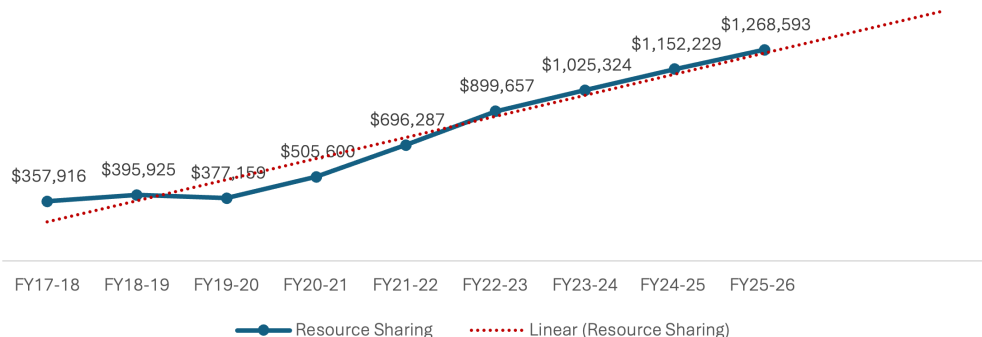

Since 2019, NC Cardinal has been decreasing its reliance on federal funding each year and increasing its funding by member libraries by 10% per member, per year. Under this model, funding from membership fees is expected to grow from $475,000 in FY25 to $700,000 in FY28.

Increasing financial support from member fees over the last few years has helped to offset increasing expenditures. If federal funds are reduced or decreased, the greatest opportunity for adapting to the loss of external funding is by altering the 62% of the Cardinal budget that we currently spend on resource sharing. We have a few options:

- Continue resource sharing with member libraries covering the costs of shipping (such as FedEx, USPS or a courier), while simultaneously working to reduce these costs as much as possible, according to the priorities and guidelines defined by member libraries

- Discontinue statewide resource sharing, but implement smaller intra-regional sharing cooperation between member libraries, with member libraries in each intra-regional cooperation managing and funding the transportation of materials amongst themselves

- Discontinue resource sharing

Several questions on this survey relate to how resource sharing costs could be distributed among member libraries. Additional questions relate to various ways limits could be placed on resource sharing requests and/or cost-sharing with requesting patrons.

Resource Sharing expenditures have increased **18%** nominally since FY18

Chart values by fiscal year: FY17-18 $357,916; FY18-19 $395,925; FY19-20 $377,159; FY20-21 $505,600; FY21-22 $696,287; FY22-23 $899,657; FY23-24 $1,025,324; FY24-25 $1,152,229; FY25-26 $1,268,593

Legend: Resource Sharing · Linear (Resource Sharing)

Equalization formula example:

Total Consortial Shared Costs (100%)

Branch Fees = 50%
- Branch is open more than 18 hours per week
- Stores and circulates items to the general public and
- Acts as a circulating branch as their primary responsibility.

Shared ILS Costs = 50%
A. Population of service area
B. Ratio of service area PCI to statewide PCI
C. Multiply A * B = Adjusted Population
D. Sum all Cardinal Adjusted Populations
E. C / D = % of Shared ILS Costs Library Pays

Example: Total Consortial Shared Costs = $500,000

Branch Fees Example (50%) = $250,000
- 200 eligible branches in Cardinal
- $250,000 / 200 = $1,250 per eligible branch
- Example Library has 3 branches
- **3 * $1,250 = $3,750 in Branch Fees**

Shared ILS Costs Example (50%) = $250,000
A. Library's service area population = 100,000
B. Local PCI of $40k / Statewide PCI of $45k = Ratio of .88
C. 100,000 * .88 = Adjusted Population of 88,888
D. Sum of all Cardinal Adjusted Populations = 1 million
E. 88,888 / 1,000,000 = 8.8% of Shared ILS Costs
                8.8% of $250,000 = $22,000

$3,750 Branch Fees + $22,000 Shared Costs = $25,750 Library's Annual Cost

Rate your interest in the following options:
(required)

	Very Interested	Interested	Somewhat Interested	Not at all interested
Continue resource sharing with member libraries covering the costs of shipping (such as FedEx, USPS or a courier), while simultaneously working to reduce these costs as much as possible according to the priorities and	☐	☐	☐	☐

guidelines defined by member libraries

Discontinue statewide resource sharing, but implement smaller intra-regional sharing cooperation between member libraries, with member libraries in each intra-regional cooperation managing and funding the transportation of materials amongst themselves	☐	☐	☐	☐
Discontinue resource sharing	☐	☐	☐	☐

The overall cost of resource sharing can be controlled through two primary methods: introducing limits on the number of holds that are placed and/or increasing wait times for hold fulfillment.

Select your interest in the following hold limit options:

Note: * denotes further investigation is needed to determine feasibility with current ILS functionality for this option.
(required)

	Very interested	Interested	Somewhat interested	Not at all interested
Limit total holds placed per patron per specified timeframe*	☐	☐	☐	☐
Limit number of simultaneous, active holds per patron	☐	☐	☐	☐
Limit number of free holds per patron before introducing a cost*	☐	☐	☐	☐
Introduce waiting time for locally owned items before request is placed	☐	☐	☐	☐

Select the active, simultaneous hold request limit per patron that you believe is most reasonable for NC Cardinal patrons:
(required)

○ 5

○ 10

○ 20

○   25 (current limit)

Would you be interested in a mechanism that would allow you to charge part or all of the costs of a resource sharing loan on to the borrowing patron?

Note: This functionality in Evergreen may or may not be possible and may have a financial cost.
(required)

○   Yes, we would be interested

○   Yes, but only if the option has no added cost to implement

○   No, we are not interested

Currently, if there are no available copies at your library, Evergreen immediately searches for an available copy through Resource Sharing. Resource sharing expenses could be reduced by adding a short wait-time for holds placed on items the library owns to see if the item become available locally.

Select the wait-time length that you believe would be most reasonable for your patrons.

Note: The wait-time would be automated within the ILS. Once the waiting period ends, a resource sharing request would automatically be placed if the item has not become available locally.
(required)

○   3 days

○   7 days

○   14 days

○   30 days

○   No wait time

The chart below shows the impact of resource sharing costs under four scenarios, calculated using each library's FY25 resource sharing usage, if the full cost of Resource Sharing were passed on to member libraries.

- Scenario 1: Each library pays the cost of their usage according to previous year

- Scenario 2: Distribute cost using the equalization formula (current formula used to determine membership fees)
- Scenario 3: Formula that averages scenario 1 & 2
- Scenario 4: Each library pays the shipping cost for their library according to previous year

NOTE: These calculations are provided for informational purposes only and are estimates for discussion purposes only.

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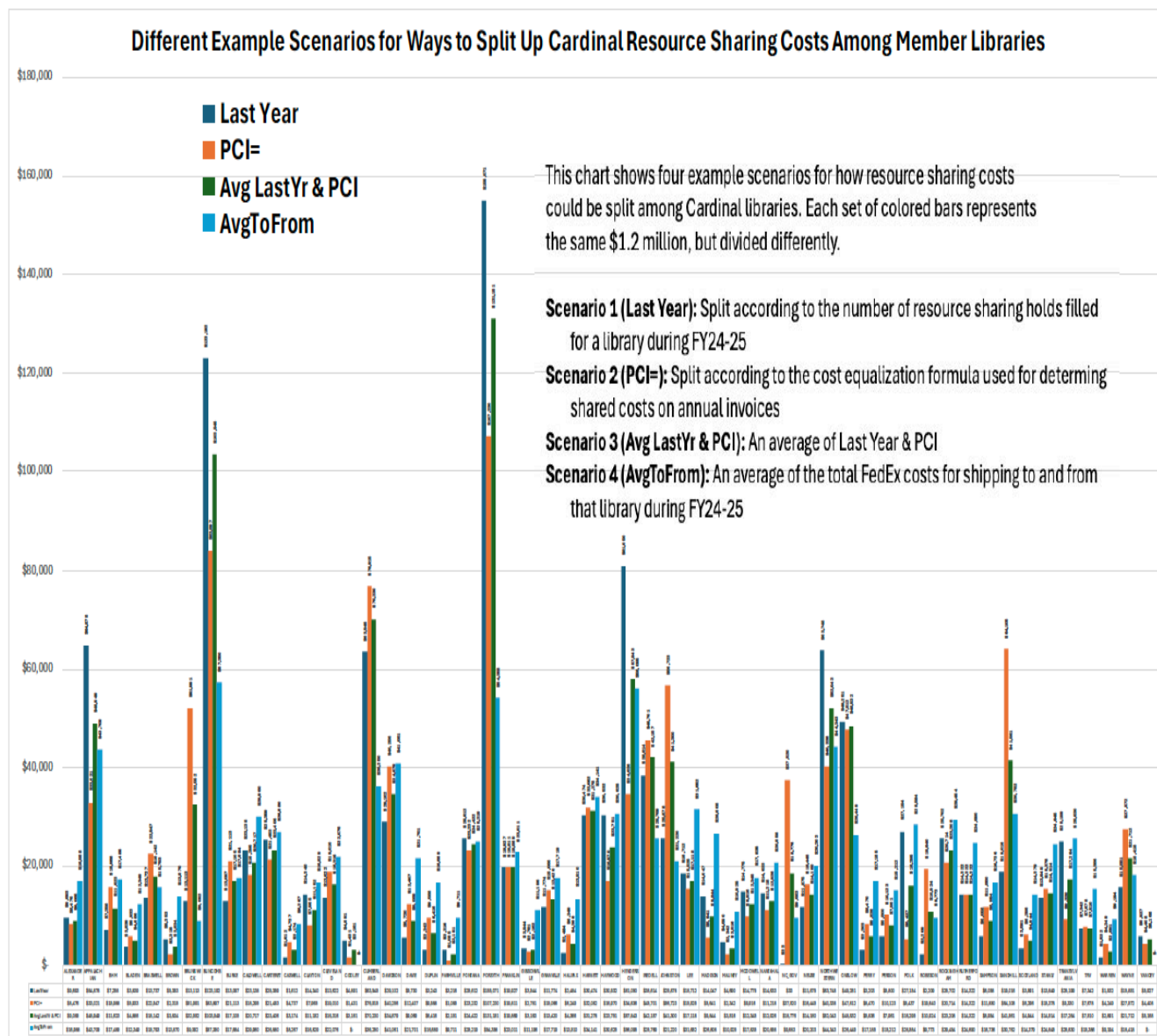
In your opinion, if member libraries were to pay for the full cost of resource sharing, what is the best way to distribute the cost?
(required)

- ◯ Scenario 1: Each library pays the cost of their usage according to previous year

- ◯ Scenario 2: Distribute cost using the equalization formula (current formula used to determine membership fees)

- ◯ Scenario 3: Formula that averages scenario 1 & 2

- ◯ Scenario 4: Each library pays the shipping cost for their library according to previous year

Are there other methods of distributing the total cost of resource sharing that you would like us to investigate?

Drop and drag the following NC Cardinal services in the order of importance to your organization with the most important first.
(required)

⊹	⌄	Catalog cleanup and maintenance by NC Cardinal staff
⊹	⌄	Electronic Resource Management- automated resource sharing management process (automated loading of e-resource MARC files)
⊹	⌄	Evergreen Conference Scholarships
⊹	⌄	In-Person Training- in-person continuing education training for Evergreen provided by NC Cardinal staff
⊹	⌄	Message Bee- SMS text notifications to patrons
⊹	⌄	Migrations- custom training for joining libraries
⊹	⌄	Peer-to-Peer Consortium Collaboration- Basecamp community information sharing
⊹	⌄	Resource Sharing- access to collections from NC Cardinal member libraries
⊹	⌄	Shared Integrated Library System (functional catalog)
⊹	⌄	Special Projects- customization, vendor integration, etc
⊹	⌄	Staff Support- customer service response from Cardinal staff via help tickets
⊹	⌄	Student Access- program management
⊹	⌄	Virtual Training- virtual continuing education training for Evergreen provided by NC Cardinal staff

Are there changes in funding structure or resource sharing options that would lead you to leave NC Cardinal? If so, please provide a short explanation.

NC Cardinal provides several forms of information about the impact of consortium membership for local use with stakeholders.

Please rate your level of agreement with the usefulness of each resource below as it relates to communicating impact with stakeholders.
(required)

	Very useful	Useful	Somewhat useful	Not useful
Annual reporting- Cardinal stats in Basecamp (membership information, collection data, resource sharing)	☐	☐	☐	☐
Public Library Survey data integration and support	☐	☐	☐	☐
On-demand reports	☐	☐	☐	☐
Estimated invoices	☐	☐	☐	☐

Are there other resources that would be helpful in communicating about NC Cardinal services or impact to your stakeholders?

Is there anything else you'd like to share with us about NC Cardinal?