

1 March 2024

Subject: New FY26-FY29 Fee Model Methodology

The new RSA fee structure was designed with the idea that fees paid by RSA member libraries should be equitable, explainable, and reproducible. To this end, the fee structures have been designed so that the fee a library pays reflects their library type, number of branches, overall size, and their use of the shared database. The data sets used to develop the model were obtained either from system data extracted from Symphony or from public information such as the 2020 census.

Methodology:

- **FY25 is a transitional year with a fee of increase over FY24 equal to the greater of either \$150 or 3%. This allows members at least one year to review their options moving forward and, if necessary, plan for their departure from RSA.**
- Both the Basic Online and Union List membership levels have been discontinued. All members, except for McLean County Museum of History, will have access to all system-wide features EFFECTIVE July 1st, 2024.
- The new fee structure is based on an estimated FY29 total cost to run RSA fully independently from RAILS. We have slightly reduced the expected FY29 RAILS LLSAP Support Grant total income to account for normal grant income fluctuations. The FY29 estimate assumes a very lean operation.
- Barring extraordinary circumstances, the fees listed through FY29 will not change from those listed on the spreadsheets.
- The current total revenue split of Public libraries providing about 70% and non-public libraries providing 30% will continue through FY2029. The percentages include direct billed membership fees and the per-library income from the LLSAP Support Grant.
 - Non-public libraries ‘earn’ a larger proportion of LLSAP grant funds. This is factored into the fee revenue split between publics and non-publics.
 - The current membership is approximately 33% non-Public and 67% public.
- Under the new fee structure, no member will see a reduction in their fees.
- **The member fee difference between FY25 and FY29 will be phased in over 4 years.**
 - The FY26 increase will be a fourth of the difference between FY25 and FY29, FY27 will be half the difference, FY28 will be three fourths of the difference. The full fee structure will come into effect in FY29.
- The minimum fee for all member libraries for Fiscal Year 2029 is \$3,200.
 - The only exception is McLean County Museum of History who will never circulate or have patrons in the system. Their Fiscal Year 2029 fee is \$2,500.

- Members who are not current OCLC customers will continue to be charged a 10% surcharge on their RSA membership to cover increased cataloging costs to RSA.
- It is currently envisaged that the fee structure for FY30 and beyond will be recalibrated annually with new sets of three year rolling average data. If required, the fee structure itself could be tweaked to fit RSA's costs at that time.

FY29 (billing in July 2028) Public library Fee Structure:

The structure for public libraries is based on the following components:

1. A flat base fee of \$1,000.
2. A per-building fee of \$2,000 for each building automated in Workflows after the first building.
3. A fee based on the size of the service population (drawn from the 2020 census data) of \$0.34 per person.
4. A fee based on the number of registered users (derived from 3-year rolling average of Symphony data) of \$0.89 per user.
5. A fee based on total number of items in a library's collection (derived from 3-year rolling average of Symphony data) of \$0.07 per item.
6. A fee based on total number of circulations (derived from 3-year rolling average of Symphony data) of \$0.06 per circulation.

The fee amounts for items 3 - 6 were arrived at to give roughly equal overall dollar amount weight to each of these four factors.

FY29 (billing in July 2028) School, Academic, and Special Library Fee Structure:

A separate structure for school, academic, and special libraries is based on the following components:

1. A flat base fee of \$2,000.
2. A per-building fee of \$1,750 for each building automated in Workflows after the first building.
3. A flat tiered fee based on the size of enrollment. There are 4 enrollment bands with a multiplier of \$1,125 per band.
 - School enrollment bands are as follows:
 - Band 1: fewer than 200 students - \$1,125
 - Band 2: between 201 and 500 students - \$2,250
 - Band 3: between 501 and 1,000 students - \$3,375
 - Band 4: above 1,001 students - \$4,500

Enrollment data was averaged using the previous 3 years of data and only includes enrollment in buildings with RSA libraries operating in them.