

Report to the V-Cat Steering Committee: Alternative methods for calculating budget shares.

Alternative methods for calculating V-Cat member library shares were presented at the March 2022 V-Cat Steering Committee Meeting. The current formula based on each library's circulation and holdings relative to the total V-Cat circulation and V-Cat holdings has been used since the formation of the V-Cat Consortium.

A consideration when preparing the budget each year is each library's costs for ILS maintenance and for ILS administration. The anticipated ILS software cost for a small library in 2023 is approximately \$1200. WVLS staff are considering whether there is a way to account for this base amount in the way that the V-Cat budget shares are calculated. Some library systems in Wisconsin include a base cost per location in their ILS maintenance fees and use a formula to calculate the shares on top of that amount. It was also noted that when managing the ILS there are many settings and tables that are duplicated for each location, even if those locations are part of the same library. For example, one of Antigo's branch locations has the same number of settings as one stand-alone library in Sierra. A change in some ILS settings for Marathon County libraries requires nine changes – once for each location. A branch location often requires the same amount of maintenance as a standalone library. A few possible funding models were presented at last year's V-Cat Steering Committee meeting to begin a conversation about whether a base fee could be beneficial.

Another budget change for future consideration would be to use a three-year average of library's circulation and holdings relative to the total V-Cat circulation and V-Cat holdings to even out fluctuation in the shares from year to year. This would be similar to the way that weighted votes are calculated for V-Cat member libraries.

V-Cat Steering Committee intended to meet again in the fall of 2022 to provide feedback on potential funding models. However due to the time commitment of the V-Cat ILS Evaluation and Review process underway, the V-Cat Steering Committee meeting was not scheduled.

Since that time the Northern Wisconsin ILS Consortium Exploration (NICE) project has begun to study the value and feasibility of V-Cat collaborating with Northern Waters Library Network. This potential partnership adds another dimension to conversations about funding.

It seems that this may not be the right time to pursue further analysis of V-Cat budget shares formulas. When adjustments to the V-Cat Consortium funding model are needed, this committee can meet to discuss possible changes.