



**CALIFORNIA PUBLIC
LIBRARIES:
SURVIVE → THRIVE**

*An exploration of the impact of the Great
Recession on the public libraries of
California*

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California Public Libraries: Survive → Thrive

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INTRODUCTION

According to bumper sticker wisdom:

“Libraries will get you through times of no money better than money will get you through times of no libraries.”

But what does that really mean in terms of the Great Recession’s impact on public libraries in California?

The Great Recession, the term coined by the Associated Press to describe the economic downturnⁱ, officially began nationally in December 2007 and ended in June 2009, according to the National Bureau of Economic Researchⁱⁱ. In California, however, according to the California Budget Project, “The Great Recession hit California early and hit the state hard... California’s prolonged budget crisis, itself largely a product of the economic downturn, left the state’s public structures and programs ill-equipped to respond to heightened unemployment and stagnating wages.”ⁱⁱⁱ

But were California’s public libraries really “...ill-equipped to respond to heightened unemployment and stagnating wages...”? This report examines the fiscal impact of the economic downturn on public libraries in California and the resulting changes in services and use.

CALIFORNIA IN THE RECESSION

California lost over 1.3 million jobs in the face of the recession, and nearly 30,000 businesses ceased to exist, according to Census Bureau data.^{iv} From 2008-2012, California lost the greatest number of jobs of any state.^v In June 2006, the median price of a house in California was \$530,000, dropping to \$296,000 by February 2012, an astounding 44% decrease in value, as reported by Zillow.^{vi} The Bureau of Labor Statistics reported that unemployment rose from 4.6% in May 2006 to a high of 12.9% in January 2010, exceeding the national average.^{vii} And while the

bottom was dropping out of the California economy, the cost of living just kept going up, rising 16.8% from 2005 – 2012.^{viii}

California needs to be recognized as a pivotal site of the bubble of the 2000s, the bursting of the financial markets, and the Great Recession that followed... California has been one of the wellsprings of the false boom and the state is bearing a disproportionate brunt of the fallout.

California, Pivot of the Great Recession

Working Paper No. 20310
Institute for Research on Labor &
Employment, University of California,
Berkeley, March 2010

Local, regional and state governments felt this impact harshly. According to the 2009 report from the Public Policy Institute of California^{ix}, cities and counties showed dramatic decreases in most revenue sources, including property tax and sales tax, as well as the impact of the loss of state and federal funds. According to the report, in FY 2008/09, there was a 12.8% reduction in funding for city libraries.

Noting the general gloom and doom of the time, 64% of the cities and counties who participated in the study expected an adverse impact on public libraries.

Why are these numbers important for libraries? Public libraries are funded from a variety of funding sources, depending on how they are organized. Property taxes are an important source of funding for many libraries, and were significantly impacted negatively by the housing downturn. Sales tax is another important source and, with the higher unemployment rates, many Californians had less disposable income, resulting in lower sales tax revenues. Other public funding sources also were slammed by the recession, resulting in funding problems for many California public libraries.

PUBLIC LIBRARIES NATIONALLY IN THE RECESSION

The Public Library Funding and Technology Access Study 2011-2012^x noted that public library systems nationwide reported a 41.8% decrease in operating expenditures in FY 2009/10. Twenty three states, including California, reported a drop in state funding for public libraries between FY 2011 and FY 2012. For three years in a row, more than 40 percent of states reported decreased public library support. The full study provides a glaring look at the increased demands on public

libraries nationwide, coupled with constrained resources.

Libraries continue to transform lives by providing critical services and innovative solutions to technology access, in spite of years' worth of consecutive and cumulative budget cuts.

*Libraries Connect Communities:
Public Library Funding and
Technology Access Study 2011-
2012*
American Library Association, June
2012

Demonstrating increased demand for public library services at the same time that libraries were coping with reduced resources, the State of America's Libraries 2013^{xi} report noted that:

- Attendance at programs continued to rise, indicating an increased demand for these services.
- Circulation of children's materials increased by 28.3% from 2000 to 2010.

- Between 2003, the year in which ebooks first began to be widely available for purchase, and 2013 the number of ebooks tripled; in fiscal 2010, 18.5 million ebooks were available for circulation and 76% of public libraries had ebooks available for patrons.
- Public libraries doubled the number of public computers in the past 10 years.

Other states, including Colorado, Arkansas and Washington, in studies on the impact of the recession on library use, reported a jump in use during the recession years, compared to prior years.

Around the country, cuts in state funding for libraries were dramatic – 22% reduction in Ohio from FY 2008 – FY 2010^{xii}, 88% reduction funding for library programs in Texas for FY 12/13.^{xiii}

DATA SOURCES AND METHODOLOGY

The California State Library conducts an annual survey of public libraries, collecting data on funding and use, resulting in an annual publication *California Library Statistics*, available on the State Library website at <https://www.library.ca.gov/lds/librarestats.html>. For the purposes of this report, the data from the publication for FY 2005/2006 through FY 2011/2012 was utilized. FY 2005/06 was considered the base year for the data analysis, e.g. the last year of full, stable funding for public libraries.

Comparisons were made by calculating medians and percent changes for the funding and usage measures for each year, and for the full seven year period (FY 2005/06 to FY 2011/12) under review. Additionally, analysis was done by type of library (City, County General Fund, County Dedicated Tax, Special District, JPA), by size of population served and by median per capita operating expenditure quartile. Financial data was not adjusted for inflation.

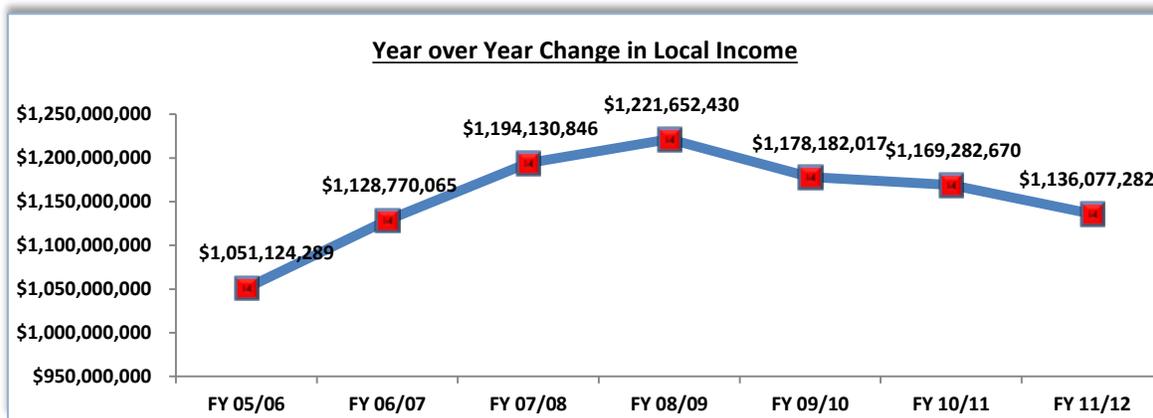
Anecdotal data was supplied by California public library directors, both at the March 2013 Public Library Directors Forum and through the Recession Impacts on California Libraries Recession Survey (referred to in study as Recession Survey). The Recession Survey was created by the author of this report using an online survey tool and gathered information on various budgetary and service impacts on public libraries. The survey was completed by California public library directors in April 2013.

MONEY MATTERS

“OUCH” could be the most commonly heard expression when asking public libraries about funding during the recession years.

Local Funds

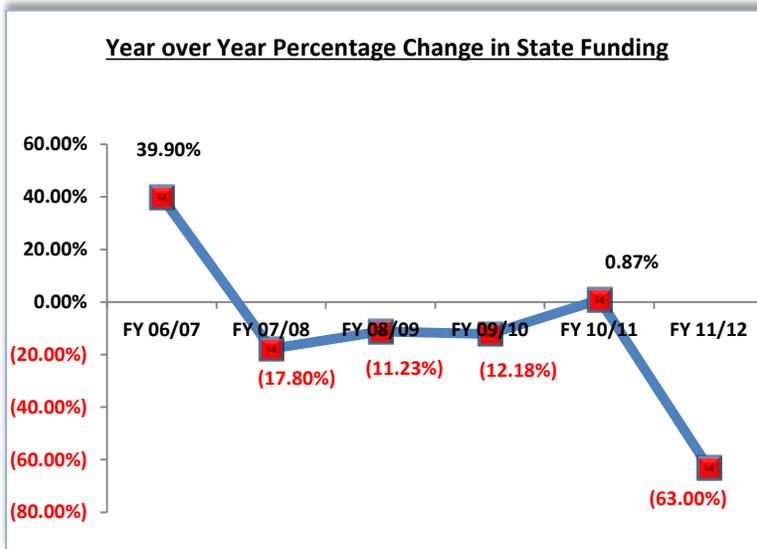
The major source of funding for public libraries statewide is locally generated sources of income – property tax, sales tax, allocation from a city or county general fund. Over the



seven year period of the study (FY 2005/06 to FY 2011/12), while local income increased by 8%, sometimes buoyed by use of reserves, it was in the face of a 16.8% increase in the Cost of Living Index statewide and reflected in continuing increases in operating expenditures. The high point of funding was in FY 08/09 at \$1.2 billion, followed by three successive years of dollar amount decreases.

State Funds

One of the major sources of reduced funding was the loss of the majority of state funds for public libraries, including Public Library Foundation funds (PLF) and Transaction Based Reimbursement funds (TBR). From a high of \$41.3M in FY 2006/07 to a low of



\$9.7M¹ in FY 2011/12, state funding for libraries saw a 76% reduction in funding in this six year period; over the seven year period of the study, there was a 33% reduction.

The impact of the total loss of PLF funds in FY 2011/12

noted by Recession Survey respondents was bleak:

- 89% said they reduced expenditures on new materials
- 30% said they reduced staffing
- 21% said they reduced open hours

Many libraries also noted that PLF funds had been used to support databases, digital content and technology. One library commented that, due to the loss of PLF, it had changed its PC replacement schedule from 4-6 years to 7-10 years.

Loss of TBR funds was a hit to the City's general fund, but the library has not yet received a direct impact from the loss. However, I am concerned that as Council looks for more revenue, it will be harder to justify service to non-residents and avoid a new non-resident user fee. For the past few years we have avoided the implementation of a non-resident fee by pointing to this reimbursement from TBR. Approximately 40% of our circulation is to non-residents.
Southern CA City Librarian

The loss of TBR funds led to equally difficult outcomes:

- 95% said they reduced expenditures for new materials

We had to stop ILL completely due to the loss of funding. Loss of PLF meant we had less for the materials budget. We also had to cancel enriched content for our ILS.
Central Valley County Librarian

¹ In FY 11/12 all state funding for PLF and TBR was eliminated; the \$9.7M noted for state funding in this fiscal year was a combination of other state funding sources and prior year payments.

- 2 libraries noted that they imposed non-resident borrowing fees

TBR represented 17% of our entire budget. Currently we are maintaining all services at the same level through reserves but if we do not increase revenues by FY2015/16 we will have to reduce hours, staff, materials, everything.

Northern CA City Librarian

The loss of TBRs has shifted the costs for resource sharing to those public libraries still willing to lend items to each other, and has restricted items available for lending. The loss of funding of TBRs has impacted the library cooperative systems in the state that used TBRs to provide resource sharing and delivery of items between geographical areas. The end result has been the reliance on the USPS for ILLs with slower response time.

Northern CA County Librarian

One of the major impacts from the reduction of TBR funds was on resource sharing supported by CLSA cooperative library systems throughout the state, which were also grappling with the loss of their own direct state funding. CLSA cooperative library systems provide resource sharing services to their member libraries, including delivery, staff training, and reference services; in addition, some systems support a shared ILS for member libraries.

Many libraries which were members of CLSA systems had used their state TBR funds to subsidize their cost of membership in these systems, as well as for enhanced delivery; in addition, some had used these same funds to support their shared ILS system costs. Recession Survey respondents noted reduction in delivery, staff training and reference services as the most commonly experienced results of the reduction in state funds for CLSA systems.

As a result of the significant reduction/elimination in both of these sources of funding (CLSA and TBR), the very existence of the statewide network of resource sharing through cooperative systems has been threatened. For those CLSA systems whose members have shared an ILS system, the impact has been even more dramatic. CLSA systems and their member libraries have embarked on important work in examining whether they are still needed or required, the purpose and structure for such resource sharing, and developing new funding and service models to meet the changing realities of technology and reduced funding.

Community Fundraising

At the same time that state and local funds were drying up, libraries began to turn to their community fundraising groups for help. Nearly 70% of the Recession Survey respondents said that funds raised from community groups had increased, generally in the range of 5% - 10%. However, not all libraries are fortunate enough to have community support groups; even those that had them noted in some cases a decrease in funds.

Our Foundation picked up salaries to keep staff from being cut. They also liquidated an account to help with the reduction in our materials budget.

Southern CA City Librarian

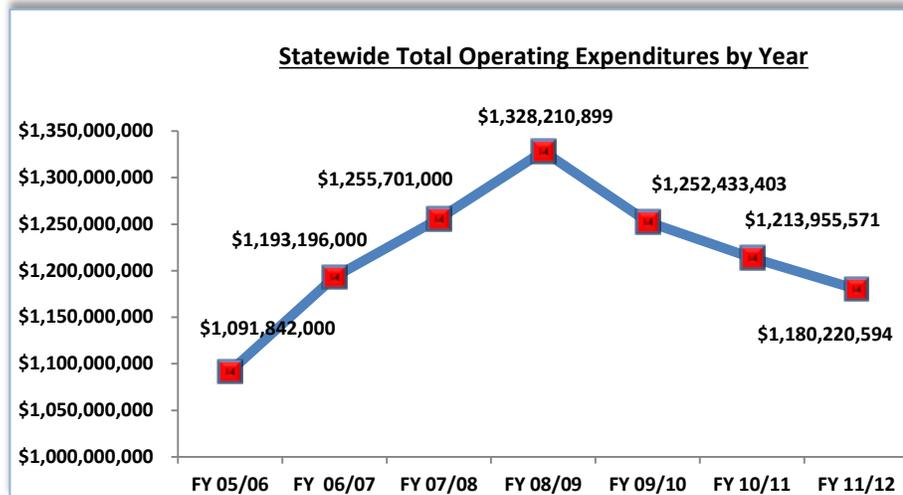
For many groups (like our Friends), poor investment return rates only augmented the decrease in funds received from the public (memberships, book sales, etc.).

Southern CA City Librarian

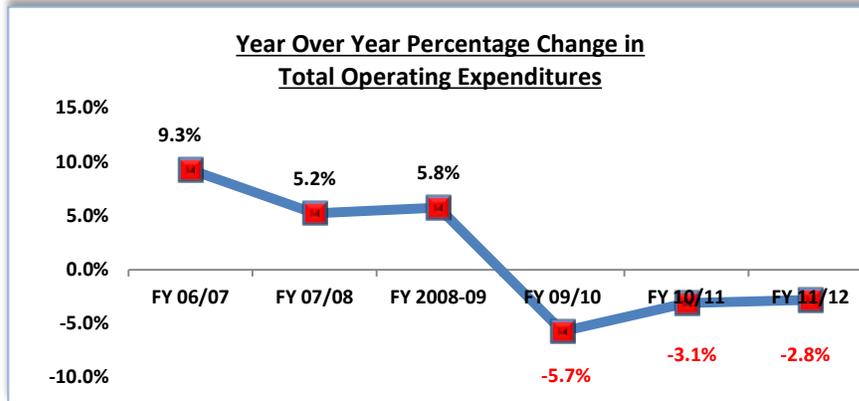
Total Operating Expenditures

In terms of change in actual dollar amounts in funding, libraries continued to see an increase in expenditures through FY 2008/09, but by FY 2011/2012, the actual total dollar amount for public library expenditures had fallen to slightly below the FY 2006/07 amount.

Following the apex of expenditures in FY 2008/09, there were three years of consecutive decreases from FY 2009/10 through FY 2011/12.



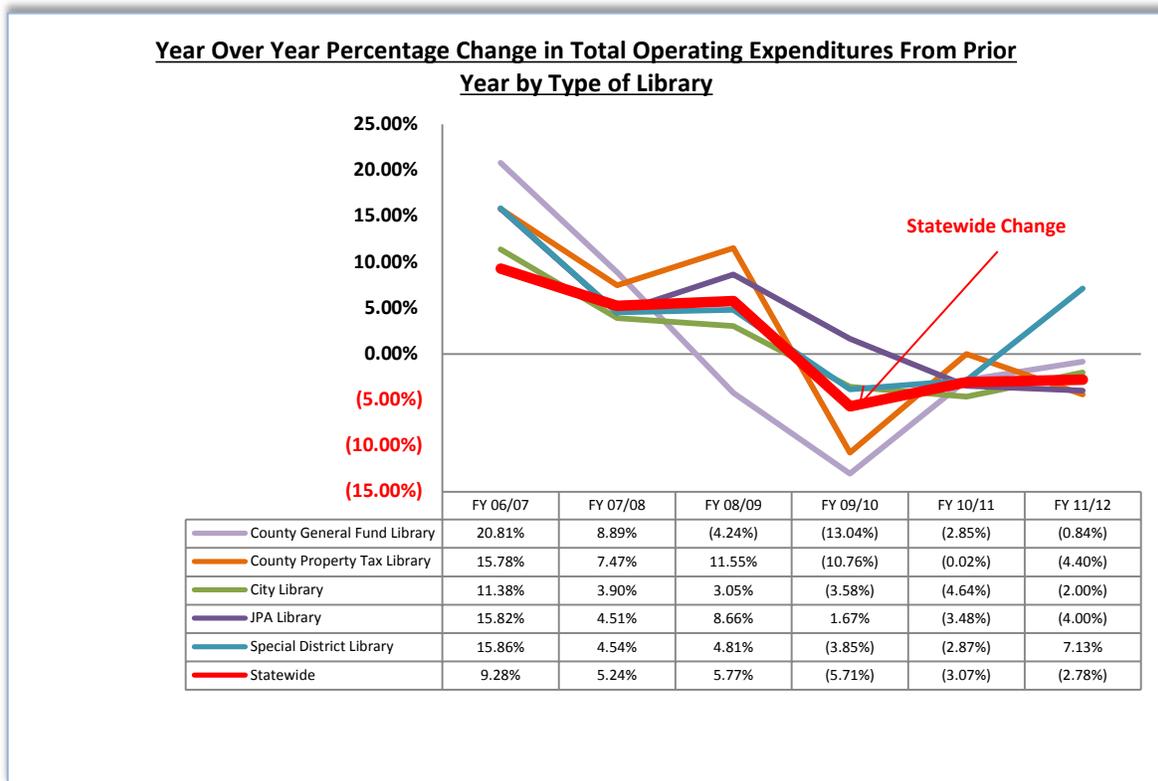
In terms of percentage change in Total Operating Expenditures, while overall, during the seven years under review, there was an 8.07% increase in Total Operating Expenditures,



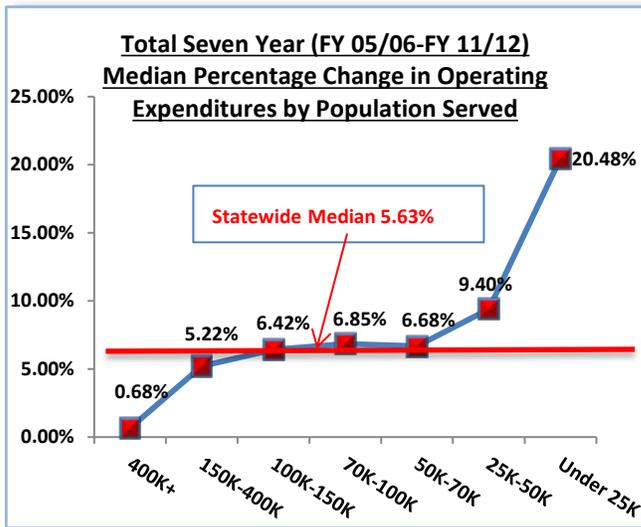
mirroring the change in Local Funding, this was in the face of a 16.8% Cost of Living Increase during the same time period. From

the apex of funding in FY 2008/09, there was over an 11% decrease in funding to FY 2011/12.

When examining Total Operating Expenditures by Type of Library, it becomes clear that some types experienced more significant highs and lows than others. County General Fund libraries, generally considered to be more sensitive to funding changes because of



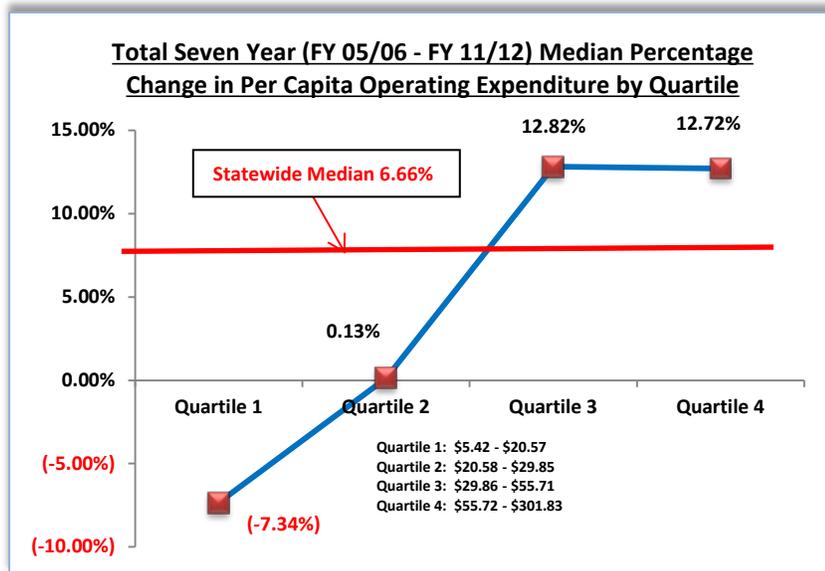
their funding as part of the General Fund expenditures of their parent counties, experienced both the greatest increase and the greatest decrease in operating expenditures. On the other hand, Special District Libraries, with their limited funding base, primarily from property taxes, had fewer swings in operating expenditures. County libraries, in general, saw deeper reductions in operating expenditures than other types of libraries. JPA libraries were generally spared the deepest reductions but have not bounced back as well as other types.



Depending on the size of population served, there are significant variations in percentage change in expenditure over the seven year period. The libraries serving the smallest populations had the largest overall increases, with only 9 of the 31 libraries in this population group reporting decreases. As the size of population

served increases, the overall percentage increase in expenditures generally decreased.

When looking at the changes in expenditure based on per capita expenditure by quartile, it becomes clear that those libraries with a higher expenditure per capita were able



to retain and even grow their resource base during the difficult years. The top two quartiles (3 and 4), representing half of the libraries in the state, both had median increases of over 12% over the 7 year period. For the less well funded libraries, the picture was much grimmer. Libraries in the 2nd quartile barely retained their expenditure per capita status, while the libraries in the 1st quartile, representing the least well-funded libraries on a per capita basis in the state, suffered the most, with a 7.34% decline in per capita expenditure during this time. For the libraries in the top quartile, only 8 of the 45 libraries, or 18%, had a median decrease in Total Expenditures Per Capita during the 7 year period, compared with 26 of the libraries in the lowest quartile, representing 57% of those libraries.

The library is considered less important, or politically sensitive, than public safety despite the miniscule percentage the library's budget comprises of the city's budget.

Southern CA City Librarian

The city manager stated it was because we were not a 'mandated' service.

Southern CA City Librarian

....an inaccurate understanding of the library's value and the immediate and long term impact of the reductions on the library's ability to maintain services.

Southern CA City Librarian

In responding to the Recession Survey, over a quarter of respondents felt that the library had been treated differently from other departments. Of those who reported being treated differently, three-quarters reported having their budgets reduced more than other departments.

When asked about budget changes in their jurisdiction during the recession, only 18% of the respondents said that the budget had increased or was flat. Interestingly, for the libraries that noted decreases in jurisdiction budgets, the percentage decrease was spread equally among the -5%, -10%, -15%, and -20% ranges.

Ballot Measures

California's public libraries have regularly turned to the voters since 1980, after the passage of Proposition 13 in 1978, to ask for additional funding support for library services. Asking voters for support is not an easy task. Over the period from 1980 to 2009, only 53.7% of all measures placed on the ballot for library support were approved.

In the period from 2006 through 2012, California libraries were understandably cautious about approaching voters for support. However, for those libraries that did venture forth to the voters, the good news is that the support needed was there at a higher rate than seen historically. Understandably, there were more measures placed on ballots in General Election years (2006, 2008, 2010, 2012), with the lowest approval percentages in 2010 (50%), at the depth of the recession impacts in California, and in 2006 (25%), when the recession impacts were just beginning to be of concern to many Californians.

Year	Total Number of Ballot Measures	Number Approved	Percentage Approval Rate
2012	20	12	60%
2011	9	8	89%
2010	10	5	50%
2009	7	4	57%
2008	20	14	80%
2007	9	7	55%
2006	4	1	25%
Total	79	51	65%

Many ballot measures support a broad range of city or county services, not just the library. It is interesting to compare library only measures, in which the funding can only be used for library purposes, versus general city/county measures, in which the funding is shared with other city or county services and in which it is more difficult to assess the

direct impact on library funding. Some ballots measures for general city/county funds only require only simple majority (50%) for passage, much easier to achieve than the 2/3

Continuation of sales tax measure passed by 80% -- no known impacts [on voter support for library] from recession other than increased appreciation for library services.

Northern CA City Librarian

supermajority required for dedicated funding measures, such as library specific funding measures. Of the 79 measures placed on the ballot between 2006 -2012, thirty (30) measures were library only measures, and of those, 21 were approved by the voters, for a 70% win rate, higher than the approval rate of the general

measures. Of the total 79 measures, 29, or 37%, only required a simple majority for passage, and only one of these was a library measure (Gann Limit override).

A significant number of the library only measures were for the renewal of already existing funding sources. There were 14 measures for the extension of previously approved funding sources, with a 100% approval rate. Of the 16 measures for new funding, all of which required a supermajority for passage, only 7 were approved, for an approval rate of 43.7%, lower than the overall approval rating for measures of all types. In difficult economic times voters will tend to continue existing taxes but would appear to be more resistant to new taxes.

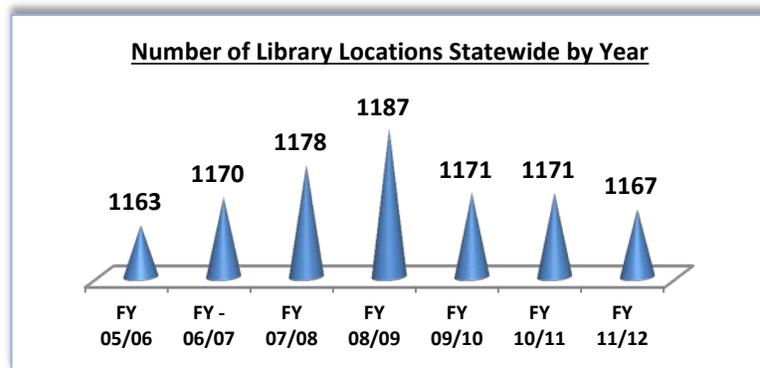
MAKING TOUGH CHOICES

In the face of the continuing and consecutive years of reduced funding, California's public libraries were faced with difficult choices.

Today there are 182 public library jurisdictions in California, with over 1,100 locations throughout the state providing direct public library service. Operating Expenditures for these libraries generally fall into four major categories – staff, materials, technology, and building and other service and supply costs. The ability to provide a successful program of library services is interlinked to all these resources, with reductions in any one area affecting services in another area. Keeping a library building open with limited staff and materials likely won't satisfy the needs of library patrons for very long; conversely, limiting hours risks losing patrons who demand access when they want and need it. At the same time that fiscal resources were being challenged, changes in technology and digital resources opened up exciting new opportunities for libraries. It was a very challenging time to be making decisions about how best to maintain, change and grow public library services in California.

Library Locations

Making the choice to eliminate a service point – a central library, branch, outlet or bookmobile – is one of the most difficult choices libraries face. In the first years of the recession, there



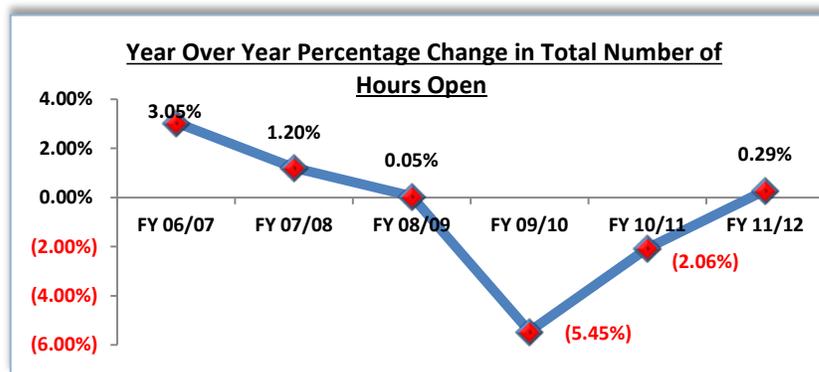
were few to any library closures. By FY 09/10, when most libraries had exhausted reserve funds which had been used to backfill the loss of revenues, some libraries had to

face the closure of some locations. Mobile library services and smaller outlets were most frequently the targets of closure. Recession Survey respondents, when asked why they chose specific library facilities for closure, pointed to low use of the branch library, high cost per capita to provide service at that location, and loss of special funding for the specific library.

At the same time that libraries were being closed, library facilities were being added or remodeled by a number of jurisdictions. A number of the Recession Survey respondents noted that they had either opened a new facility or remodeled and expanded an existing facility. Some of the new facilities were funded by the Library Bond Act of 2000. Recession Survey respondents noted various funding sources for these new and remodeled facilities, including partnerships through redevelopment funds and Community Services Districts, community fundraising (one library noted that the fund raising had been going on for over 10 years), and shared funding between the library and the local community.

Library Hours

While many libraries struggled to keep their facilities open, there was also an impact on



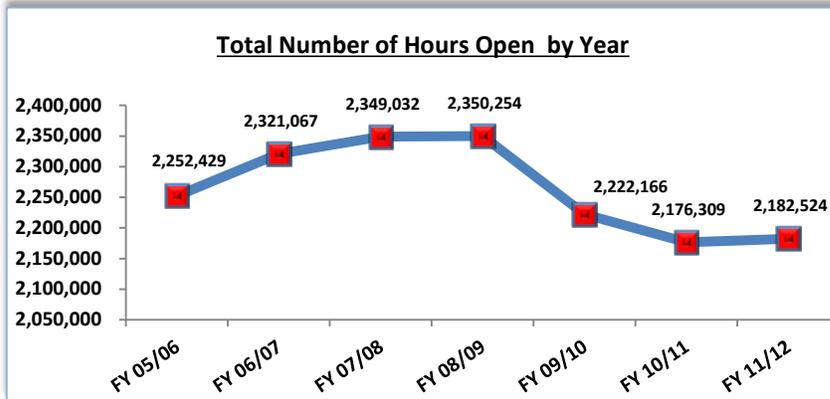
the number of hours that those facilities were able to stay open to the public. FY 09/10, when the worst impact of the loss of funds was being felt, saw the

first actual decrease in the number of hours.

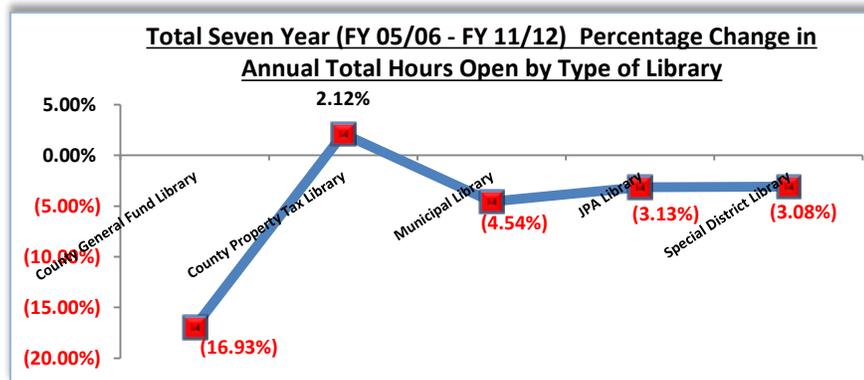
While hours continued to decrease in FY 10/11, by FY 11/12 there was the beginning of

an increase in hours; however, the total number of hours open was still below the FY 05/06 level.

Libraries of all types, except for County Property Tax Libraries, saw



reductions in open hours with County General Fund Libraries seeing the greatest reduction.



Closed Fridays in lieu of Saturdays as Saturday is the only day many patrons can get to the library.
Northern CA Special District Librarian

We chose Monday because our focus is to make sure we have weekend hours and so most of our branches focus on a Tuesday through Saturday schedule.
Central Coast County Librarian

We reduced our bookmobile stops by half and the average yearly miles went from 30,000 to 15,000.
Northern CA County Librarian

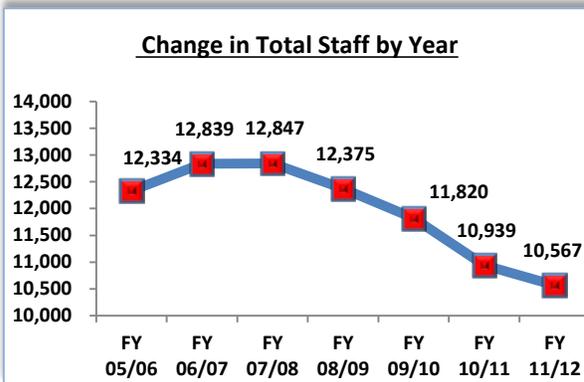
Opened one hour later and closed one hour earlier to reduce employee compensation expenses.
Northern CA Special District Librarian

In the Recession Survey, nearly 2/3 of the respondents noted that they had reduced open hours. More libraries reported reducing hours at a central or main library rather than a branch library or outlet. Evening hours were

the most popular target for reduction, but many libraries tried to save weekend hours, noting the higher use on those days. Of those libraries that reported reducing hours, 90% also reported reducing staff hours, staff furloughs or laying off staff. The need to reduce personnel costs was cited by several respondents, including moving staff to a 36 hour work week or a 4/10 work schedule, which resulted in closing one additional day a week. For many libraries, it became a balancing act between staffing needs and configurations, library use, and whether cuts were made across the board at all locations or targeted based on use and other criteria.

Few libraries reported increasing hours; those that did cited the reason as the opening of a new branch, or being paid for by outside funds, such as the Friends of the Library.

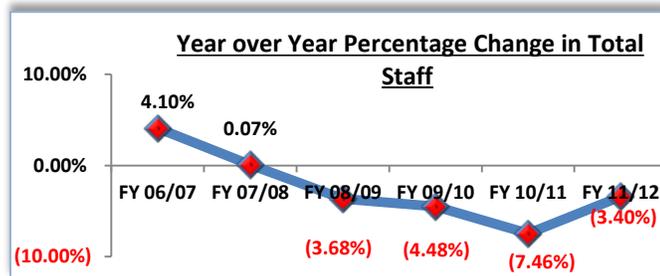
Personnel



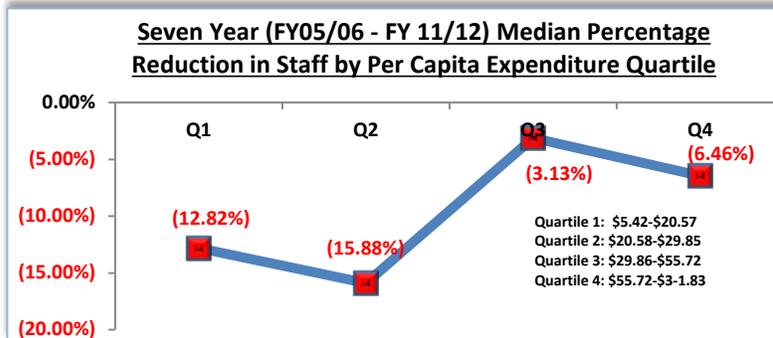
One of the most valuable resources for any library is its hardworking, well-trained, and dedicated library staff. It is one of the most important long term investments that a library makes. As a result, the hardest decision for many libraries is to lay off staff. For many libraries, personnel related costs can

consume 60% - 70% of its total operating budget. As a result, when the search for resources became more difficult, libraries began to pare back their staffing.

While hours didn't begin to decrease until FY 09/10, staffing decreases began to be seen in FY 08/09. Inevitably, this resulted in fewer staff doing more work. In



FY 11/12, the number of staff was over 14.3% lower than the number of staff in FY 05/06, while there was only a 3.1% reduction in hours in the same time frame.



When looking at staffing reductions by per capita expenditure quartile, those libraries with lower expenditure per capita (Q1 and Q2) experienced much higher loss rates

than better funded libraries. Librarians (library staff who hold a graduate degree in Library Education) comprise a significant portion of total library staff. The number of librarians began to see a reduction in FY 07/08, one year earlier than the reduction numbers for total staff. However, over the seven year period, the difference in percentage reduction of librarians (-12.7%) versus total staff (-14.3%) was lower.

One of the impacts of the recession was on public employee compensation, both in salary and benefits. Over the period of the study, the median change in total salaries increased by 4.88%, versus a 14.3% reduction in the actual number of employees. At the same time, median change in spending on benefits increased by 20.88%, reflecting the ongoing public debate over public employee pension, health care and retiree health care costs.

When asked about compensation changes, over 70% of Recession Survey respondents noted that staff salaries and/or benefits had been reduced. The majority of responding libraries reported salaries being reduced in the 6% - 10% range, much of which was the result of staff furloughs. Staff furloughs strongly impacted employees, as library open hours frequently remained the same, even in the face of fewer staff hours due to the furloughs. Some libraries were forced to close days or weeks when furloughs were mandated on a city or county wide basis for specific times.

One year we had furloughs that affected everyone. We have also eliminated positions through attrition and replaced them with more part time/no benefit positions.
Northern CA City Librarian

Due to reduced hours, many of these positions became redundant. We lost an entire classification of clerks. We did not fill open positions, we under filled with part time in many cases, especially due to attrition.

Wherever it was feasible, we did not fill full time positions, but chose to under fill with part time. Saved on benefits, gave us more flexibility ultimately.
Central Valley County Librarian

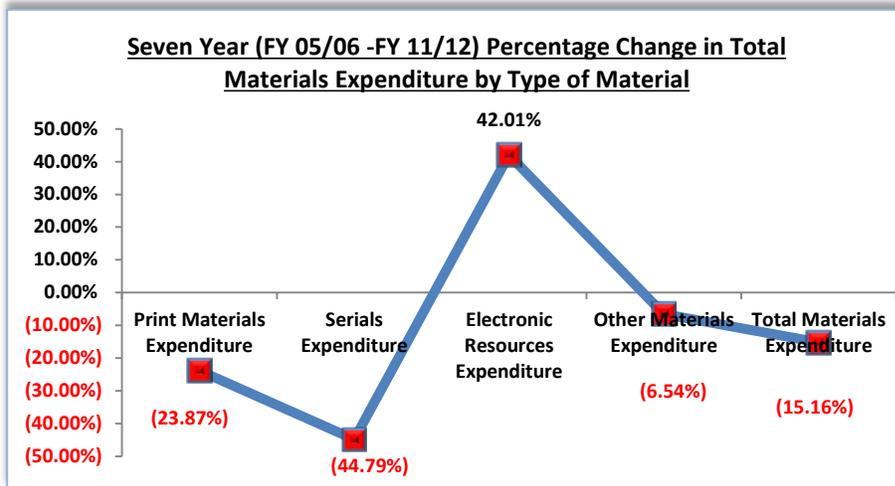
According to Recession Survey respondents, the most common type of benefit reductions included employee pickup of all or a portion of the employee paid portion of retirement (82%), less beneficial retirement benefits (60%), and increase in the employee paid portion of health insurance premium (52%). Nearly half the Recession Survey respondents said that they had laid off staff, with professional, para-professional and clerical positions targeted equally. Reducing positions from full time to half time was frequently cited by libraries as a cost saving measure, with professional and paraprofessional positions the most frequent targets. Few libraries reported “bumping” of

employees, or reduction in classification; for those that did, professional and paraprofessional positions were most frequently affected.

Libraries have always used community volunteers effectively to enhance services. Recession Survey respondents, when asked about what new services volunteers began to provide, cited programming related services and specialty services, such as computer training, most frequently.

Materials

If staff are a critical success element for libraries, so are materials. During this recession, the choice was made even more challenging with the emergence of non-print and electronic resources for which the public clamored. During this seven year period, the total percentage reduction in print materials expenditure (23.8%) was mirrored in reverse by a 42% increase in expenditures on electronic materials.



FY 06/07 was the high point of total materials expenditure at \$128 million; total materials expenditures continued to drop through FY

2011/12, bottoming out at \$110.4 million, a 21.6% decrease. In FY 09/10, in the depth of the recession, expenditures on all material types plummeted; while electronic resources expenditures regained their annual increases starting the next year, all other material types expenditures continued to be reduced through FY 11/12, with the total expended on all types of materials nearly \$18 million lower, or 15%, in FY 2011/12 than in FY 05/06.

For print materials, Recession Survey respondents reported that they were buying fewer multiple copies of best sellers, and just fewer copies in general of all age specific materials, e.g. adult, teen, and children's. For non-print and electronic materials, some libraries stopped buying music CDs and VHS tapes, but replaced those with movie DVDs and recorded books; downloadable ebooks and audio were most frequently noted as new additions.

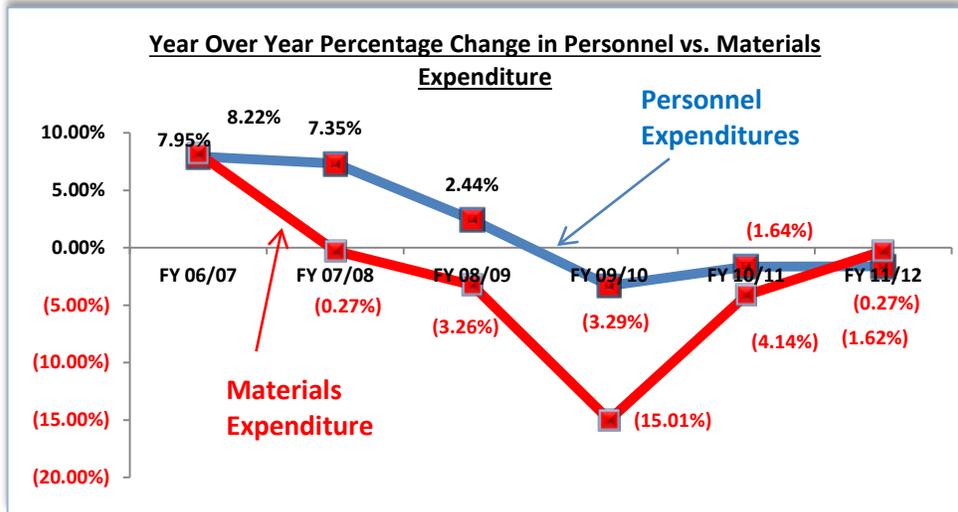
- Eliminated blanket standing orders
JPA Library Director
- Elimination of Spanish language and large print books
Southern CA City Librarian
- Materials budget went from \$1.2 million to \$200,000
Central Valley County Librarian
- Reduced purchases of music CD's due to diminishing demand and the addition of Freegal
Southern CA City Librarian

When comparing total materials expenditure changes to personnel expenditure changes during this time period, the tough choices made by libraries are clear – personnel expenditures increased overall by 11% during the same time that materials expenditures

decreased overall by 15%. On an annual basis, the percentage decrease in materials expenditure was generally greater than the percentage change in personnel expenditure

until FY 2011/12

when materials expenditure had a lower percentage decrease than personnel

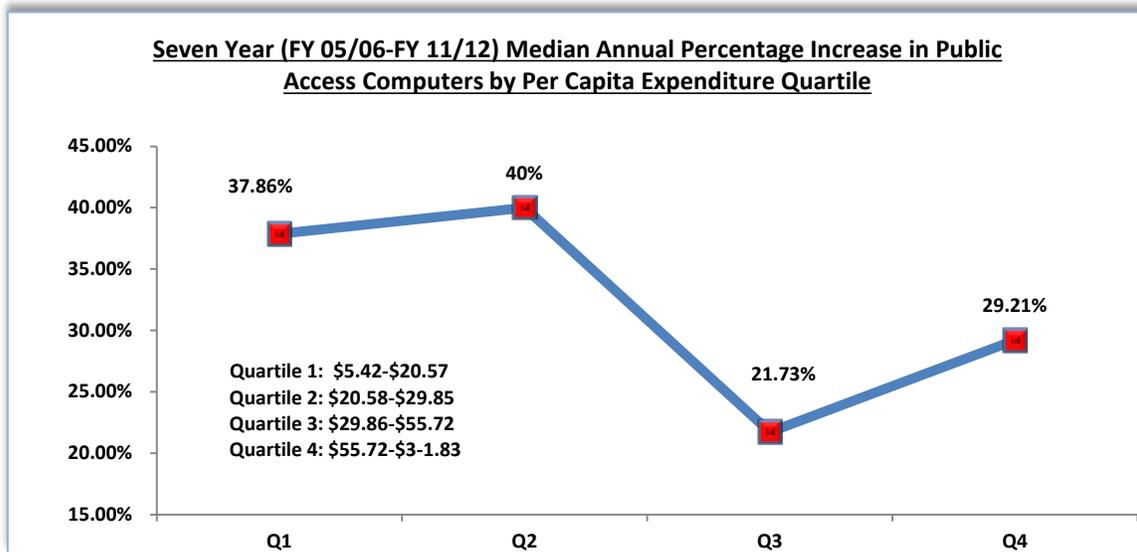


expenditures, perhaps beginning to presage some light at the end of the tunnel in recession impacts.

Technology

Technology is the backbone of library operations today. Many library users have come to rely on their public library as their free source of broadband access to the Internet. In the recent study from the Pew Research Center, 77% of Americans said free access to the Internet and computers is a very important service of libraries.^{xiv} During the time period covered in this report, the availability of computers for public use in public libraries in California increased dramatically, with over 5,000 computers added, representing a 35% increase. Every year, in this time of strained resources, the number of public access computers in California public libraries increased.

Examining the data based on per capita expenditure quartiles, those libraries with lower per capita expenditures (Q1, Q2) had a greater median annual increase percentage in the number of public access computers, representing a significant commitment on their part in a time of scarce resources.



Other technology improvements noted by libraries included increasing bandwidth, adding wifi, ereaders, self check and use of social media and crowdsourcing websites to enhance

services. Libraries also began to circulate Chromebooks and other devices, such as ereaders, to the public, and providing technology “petting zoos” to allow library users to experience new devices firsthand.

Added a small Skype Room
Southern CA City Librarian

Reduced time allotment from 90 minutes to 60 minutes per day per user, implemented 'express' stations
Southern CA City Librarian

However, not all libraries found it easy to keep up with the voracious

public demand for computer access, and rationing of time on public computers became the norm for many libraries. Libraries also invested in technology for staff use, to improve basic operational processes and improve customer services. The use of webinars for staff training was noted by Recession Survey respondents, as well as the addition of scanning devices and mobile connectivity.

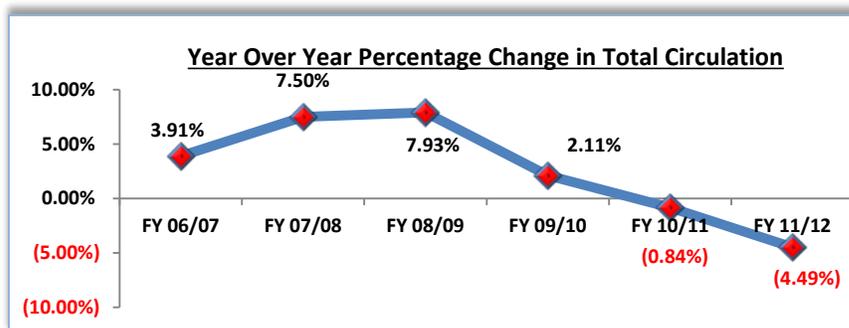
An important emerging issue for libraries during this time was access to broadband technology. Without broadband access, libraries risked being viewed as less relevant to the needs of the community. The drive to enable the user experience via broadband access, in order to meet user demand for health care enrollment, unemployment benefits and other government and private sector services, as well as allowing streaming, downloads, massively multiple player online gaming, and other bandwidth heavy uses, became a key issue during the recession for libraries.

...AND THEY WILL COME

So how did Californians react to the new model of public library services, after libraries had stared down the recession demons and made the tough but necessary choices to adjust services to the new fiscal realities?

Circulation

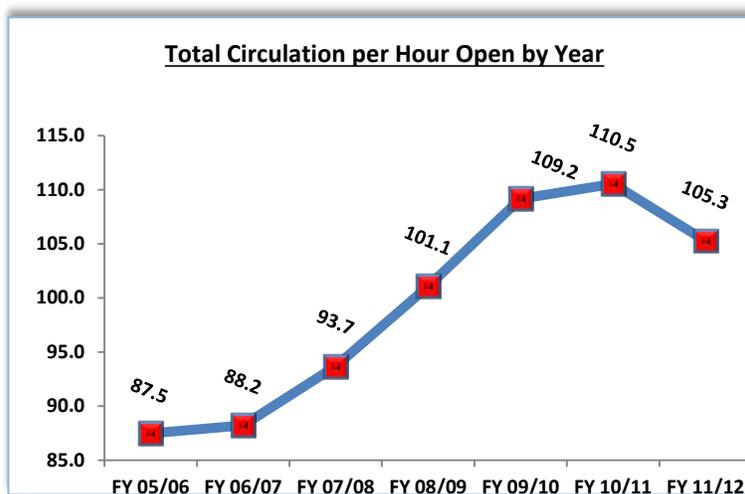
While California public libraries have significantly expanded and changed their service model and service offerings, one truism remains – the library is the place where you can



borrow materials. How you borrow those materials may change – downloadable books and media have made major inroads

into the public's use of library materials – but nonetheless, Californians continued to check over 200 million items out of public libraries annually. In FY 10/11, when the first decrease in circulation was seen, it came on the heels of the second year of reduction in open hours in libraries.

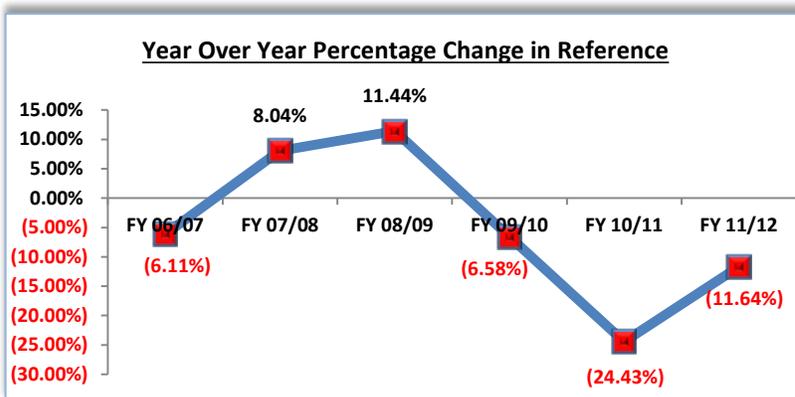
One other way to look at circulation is to look at circulation per hour open. The over 20% increase in circulation per hour open can be seen as resounding support from Californians, as well as testimony to the



hardworking staff in libraries statewide. Even with a 3% decrease in the number of hours open and a 15% decrease in materials expenditures over the seven year period, total circulation increased 16.5%.

When looking at non-book circulation, which includes e-books, audiovisuals, audiobooks, microforms, software and all other non-print items, there was a 27% increase in circulation over the same time period, reflecting an increased demand by library users for this type of material. This was confirmed by Recession Survey respondents, 2/3 of whom noted an increase in non-print media as the most common type of material circulation increase, followed by adult and children’s materials.

Reference Services



Over the seven year period under review, reference services continued their almost inexorable slide. There was a 30% reduction in the total number of reference transactions,

representing a reduction of 10 million queries annually, even with the use of virtual reference services.

In the 2008 Zogby Recession Survey^{xv} of how Californians find and use information, only 20% of respondents, who self-identified as library users, said they started their information search at the library. The survey also identified that when library users do

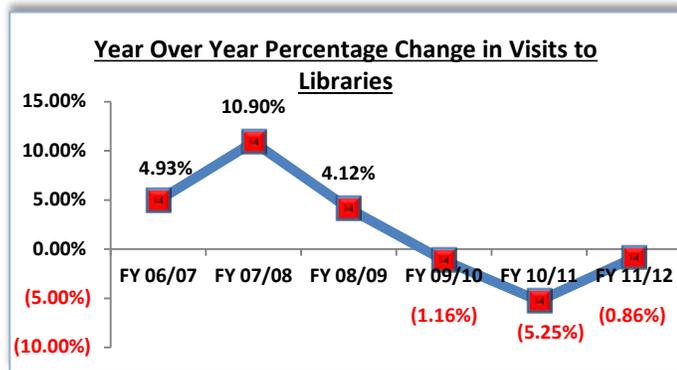
We staff the ref desk only during peak hours; have 1 service desk model which is staffed by Techs/Librarians.
Southern CA City Librarian

choose to use library resources for reference purposes, they expect the library to have specialized information to supplement what they have found already on the Internet.^{xvi}

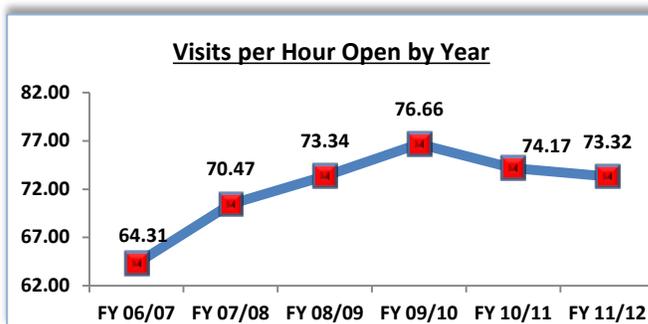
Libraries responding to the Recession Survey felt that there were more directional and fewer informational questions being asked. They also noted different types of informational transactions with users than in prior years, noting that they were at time more in-depth and time-consuming than classic reference transactions.

Library Visits

Even with the reduction in library facilities and hours, libraries experienced more than 160 million visits each year. Until FY 09/10, when library hours began to decrease, more library users came to their local library each



year. Over the 7 year period, there was a 12.5% increase in the number of library visits, representing nearly 18 million more users annually. Libraries responding to the Recession Survey noted both more visits by family groups and increased use by students.



When looking at library visits per open hour, libraries continued to be busier per open hour through FY 09/10. This mirrored the continued increase in circulation per hour open that year, even in the face of reduced hours. Visits per hour open actually increased over 16% during the seven years under review, reflecting public use of in-library resources and services, such as staff services, materials, programs, and technology resources.

Increase in computer users and job seekers.

Southern CA City Librarian

Due to being a Family Place Library, more young families use the library.

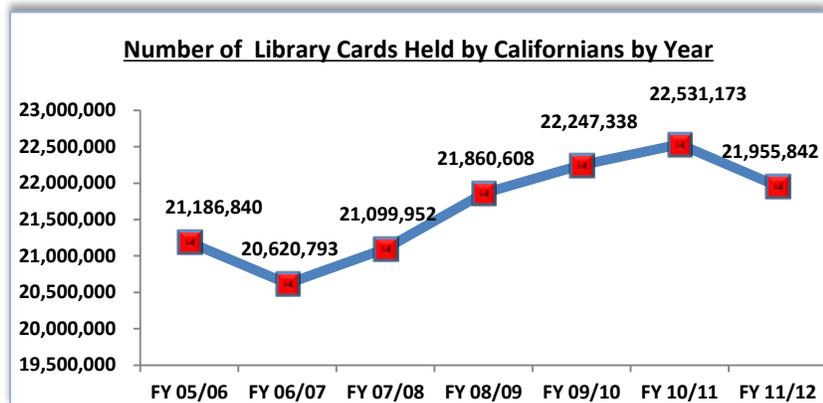
Southern CA City Librarian

In FY 07/08 the California State Library, as part of its annual data collection effort, began to collect data on virtual visitors to libraries, reflecting use of the library website or online catalog from Internet users outside library buildings. Because of the new nature of this data collection, and clear inconsistencies in data

reporting, it is premature to review this data on an annual basis to determine changes in such use. However, it appears that over 200,000,000 virtual visits are made to California public library websites and online catalogs annually, more than the annual number of actual visitors.

Borrowers

Library use is deeply embedded in the California psyche, with nearly 22 million library cards in the hands of Californians, representing over 57% of the California



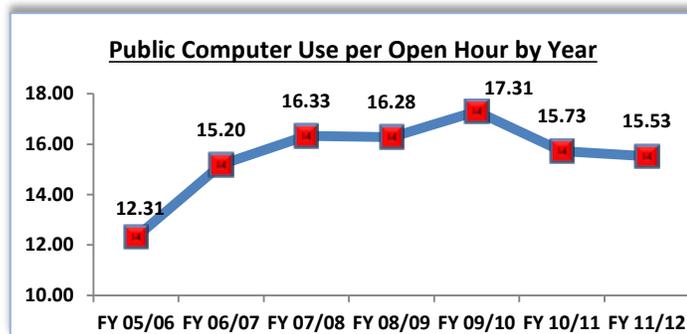
population, a statistic that has remained relatively stable over the seven years of the study. Californians, well known for loving their cars, appear to love their libraries as much, since there are approximately the same number of library cards as drivers licenses in California.

While the population served by California libraries grew by 1.4% over the seven years, the number of library cards held by Californians grew by more than double that number, or 3.6%, with nearly 800,000 more library cards in FY 2011/12 than in FY 2005/06.

Under California’s universal borrowing program, residents in one jurisdiction may get a library card from other jurisdictions; the total number of library cards reflects the fact that some Californians may have library cards from more than one jurisdiction. With California’s peripatetic population, this has been a benefit for many residents, who may live in one jurisdiction and work in another, preferring to use the library in the work location. However, with the elimination of state funding for universal borrowing (TBR) as noted in the section above on state funding (pp. 5-6), this important benefit for California library users may be in jeopardy.

Public Computer Use in Libraries

Californians have come to expect, and rely upon, their public library for computers and broadband access to the Internet. As noted above on p. 19, over the period of the study, there was a 35% increase in the number of



computers for public use in libraries. Overall, there was a 22% increase in the use of these computers, representing approximately 34 million sessions annually, almost one for each Californian.

When open hours are factored in, an even more resilient picture emerges. From FY 05/06 through FY 11/12 there was a 26% increase in the per hour usage of computers in libraries. Usage peaked in FY 09/10, both in terms of actual number and per open hour usage, the same year that saw the first decline in open hours. Even when access to computers in libraries was constrained, Californians still flocked there to use them in

record numbers. In addition to library provided public access computers, more and more library users were bringing their own laptops, tablets, and smartphones to libraries, and logging on to the free wifi.

When asked why library computer use increased during this period, library directors pointed to more computer classes for the public and additional software and programs for public use.

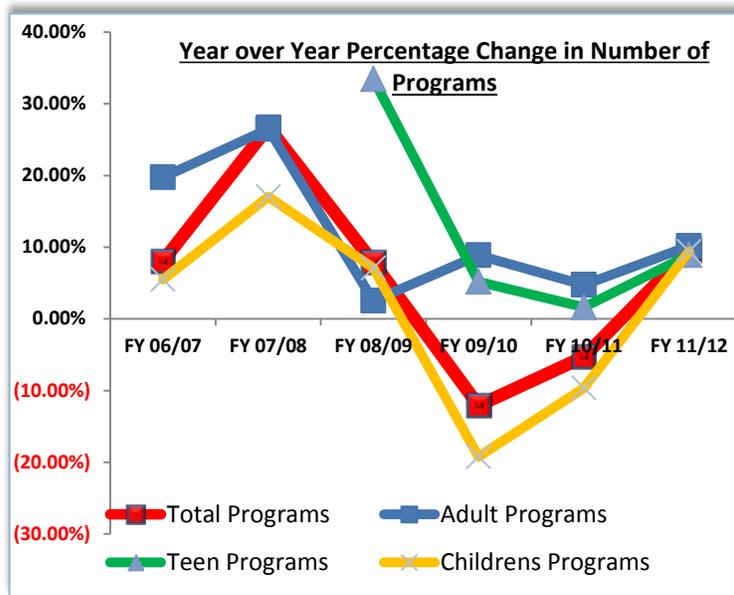
We began using volunteers to train the public on basic computer use, etc.
Northern CA County Librarian

Patrons came to use computers because they eliminated cable at their homes.
Central Valley County Librarian

More computers, better bandwidth, more emphasis on (free) online resources, such as Job Scout and Book Flix while it was funded by State Library.
Southern CA County Librarian

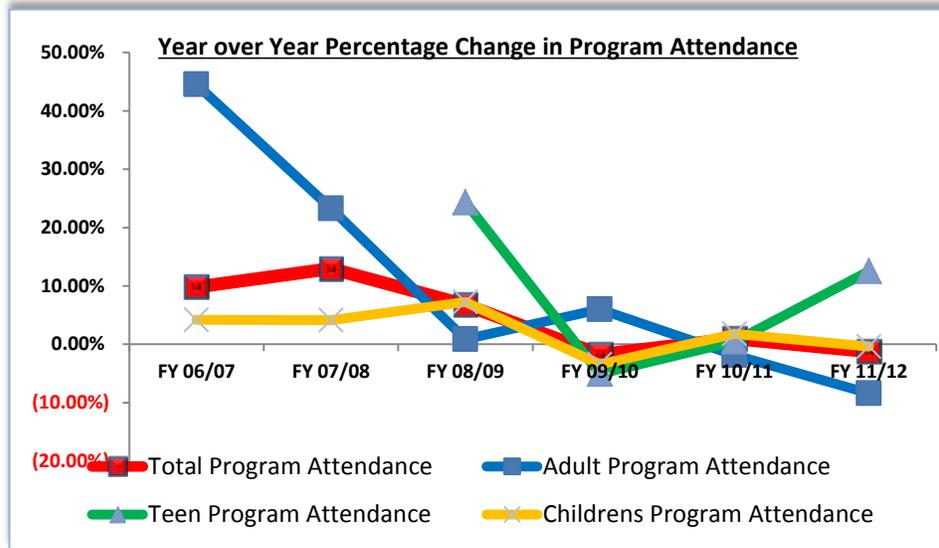
Programming

Programming has been a mainstay of public library services over the decades. For many young Californians, it has been a source of early childhood learning and an introduction



to the joys of reading, for teens it has been that place where you could go to find yourself and be yourself, and for adults increasingly it has become an important resource for job training and career search, as well as the more traditional programming celebrating the joys of good books and reading.

Over the seven year period, over 47.5 million Californians attended 1.8 million programs in libraries. The total number of programs offered annually increased nearly 35% during this time period, with overall attendance increasing 30%.

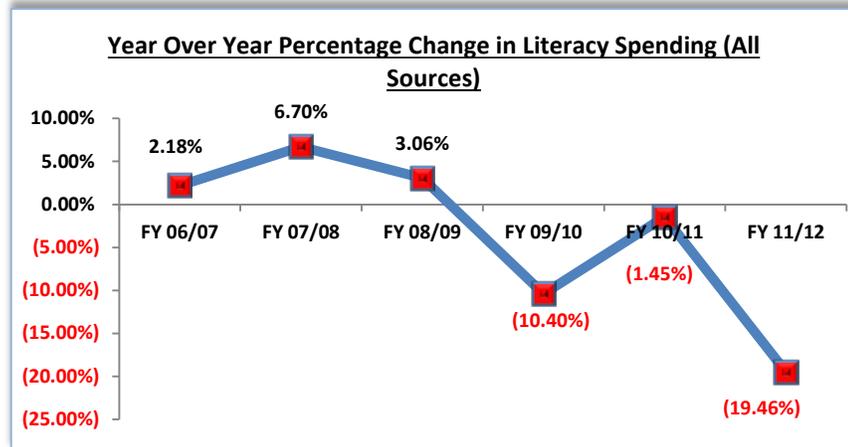


When looking at programs by type (adult, teen, children’s), generally each type continued to increase the number of programs and attendance at these programs, with the exception of FY 09/10, when hours and staffing reductions became the norm. However, even in that difficult fiscal year, the number of adult programs and attendance at these programs continued to increase, perhaps linked to the success of programming targeted to job seekers and homeowners, as well as other recession related issues. Even with reduced staff and reduced hours, libraries still provided the same number of programs per hour open each and every year.

Adult Literacy

California public libraries have provided leadership in the adult literacy world for over two decades. Initially supported by seed funding from federal funding sources as well as local funding, and then by state funding, the demonstrated success of these programs was threatened by the elimination of all state funding in FY 2011/12, coupled with decreases in local funding in the same year. As a result, six libraries were forced to cancel their adult literacy services; however, ninety nine libraries persevered in continuing local

funding for these needed services, albeit on a scaled back level. Ancillary literacy services, such as Family Literacy programs, English Language Learner



Intensive Programs and Mobile Library Literacy Services, were eliminated by a number of libraries and funds and staff focused on providing basic adult literacy services. Demand for adult literacy services remained as strong as ever with the same number of adult learners, albeit with a 24% reduction in local literacy staffing, between FY 09/10 and FY 11/12, and a 14% drop in the number of volunteer tutors.

Partnerships

One of the most impressive developments in how libraries coped with the recession related demands was the focus on partnerships. Libraries have historically partnered with schools, other community agencies and local government service providers. However, in the face of reduced funding coupled with increased demands for services, libraries found that working closely with service providers with similar missions and foci was an effective way to leverage scarce resources. Over 75% of Recession Survey respondents noted developing new partnerships during this period, with partnerships with community non-profits, K-12 education and other city and county departments most frequently cited, followed closely by private sector partnerships. The partnerships cited by libraries were exciting and dramatic in the way they potentially repositioned libraries as visible and viable partners in the life of their communities. The words of library directors statewide best demonstrate the importance and value of these newly formed partnerships.

Particularly within the City, City administration encouraged all departments to look more creatively at how we could work together in new and different ways. There were some departments (i.e. Community Services) that had similar clientele and programs (i.e. teens, seniors) so we worked with them more collaboratively here. Also, we did joint programs with departments such as the Animal Center, Planning Department and Fire District that previously were done separately.

Southern CA City Librarian

Working with Community Services Department to develop programs for seniors. Providing space to Historical Society for their archives. Providing library services to school community since the school district fired all their in school librarians.

Southern CA City Librarian

Too many to list - we made this a major focus in general. We look for partners who truly want to be partners - give and take - mutually beneficial everything from a local dog group to support our Tales to Tails program to Federal grants for the Big Read.

JPA Library Director

1. Partnering with three service district schools to improve reading scores. Allows us to serve an underserved population and there was a tiny bit of money to assist us in reaching out.

2. Partnering with Catholic Charities/Probation-Juvenile Hall and the prisoners in a local jail. Just a really good configuration occurred to let us help those kids read better and have books worth reading in juvenile hall.

3. New -- doing more with County jail and the Sheriff's office, including adult literacy and some parent literacy/children's storytime projects.

4. Workforce Development assisted with staff at one branch, programs for job seekers at another. These are now threatened because of their funding.

Southern CA County Librarian

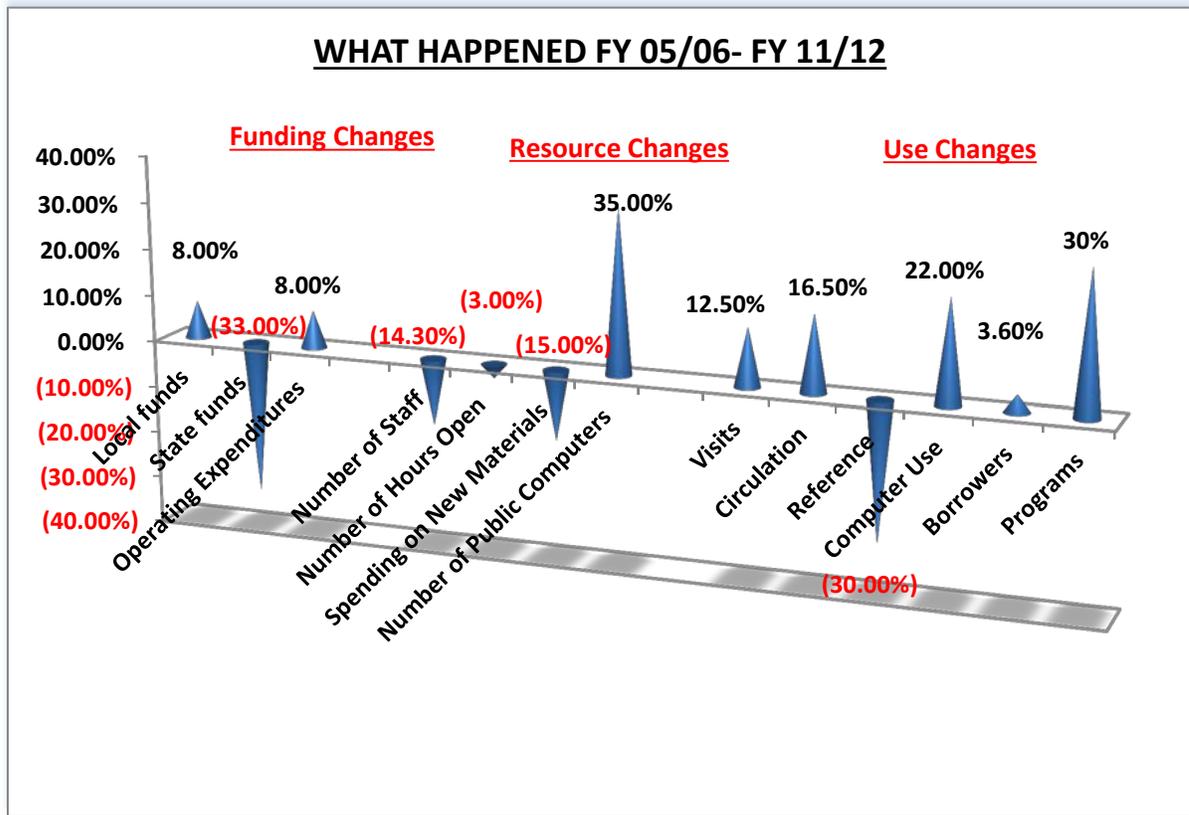
At several of our branch sites we partnered with private businesses and corporations to begin offering free wireless access to the public. To deal with the increase in the mentally ill and homeless using our facility we worked with the County's Department of Social Services to have their mobile unit visit the library monthly to provide outreach and showers to the homeless, and with the local police we worked to have quick response time whenever a serious problem with a patron became an issue. We worked with the City to eliminate a homeless encampment behind the Main Library that had become a public hazard, and working with the local First 5 we secured funding to work with community that had been traditionally underserved among the local Native American communities.

Northern CA County Librarian

Chosen for expertise, attitude, and available useful additions to programming content.

Southern CA City Librarian

LESSONS LEARNED



The picture painted above could be seen as a grim one:

- Minimal 8% increase in local funds reflected in the same increase in operating expenditures
- Crushing 33% decrease in state funding
- Double digit decreases in numbers of staff and expenditures on new materials, coupled with a 3% decrease in open hours
- Ray of light in the increase in number of public access computers

- Double digit increases in library visits, circulation, programs and computer use, coupled with a 3.6% increase in library cards
- Continuation of a long time slide in reference usage

But that would only be a simplistic look at the numbers, and the reality goes deeper. Delving into the thoughtful comments provided by library directors statewide, a picture of resilience, commitment and creativity emerges. Interestingly enough, in 2013, over 60% of public library directors had been in their current positions for four years or less, clear evidence of the strength of the bench and the renewal of leadership in the profession.

Some key patterns emerged in the time period from FY 05/06 to FY 11/12:

Resource Choices:

- Closing libraries was seen as last resort, but some libraries were forced to reduce the number of open hours. Today, the number of hours open statewide still remains below the level seen seven years ago. The challenge of keeping all library facilities open, albeit with reduced hours, is the ongoing sunk costs related to facilities, e.g. utilities, spread over lower levels of access.
- Libraries generally chose to reduce expenditures on new materials as the first choice when facing funding reductions. However, reflecting the public demand for digital resources, spending on electronic resources grew by 42% while over the same time period print materials expenditure was reduced by nearly 24%. Overall materials expenditures decreased by 15%.
- While staffing actually decreased by over 14%, spending on salaries increased by nearly 5% and on benefits by over 20%, with an overall increase in spending on personnel related costs of 11%. Library staff worked harder, since the decrease in the percentage of open hours (3%) was dwarfed by the decrease in staffing, and increase in use.

- Again responding to community needs for computer and Internet access in public libraries, the number of public access computers increased by 35%.

Library Use

- Still seen as a primary function of public libraries, circulation increased over 16%, even in the face of the reduction in spending on new materials.
- Californians continued to flock to their libraries, even with reduced hours, staffing and new materials, with patron visits increasing over 12%.
- Programming of all types increased by 30%, with a particular focus on teen programs and adult programs on recession related issues, such as job searches, mortgages and improving computer skills.
- Computer usage at public libraries grew significantly, at 22%, reflecting the library's role as a critical provider of free broadband Internet access.

Libraries, and library staffs, learned more than financial lessons during the Great Recession. The challenges and choices served almost as an incubator for learning, perhaps an unwelcome School of Hard Knocks, but one which libraries have survived and in which, in some unexpected ways, they have thrived.

So were California's public libraries really "...ill-equipped to respond to heightened unemployment and stagnating wages..."? The evidence above would appear to demonstrate that, although challenged by inadequate funding and reduced staffing, open hours and new materials, Californians statewide still saw their local public library as a valuable and needed community resource, flocking to it both in person and virtually, and using its resources in ever increasing numbers.

Once again, the testimony of library directors statewide provides the most compelling view.

Lessons: - Strategic planning is important no matter how limited your resources - Regular internal evaluation is good - Communication and visibility by senior level staff is really important in hard times - Individual sacrifices, particularly by managers and senior administrators are rarely appreciated - Communicating them and explaining their value is important - Maintaining the fine balance between living within your means and letting the public and your city/county administration know you are hurting is very tough. Sometimes we do such a good job of not cutting services that the assumption is that there is no need to return budget reductions. We did cut hours and raise some fees, adjust some services, which we would never have been able to bring some staff on board with if it weren't for us being able to blame the recession.

Central Coast County Librarian

We became more flexible and still able to serve the public. We looked at our mission and core services. Everything that was non-essential went--like hot water in the restrooms, cold water in the drinking fountains, etc. We were more open and transparent with the public and with staff about what was going on, resulting in an amazing amount of cooperation on everyone's part. Our revenue is dependent upon sales tax (90%), so when the economy tanked, so did our resources. We judiciously used some of our fund balance, reduced hours, reduced the workforce by 19%, and asked for help from our support groups. Everyone pulled together, because they understood the need. This was due to excellent outreach activities and non-stop communication. We're still not out of the recession, but things are gradually easing up. We operated economically and efficiently before the recession, and will continue to do so going forward because we are acutely aware our funding is from the taxpayers. We strive to be good stewards of the public trust.

Central Valley County Librarian

The most important lesson is to make sure and state your case for funding clearly and with statistical and personalized data. Letting funders know the value of libraries through usage stats, gate counts, program attendance, and return on investment for the community is key. You cannot forget the value of a personal story as well - who can turn down the sad group of children who can no longer come to storytime and learn early literacy skills because of budget cuts? Operating models I think have changed quite drastically across the board in libraries. You had to change or you would no longer be able to function with less staff, less resources, less funds, but no diminishing demand. We have streamlined technical services, decreased or eliminated unnecessary tasks at the front service desk, and implemented a centralized processing and selection system. I don't know that we would have gotten there as quickly as we have without the budgetary and staffing necessities but I do believe we would have gotten there eventually.

Northern CA County Librarian

We have taken a \$1.5 million cut over the past 5 years. As I was preparing a presentation for a group of community members I realized that the budget and staffing reduction didn't define who we are. Organizationally we are still a strong, vibrant part of our city.

Southern CA City Librarian

The financial pressure helped motivate our staff to really focus on how to improve our work processes and collections, and to work together across department boundaries. This has enabled us to add many new programs and services - additional story hours, two monthly film series, a classical music concert series, a new website with "responsive design", the introduction of Collection HQ and floating collections, lots of new non-Dewey browsing collections, two branch remodels and upgrades, additional computers...with no increase in staff. We were blessed that our property tax revenues were stable, so we held our own and the Friends stepped up to fund several capital projects.

Southern CA Special District Library Director

Even without the increased pressure of the economic downturn, one of our main priorities is making sure the library remains a visible and important part of the community both within the City's political and social structure. We are constantly seeking ways to partner with respected community groups and City departments to insure our long-term health and success.

Southern CA City Librarian

Lessons: Stay focused on core services and what your patrons tell you. Look at everything - how you do it, why you do it. Ask is this for us? Or for our customers? Simplifying our organizational structure and moving to an open service model, where staff at all levels work in all areas of the library, opened up new ideas and helped us grow our staff skills and abilities. The reorganization would probably not have happened as soon as it did - we were due to have a wave of retirements, they just came sooner than expected and all at once. We would have still worked to expand and enhance our digital resources - that demand was still going to be there, and could have been even higher if there had been no recession. We did learn a lot about what the community values and we learned a lot about fundraising on the fly, for particular purposes or causes.

Southern CA City Librarian

We survived because of a fantastic staff and because we were out begging constantly.

Southern CA County Librarian

It really did force us to look more critically at many of our operations and how to run them more efficiently. It also made us look for additional revenue streams that as we move forward, have become a part of our operation. And the partnerships we created within the City have been highly beneficial in that it has shown City administration (and elected officials) how important a resource the Library is, and how as a department, we are a key player in the overall mission for the City. Do I wish the recession never came around? Absolutely, but I do believe we weathered this one and have come out of it a better organization because of it.

Southern CA City Librarian

When the recession hit our city, it hit the library hard as sales tax from our dedicated tax tanked at the same time as our city funding was reduced. But we were already in the process of streamlining services, with a one stop service desk, self-check and other self-directed services, so we were ahead of the drop. As staff retired, we did not fill positions, so even though things got bad, we never cut full time staff. We were able to reorganize our organization to keep core services (including literacy) operational. Now sales tax is on the rise and property tax is also reported to be going up, so we're over the toughest time. All in all, we did well with new programs, innovative ideas and new technology and we renewed our sales tax measure.

Northern CA City Librarian

We totally restructured. Without the recession we would have been able to take a more reasonable approach to redefining jobs which were sorely in need of revision. I do believe we would have gotten there without the hurt that accompanied layoffs and the mistrust it all engendered. Community incivility was not healthy as we considered closing branches. We needed to revamp our entire system - from its internal culture to how we provide service. It would have been nice to be able to do this in a measured and planned way; over time and building on strengths.

Northern CA JPA Library Director

The economic downturn proved to be an opportunity to implement new workflows and service delivery. It would have been extremely difficult to persuade staff unless this dire necessity came about. The changes included: no reference desk, self check, RFID, combined reference and circulation, hardly any print reference, outsourcing cataloging, no more mending books, outsourcing our cafe. We had lost 30% of our staff but were able to function and focus more on our users.

Southern CA City Librarian

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- ⁱⁱ “US Business Cycle Expansions and Contractions”, NBER.org, <http://nber.org/cycles/cyclesmain.html> (accessed August 9, 2013).
- ⁱⁱⁱ “Falling Behind: The Impact of the Great Recession and the Budget Crisis on California’s Women and Their Families”, CBP.org, http://www.cbp.org/pdfs/2012/120201_Falling_Behind.pdf (accessed August 9, 2013).
- ^{iv} “Census Bureau graphically details California recession”, *sacbee.com*, <http://blogs.sacbee.com/capitolalertlatest/2012/06/census-bureau-graphically-details-california-recession.html>, (accessed August 9, 2103).
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- ^{vi} “California Home Prices and Home Values”, *Zillow.com*, http://www.zillow.com/local-info/CA-home-value/r_9/#metric=mt%3D34%26dt%3D1%26tp%3D6%26rt%3D14%26r%3D9%252C394806%252C395057%252C395025%26el%3D0 , (accessed August 9, 2013)
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- ^{viii} “California Consumer Price Index”, CA.gov, <http://www.dir.ca.gov/OPRL/capriceindex.htm> (accessed December 5, 2013)
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