

**AGENDA ITEM DOC4**

**Subject: ILL Analysis**

**Date: May 25, 2019**

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**Prepared for: FOPL Board Meeting, June 7, 2019**

The Provincial Government is proposing many changes to the Interlibrary Loans in Ontario.

So far, they appear incapable of understanding the numbers and impact. They continue to quote and use inaccurate and actually wrong numbers and engage in untrue talking points in communications, in the Legislature, and in the press.

**Overall High Level Analysis of ILL in Ontario**

**Context: Inter-Library Loan is just that - loans between libraries. It does not go to the home and the trusted relationship for returning the book is the library not the patron. Libraries must protect the assets invested in and built up over the years with mainly municipal dollars.**

1. The Library Book Rate is a two-way delivery rate negotiated with Canada Post. There is no federal subsidy. As of Jan. 1, 2019 the rate is a minimum of $1.38 based on size and weight. It will go up again on Jan. 1, 2020. It averaged $2.13 per ILL in 2017 (and was higher for 2018 and 2019).
2. CULC manages the Library Shipping Tool for Canada under contract with Canada Post
3. SOLS manages the provincial ILLO VDX inter-library loan database software system.
4. The average per book or library material is $2.13 in 2017. This rose in 2018 and will rise in 2019/20.
5. There are additional costs that are not planned to be cut including maintaining the ILLO VDX software and supporting users.
6. There is an opportunity to ensure that ILL rebates/subsidies are computed fairly for both north and south.
7. All other provincial & territorial governments in Canada ensure free, subsidized ILL.
8. It is unlawful in Ontario to charge residents for ILL. ILL is a core service.
9. Inter-Library loans are VERY GREEN given that assets are re-used. Older materials are sold or recycled. Using small vans for delivery is greener than using trucks.
10. The Regional Government Review could potentially push more systems into the large population basis.
11. The provincial government says the CEO of SOLS noted that ILL is beginning to be unsustainable. This is true since the provincial government cut the capital budget which would have allowed for replacement of delivery vehicles and these budget cuts negate the ability to upgrade the ILL software which is at end-of-life.
12. SOLS – by having to discontinue delivery services – loses many revenue producing contracts (about $300,000) which subsidize the ILL service.
13. Sustainability of the ILLO service is at risk due to the provincial government’s decision to cancel all capital spending to replace ILL delivery vehicles and the need to replace the end-of-life ILLO software system.
14. The Library Book Rate process is slower (requiring weighing, measuring and packaging all materials and getting them to a post office). Some libraries report that there is no Canada Post delivery to their library! (e.g. Newmarket PL)

A 2017 analysis follows. It is likely this understates the impact due to growth in 2018-19 and increased Canada Post rates.

OLS-North provides a subsidy of 82 cents per ILL (which is far below the southern subsidy). It varies with volume.

To be clear – there is no way the provincial government can provide ILL services for $335,000 and maintain standards.

The Library Book Rate (LBR) approach add a lot of labour on to the shoulders of local libraries and a partial subsidy would need to be taken into already approved and limited library budgets. With the LBR libraries MUST package each delivery at their own expense (versus placing them in reusable bags, enter the delivery into the LBR system separately, and get them to a post office. Not all libraries enjoy postal delivery (e.g. Newmarket PL!)

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|  |  **2017 Borrows**  |  **Base LBR at $1.38/book**  |  **REAL LBR at $2.13/book avg.**  |
| **<15,000** |  **93,794**  |  **$ 129,435.72**  |  **$ 199,781.22**  |
| **15,000-50,000**  |  **181,904**  |  **$ 251,027.52**  |  **$ 387,455.52**  |
| **50,001 - 100,000** |  **64,638**  |  **$ 89,200.44**  |  **$ 137,678.94**  |
| **Over 100,000** |  **63,962**  |  **$ 88,267.56**  |  **$ 136,239.06**  |
| **Chatham-Kent, Essex Co, Lambton Co & Simcoe** |  **3,911**  |  **$ 5,397.18**  |  **$ 8,330.43**  |
| **Not on VDX** |  **3,760**  |  **$ 5,188.80**  |  **$ 8,008.80**  |
| **Northern** |  **29,714**  |  **$ 41,005.32**  |  **$ 63,290.82**  |
| **ALL** |  **441,683**  |  **$ 609,522.54**  |  **$ 940,784.79**  |
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|  **Technology, Admin & Staff costs**  |  $140K++  |   |   |