



The NOBLE Budget

FY24 Budget Edition

NOBLE's annual budget forecasts the expected costs and needs of providing services to our member libraries and supporting and maintaining the network infrastructure. Our fiscal year runs from July 1 through June 30. NOBLE, the North Of Boston Library Exchange, is a 501(c)(3) non-profit corporation directly serving its 25 member libraries who ultimately decide its direction and funding.

Our budget is a complicated projection, since it is compiled almost a full year in advance of its start and almost two years before the end of the fiscal year -- developed in this case in August, 2022, for a year beginning in July, 2023, and ending in June, 2024. The Executive Director with the help of the Administrative Assistant and input from the Member Services Manager and Systems Manager work on the operating budget primarily in August, for presentation to NOBLE's Executive Board in early September and to full membership later in September. The full budget is then voted at the October Meeting of the Members.

Once the budget is approved, NOBLE is expected to live within the assessment amounts.

The early schedule is necessary for some of our members, particularly the towns, who must submit their budgets to municipal administrators late in the calendar year for the following fiscal year.

In the line-by-line presentation, some items are exact amounts, covered by contracts, but most are projections based on recent costs, projected needs, economic factors and objectives included in our Strategic Plan.

NOBLE's Executive Board has the authority to adjust line items, and often does for the current budget early in the fiscal year, reacting to changes that have come since the budget was approved nine to twelve months earlier, and in light of the prior fiscal year's numbers. Technology often moves faster than our budgeting process, and outside factors can also change significantly, so adjustments may be needed to address changing needs and the technology environment.

The Executive Director has the authority to contract for services within the line items approved in the budget.

No increase is recommended for the main NOBLE assessment for FY2024, with a 7% increase in the OverDrive assessment (which goes completely into the shared collection) and a 5.25% increase for the optional onsite PC Support service.

Funding

Operating Funding

Our 25 member libraries provide most of our annual operating funds, with a small and variable portion of operating funds provided by the Mass. Board of Library Commissioners (MBLC), the state library agency, to foster resource sharing and support library connectivity.

Library Assessments

NOBLE member library annual operating assessments are divided based on a formula, which includes recent circulation, active borrowers, telecommunications, branch locations and a significant portion divided equally. To avoid constant changes, the formula is frozen at the FY20 calculation.

OverDrive assessments are divided based half on each library's prior year's usage of the shared collection, with a recognition of library direct purchases through OverDrive Advantage shared with other libraries, and half on the prior year's assessment to smooth out major annual variances.

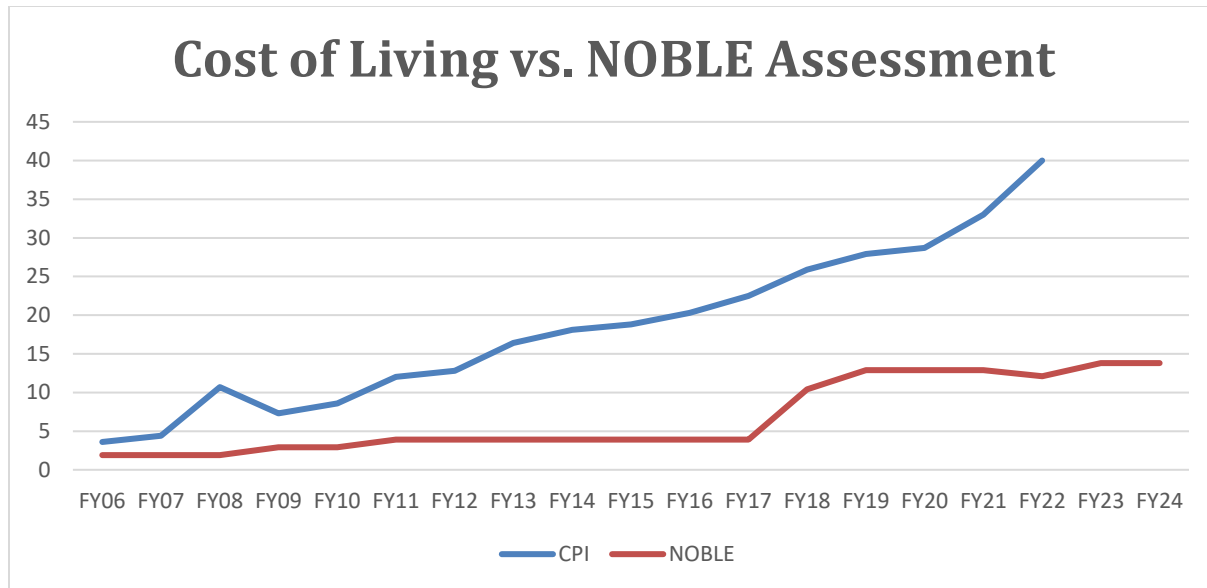
Base EBSCO costs are divided equally.

Libraries taking part in the onsite PC Support program are charged on the number of devices operated by the library.

A group bid is conducted for the public libraries of NOBLE biennially by the City of Salem under the guidance of the Salem Public Library.

Assessment History

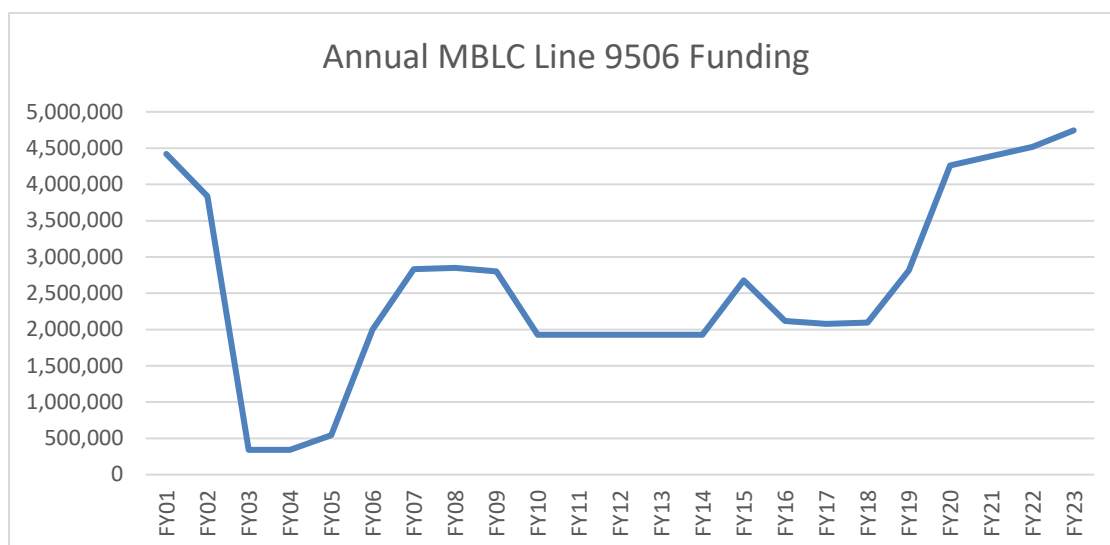
NOBLE has been very careful to manage funds wisely and has a strong record of keeping assessed operating costs far below the general rate of inflation over the decades, as shown in the chart below. The top, blue line shows the CPI-U Consumer Price Index percentage increases for the Boston area July to July; the lower, red line shows the total NOBLE assessment percentage increases for the same years. Over time, the rate of NOBLE assessment increases is far below the general cost of living.



NOBLE is audited annually by an independent certified public accountant with expertise in non-profit and government-funding audit requirements and the audit is shared with all member library directors.

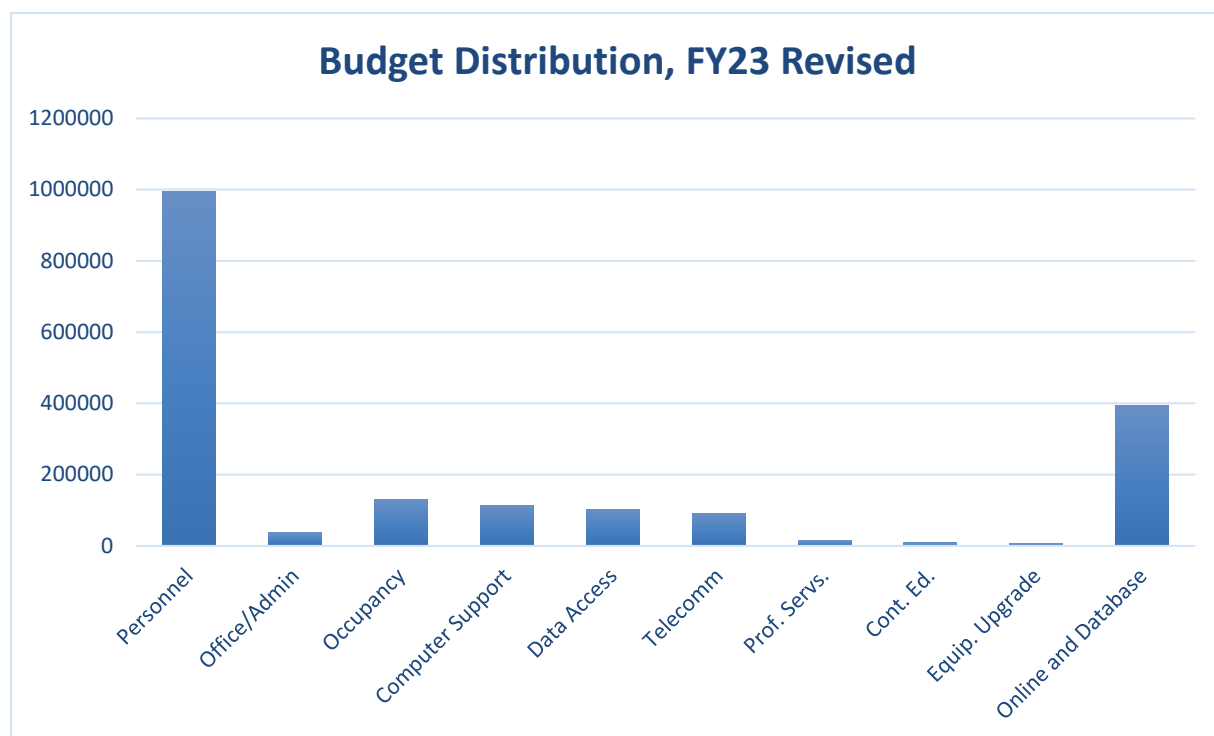
Funding from the Mass. Board of Library Commissioners

The MBLC funds can vary greatly from year to year, depending on the amount appropriated by the Legislature, in particular the appropriation to line 7000-9506 in the state budget. This funding can range from nearly nothing to providing 20% of NOBLE operating costs. See the chart below for the 20+ year history of the total state funding for this line item. The MBLC funds are distributed via formulas that take into account network membership, resource sharing volume, and other factors to support the sharing of library resources, subsidize connectivity and systems costs and augment ebook and audiobook collections.



Budget Breakdown

As a service and support organization, it is not surprising that the largest share of our budget goes to **Personnel** and related costs. We have a smart, experienced and helpful staff, almost all of whom have worked in NOBLE libraries. Our personnel costs also reflect our open source orientation: rather than paying a system support vendor, we provide our own support and training which is directly tailored to the needs of our libraries. These costs include benefits, including health insurance and a retirement contribution, and workers' compensation insurance.



Online and Database costs, our next largest expenditure section, covers our shared OverDrive downloadable ebook, audiobook and magazine collection and our EBSCO periodical database contract. The most popular titles in our EBSCO periodical collection are unique to EBSCO, and not available elsewhere. All of those costs are covered in separate billings to member libraries, with a contribution by the Mass. Board of Library Commissioners to our OverDrive hosting costs and collection through their LEA program.

Computer Support, our third-largest annual expense, covers the costs of our Evergreen systems, including development and support for our computers and software, and data backups in the secure cloud. We also provide proxy servers for all of our member libraries to expedite their access to electronic resources, and we

maintain security certificates for those servers. Funds to improve Evergreen are also included in this category, including participation in the Evergreen Community Development Initiative where large systems share priorities and contributions to fund large projects and NOBLE funds for smaller projects. Costs in this area have increased with our move to cloud hosting of our servers, incurring annual fees, in place of purchasing and supporting our own hardware and related systems onsite.

Occupancy Costs cover the costs of maintaining our offices, meeting and training facility in leased quarters in Cherry Hill Corporate Center in Danvers. The Center has been our home for over 25 years and is convenient to major highways, particularly Route 128. This line is in flux as we seek a new site due to our upcoming lease expiration.

Data Access includes MARC records for new acquisitions, our NoveList Select catalog enhancement service and our mobile catalog app. NoveList Select is included in our catalog and provides added information such as series information, similar reads, summaries, reviews and cover images, and NoveList Plus and NoveList Plus K-8 readers advisory database services.

Telecommunications provides broadband lines for almost all of our public libraries and our NOBLE office, providing connections to our systems as well as the Internet. The connectivity is monitored 24x7 for any outages. We own and maintain telecommunications equipment in the libraries where we provide access.

Insurance is the largest expense in our **Office and Administration** budget category, providing general liability coverage, financial bonding, required coverage for our TIAA retirement plans and cyberliability insurance to protect our computer operations. Though reduced in recent years due to the pandemic, travel is ordinarily a significant part of this category, covering travel to member libraries, meetings across the state and travel to conferences for continuing education and vendor meetings.

Professional Services primarily provides for the annual audit of our financial statements, as well as ongoing accounting and legal advice.

Continuing Education is focused on conference participation and other staff training opportunities.

Equipment Upgrade recognizes the need to keep our workstations and equipment up to date for efficiency and reliability.

Capital, Infrastructure and Contingency Funds

In addition to the Operating Budget, NOBLE also has Capital Funds, including Infrastructure Funding from the Mass. Board of Library Commissioners, and a Contingency Fund.

The need to maintain and upgrade the infrastructure that supports our libraries varies from year-to-year. We have telecommunications equipment in the majority of our libraries which we own and maintain as well as at NOBLE's office. Every seven or eight years this equipment must be replaced, to maintain reliability and to recognize changing technology needs in throughput and network security. To avoid spikes in annual assessments or surcharges, NOBLE maintains a capital fund composed of funds that were appropriated from the annual assessment over decades. In earlier years, these funds were supplemented by Federal Library Services and Technology Act (LSTA) funds administered by the Mass. Board of Library Commissioners (MBLC) when a project was proposed, but in more recent years the MBLC has provided state funds annually in approximately the same average amount as was provided through the LSTA funds to maintain the infrastructure linking libraries. We can hold these funds from year-to-year to coincide with a project year, and must report annually to the MBLC the amounts used and the specific project. These MBLC funds cannot be used for general operations, only a prescribed list of expenditures.

Our most recent major use of capital and infrastructure funds was to upgrade our public library networking equipment, replacing routers with firewalls to increase bandwidth and provide cybersecurity protections in the summer of 2022 and for Evergreen software improvements for academic libraries.

On the advice of our CPA and general non-profit management recommendations, we also maintain a contingency fund of approximately six months operating costs to allow us to continue operations should an unforeseen major funding disruption or crisis affect our equipment or site.

Expenditures from our Capital and Infrastructure funds, and our Contingency fund, must be approved by our Executive Board.

The funds are invested in a combination of stock mutual funds and bank accounts.

Services

Library System

Since our inception 40 years ago, our main service has been operating, supporting and improving a shared library management system (LMS), also known as an integrated library system (ILS), for our libraries. We currently use the Evergreen open source system. The LMS provides:

- the online catalog covering physical and ebooks with request capabilities for physical items,
- authentication allowing secure access to electronic resources provided by NOBLE and our libraries for library users,
- transaction tracking for physical collections,
- management of the acquisitions process,
- management of course materials

NOBLE staff have developed related systems to provide

- tools to manage collections and
- a robust dashboard of statistics updated daily and monthly, with annual statistics.

Support Services

Much more than just systems, NOBLE is a technology support organization for our libraries.

We provide

- Training
- Discussion forums
- Meetings
- Roundtables
- Email groups

We also provide and manage Internet and telecommunications access for many of our libraries.

We provide support and training on all our services as well as opportunities for our libraries to share tips, recommendations and suggestions on these services and other library management and service issues via in-person meetings at our central office, via Zoom meetings, and via email discussion groups.

Group Purchases

Our most significant group purchase is our OverDrive collection of downloadable ebooks, audiobooks and magazines. With annual circulation of over 560,000, the shared collection is managed by NOBLE and offers member libraries the option to add an Advantage collection which provides a unique front-page and provides local holds priority for any titles purchased and shared by the library. In light of the pandemic closures, use of OverDrive ebooks and audiobooks increased 60% over the past three years.

We provide shared group-purchase electronic resources:

- over 4,000 journals indexed and online via EBSCO at a great savings.
- NovelList, a leading readers' advisory service that helps libraries and users find their next great reading experience and provides pointers and suggestions in the catalog, exposing and encouraging use of the libraries' existing collections.
- Content Cafe catalog enhancements
- Google for Nonprofits (Email, Docs, Sheets, Drive, Calendar, etc.)

Optional group purchases include:

- PCs, laptops and monitors from Dell at prices better than the state contract
- EnvisionWare PC and print management and coin boxes
- Wowbrary weekly promotional emails
- Additional EBSCO databases and services

PC Support

NOBLE offers general PC support services to all members, plus an option for premium onsite service at an extra cost, provided by experts on the issues that our libraries encounter.

Services available to all as part of basic NOBLE membership are telephone and e-mail consulting, general training sessions at NOBLE, participation in group purchases and general information updates. Premium services include onsite training and consulting, onsite hands-on service, and remote diagnostics and software loading.

NOBLE staff are familiar with the common software in our libraries and how it is used. Using the NOBLE premium service saves the library valuable staff time, reduces downtime, and provides experience and insight gained from experience in other NOBLE libraries.

Resource Sharing

Nearly \$18.5 million dollars worth of materials were shared among NOBLE libraries in FY22 – 364,258 items were sent to satisfy requests and 279,826 items were borrowed in person at a NOBLE library other than the home library. On average, that is \$800,000 of resources coming to each full NOBLE library member last year facilitated through NOBLE's Evergreen system. Doctoral research materials to children's picture books are available via resource sharing among NOBLE libraries, including over two million books, 92,000 audio recordings and 135,000 videos.

NOBLE's system also connects to the Commonwealth Catalog, allowing library users to locate and request library materials from all across the state, and have them delivered directly to their home library without the need for mediated interlibrary loan.

NOBLE's shared OverDrive collection provides access to two million dollars worth of ebooks, audiobooks and downloadable magazines, funded through an annual library assessment, individual library purchases, and funding from the Mass. Board of Library Commissioners.

See our annual *Value of NOBLE* document for a detailing of the very significant savings achieved by our libraries through combining with NOBLE and our member libraries to achieve economy of scale while retaining personal service to our library staff members.

FY24 Changes

We are continuing work on significant changes in the way we provide services going forward, moving to more standard software implementations and job descriptions that do not require unique skills and knowledge.

Systems

To provide more reliable service and in anticipation of an office move, we moved our servers into the cloud, including Evergreen and our web servers in late FY22.

It is more cost-effective in the long term to outsource the hosting of our servers to the cloud than to invest \$100,000 to update equipment and also fund additional space and allocate staff time. In addition to the space issues, the cloud hosts offer redundant power, HVAC and internet connections to ensure uptime and seamless service to our libraries and their users. It also removes high-tech hardware management and operating system upgrades from our list of duties, allowing us to focus on our service to you and improves security.

The systems changeover does come with an annual cost of \$65,000 per year for our Evergreen systems, a portion of which will be recouped from reduced occupancy costs after our move. Initial phase-in funding is provided from CARES Act funds.

Site

Our lease expires at the end of August, 2023. The landlord, Abiomed, is interested in using the space for their own expansion so we will need to move to new quarters.

Our move to cloud hosting for our servers enables us to use typical office space. That market offers greater availability and more appealing rent costs and location options than the flex or lab space we currently occupy and was needed to host servers. The FY24 shows a reduction in occupancy costs, but exact costs are not yet known.

Linked Data for Google Searches

In FY 23 we started a one-year trial of EBSCO's Linked Data Service, funded from Capital. We have included funds for this in the regular FY24 budget.

The Linked Data service makes NOBLE libraries' holdings visible in a Google book search, similar to MVLC and some of the other networks, increasing our libraries' visibility and presenting the borrow option in addition to booksellers such as Amazon.

Results display in a panel on the right of the screen. Users can click from the Google search directly to our catalog to check availability and place a hold. The libraries displayed are based on where the search is conducted.

eCard and eRenew

Also starting in FY23 and included in the F24 budget is funding for the new eCard and eRenew services. The service will provide instant, verified access to our electronic resources for those without an active borrowers card. The address of the applicant will be verified and the Evergreen system checked, and if new and verified a barcode number corresponding to the home library will be instantly issued and the data entered into Evergreen. The new service is funded through a 75% grant from the Mass. Board of Library Commissioners.

Our Mission

Every day we work with our libraries to improve service to their users and provide insights into their operation in line with our mission statement, "The technology partner for libraries North of Boston." As we work with the staff of our libraries, we take this mission to heart and look forward to continuing to help improve library service in our area.

Please contact us with any questions.

Ron Gagnon

Executive Director