MOBIUS Task Force on Financial Planning
Progress Report, September 11, 2008

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Charge to the Financial Planning Task Force

The charge of the MOBIUS Task Force on the Financial Plan is to review the financial stability of MOBIUS and recommend a plan for the continued financial health of the organization. The main areas for discussion are as follows:

1. *Level of service and products to be included in the basic costs*
2. *Services and Products for additional costs*
3. *Financial support from the membership*
4. *Risk assessment*
5. *Work closely with the Strategic Planning Task Force*

This Task Force will review the financial plan in 2011.

Parts 1 & 2 of the Charge: The Task Force is committed to completing these projects in an aggressive timeline for the remainder of its first year of operation, as outlined below.

Part 3 of the Charge: The Task Force felt that it had a clear mandate to produce a fair, equitable, transparent, understandable, and reliable financial model in time for the 2009-10 budget year. For Council approval, this required completion by the September 12 Council meeting, so the Task Force has been working under an aggressive timeline, focusing primarily on the third part of the charge.

A preliminary assessment model was prepared and presented to the Executive Committee and at the June 2 Council meeting. This model was refined with additional consideration of inflation and a three year phased-in set of spreadsheets. That revised model was presented at the July 24 Executive Committee meeting.

The underlying principles on which the model is based are described in Appendix A. The spreadsheet illustrating the model (given a hypothetical inflation in the MOBIUS budget of 6% and data from each institution remaining in the same relationships as in the sample year) is attached as Appendix B. The spreadsheet used to compute the three year average of borrowing and lending data comprises Appendix C.

Part 4 of the Charge: After careful consideration, the Task Force is of the opinion that the very necessary process of assessing risk is vital to the continuing financial viability of MOBIUS. Unfortunately, risk assessment requires a level of expertise which is not currently available on this Task Force.

Our consultant, Joe Ford, has agreed to develop a white paper on the subject of risk assessment within MOBIUS. This report will be included in the November progress report to the Executive Committee. While this Task Force has been well-selected to produce a fair and clear model for distributing MOBIUS costs among its members, it is hoped that a separate working group, perhaps including professional staff from the MU Office of the Budget, can be designated to continue the vitally important task of risk assessment.

Part 5 of the Charge: Since it was reconfigured in its present form in April of 2008, the Task Force on Financial Planning has worked closely with the Strategic Planning Task Force, meeting at first jointly (on April 10) and joining in the Council day for strategic planning on July 25. In addition, the Task Force has listened closely to its members who are also on the Strategic Planning Task Force.

Recommendations from the Task Force on Financial Planning to the MOBIUS Executive Committee

1. **The Task Force on Financial Planning recommends that the Executive Committee adopt the proposed financial structure for the support of the 2009-2012 MOBIUS budgets.** Over the course of the summer there has been much positive feedback on this model and very little negative response. Many libraries will find the new plan difficult to achieve, but the three year phase-in should help.
2. **The Task Force on Financial Planning recommends that the Executive Committee seriously consider the impact of gathering and maintaining the required data for this model and provide appropriate staffing at the MCO Office.** The success of this data-driven model depends on the perception of fairness and transparency. This perception in turn depends on the efficient and timely production of accurate data concerning the operation of MOBIUS. Proper implementation requires adequate and competent staffing.
3. **The Task Force on Financial Planning recommends that the Executive Committee designate a working group to address risk assessment.** While the Task Force on Financial Planning is willing to attempt whatever is necessary, it respectfully suggests that a group composed of fewer Council members and with additional outside expertise would produce a better result.

4. **The Task Force on Financial Planning requests clarification of the time limits and/or rotations inherent in appointments to this Task Force.** The final sentence of the charge ("This Task Force will review the financial plan in 2011.") implies a length and possible permanence of this Task Force which is quite possibly excessive. Just in the time between original appointments in 2006 and the reconfiguration in the spring of 2008, membership on this Task Force has changed of necessity. If the Executive Committee envisions this Task Force as completing its mandate in a year or two, with another Task Force appointed to evaluate and revise the structure in 2011, the current Task Force would appreciate confirmation of that view. On the other hand, if the Executive Committee envisions this Task Force as a permanent feature within MOBIUS, The current Task Force requests clarification of length of term and probable rotation schedules for its members.
5. **The Task Force on Financial Planning recommends that the Executive Committee work with other constituencies in Missouri to develop a viable plan for expansion of MOBIUS membership, including public and special libraries.** Our ongoing conversations with the Task Force on Strategic Planning indicate a strong desire of the MOBIUS membership to develop clear and explicit guidelines for new members. While the Task Force is aware that the financial model we have already developed, as well as the cost guidelines we are continuing to develop, are essential components in the discussion of expansion, our contribution is only one small part of the discussion. The Task Force feels that it is imperative to bring additional libraries into this conversation, including a variety of types and sizes of public libraries, special libraries, and the state librarian. Outlining the specific requirements for new members with unique circumstances is beyond the original scope of this Task Force, but such questions are inherent in the "continued financial health of the organization."

Future Plans for this Task Force:

The Task Force on Financial Planning is committed to defining basic, core services and products, as well as providing guidelines for determining additional costs. (Parts 1 & 2 of the original charge) By the **November 14** Executive Committee meeting, the Task Force will produce a list of software which has been purchased and added in specific clusters and institutions to determine the fair portion of the MOBIUS maintenance bill which is attributable to this software and re-distribute these costs to the clusters or institutions, respectively. In order to accomplish this, the Task Force will meet in Columbia in October for the purpose of discussing these costs as prepared by the MCO Office. The Task Force will present recommendations concerning these costs to the Executive Committee, which will allow time for them to be incorporated into the 2009-10 budget..

The Task Force will meet (probably via conference call) during the first two weeks of January to finalize their recommendations for core training availability and additional costs. The Task Force is committed to making these recommendations at the **January 16** Executive Committee meeting.

At the **March 27** Executive Committee meeting, the Task Force will recommend the final guidelines for additional support services (such as load tables, new databases, etc.). In order to produce this set of recommendations, the Task Force will meet in Columbia in March to finalize its suggestions. At this point the Task Force may be recommending some mechanism for the Executive Committee to continue the application of the guidelines as future unique situations develop.