

A Brief History of Interlibrary Loan Reimbursement Program and Fulfillment Issues in Montana

By: Darlene Staffeldt, Montana State Librarian

If interlibrary loan (ILL) is defined as the process of loaning library materials (returnable and non-returnable) between libraries to meet user needs, then Montana librarians have provided inter-library loans to their users as a basic library service since Montana libraries began in the late 1800s.

Montana interlibrary loans have evolved from being mainly librarian-initiated requests to becoming more patron-initiated requests. Interlibrary loan librarians used to employ tools such as the National Union Catalog and Pacific Northwest Bibliographic Center. Now, we utilize tools, such as OCLC's WorldCat and Montana's shared catalogs.

The State of Montana began to subsidize ILL between the state's libraries in 1990. The ILL program was one of four pieces of the Information Access for Montanans Act passed by the 1989 legislature. The other three pieces include: 1) state aid per capita per square mile for public libraries, 2) base grants for federation support, and 3) a statewide library card.

It's clear we need to completely rethink ILL, which is undergoing in a growing number of libraries a fundamental change - from a mediated service for the few on special occasions to an unmediated routine service for the many whenever they need it. We need to completely rethink ILL because Montana citizens need access to more resources than those available at their libraries or that are available at no cost through the Internet.

At their June 2005 meeting, the Networking Task Force discussed and agreed upon the following consensus recommendations regarding ILL reimbursement:

- The whole idea is to get materials in patrons' hands.
- ILL is a critical, if grossly underfunded, part of good library service. We don't have enough money to make any Montana library happy.
- We need a transition strategy to make it possible for all Montana libraries to play between now and when we are able to adequately fund this process.
- We need to become more savvy marketers of resource sharing activities.
- Libraries are part of a changing world. ILL is a tool based on a decades-old model, and is no longer the exclusive current paradigm. We need to create strategies responsive to current realities.

At the August 10, 2005 meeting, the Montana State Library Commission, seeking a temporary "patch" for the complex interlibrary loan reimbursement issue, moved to use a 50/50 formula for reimbursement for FY06 and then a net lenders formula for reimbursement for FY07.

- Reimbursement based on 50/50 formula means that half of the pot of money is divided by the total number of loans. The rate generated by that division is then applied to each loan and, each library is reimbursed accordingly. The second half of the pot of money is divided by total number of net loans and the rate generated by that division is then applied to each net loan and each library is reimbursed accordingly.

- Reimbursement based on a net lender formula means that libraries will report all in-state loans and borrows to the State Library. Net loans (number of items a library loans above the number of items they borrowed) will be totaled and divided into the money available to the State Library for interlibrary loans. The rate generated by that division is then applied to each net loan and each library is reimbursed accordingly.

An Administrative Rule process was required for the 50/50 formula and a legislative status change was required for the net lender only formula.

The Administrative Rule process was completed following a public hearing on June 8, 2006. Libraries were reimbursed via the 50/50 formula for FY06 loans to other Montana libraries. See enclosed chart to see the break out of the FY06 reimbursements.

On January 18, 2007, I presented HB 133 Information Access Montana revisions before the House State Administration Committee. This legislation would have, in addition to other changes, made it possible to use the net lender formula for FY07. It was a good hearing. There was some follow up after the hearing from librarians/legislators regarding the interlibrary loan issues. Executive action taken on Thursday, January 25, 2007 motion to pass HB 133 failed 10 to 8; then motion to table passed by 18 votes. The decision to leave this bill on the table, indicated there was confusion among libraries as to what this bill would accomplish, and how it will help resource sharing, and how the interlibrary loan reimbursement would be impacted. Because this legislation did not pass in the 2007 session, the reimbursement for FY07 interlibrary loans in August/September of 2007 will be based on the 50/50 formula.

Brief summary statistics regarding the interlibrary loan reimbursement program are provided in the following table:

	FY1990	FY1995	FY2000	FY2002	FY2003	FY2004	FY2005	FY2006
Number of participants	62	83	94	97	94	94	91	96
Number of loans	36,669	50,592	37,270	31,289	30,841	36,605	87,192	101,267
Total dollars available for reimbursement program	\$200,000	\$200,000	\$300,000	\$300,000	\$272,200	\$172,635	\$222,635	\$197,771
Reimbursement rate	\$5.45	\$3.95	\$8.05	\$9.59	\$8.83	\$4.72	\$2.55	\$.98/\$4.71

To move beyond the interlibrary loan reimbursement patch, to continue to provide great library services to all Montanans, and to begin to prepare for the next legislative session, a Fulfillment Task Force will be established to work from June 1, 2007 to May 31, 2008.

The definition of "Fulfillment" means a wide variety of library services provided for the purpose of getting the requested library content into patrons' hands conveniently, efficiently, and affordably. The fulfillment process often includes a blended variety of library-related tasks, services, and tools, including but not limited to acquisitions, collection development, courier services, floating collections, interlibrary loans, jointly purchased shared content, membership in a bibliographic utility, reimbursement or other financial recompense, shared collections, and shared automated integrated library systems.

The purpose of the task force will be to bring appropriate research and recommendations to the Network Advisory Council (and eventually to the State Librarian and State Library Commission) regarding the following fulfillment issues as they affect all Montana libraries:

- Interlibrary loan reimbursement program
- Interlibrary loan protocol
- ILL enhancements such as a statewide courier service network and floating collection strategies
- Collection development/assessment issues such as consortium-based collection management plans (within and among federations, shared catalogs, cooperating groups of non-affiliated libraries, etc.) and special content delivery options such as Overdrive and NetLibrary.