

Date: July 26, 2005

To: Montana State Library Commissioners

From: Darlene Staffeldt, State Librarian

Re: Statewide Interlibrary loan reimbursement program

Please know you will find a number of pieces in the notebook that will give you more information about this program and the issue currently needing attention. You find included here:

- Article I recently wrote for Big Sky Libraries to begin to bring the issue to all Montana's library participants.
- A copy of a table outlining the history of interlibrary loans in Montana referred to in the article.
- We have provide some charts and statistical tables here to help you visualize the issue, but please be aware that with the exception of the '04 and '05 actual reimbursement columns, all statistics are somewhat soft in that estimates or percentages were assumed for borrows based on the last official tally of borrows (2001), and all predictions are based on the number of loans made in FY'05. We have included, the actual loans and reimbursement payments for fiscal years '04 and '05, projected '06 reimbursement based on current formula, projected '06 reimbursement of net lenders; projected '06 reimbursement of net lenders making a 100 loans threshold or beyond, projected '06 reimbursement based on a 50/50 formula, 50% reimbursement to all lenders and 50% reimbursement to net lenders.
- Line graph showing loans and rates by fiscal year 1990-2005.
- Map showing percentage of loans, funding, and population served via the federation areas.
- I have also included a summary of the first draft of results of a Chief Officers of State Library agencies (COSLA) survey regarding interlibrary loans across the fifty states that I thought might be of interest.

The final piece I have included here is some options for FY'06 and FY'07 reimbursement. We need to patch the program for FY'06 and FY'07, because any major overhaul or change would require legislative change in the 2007 legislative session.

What I have not provide here, because it is not currently available and I did not have the time to pull it together are:

- Local library commitments to statewide interlibrary loans – commitments in terms of total resources (staff time, collection budgets, etc.).
- What items are being loaned summaries. These would be helpful to have, as we look further into the future for solutions or better options, such as collection enhancements, etc.

Some assumptions that we considered in our preparation of these materials:

- The program should be less about item numbers and reimbursement amounts and more about Montanans receiving the information that they request in a timely and effective matter. So the principle is about providing good library service to Montanans but of course the cost is always a critical pillar behind or beside and/or in front of the principles.
- The Statewide Interlibrary Loan Program has never resulted in total reimbursement for interlibrary loaning; it has been only a stipend to help cover local libraries' costs of loaning beyond a library's service area.
- We would like to find a patch that will keep all the players playing while allowing time to plan for long term strategies to improve resource sharing for all Montanans at the most effective cost for all Montanans.
- We want to recognize and reward as much as possible the Montana Libraries who are resource sharing statewide.

Options  
Statewide interlibrary loan reimbursement program  
For at least fiscal years '06 and '07.

Option one: Continue reimbursement as have in the past, which is all lenders receive money for each loan. The total number of loans reported divides the total money available to the State Library for interlibrary loans. The rate generated by that division is then applied to each loan and, each library is reimbursed accordingly.

PRO:

- No administrative rules or Montana Code Annotated changes will be necessary;
- Recognizes all players, and hopefully will keep all players playing;
- Views each loan as equivalent;
- Allows for time to completely study and strategize the issue.

CON:

- Not much money for some, not enough money for others;
- Does not recognize the value of borrowed items;
- Does not move us strategically towards resource sharing goals;
- Some libraries may decide not to participate.

Option two: Reimbursement of all net lenders. 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.

PRO:

- Recognizes the value of the borrows;
- Allows for time to completely study and strategize the issue;

CON:

- We will need to change administrative rules of Montana (a process that takes between 3 to 6 months);
- Does not recognize all players, some libraries will be left out of the reimbursement process;
- Some libraries may decide not to participate.

Option three: Reimbursement of net lenders over 100 net loans threshold. Same as number two above except net lenders must do at least 100 more loans than borrows to be considered for reimbursement.

PRO:

- Recognized the value of the borrows to a library community;
- Provides better stipend for those most activity supporting Montana library users not in their direct service area.

CON:

- Need to change administrative rules;
- Does not recognize all players, more libraries will be left out of the reimbursement process;
- Some libraries may decide not to participate.

Option four: Reimbursement based on 50/50 formula. Half monies will be distributed as in Option one and half monies will be distributed based on Option two.

PRO:

- This is a compromise option;
- Recognizes all players;
- Views each loan as equivalent at one level;
- Acknowledgement of net lenders willingness to resource share with all Montanans;
- Provides better stipend for those more actively supporting Montana library users not in their direct service area;
- Allows for time to study and strategize the future of resource sharing in Montana.

CON:

- Need to change administrative rules;
- Some libraries may decide not to participate.

We need to make a decision to let libraries know so they can decide if they can "afford" to play or not. The decision can be for next year's distribution only and a task force can further study the issue for other viable options for '07 and beyond OR decision can be ongoing. Any major changes to interlibrary loans or a better resource sharing program will require legislative changes in the 2007 session.

Work that needs to be done in a few short months:

Review and update Montana's interlibrary loan protocols.

Whichever option is chosen, some work can be done with the administrative rules to encourage resource sharing beyond the basic interlibrary loans. More discussions, budget prioritizations, and possibly rules related to a variety of issues such as National Circulation Interchange Protocol (NCIP), Z39.50, and existing catalogs, which might make it possible for more Montana libraries to fully participate in resource sharing.