

# True Confessions: The Real Impact of Regional Library Networks

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**ABSTRACT.** Building, implementing, and maintaining regional library networks is time consuming and costly. This article conveys some of the costs and benefits of these efforts. It describes the history, structure, and function of the Orbis Library Consortium and gives a summary of that group's successes and continuing challenges. *[Article copies available for a fee from The Haworth Document Delivery Service: 1-800-342-9678. E-mail address: <getinfo@haworthpressinc.com> Website: <http://www.HaworthPress.com> © 2000 by The Haworth Press, Inc. All rights reserved.]*

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## *HISTORY AND STRUCTURE*

Orbis is a library consortium composed of baccalaureate and graduate degree-granting public and private institutions of higher education in the Pacific Northwest. The consortium began in 1993 with a grant from a private foundation awarded to the University of Oregon. The funds were given in support of a union catalog, which would include the bibliographic records from the University of Oregon and four smaller regional colleges.

The plans for establishing a union catalog were well timed. The four regional colleges had just signed a contract to purchase the same

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integrated library system, Innovative Interfaces, Inc. (III). The University of Oregon had been using this system for several years. Ohio had paved the way for statewide cooperation with the development of a shared system called Ohiolink, so the technical capabilities were in place. Ohiolink was also using the III system. Oregon had experienced several rough financial years, and state funding for higher education had been cut severely. In a climate of relative austerity, both the legislature and the private foundations in the state tended to look more favorably upon collaborative proposals that would have a high cost-benefit ratio. The Orbis project was the first significant effort within Oregon's academic library community to break down the remaining barriers to resource sharing and create a more effective system of document delivery.

Orbis experienced rapid expansion and development over the next five years. By 1995, the consortium had eleven members. Six private colleges in Oregon and Washington, all III libraries, had joined Orbis and had started the process of loading bibliographic records into the union catalog. By 1997, the consortium included 13 members, and the patron-initiated borrowing system was activated. Orbis began to explore other services as well, including group purchases of electronic databases. At present, there are 14 libraries in Orbis with several committees and task forces focusing on both organizational and service issues. For example, task forces now assigned to review the bylaws and recommend changes in membership criteria and governance. Service committees consider areas such as collection development, electronic resources, preservation, article delivery, government documents, and so on.

The primary services offered through Orbis include the union catalog, patron-initiated borrowing, and database licensing. The union catalog currently has 2.3 million bibliographic records and 5.3 million items. (These figures do not include Oregon State University, the newest member of Orbis.)

Patron-initiated borrowing allows students and faculty at any member library to request resources from the other collections. When a student does a search in the union catalog and identifies a title at another institution, he is prompted to enter his ID number online, and the request is automatically transferred to the owning library. The requested item is delivered to the student's library within forty-eight hours. Like most library consortia, Orbis takes advantage of group discounts and purchases many databases collectively. To date, approx-

imately 55 databases are licensed through Orbis. Participation is voluntary; no central funding has been made available to Orbis for the purchase of electronic resources.

The Orbis experiment is unusual for several reasons. First, the membership is quite diverse, and this diversity presents opportunities as well as challenges. There are two research libraries, eleven smaller liberal arts libraries, and one technical library, so the members represent different missions and different collections. There are six public and eight private institutions, so the members represent different funding levels and primary sources of revenue. The range of funding per student varies significantly. One smaller private member spends over \$1,000 per student in library acquisitions. Some of the regional state institutions spend under \$150 per student. Twelve members are from Oregon, and two are from Washington, so there are different political forces operating behind the scenes, which impact attitudes and preferences. Together, these different missions, funding levels, and politics create a varied set of perspectives, anxieties, and expectations.

Other factors further explain the unique character of Orbis. For example, no state mandate or administrative edict forced this level of cooperation; Orbis was conceived and nurtured by the libraries themselves with the support of a private grant to jump-start the project. Since the creation of the union catalog, Oregon's system of higher education has contributed approximately \$100,000 per year to offset the ongoing costs attributable to the five original public institution members. This amount helps to defray the membership costs, but it is extremely modest compared to the millions that other states have allocated for cooperative library services. The state contribution is approximately 37 percent of the consortium's expenses. The real costs, however, extend far beyond the actual budget and include in-kind contributions of staff, space, and equipment. No funding has been allocated for the purchase of databases or other services such as the courier delivery system. It is this self-funded, self-directed aspect, combined with a full range of cooperative services, that sets Orbis apart from most library consortia.

Over the years, the bureaucratic structure that supports Orbis has grown to reflect the expanding membership and the development of new services. Orbis operates under a *Memorandum of Understanding* (MOU) that serves as the basic charter and spells out the functions, responsibilities, and binding obligations. For example, the MOU states:

Each member institution shall provide, at its expense, all costs to link and ensure reliable access from the institution's local system to the Orbis central system at the University of Oregon, Eugene.

The bylaws, which were adopted in the second year of operation, serve as an amplification of the MOU. This document includes details on the maintenance and quality of the union catalog, voting, and financial matters. The main governing body of Orbis is the council, which is made up of the director or appointee from each member library. The council convenes once every two months and decides on issues relating to the budget, membership, services, staffing, and initiatives. Each year, the council elects a chair who serves as the primary spokesperson for Orbis. The governing body operates on a "one library, one vote" principle.

In addition to the council, nine active committees and task forces currently take on various functions such as monitoring system performance, recommending enhancements in the catalog's structure and public display, considering lending procedures and workflow, identifying potential preservation activities, and investigating new services such as article delivery. With the exception of the selection and purchase of electronic resources, most decisions made by these sub-units are forwarded to the council as recommendations. In 1997, the council created an executive committee to expedite its work. The committee includes the current, past, and incoming chairs, as well as one elected member-at-large. This committee serves as an advisory group to the chair and to the council on scheduling agenda topics and preparing information for council's review and action.

Orbis is not incorporated as a 501.3c. The University of Oregon acts as the fiscal/business agent on all matters. To date, this arrangement has caused no major difficulties, although the myriad of state regulations can sometimes create bewilderment if not frustration for those members who represent private institutions. Orbis recently made arrangements with the University of Oregon to move its funds out of non-interest-bearing state accounts and into the University's system of grants and contracts. This move simplified the management of funds and allowed the accounts to accrue interest.

In FY 1998, Orbis operated with a budget of \$264,000. The funds, which are collected from the member libraries, pay for staffing costs, system maintenance, supplies and services, equipment, and travel. The

actual budget does not reflect the total costs involved in running the consortia, however. Much of the overhead costs are assumed on a voluntary basis by the member libraries. For example, the UO Systems Librarian devotes 80 percent of his time to consortium issues such as negotiating the courier contract, crafting documents, and supervising Orbis staff. His salary and benefits are paid by the University of Oregon.

Orbis collects its membership fees using an 20/80 formula (20 percent of the total costs are divided evenly among members; the remaining 80 percent is weighted by average FTE student enrollment). The intent was to recognize that some of the costs should be shared equally, but the largest portion should be based on the ability to pay and the perceived or anticipated benefits. Size of the institution was determined to be the most appropriate measure of ability to pay and the level of use. The larger institutions had larger budgets and more students who would benefit from the union catalog and document delivery services. In reality, the FTE-based model has not produced the most equitable distribution of costs. For example, the smallest member is also the wealthiest in terms of support per student, and that institution pays the least, approximately \$10,000 per year.

### ***THE IMPACT OF LIBRARY NETWORKS: THE ORBIS EXPERIENCE***

Each aspect of consortium life has its advantages and its challenges. Although no thorough analysis has been done to determine the precise costs and benefits of Orbis membership, it is likely that most participating libraries believe the advantages justify the fees, time, and energy that each contributes. For purposes of this paper, the author has chosen four areas to discuss the general advantages and challenges: the organizational structure, the union catalog, interlibrary lending services, and database licensing.

#### ***The Orbis Structure***

The organizational structure of Orbis has had many advantages. The public/private partnership was one of the first efforts within Oregon's system of higher education to create a seamless service among the colleges and universities. With Oregon's growing bandwagon of support for this type of collaboration, and Orbis was able to capitalize

on the political benefits of the trend. Although the presidents and provosts were not directly involved in the initiation of Orbis, they have been able to use the consortium as an example of efficiency and resourcefulness during a time of static budgets. In addition to political and administrative support, Orbis has attracted the attention of private foundations and individual donors. The start-up costs were covered by a private grant, and since then the Orbis effort has been used to illustrate technological innovation, creativity, and service to students.

The Orbis structure has had a positive effect on interlibrary communication and problem solving. Prior to Orbis, the academic library directors in Oregon had minimal interaction. The directors at the state institutions convened on occasion, but mostly to share information. Thanks to Orbis, the lines of communication are more open, and the librarians at the different institutions are more inclined to think of new ways to work together to solve problems.

The Orbis structure and its history as a library initiative have contributed to an atmosphere of collegiality and an interest in the common good. Directors have a sense of responsibility to Orbis and are inclined to vote in a way that protects the health of the consortium, even if it seems less advantageous to their own libraries. The best example of this commitment was the decision to split the costs of the patron-initiated borrowing system evenly among all members. The software to run the system was fairly expensive. The 20/80 formula, the basis for most funding decisions, would have benefited the smaller institutions while making the costs prohibitively expensive for the larger libraries, which were already making significant staff and resource contributions. The directors decided that the interests of Orbis were best served by splitting the costs evenly.

The structure of Orbis has its less positive aspects. The diversity within the council can create different perspectives, and it is not always possible to work out an effective compromise. For example, the smaller private institutions operate on a semester schedule and thus tend to favor longer and more liberal loan periods. The larger public institutions operate on a very tight term schedule and favor shorter loan periods. In this case, the longer loan periods were approved with a few strong voices on the dissenting side.

Some libraries that are not members of Orbis have seen the cohesive organizational structure as exclusive. The initial decision to limit membership to baccalaureate and graduate degree-granting institu-

tions was based on a genuine interest in providing the best and most equitable service. Several of the Orbis directors believed that libraries with similar missions could collaborate more effectively. Others, particularly some of the community-college librarians, saw the limitation as elitist. After many intense discussions within the council, a decision was made to rewrite the membership guidelines, focusing on what each potential partner might bring to the consortia rather than its status as a two-year, four-year, or graduate institution.

Orbis has a democratic structure. All decisions that require the expenditure of Orbis funds or affect the consortium's services are made by the council, not an executive director. Democracy is often very time-consuming, however; the directors meet four to six times a year. The executive committee usually has a separate meeting prior to each council session. The responsibilities of the chair can require anywhere between 20 and 40 percent of that person's time. Some of the committees, such as the Committee on Electronic Resources, also meet six times a year. Opinions on the efficacy of this structure may vary, but from the author's perspective, it is largely beneficial. There is a broader appreciation of the issues, and the face-to-face dialectic has resulted in sound and equitable decisions.

Another cost associated with the Orbis structure is the potential for varying levels of leadership. To date, the consortium has been lucky to have council chairs who have selflessly devoted many hours to Orbis issues. However, it is reasonable to assume that the chair's first obligation is to his/her own library, and depending upon those local demands, some council chairs may have less time to devote to Orbis.

### *The Union Catalog*

The central feature of Orbis is the union catalog. This service has several compelling advantages for the users and the staff. The most obvious advantage is the expanded collection. Directors can state with pride that students at Orbis institutions now have the same access to a statewide collection of over five million items.

At first, there was some concern about the level of duplication. After all records were loaded, the directors were pleased to discover that 73 percent of the titles in the Orbis catalog were held by only one institution. There was some lingering speculation that the one research library, the University of Oregon, was the primary contributor of these unique titles, but further investigation by Orbis staff revealed that only

half of these titles were held at the UO. The concern that this research university would not benefit significantly from Orbis membership was erased by the fact that the UO had gained easy access to 847,000 new titles—thanks to the Orbis union catalog.

The duplication that does exist, however, has become an additional advantage. Circulation staff are pleased that the demand for certain popular and core titles can be met in a more cost-effective way through the union catalog. Prior to Orbis, staff spent many hours searching for lost books desperately needed by another student and recalling popular titles in circulation. From the students' perspective, these processes took too long. The union catalog offers a more effective alternative for accessing in-demand books.

The creation of the union catalog has also been a learning opportunity for staff. Catalogers have worked together and learned more about the complexities of the system and the bibliographic record. Like the directors, they have been able to solve certain problems and make decisions for the good of the group. The reference librarians also find that the union catalog offers the best alternative for searching beyond the local collection. Previously, when the local catalog failed to turn up the needed resources, reference librarians would help students use larger external databases, which often required them to learn new searching techniques. Now, it is a very simple procedure to transfer a local search to the union catalog. Students understand the process with little instruction. In some cases, students find it just as useful to start their search in the union catalog. With two-day delivery, it is nearly as convenient as having the title right there in the stacks.

The Orbis union catalog has few disadvantages, although the potential for misuse exists. In the first year, some unique collections were used so heavily by other libraries that the students at the owning institution had difficulty accessing their own resources. For example, art students at the University of Oregon felt in competition with other students in the state for high-demand titles at the UO. While the overall ratio of net lending at the UO was approximately 2 to 1, the ratio for the art library was 5 to 1. Union catalogs give members the opportunity to avoid purchasing expensive titles that are held elsewhere in the system. The Orbis library directors have confirmed their obligation to support their own curriculum requirements, but some collections are bound to take a disproportionate hit.

The potential loss of local control can have a negative impact on some

staff. For example, in a union catalog environment, group consensus is needed to determine whose cataloging records get used in the case of duplication. Hours spent on creating the perfect local record may be lost in the union catalog, depending upon the established priority codes.

### *Interlibrary Lending*

The Orbis union catalog includes a feature that allows the user to request a title from another institution. The software is very intuitive and the service is highly visible from the screen. An efficient regional courier service helps to ensure two-day delivery of Orbis books. In the first full year of operation, 65,000 items were requested, and approximately 59,000 of those were filled. Easy interlibrary lending helps to maximize the use, and therefore the value, of the respective collections. Faculty at the smaller institutions now have easier access to the more specialized material at the research library. Students under pressure can get faster access to Orbis materials compared to traditional methods of interlibrary loan. Orbis also offers a less expensive alternative to ILL, which requires more staff intervention.

This interlibrary lending feature also has its costs. This level of reciprocation requires a lot of planning. The task force charged with implementation spent months reconciling different local policies and procedures. Student and faculty demand for Orbis titles has also placed an additional workload on library staff, particularly at those net-lending institutions. Without any central funding, the libraries have had to cover these additional costs out-of-pocket.

While the diversity in the size of the collections is an advantage to the patron, it creates some unevenness in the cost/benefit ratios for the individual members. When the system was first implemented, the University of Oregon was the largest supplier of titles to other libraries, with a 2-to-1 net lending ratio. When multiple copies existed in the union catalog, the system would pick a lending library at random. The council agreed that this random assignment increased the costs to the UO disproportionately and decided to specify lending codes to correct the imbalance. Now, a book at the UO is "tagged" for an Orbis loan only when it is the sole copy. This assignment of priority lending codes helped to equalize the libraries' contributions.

The cost/benefits remain unevenly distributed, however. If the costs of membership are compared to the number of titles borrowed from other libraries, the differences become apparent. It is possible to argue

that the single most tangible benefit of Orbis membership is access to other library collections, which can be measured by the number of titles a library's patrons borrow from other sites. The single research library in the consortium paid \$8.77 for every title borrowed (membership fees/number of titles borrowed). One of the smaller libraries paid only \$2.27 for every title borrowed. The variation is due to the way member fees are calculated (80 percent is based on FTE). The library with the largest FTE pays the most, but it also has the largest collection, which means it has relatively less need to borrow from other libraries. The library that pays the most also has the lowest use rate, approximately .61 requests/FTE. The library that pays the least happens to have the highest use rate, approximately 5 requests/FTE.

Some of these discrepancies would have been difficult to predict. The 20/80 formula was a legitimate place to start, and it represented a sincere interest in creating equity. The council has recognized that these imbalances have occurred and has agreed to reconsider the funding formula in light of more concrete information.

### *Database Licensing*

Group purchasing of electronic resources is probably the most common function of library consortia. For the past two years, Orbis libraries have been able to reap the benefits of lower costs based on wider participation. Currently, the consortium licenses approximately 55 databases. Although a thorough tally of the costs savings has not been calculated, Orbis libraries have saved an estimated \$119,000 on the purchase of three major databases.

These lower costs have enabled many smaller libraries within Orbis to purchase resources that would otherwise be too expensive. Without special funding, each library must allocate money from its existing budget to cover these costs. The consortium costs are usually redistributed based on a 20/40/40 formula: 20 percent of the costs are divided evenly, 40 percent is based on FTE, and 40 percent is based on acquisitions budgets. In practice, however, the Committee on Electronic Resources looks for any method that will benefit the greatest number of interested participants. Some libraries agree to pay a little more if it helps to make the product more affordable for some of the smaller libraries. Once again, the good of the group is a major motivating factor.

The Committee on Electronic Resources includes one member from each Orbis library and it meets six times a year. A considerable amount

of discussion takes place online. Critics of this model argue that these group decisions take too long and can easily wipe out any cost savings associated with a higher volume purchase. However, when no central funding is available, each library must spend time making these decisions anyway. The Orbis model actually saves staff time. For each product under consideration, one member takes responsibility for arranging trials, getting initial price quotes, clarifying content, resolving access questions, and so on.

Centralized licensing has created more work for the host institution, but it has saved the smaller libraries the time they spend negotiating separate contracts. The one drawback of central licensing is that it requires another level of agreement between the participating libraries and the host institution (which signs the parent contract with the vendor). In practice, however, Orbis has not issued these second-level agreements on all licenses. Again, the time constraints have made it difficult to achieve an airtight system. Legally, this less-formal approach could leave the host institution somewhat vulnerable; for instance, should a participating library refuse to pay, the host is liable for all making payment in full to the vendor. Given the Orbis culture, this scenario is unlikely.

### ***CONCLUSION***

In the past few years, library cooperation at the state and regional level has exploded. It is not uncommon for libraries, particularly academic libraries, to belong to one or more consortia. If the perceived benefits did not exist, it is unlikely that so many libraries would be anxious to take part in these group efforts.

This article is based upon the experiences of the author and is not an in-depth analysis of the costs and benefits of regional networks. With so much collective activity taking place across the country, however, it is a good time to look closely at different models and their respective costs and benefits to learn more about the potential of regional library networks.

