

# **Texas Resource Sharing: Examining the Present, Envisioning a Vibrant Future**

## **Part 2: Models for Change**

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## Part 2: Models for Change

### Introduction

The research team has gathered a significant amount of information on the TexNet Center service, the Texas library environment, and the state of the art in resource sharing options. In addition to surveys, mapping, on-site interviews and the time-cost study, the team reviewed the major objectives in the TSLAC 2008-2012 Five Year Plan, the LSTA allowable funding goals, relevant Texas statutes and regulations, and the Himmel & Wilson (2003) study on public library development in Texas. All of these components helped to create the necessary context for developing new models for resource sharing.

In the documents mentioned above, TSLAC has committed to encouraging regional and local cooperative services among libraries—providing technical assistance and consulting to the library community; facilitating, coordinating and promoting library continuing education; and conducting a variety of programs and services focusing on LSTA purposes.

Specific LSTA goals that directly impact resource sharing activity include expanding services for learning and access to information, developing library services that provide access to information via electronic networks, and providing electronic and other connections between all types of libraries.

In the TSLAC agency strategic plan *Preserving the Past, Embracing the Future*, one of the stated goals is to improve the availability and delivery of library and information services for all Texans. One strategy for achieving this goal is to share library resources among libraries statewide through various methods, including interlibrary loan. A number of output and efficiency measures are included to provide a basis for evaluating the services provided.

The 2003 Himmel & Wilson report, *A Study on Public Library Development in Texas*, made one recommendation related to interlibrary loan. They indicated that TSLAC consider a significant reduction in the number of interlibrary loan “clearinghouses,” citing a belief that cost reductions and greater efficiency would result.

Himmel & Wilson study also identified five challenge areas to the Texas library community that were later prioritized by the Study Task Force that reviewed the study: 1) increase funding, 2) improve cooperating and coordination, 3) expand governance options, 4) adopt and implement higher standards, and 5) increase efficiency.

The research team created six (6) models for change which take into account TSLAC's interlibrary loan service goals and the need for concrete evaluation measures. These models also reflect the best practices and protocols as identified in the literature review and the improvements suggested in the patron and staff surveys. The models are based on products currently available for resources sharing solutions and may be outdated within 12 months due to the rapidly changing marketplace for library automation solutions. TSLAC is encouraged to monitor products available, particularly in the growing open source movement, to see if other options are available when an RFP is issued.

Three of the proposals are modifications to the current TexNet Center structure:

- Model One: Elimination of Local Patron Subsidy
- Model Two: Reduced Number of TexNet Centers
- Model Three: Regional System-TexNet Center Consolidation

The last three proposals represent a comprehensive change in the delivery of a statewide resource sharing program and eliminate the TexNet Center service as currently designed:

- Model Four: OCLC Services
- Model Five: Stand-Alone Centralized
- Model Six: Circulation-Based

Each potential solution includes a description of the model, assumptions that guided the cost and benefit delineation and a feasibility analysis. The feasibility rating system is defined in Appendix 14.

## **Solutions A: Modifications to Current Structure**

### **Model One: Elimination of Local Patron Subsidy at TexNet Centers**

#### **Description of Model**

TSLAC could reduce costs of the current service by eliminating the subsidy to host libraries for services to their local patrons. This model, based on a yearly evaluation of traffic in each TexNet Center, would reimburse Host Library only for the percentage of requests that are processed for Area Libraries. TSLAC would continue to reimburse for OCLC and Amigos costs as it does for other Texas Group members.

#### **Assumptions**

1. Interlibrary loan service for the patrons of the host library will be the responsibility of that library.
2. TSLAC continues to provide ILL for their collection. Therefore, statistics for that portion of the budget are not included in the evaluation of the financial and workload.
3. Projections for the increased volume in a reduced number of Centers were created with the following parameters:
  - a. Estimated fiscal costs are based on TexNet Center statistics from 2006.
  - b. Estimated fiscal costs **DO NOT** include projections for an increase in overall traffic. Since 2003, traffic within the TexNet Centers has increased an average of 11% each year.
4. TexNet Center(s) will remain “library of first resort” for Area Library requests.
5. TexNet Center(s) would be required to fill Area Library requests if available in their collection (i.e. even if item is located at branches).
6. TexNet Center host libraries would become eligible for Project Loan reimbursement.
7. Host libraries would continue to feel that is it cost effective to offer the service to Area Libraries despite the reduction of the grant.
8. The per-item Project Loan reimbursement would decrease, but the estimated fiscal cost of this change is not included.
9. TSLAC continues to maintain ILL management system for TexNet Centers (i.e. Clio and ILLiad).
10. The formula for the distribution of reduced TexNet Center grant would address equity issues among the Centers such as the formula devised for Regional System funding.
11. OCLC costs for the TexNet Center host libraries’ patrons are subsidized by Texas Group funding.

## **Benefits**

1. Reduces overall expenditure of LSTA funds on interlibrary loan.
2. Current host libraries continue to receive some funding.
3. Area library service remains same.
4. Savings to TSLAC could be used for new resource sharing initiatives.
5. Simple for TSLAC to implement.
6. Creates a more uniform subsidy among all Texas public libraries.
7. ILL management technology is maintained at same levels.

**Costs**

1. TexNet Center host libraries may have difficulty assuming the cost of interlibrary loan service for their own patrons, particularly within a short time span.
2. Relationship between TSLAC and TexNet Center libraries may change.
3. This model does not address the need to encourage lending reciprocity among Area Libraries.
4. The per-unit amount distributed through Project Loan in its current model would decrease significantly with the additional reimbursement to the TexNet Center Libraries.
5. The need to develop a formula for distribution of reduced grant funding for each Center on a yearly basis could be cumbersome.
6. Perception of funding distribution based on percentage of Area Library requests might not appear equitable due to local issues (e.g. indirect costs) that affect the ability to process those requests.
7. Statewide Texas resource sharing initiatives do not move in the direction of national trends and innovations.
8. Patron service level may decrease should TexNet Center host library respond with decreased staffing levels.
9. Does not change or enhance the ability of Area Library patrons to initiate or track their requests.
10. Requires change in Rules for administration of Library System Act (1.91 section b)

**Estimated Fiscal Costs for TSLAC**

OCLC	\$230,000
Amigos	\$4,000
TexNet Reduced Grant <sup>6</sup>	\$429,000
ILL Management Costs (ILLiad & Clio)	\$70,000
<b>Total</b>	<b>\$730,000</b>

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<sup>6</sup> Based on the percentage of Area Library requests (21%) to TexNet budget excluding contractual costs and OCLC usage and membership fees. (0.21 X \$2,041,000)

## Resulting Cost Impact to Current Program Stakeholders

While specific delineation of fiscal costs is difficult to determine for the current program stakeholders, the table below attempts to indicate where current costs would be shifted if this model was implemented. Please see preceding list of “Costs” for the non-fiscal costs related to this model.

### Key

- + Stakeholder would absorb all costs
- % Stakeholder would absorb a percentage of the costs
- 0 Stakeholder would see no change in costs
- Stakeholder would see decrease in cost

	Staff	ILL Management Software	Facilities and Equipment	Training	Delivery	OCLC Fees
TXCHL <sup>7</sup>	%	0	%	%	%	0
Area Libraries	0	0	0	0	0	0
TSLAC	-	0	-	-	-	0

## Feasibility Score

Program Criteria	Elimination of Local Patron Subsidy
Legal	3
Political/Social	2
Fiscal	3
Success Measures	3
<b>Total Score</b>	<b>11</b>

<sup>7</sup> TXCHL = TexNet Center Host Libraries

## Model Two: Reduced Number of TexNet Centers

### Description of Model

The research group was asked to consider the cost and efficiency savings that would result from a reduction of the number of TexNet Centers. To that end, two options were examined: (1) moving from nine TexNet Centers to three Centers, and (2) moving from nine TexNet Centers to one Center. The assumptions, costs, and benefits for each option are the same. Expenses for each option are delineated separately. This evaluation is based on transferring the model as currently established to a smaller number of Centers.

Should this course of action be selected, the following recommendations for change of the current system are offered to improve accountability and provide more equitable accounting for true costs to the host library.

1. Offer Acquisition Subsidy

In order to compensate for the increased use of the host library's collection in a reduced number of TexNet Centers model, an acquisition subsidy should be offered determined with the following recommended formula:

$$\frac{\text{Number Area Library Fills}}{\text{Total Circulation}} \times 100 = \text{Percentage of Collection Use} \rightarrow$$

$$\text{Percentage of Collection Use} \times \text{Materials Budget} = \text{Acquisition Subsidy}$$

2. Create Well-Documented Best Practices and Manage an Effective Workflow

The decreased administrative oversight required of fewer TexNet Centers would allow for stronger oversight of the remaining Center(s). Adherence to service standards and protocol would be required as part of the conditions of the grant.

3. Selection of the TexNet Center(s)

The following issues should be considered as part of the selection of TexNet Center(s) in a reduced center model.

- a. A selection process based on current performance is not recommended because standard performance measures (fill rate and turn-around time) cannot be adequately evaluated from current statistics.
  - i. The number of borrowing items processed without staff intervention (through Direct Request) is not available, and true borrowing request volume and efficiency cannot be determined.

- ii. Turn around time for ILLiad libraries is not accurate because of the “blind receipt” of the requests which are received by Area Libraries.
- iii. Fill rate statistics are low for the TexNet Center that does not fill requests from its holdings in branch libraries.
- b. A competitive bidding process might be cost effective if performance standards were included as part of the continued award.
- c. Geographical selections based on GIS analysis would provide better delivery times.

### Assumptions

1. Interlibrary loan service for the patrons of the host library will continue to be subsidized by the TexNet Center contract.
2. Former TexNet Center libraries would be added to the Texas Group and Project Loan in order to serve their own patrons.
3. TSLAC continues to provide ILL for their collection. Therefore, statistics for that portion of the budget are not included in the evaluation of the financial and workload.
4. Projections for the increased volume in a reduced number of Centers were created with the following parameters:
  - a. Estimated fiscal costs are based on TexNet Center statistics from 2006.
  - b. Estimated fiscal costs of local patron request volume is based on an average in the five largest TexNet Centers (Austin, Dallas, Fort Worth, Houston and San Antonio).
5. Estimated fiscal costs **DO NOT** include projections for increase in overall traffic. Since 2003, traffic within the TexNet Centers has increased an average of 11% each year.
6. At current levels of growth, the volume within the system would double by 2013, resulting in need to add staff and may outgrow the facilities available within a Texas public library.
7. Workflow and best practices would be documented and consistently applied as a condition to grant award.
8. TexNet Center(s) will remain “library of first resort” for Area Library requests.
9. TexNet Center(s) would be required to fill Area Library requests if available in their collection (i.e. even if item is located at branches).

10. Additional hardware costs could not be determined because of CIPA restrictions at some TexNet Center host libraries. These costs will vary according to which library(ies) receive the grant(s).
11. The per-item Project Loan reimbursement would decrease, but the estimated fiscal cost of this change is not included..

## **Benefits**

1. Reduces staffing costs to TSLAC, particularly managerial level positions.
2. Easier to maintain efficiencies and best practices.
3. Easier to facilitate highly trained staff.
4. Reduces amount of IT support required for consistent application of ILL management system.
5. Reduced administrative cost for TSLAC.
6. Consistency in service mission and goals.
7. May allow better synergy with other TSLAC ongoing resource sharing projects.
8. May allow for easier transition to entirely new resource sharing model.

## **Costs**

1. Former TexNet Center host libraries may have difficulty assuming the cost of interlibrary loan service, particularly within a short time span.
2. Former TexNet Center libraries may curtail lending service, resulting in more out of state borrowing, more postage, and higher turnaround time.
3. Relationship between TSLAC and former TexNet Center host libraries may change.
4. Largest public libraries may be removed from statewide resource sharing leadership environment, and as a result feel they are no longer stakeholders in resource sharing solutions.
5. The per-unit amount distributed through Project Loan in its current model would decrease significantly with the additional reimbursement to the former TexNet Center Libraries.
6. Texas Group will subsidize six to eight more large libraries.
7. This model does not address the need to encourage lending reciprocity among Area Libraries.
8. Impact on facilities and collections—The current model, applied directly to fewer Centers, may require reimbursement beyond simply paying for local patron borrowing transactions because of increased demand on the collection and facility i.e. acquisitions subsidy. (See discussion above—Description of the Model).

9. One collection would not be able to meet the demand that is currently being met by nine collections separately. Therefore, more area library requests would be sent for fulfillment on OCLC.
10. Fill rates and turn-around time (for the TexNet Centers) will likely be adversely affected.
11. Increased OCLC costs may result if request volume increases significantly.
12. Contingency plan required should libraries choose not to bid on the project.
13. Relationship with Regional Library Systems offices may weaken.
14. Area libraries may feel disenfranchised.
15. State dollars are encumbered to support local patron service rather than statewide initiatives.
16. Statewide Texas resource sharing initiatives are not moved in the direction of national trends and innovations.
17. Patron service level may decrease should former TexNet Center host libraries respond with decreased staffing levels.
18. Does not change or enhance the ability of Area Library patrons to initiate or track their requests.
19. TSLAC will have to negotiate the turnover of the ILLiad software to the former TexNet Center libraries.

**Estimated Fiscal Costs for TSLAC  
Three Centers**

<b>Shifting 6 Centers to TX@G</b>	
OCLC Services	\$91,400
Amigos Membership	\$2,100
Subtotal	\$93,500
<b>Remaining TexNet Centers</b>	
OCLC Services	\$44,750
Amigos Membership	\$350
Subtotal	\$45,100
Travel	\$2,000
Supplies	\$20,000
Contractual	\$8,000
Other	\$45,000
Indirect Costs	\$62,000
Subtotal	\$137,000
<b>Personnel (includes est. Fringe)</b>	
Manager	\$80,000
Asst Manager (1 FTE)	\$50,000
Library Asst (2 FTE)	\$71,000
Page/Clerk (4 FTE)	\$80,000
Personnel Total	\$281,000
Acquisition Subsidy	\$3,000
Subtotal	\$565,000
<b>Cost per Center</b>	<b>\$747,100</b>
<b>Cost for All Three Centers</b>	<b>\$2,335,000</b>

**Estimated Fiscal Costs for TSLAC  
 One Center**

<b>Shifting 8 Centers to TX@G</b>	
OCLC Services	\$149,000
Amigos Membership	\$2,800
Subtotal	\$151,800
<b>Remaining TexNet Center</b>	
OCLC	\$76,700
Amigos Membership	\$350
Subtotal	\$77,050
Travel	\$6,000
Supplies	\$28,000
Contractual	\$10,000
Other	\$50,000
Indirect Costs	\$75,000
Acquisition Subsidy	\$9,000
Subtotal	\$178,000
<b>Personnel (includes est. Fringe)</b>	
Manager	\$80,000
Asst Manager (2 FTE)	\$100,000
Library Asst (2 FTE)	\$71,000
Page/Clerk (7 FTE)	\$140,000
Subtotal	\$391,000
<b>Total for One Center</b>	<b>\$797,850</b>

### Resulting Cost Impact to Current Program Stakeholders

While specific delineation of fiscal costs is difficult to determine for the current program stakeholders, the table below attempts to indicate where current costs would be shifted if this model was implemented. Please see preceding list of "Costs" for the non-fiscal costs related to this model.

Key

- + Stakeholder would absorb all costs
- % Stakeholder would absorb a percentage of the costs
- 0 Stakeholder would see no change in costs
- Stakeholder would see decrease in cost

	Staff	ILL Management Software	Facilities and Equipment	Training	Delivery	OCLC Fees
Former TXCHL <sup>8</sup>	+	+	+	+	+	0
Continuing TXCHL	0	0	0	0	0	0
Area Libraries	0	0	0	0	0	0
TSLAC	-	-	-	-	-	0

### Feasibility Score—Three Centers

Program Criteria	Reduced Number of TexNet Centers (3)
Legal	4
Political/Social	3
Fiscal	1
Success Measures	2
<b>Total Score</b>	<b>10</b>

### Feasibility Score—One Center

Program Criteria	Reduced Number of TexNet Centers (1)
Legal	4
Political/Social	3
Fiscal	3
Success Measures	3
<b>Total Score</b>	<b>13</b>

<sup>8</sup> TXCHL = TexNet Center Host Libraries

## **Model Three: Regional System-TexNet Center Consolidation**

### **Description of the Model**

In this proposal, a referral service for borrowing only, is provided to area libraries through a Resource Sharing librarian at each Texas Library System office. This model is easily integrated into the current Texas Regional Library Systems' mission to increase access to materials, support IT efforts and provide library development and training. Lending from a "library of first resort" would no longer be subsidized, and individual interlibrary loan will be a part of each Texas library's commitment to statewide resource sharing.

Referrals from Area Libraries would be processed through OCLC's WorldCat Resource Sharing. Statistics for the volume of requests handled by the Direct Request option are unavailable at this time, and this number is critical in order to estimate potential staffing needs for each Regional System Office. However, it appears that maximizing electronic efficiencies within the workflow, (e.g., Direct Request, paperless workflow), would allow the Resource Sharing librarian additional time to provide area libraries with more one-to-one assistance. The Systems' emphasis on library education offers an established venue for resource sharing programs and continuing education.

The IT expertise available at the System office would provide much needed support and encouragement as the area libraries confront a resource sharing environment that is more and more defined by expectations of technological options for patrons.

### **Assumptions**

1. Former TexNet Center libraries would be added to the Texas Group and Project Loan in order to serve their own patrons.
2. TSLAC continues to provide ILL for their collection. Therefore, statistics for that portion of the budget are not included in the evaluation of the financial and workload.
3. Projections for the potential volume in consolidated borrowing referral Centers were created with the following parameters:
  - a. Estimated fiscal costs are based on TexNet Center statistics from 2006.
  - b. Calculations of local patron request volume is based on an average in the five largest TexNet Centers (Austin, Dallas, Fort Worth, Houston and San Antonio)

- c. Estimated fiscal costs **DO NOT** include increase for overall traffic.  
Since 2003 traffic within the TexNet Centers has increased an average of 11% each year
4. The Regional Systems would consider resource sharing within their mission.
5. The Regional Systems relationship with their host libraries would remain the same.
6. ILL management software (CLIO/ILLIAD) no longer needed.
7. Electronic requesting would be a requirement for service.
8. Custom holdings paths would be maximized for load leveling.
9. Referrals would include out of state requesting.
10. Workflow and best practices would be documented and consistent across the Systems.
11. The per-item Project Loan reimbursement would decrease, but the estimated fiscal cost of this change is not included.

### **Benefits**

1. Reduces staffing costs, particularly managerial level positions.
2. Easier to maintain efficiencies and best practices.
3. Easier to facilitate highly trained staff.
4. Reduces amount of IT support required for consistent application of ILL management system.
5. Reduced administrative cost for TSLAC.
6. Cost savings could be directed to new resource sharing models.
7. Synergy with System missions is leveraged for resource sharing outcomes.
8. Creates a group of professional librarians with a statewide resource sharing outlook and expertise for public libraries.
9. Leverage combined use of federal and state funds without CIPA restrictions.
10. Develops increased cooperation between resource sharing and library development goals.
11. TSLAC no longer administering ILL management software.

### **Costs**

1. Former TexNet Center host libraries may have difficulty assuming the cost of interlibrary loan service, particularly within a short time span.
2. Former TexNet Center libraries may curtail lending service, resulting in more out of state borrowing, more postage and higher turnaround time.

3. Relationship between TSLAC and former TexNet Center host libraries may change.
4. Largest public libraries may be removed from statewide resource sharing leadership environment, and as a result feel they are no longer stakeholders in resource sharing solutions.
5. The per-unit amount distributed through Project Loan in its current model would decrease significantly with the additional reimbursement to the former TexNet Center Libraries.
6. Texas Group will subsidize nine more large libraries.
7. This model does not address the need to encourage lending reciprocity among Area Libraries.
8. Requires revision of Rules for the Administering the Library Systems Act, and expansion of the Regional Systems' services to include resource sharing.
9. Statewide Texas resource sharing initiatives are not moved in the direction of national trends and innovations.
10. TSLAC will have to negotiate the turnover of the ILLiad software to the former TexNet Center libraries.
11. Patron service level may decrease should former TexNet Center host library respond with decreased staffing levels.
12. Does not change or enhance the ability of Area Library patrons to initiate or track their requests.
13. TSLAC will have to negotiate the turnover of the ILLiad software to the former TexNet Center libraries.

### Estimated Fiscal Costs for TSLAC

OCLC Services (nine former TexNet Center libraries)	\$200,000
OCLC Services (ten referral Centers)	\$47,000
Amigos Membership	\$3,500
Travel	\$45,000
Equipment	\$15,000
Contractual	0
Other	\$7,000
Indirect Costs	\$63,000
Personnel	
Regional Resource Sharing Librarians	\$500,000
TSLAC RS Administrator	\$55,000
<b>TOTAL</b>	<b>\$935,500</b>

### Resulting Cost Impact to Current Program Stakeholders

While specific delineation of fiscal costs is difficult to determine for the current program stakeholders, the table below attempts to indicate where current costs would be shifted if this model was implemented. Please see preceding list of "Costs" for the non-fiscal costs related to this model.

#### Key

- + Stakeholder would absorb all costs
- % Stakeholder would absorb a percentage of the costs
- 0 Stakeholder would see no change in costs
- Stakeholder would see decrease in cost

	Staff	ILL Management Software	Facilities and Equipment	Training	Delivery	OCLC Fees
Former TXCHL <sup>9</sup>	+	+	+	+	+	0
Area Libraries	0	0	0	0	0	0
TSLAC	-	-	-	0	-	0

<sup>9</sup> TXCHL = TexNet Center Host Libraries

### Feasibility Score

<b>Program Criteria</b>	<b>System-TexNet Center Consolidation</b>
Legal	3
Political/Social	3
Fiscal	4
Success Measures	3
<b>Total Score</b>	<b>13</b>

## **Solutions B: Comprehensive Change**

### **Model Four: OCLC WorldCat Resource Sharing**

In this model, the TexNet Center structure is eliminated, and interlibrary loan requesting is distributed to the area libraries using the current OCLC WorldCat Resource Sharing product. TSLAC would assume the additional funding necessary to add the approximately 450 new member libraries to the service. TSLAC would also be responsible for the initial and continuing training for members. We have proposed that TSLAC have personnel dedicated to training. Training, however, could be arranged contractually with Amigos Library Services.

The following analysis addresses only ILL, and does not include funding to subsidize additional OCLC cataloging. A truly reciprocal system will require investment in the addition and maintenance of participating Texas libraries' holdings in WorldCat. OCLC also offers a scoped catalog product which limits WorldCat search results to items held expressly in Texas. The Estimated Fiscal Costs are based on the current OCLC use and fees (not an exact quote from OCLC), and does not include costs for the scoped catalog or cataloging services for Texas libraries. Approximate cost for cataloging services for non-OCLC governing member libraries would be \$100,000 per year.<sup>10</sup> Approximate cost for a scoped catalog was not available at this time, but can be provided by OCLC once they have been provided with a confirmed list of participating libraries. Information on Texas libraries that use OCLC for cataloging and interlibrary loan is provided in Appendix 13.

OCLC continues to aggressively develop new products and services related to resource sharing, such as Group Services. They have plans to release a new consortial borrowing solution during the first half of calendar 2008 which is based on the OCLC VDX product. This service will be of interest to Texas as a potential solution, and TSLAC should seek additional information when the product is officially released. Estimated pricing for this new product has been included in Appendix 15.

### **Assumptions**

1. ILL service for Texas patrons is the responsibility of each local library.
2. TSLAC still provides ILL for their collection.
3. TSLAC would promote statewide Interlibrary Loan best practices such as the TexShare Interlibrary Loan Protocol.

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<sup>10</sup> Based on minimal CatExpress level membership for 520 non-OCLC governing member public libraries.

4. TSLAC would continue to subsidize OCLC borrowing costs.
5. TSLAC would not longer support ILL management software for TexNet Centers (i.e. Clio and ILLiad).
6. All Texas public libraries would participate in resource sharing, eliminating the need for a “library of first resort.”
7. Current hardware in participating libraries is sufficient to handle WorldCat resource sharing.
8. The per-item Project Loan reimbursement would decrease, but the estimated fiscal cost of this change is not included.
9. Multi-type participation would be encouraged to expand the available pool of holdings and take better advantage of in-state courier delivery service.

### **Benefits**

1. Reduces grant administration tasks for TSLAC.
2. Better trained local librarians.
3. Creates a more comprehensive statewide resource sharing model.
4. Brings small libraries into a wider library service environment.
5. Opens door to expansion of Texas public library holdings on WorldCat.
6. Builds on knowledge of a system already in use (i.e. OCLC WorldCat Resource Sharing).
7. TSLAC would not have to support ILL management software.
8. Connects Texas libraries to the global initiatives of OCLC and allows broader visibility of library service (e.g. worldcat.org) to patrons and non-patrons.
9. Encourages use of Texas resources by Texas citizens, particularly if scoped catalog view and cataloging are purchased.
10. Promotes use of regional resources within courier network, if scoped catalog view and cataloging are purchased.
11. Subscription pricing structure for OCLC services allows for sustainable budget planning.

### **Costs**

1. Former TexNet Center host libraries may have difficulty assuming the cost of interlibrary loan service, particularly within a short time span.
2. Former TexNet Center libraries may curtail lending service, resulting in more out of state borrowing, more postage, and higher turnaround time.
3. Relationship between TSLAC and former TexNet Center host libraries may change.

4. Largest public libraries may be removed from statewide resource sharing leadership environment, and as a result feel they are no longer stakeholders in resource sharing solutions.
5. The per-unit amount distributed through Project Loan in its current model would decrease significantly with the additional reimbursement to the former TexNet Center Libraries.
6. TSLAC will subsidize eight more large libraries in the Texas Group.
7. This model does not address the need to encourage lending reciprocity among Area Libraries.
8. Area libraries may feel intimidated by the use of new technology.
9. Area libraries may feel unable to provide the staff to support this model.
10. Area libraries may curtail the service due to inability to support the volume of patron demand.
11. May have an impact on Regional Systems staff to help area libraries support the service.
12. Major initial and continuing training commitment for libraries and TSLAC.
13. TSLAC will have to negotiate the turnover of the ILLiad software to the former TexNet Center libraries.
14. Patron service level may decrease should former TexNet Center host libraries respond with decrease staffing levels.

**Estimated Fiscal Costs for TSLAC**

OCLC Services	\$785,000
Amigos Membership	\$193,000
TSLAC Personnel (Training)	\$63,000
Travel	\$12,000
<b>Total (Yearly Expenses)</b>	<b>\$1,053,000</b>
Initial Training (One time Expense)	\$150,000
<b>Total</b>	<b>\$1,203,000</b>

### Resulting Cost Impact to Current Program Stakeholders

While specific delineation of fiscal costs is difficult to determine for the current program stakeholders, the table below attempts to indicate where current costs would be shifted if this model was implemented. Please see preceding list of "Costs" for the non-fiscal costs related to this model.

#### Key

- + Stakeholder would absorb all costs
- % Stakeholder would absorb a percentage of the costs
- 0 Stakeholder would see no change in costs
- Stakeholder would see decrease in cost

	Staff	ILL Management Software	Facilities and Equipment	Training	Delivery	OCLC Fees
Former TXCHL <sup>11</sup>	+	+	+	+	+	0
Area Libraries	+	0	0	+	0	0
TSLAC	-	-	-	0	-	0

#### Feasibility Score

Program Criteria	OCLC WorldCat Resource Sharing
Legal	4
Political/Social	3
Fiscal	4
Success Measures	2
<b>Total Score</b>	<b>12</b>

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<sup>11</sup> TXCHL = TexNet Center Host Libraries

## **Model Five: Stand-Alone Centralized**

### **Description of the Model**

Generally, a Stand-Alone Centralized model of interlibrary loan works by having an interlibrary loan service operating in conjunction with a union catalog which would contain the holdings of the participating libraries. Several vendors provide products that fulfill this model such as SirsiDynix's URSA, OCLC's VDX, Relais Enterprise, and Auto-Graphics' AGent.

The creation of an up-to-date union catalog is essential for these services to work well. Some implementations will create a separate database to house the group's union catalog which is updated with holdings information from various libraries either through batch updates or routine additions added directly. Other services will create a "virtual union catalog" by initiating multiple Z39.50 search calls directly to the local libraries' catalogs. With OCLC's VDX, a scoped or Group Catalog view of WorldCat can also be used as the physical union catalog.

If a scoped view of WorldCat is not used as the union catalog, this model would likely require the addition of a referral service in order to provide items which would not be available within the system (i.e. referral service for OCLC requests.) See discussion in Part 1: Background—Overview of Major Resource Sharing Options with Selected Case Studies for Auto-Graphics in Wisconsin and New Jersey and VDX in Colorado and Minnesota.

### **Assumptions**

1. ILL service for Texas patrons is the responsibility of each local library.
2. TSLAC still provides ILL for their collection.
3. TSLAC would promote statewide Interlibrary Loan best practices such as the TexShare Interlibrary Loan Protocol.
4. Current hardware in participating libraries is sufficient to access stand-alone software.
5. Initial and ongoing training would be provided by TSLAC.
6. TSLAC would offer centralized administration (e.g. library profiles, statistics, etc.). However, an ASP model for hardware and software support is recommended.
7. TSLAC subsidy for OCLC services and Amigos is discontinued. Those libraries who want to continue to use those services must contract with OCLC separately.
8. Project Loan subsidy would be eliminated as traffic would be load-leveled throughout the system.

9. Multi-type participation would be encouraged to expand the available pool of holdings and take better advantage of in-state courier delivery service.

## **Benefits**

1. Reduces grant administration tasks for TSLAC.
2. Better trained local librarians.
3. Creates a comprehensive statewide resource sharing model.
4. Texas library holdings are widely exposed and available for borrowing.
5. Fosters higher levels of borrowing and lending reciprocity.
6. Brings small libraries into a wider library service environment.
7. Significant decrease in OCLC and Amigos Membership fees.
8. Possibility of leveraging previous investment in Library of Texas's virtual union catalog (Z39.50 search connections).
9. Centralized model allows TSLAC a more prominent role in statewide resource sharing decisions.
10. Encourages use of Texas resources by Texas citizens
11. Promotes use of regional resources within courier network.

## **Costs**

1. Former TexNet Center host libraries may have difficulty assuming the cost of interlibrary loan service, particularly within a short time span.
2. Area libraries may feel intimidated by the use of new technology.
3. Area libraries may feel unable to provide the staff to support this model.
4. Area libraries may curtail the service due to inability to support the volume of patron demand.
5. Area Libraries staff will need to learn additional ILL processing technology.
6. May have an impact on Regional Systems staff to help area libraries support the service.
7. Major initial and continuing training commitment for libraries and TSLAC.
8. Significant start-up investment, including the creation and maintenance of a statewide union catalog or maintenance of Z39.50 search connections.
9. Libraries currently using OCLC WorldCat Resource Sharing for ILL will find it difficult to participate unless system can be added seamlessly to their current workflow and possibly curtail their willingness to lend.
10. OCLC referral services would be an additional cost to this model.
11. Continuing yearly maintenance fees for ILL Stand-Alone software.

12. Requires investment in public relations in to order to develop a broader commitment to sharing local materials.
13. Patron service level may decrease should former TexNet Center host libraries respond with decreased staffing levels.

**Estimated Fiscal Costs for TSLAC**

The pricing for a stand alone resource sharing service varies depending upon the number of libraries involved, the ILS systems in use by those libraries, the use of a physical union or virtual union catalog, and the annual volume of requesting. Sirsi/Dynix, Auto-Graphics, and Relais International have provided approximate pricing for their products. These prices have been summarized below in order to provide TSLAC with a general sense of the costs involved with this model. The original quotes have been included in Appendix 15. **(NOTE: All information in Appendix 15 is considered proprietary and should not be publicly distributed or mounted on a public website.)** Pursuing this model requires the collection of detailed specifications and additional data related to participating libraries (e.g. ILS system in use) in order to issue a formal Request for Proposal (RFP) following required State of Texas procurement procedures.

Cost estimates were based on participation of 520 public libraries, 145 academic libraries, and 50 special libraries when the system is fully deployed. Due to TSLAC's current situation with server storage and maintenance outsourced to a commercial firm, the ASP model is recommended for a stand alone service.

**Estimated Fiscal Costs (ASP solution)**

<b>Approximate one time costs</b>	<b>\$1,500,000</b>
Includes software licenses for all libraries and implementation and profiling services	
<b>Approximate on-going annual costs</b>	
Annual software maintenance and support	\$400,000
TSLAC service coordinator	\$63,000
Travel to support ongoing training	\$12,000
<b>TOTAL Approximate On-going annual costs</b>	<b>\$475,000</b>

## Resulting Cost Impact to Current Program Stakeholders

While specific delineation of fiscal costs is difficult to determine for the current program stakeholders, the table below attempts to indicate where current costs would be shifted if this model was implemented. Please see preceding list of “Costs” for the non-fiscal costs related to this model.

### Key

- + Stakeholder would absorb all costs
- % Stakeholder would absorb a percentage of the costs
- 0** Stakeholder would see no change in costs
- Stakeholder would see decrease in cost

	Staff	ILL Management Software	Facilities and Equipment	Training	Delivery	OCLC Fees
Former TXCHL <sup>12</sup>	+	+	+	+	+	+
Area Libraries	+	<b>0</b>	<b>0</b>	+	+	<b>0</b>
TSLAC	-	+	-	+	-	-

## Feasibility Score

Program Criteria	Stand-Alone Centralized
Legal	3
Political/Social	2
Fiscal	3
Success Measures	3
<b>Total Score</b>	<b>11</b>

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<sup>12</sup> TXCHL = TexNet Center Host Libraries

## **Model Six: Circulation-Based**

### **Description of the Model**

Circulation is a core service of all libraries, and most libraries have created efficient workflows to handle the traffic. Circulation-based resource sharing models are the most cost effective because they rely and build upon the infrastructure already present in the library.

Libraries in the system share a common catalog (union or virtual). Requests for items are placed directly by patrons as a hold in the libraries' online catalog. Holds are then processed by circulation staff and handled as one would handle items sent to branches. This model would likely require the addition of a referral service in order to provide items which would not be available within the system (i.e. referral service for OCLC requests.)

Currently, Innovative Interfaces Inc. (III) is the most prominent vendor providing this kind of service, allowing communication not only with other III libraries, but also with other ILS vendors' systems. See the discussion in the previous section of Case Studies for III with Michigan. The development of the NCIP standard among ILS vendors could create opportunities for this model with more vendors in the future. Pursuing this model requires the collection of detailed specifications and additional data related to participating libraries (e.g. ILS system in use) in order to issue a formal Request for Proposal (RFP) following required State of Texas procurement procedures.

Cost estimate was based on participation of 520 public libraries, 145 academic libraries, and 50 special libraries when the system is fully deployed.

### **Assumptions**

1. ILL service for Texas patrons is the responsibility of each local library.
2. TSLAC still provides ILL for their collection.
3. TSLAC would promote statewide Interlibrary Loan best practices such as the TexShare Interlibrary Loan Protocol.
4. Current hardware in participating libraries is sufficient to handle the resource sharing system.
5. Initial training and continuing promotion would be provided by TSLAC.
6. TSLAC would administer the centralized hardware and software required.
7. TSLAC subsidy for OCLC ILL services and Amigos is discontinued. Those libraries who want to continue to use those services must contract with OCLC separately.

8. Project Loan subsidy would be eliminated as traffic would be load-leveled throughout the system.
9. Multi-type participation would be encouraged to expand the available pool of holdings and take better advantage of in-state courier delivery service.

### **Benefits**

1. Reduces grant administration tasks for TSLAC.
2. Better trained local librarians.
3. Creates a comprehensive statewide resource sharing model.
4. Texas library holdings are widely exposed and available for borrowing.
5. Fosters higher levels of borrowing and lending reciprocity.
6. Brings small libraries into a wider library service environment.
7. Highly cost-effective service model.
8. Local libraries need only training on their local circulation system, rather than additional ILL software.
9. The decentralized model promotes library cooperation and consortial agreements.
10. Patrons are able to track the status of their requests.
11. Easy for patrons to use.
12. Encourages use of Texas resources by Texas citizens
13. Promotes use of regional resources within courier network.
14. Improved turnaround time.
15. Improved fill rate.

### **Costs**

1. Former TexNet Center host libraries may have difficulty assuming the cost of interlibrary loan service, particularly within a short time span.
2. Area libraries may feel intimidated by the use of new technology.
3. Area libraries may feel unable to provide the staff to support this model.
4. Area libraries may curtail the service due to inability to support the volume of patron demand.
5. May have an impact on Regional Systems staff to help area libraries support the service.
6. Requires investment in public relations in to order to develop a broader commitment to sharing local materials.
7. Significant start-up investment, including hardware, training, and social/cultural shift to readily sharing collections with other libraries.

8. Libraries currently using OCLC WorldCat Resource Sharing for ILL will find it difficult to participate unless system can be added seamlessly to their current workflow and curtail their willingness to lend.
9. Patron service level may decrease should former TexNet Center host libraries respond with decreased staffing levels.
10. OCLC referral services would be an additional cost to this model.
11. Currently, only one vendor offers a scalable solution for this model.
12. Previous implementations indicate significant increase in volume due to patron demand resulting in increased staffing needs and courier traffic.

### **Estimated Fiscal Costs for TSLAC**

Like the Stand Alone Model, the pricing for this service model varies widely depending upon a number of different factors. These include the number of libraries involved and the type of ILS systems in use by those libraries. The cost estimate provided below is based roughly on the general costs of the Michigan statewide implementation of III. Should TSLAC decide to pursue this model, detailed specifications would need to be written and a formal Request for Proposal (RFP) issued following required State of Texas procurement procedures.

### **Estimated Fiscal Costs for TSLAC**

<b>Approximate one time costs</b>	<b>\$2,500,000</b>
Includes software licenses for all libraries and implementation and profiling services	
<b>Approximate on-going annual costs</b>	
Annual software maintenance and support	\$300,000
TSLAC service coordinator	\$63,000
Travel	\$12,000
<b>TOTAL Approximate On-going annual costs</b>	<b>\$375,000</b>

### Resulting Cost Impact to Current Program Stakeholders

While specific delineation of fiscal costs is difficult to determine for the current program stakeholders, the table below attempts to indicate where current costs would be shifted if this model was implemented. Please see preceding list of “Costs” for the non-fiscal costs related to this model.

Key

- + Stakeholder would absorb all costs
- % Stakeholder would absorb a percentage of the costs
- 0 Stakeholder would see no change in costs
- Stakeholder would see decrease in cost

	Staff	ILL Management Software	Facilities and Equipment	Training	Delivery	OCLC Fees
Former TXCHL <sup>13</sup>	+	+	+	+	+	+
Area Libraries	+	0	0	+	+	0
TSLAC	-	+	-	+	-	-

### Feasibility Score

Program Criteria	Circulation Based Model
Legal	4
Political/Social	3
Fiscal	4
Success Measures	3
<b>Total Score</b>	<b>14</b>

**Comment on the Texas Interlibrary Loan and Resource Sharing Study - Final Report**  
 Go to <http://www.texshare.edu/apps/illstudy2008/index.php> and write your comments in the comments section.

<sup>13</sup> TXCHL = TexNet Center Host Libraries