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Statewide Database Licensing the Oregon Way

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Some changes in library services and processes evolve over the course of several years; others seem to happen overnight. The formation of library consortia is one of those changes that fit the latter description. Just a few years ago many library administrators were probably wondering if productive cooperation, beyond the work of the major utilities, was ever going to happen. Libraries talked endlessly about cooperation, but the fruits of those discussions seemed modest at best. Now, the majority of libraries, particularly academic libraries, belong to one or more consortia. This change has been swift and dramatic. Library consortia are actively seeking ways to extend services, efficiencies, and buying power, and to a large extent, their efforts have been successful.

So what finally happened to break the inertia? There may be more than one theory, but credit has to be given to a few states' leaders and elected officials who thought that pumping more cash into their library systems might actually be a good thing. In some sections of the country, a robust economy seems like a propitious time to re-invest in the social infrastructure. The vision in many of these states was to provide the widest possible access to key electronic resources. Georgia is a good example.

GALILEO is an acronym for Georgia Library Learning Online. The GALILEO project grew out of the University System of Georgia's (USG) effort to "manage costs and the burgeoning application of technology in libraries." (Williams). In August 1994, the new Chancellor of the USG, Dr. Stephen R. Portch, asked his advisory staff to respond to the question, "If you had \$20 million, how would you spend it?" Among the proposals he received was a request for \$6 million to fund system-wide library services. The proposal was entitled "A Vision for One Statewide Library" and was soon expanded to include a substantial upgrade to Georgia's telecommunications network for education. A chancellor's concern for libraries, a governor's interest in directing state lottery funds to education, and a legislature's willingness to invest in the public sector converged to create GALILEO. Participants and beneficiaries of GALILEO include the state's university system, private colleges, public libraries, and K-12. GALILEO

has many goals, including universal borrowing, but its hallmark is statewide licenses to numerous online databases through the Internet.

Other states have accomplished similar feats. Ohio, North Carolina, Texas, and Minnesota are all worthy examples. In most situations, you will find a significant infusion of cash behind the growth in statewide library cooperation. In Oregon, the path to statewide database access has been different, but the results have been as successful. In 1994 the Oregon State Library convened several discussions among the major stakeholders in the library community to envision a statewide library network. The Oregon Information Highway Project (OIHP) grew out of those important discussions. OIHP had three components: extend Internet connectivity, initiate cooperative database licensing, and develop a statewide inter-library loan system. Several objectives were listed under cooperative database licensing:

- Determine database needs
- Determine infrastructure needs
- Develop pricing plans
- Undertake competitive procurement
- Negotiate vendor and participant agreements

In 1995, the State Library appointed a representative group from academic, public, and school libraries to complete the above objectives. The group focused on two areas which seemed to have the broadest appeal: the statewide newspaper and general periodical databases. By the group's second meeting, the fundamental challenge became clear: how do you start this process without a central pot of money? You can go to the vendors and ask for bids, but unless they know how many libraries will be accessing the information, their responses will be tentative. You can go to the individual libraries and see if they would be interested in a specific product, but unless they know how much it will cost their responses will be just as tentative. The group started this long and sometimes confusing process with a RFP (request for proposal) for general periodical databases. It was fairly straightforward to compare coverage and content, but it was more difficult to compare costs. Initial bids were unaffordable. In most situations, the vendors were looking at the entire population, and without a substantial subsidy, any cost-sharing model would knock smaller libraries out of the picture immediately. Without their contributions, the costs to the remaining participants would increase. As the costs increased, more libraries would have to drop out. And so on and so on.

So the group, now called that Statewide Database Licensing Group (SDLG), took another strategy. It selected the product that provided the best content, and then it developed a list of likely participants and renegotiated the price with the chosen vendor. The standard "street-price" for an individual library was already known, so the group could easily come up with an acceptable cost that would benefit everyone

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on the list. If all those libraries on the list could get a good deal, their participation was more certain, and the package was less likely to unravel. The chosen vendor liked this approach, too. The user population was defined, and the potential load on their system could be easily estimated. Vendors are often willing to negotiate a better deal for a statewide purchase since their market share is increased and they can stake out a territory which will likely produce substantial income year after year. The more libraries that participate, the harder it will be to change to another information provider in the future.

Once the price was agreed upon, the SDLG needed to find a way to guarantee that most of the libraries on the list would agree to participate and share in the costs. An LSTA grant did the trick. Each library on the list received a small but important subsidy. The cost to each participant was reduced by 20% in the first year and 10% in the second year of a three-year price agreement. Almost everyone on the SDLG's list agreed to the contract. The cost distribution formula was based on FTE (for academic libraries) and population served (for public libraries). In the second year, more libraries were added to the contract based on the same cost share formula used for the original participants.

The second venture for the SDLG was to secure statewide access to the *Oregonian*. Once all the legal documents had been signed, the vendor issued a favorable quote for all public and academic libraries in Oregon. In this case, the product was limited to one core title, which helped to keep the quote affordable. The vendor also may have been motivated by the foot-in-the-door incentive, i.e., a chance to showcase their interface and search capabilities, and in the future, compete for a more substantial piece of the statewide market.

The past efforts to secure statewide database licenses in Oregon are distinguished in several ways. First, there has been no central money beyond the LSTA grants which have been used to jump-start the

process. The lack of central funding complicates the selection and negotiation process considerably. Second, there has been no special funding to create a centralized purchasing process. For example, many states have created one or more positions to handle the licensing and billing paperwork. In Oregon, the Orbis Library Consortium (several academic libraries in Oregon and Washington) has stepped in to handle the administrative aspects of statewide licensing, but it is not clear if this arrangement can be long-term or extend to many other databases. And third, the K-12 sector has been excluded from the process. To date, many vendors have been unwilling to include K-12 libraries in the same contract. Although inclusion of K-12 is less common, a few other states have been able to reach agreements to provide school library access. Again, central funding seems to create the ability to negotiate statewide contracts more effectively.

Is Oregon an example of how not to do things? Absolutely not. The library community in this state represents a high degree of resourcefulness and creativity. It has been able to overcome many of the funding challenges and survive harsh political and economic climates. It has succeeded through grassroots and volunteer efforts. Progress to this point should be celebrated. Many libraries have saved thousands of dollars, and many library users have better access to core electronic resources. Continued progress in the area of statewide database licensing, however, will likely be limited without statewide funding. Those limits will apply to the number of databases which can be licensed and administered, and the number of libraries which can participate. The possibilities of statewide funding are never easy to estimate, but the Oregon library community can at least demonstrate a successful track record and provide ample evidence of cost savings. **Q**

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take on broad-based consortial projects. Perhaps the Northwest will forge a new model in which a variety of smaller specialized consortia will take on regional projects or create ad hoc consortia on a cost recovery or free basis. Given Orbis' experience with the overhead that accompanies even a modest project like courier service, however, it is unlikely that small consortia will routinely serve libraries beyond their immediate membership.

Without the incentives of central state funding that encourages geopolitical collectives, we are likely to

see a dizzying array of collaborative projects in the future. Despite the inherent obstacles to broad-based regional collaboration, it is perhaps comforting to know that when the cause is clear libraries in Oregon and Washington can recognize shared interests that cross political boundaries and take a leap of faith to further the common aim of resource sharing. **Q**