Statewide database licensing the Oregon way

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Recommended Citation
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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?”

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 interlibrary 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.

See Statewide Database Licensing page 7
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 sub-
stantial 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 distribu-
tion formula was based on FTE (for academic librar-
ies) 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. Sec-
ond, 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 inclu-
sion 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 cre-
ate 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 grass-
roots 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.

REFERENCES
Williams, Jayne. “The Long, but Short History of
www.peachnet.edu/galileo/history.html

Orbis Courier Service (continued from page )

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 recov-
ery or free basis. Given Orbs‘ 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.