

November 30, 2011

**Report to the New Hampshire House of Representatives Finance Committee
Representative Kenneth Weyler, Chairman**

On behalf of the New Hampshire Department of Cultural Resources, the New Hampshire State Library, a division of the Department, submits this report to fulfill the requirements of HB 2, 224:215:

Department of Cultural Resources, Federal Funding. It is the intent of the general court that the department of cultural resources review the federal program guidelines for which it receives federal dollars to support library programs and seek to amend its 5-year plan to use funding that had been designated to support 3 of the interlibrary vans for other purposes. Furthermore, the review shall include a determination of programs or services the department could offer using federal library program funds. The department shall file a report of its findings with the house finance committee on or before November 30, 2011.

Executive Summary

Using federal funding provided by the Institute of Museum and Library Services (IMLS) through the Library Services and Technology Act (LSTA), the New Hampshire State Library operates four vans that provide interlibrary loan service to libraries statewide, including the 234 public libraries as well as 75 school and academic libraries.

This sharing of materials allows library patrons across the state access to more than 2 million items, supporting their educational, professional and personal needs, while simultaneously allowing local libraries to allocate portions of their budgets to programs other than collection development.

Overview of Current System

In 2010, the interlibrary loan vans transported approximately 800,000 items. Items are picked up at the lending library, delivered to the State Library, sorted into bins and then sent to the borrowing library according to a carefully crafted schedule.

This volume of interlibrary loan items requested and delivered—dictated through requests by New Hampshire residents—necessitates the operation of 20 van routes per week, using all four of the vans.

Should the interlibrary loan service be reduced to one van, the volume of materials shared could not efficiently be managed. The system would collapse, for several reasons:

Calculating distance traveled and acceptable transportation weights for materials being delivered, each van currently makes deliveries, on average, to 15 libraries in one workday. At present, the State Library provides interlibrary loan delivery service for 309 libraries (public, academic and school libraries), some receiving service more frequently due to the high volume of requests. Should three of the vans be eliminated, the remaining van would only be able to deliver to each site approximately once every 13 business days—about every three weeks. Libraries in the North Country would receive service less frequently because of the greater distances required to reach their locations.

Depending on when a library received van pick up and delivery, it could take several weeks before requested materials reached the borrowing library. It could then be months before the item was returned to the lending library, factoring in the loan period of the item as well as time needed to transport the material back to the State Library and then to the lending library.

With other variables such as bad weather and van maintenance issues, which occasionally disrupt van delivery, the amount of time that it could potentially take to transport an interlibrary loan item could be exceedingly lengthy. As a result, many libraries would be unable or unwilling to lend their materials for such a long period of time, and patrons—some of whom had requested materials for schoolwork, to assist them in their job search or to help grow their business, for example—would be frustrated by the long waiting periods to receive requested interlibrary loan items.

Capacity issues are another factor. Vans have weight limits that dictate how much cargo can be safely transported. In addition, the State Library would find it impossible to store the volume of interlibrary loan items awaiting transport.

In short, one van cannot effectively meet the demands of the libraries and library patrons of New Hampshire.

Cost and Efficiency Comparisons

In collaboration with many of the public libraries that use the interlibrary loan service, the State Library has studied the cost and efficiency of the existing system compared with other ways of delivering materials to New Hampshire libraries. In short, the current system—four vans delivering interlibrary loan materials to libraries statewide—is the most cost-effective, efficient method of interlibrary loan.

Here is a breakdown of other delivery systems' costs and the New Hampshire State Library's current delivery system. Quotes for FedEx and United Parcel Service (UPS) are the lowest cost options offered to the State of New Hampshire by those vendors; those quotes and the one for the U.S. Postal Service (which does not have a Government Rate) are based on a one-pound package. Rates increase for heavier packages and, in some cases, for packages with special dimensions:

FedEx Ground	\$3.27 per item, one way
United Parcel Service (UPS) Ground	\$3.37 per item, one way
U.S. Postal Service Media Mail	\$2.41 per item, one way
NH State Library Interlibrary Loan system	\$.44 per item, one way*
<i>*applies to all items; unlike other delivery services, weight and size do not affect costs through the State Library's interlibrary loan program</i>	

The State Library continuously evaluates the efficiency of its interlibrary loan van delivery service. During the preparation of this report, State Library administration contacted courier services, seeking cost estimates to implement the current level of van delivery service to New Hampshire's libraries. The estimate from one courier service was approximately \$95,000 more than it costs the State Library to run the program using LSTA funds; the estimate from a second courier was \$125,000 more.

Individual New Hampshire libraries would not be able to absorb these increased costs in shipping interlibrary loan items. In addition, the current interlibrary loan system simply requires that library staff insert a slip of paper that includes their library's name as well as the "ship to" library's name into the item to be transported, and then use two rubber bands to secure the item. Packaging requirements for shipping by outside vendors would require staff time devoted to filling out shipping forms as well as the storage of specialized packing materials.

As reported by one library with a community of 3000 residents, using the U.S. Postal Service's media mail rate would cost \$4,084.95 annually to mail the 1,695 interlibrary loan items it processes: \$2,034.04 for the 844 items it lends and \$2,050.91 for the 851 items that it borrows. Allocating these funds and staff time for self-run interlibrary loan delivery would reduce this library's ability to provide other vital programming to its community.

In New Hampshire, 75 percent of our 234 communities have populations of 7500 or less. This means that most of our communities have limited resources and must rely on an interlibrary lending system to provide patrons with what they need. New Hampshire libraries do not have the funding to purchase all of the materials that their patrons demand; storing and processing associated with purchasing new items would further tap their budgets. The current interlibrary loan delivery system allows each library in the state access to more than 2 million items in varied formats—books, DVDs, magazines etc.—with minimal impact on their budgets.

Alternative Uses of Library Services and Technology Act (LSTA) Funds

The State Library uses the funding it receives from the federal government through the LSTA (see *Appendix I: “New Hampshire State Library Federal Funding through the Library Service and Technology Act [LSTA]”*) to cover those services that have the widest impact on the State of New Hampshire. Our goal is to reach every resident in the state. In addition to interlibrary loan van delivery, the State Library currently uses these federal funds to cover the cost of electronic full-text databases, ebooks, downloadable audio books and other statewide services. If the State Library had to re-allocate funds that currently support the interlibrary loan vans, it would put the money toward these electronic resources.

As required by the Institute of Museum and Library Services (IMLS), the State Library is currently evaluating our LSTA-funded programs. The five-year Evaluation Report is due in March 2012; it will incorporate extensive input from New Hampshire’s library community, including feedback on which services and programs—such as interlibrary loan—will be most helpful to libraries and their patrons.

The State Library’s next Five-Year Plan, covering 2012 – 2017, will be submitted in June 2012 and will be informed by the Evaluation Report.

Appendix II of this report (*“New Hampshire State Library: Library Service and Technology Act [LSTA] Goals”*) explains the State Library’s current LSTA plan (2007 – 2012). The plan’s first goal identifies interlibrary loan delivery as an important component of resource sharing among libraries.

Patron and Library Director Concerns about Reduced Interlibrary Loan

The New Hampshire Library Trustees Association (NHLTA) and New Hampshire Library Association (NHLA) have concerns about reducing the capacity of the interlibrary loan system as dictated by HB 2 224:215.

The NHLTA asked its colleagues in New Hampshire’s library community to write letters explaining the interlibrary loan program’s importance to their patrons and to send those letters to New Hampshire State Librarian Michael York. As an additional way of demonstrating support for the interlibrary loan program, the NHLTA also urged libraries to provide petition forms for patrons to sign; completed petitions were sent to Michael York. (*All letters and petitions prompted by NHLTA outreach are available for review; contact Michael York.*)

Michael York also received many letters, emails and phone calls from patrons describing how important the interlibrary loan program is to them. (*All letters and emails directed to Michael York regarding interlibrary loan van delivery service are available for review; contact Michael York.*)

Some patrons independently made the decision to directly contact their representatives to express support for the program.

In addition to patron feedback, 150 New Hampshire library directors responded to a survey conducted and distributed by the NHLA about the value of the interlibrary loan van delivery service. Each ranked it 5 (“very important”) on a scale of 1 to 5. (*Survey results are available for review; contact Michael York.*)

Feedback from the professional library community as well as from patrons makes it clear that New Hampshire’s interlibrary loan system remains the most valued service provided by the State Library.

Conclusion

It is the statutory responsibility of the State Library administration to spend the funds provided by the federal government wisely and in ways which will have the most positive impact on library services in New Hampshire. The State Library staff that manage the interlibrary loan service, the public library staff that partner with the State Library on the program, and the New Hampshire citizens who use interlibrary loan have made it clear that the federal funds spent on the interlibrary loan van service are very well spent. Reducing funds currently allocated to interlibrary loan to a level that would only support one delivery van (a 75 percent decrease) would render the program so ineffective that it would cease to exist.

Appendix I

New Hampshire State Library Federal Funding through the Library Service and Technology Act (LSTA)

For more than 50 years the U.S. government has supported the delivery of library services. The Library Services and Technology Act (LSTA) is part of the Museum and Library Services Act, which created the Institute of Museum and Library Services (IMLS) and established federal programs to help libraries and museums serve the public.

The LSTA sets out three overall purposes:

1. Promote improvements in library services in all types of libraries in order to better serve the people of the United States.
2. Facilitate access to resources in all types of libraries for the purpose of cultivating an educated and informed citizenry; and
3. Encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public.

LSTA authorizes the IMLS to administer several grant programs, including: Grants to States, National Leadership Grants, Contracts and Cooperative Agreements, and Library Services for Native Americans and Native Hawaiians. All types of libraries are eligible for support except for-profit libraries.

The Grants to States program (which provides the funding to the New Hampshire State Library that directly affects interlibrary loan) adheres to the following six priorities:

1. Expanding services for learning and access to information and educational resources in a variety of formats, in all types of libraries, for individuals of all ages;
2. Developing library services that provide all users access to information through local, state, regional, national, and international electronic networks;
3. Providing electronic and other linkages among and between all types of libraries;
4. Developing public and private partnerships with other agencies and community-based organizations;
5. Targeting library services to individuals of diverse geographic, cultural and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills; and
6. Targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 9902[2] of title 42) applicable to a family of the size involved.

The Grants to States program provides funds using a population-based formula, described in the LSTA, to each state and the territories through State Library Administrative Agencies. The law requires that each state submit a five-year plan to IMLS at the beginning of a grant cycle. The plans must be based upon the priorities described in LSTA for use of funds under the Grants to States program and identify goals and outcomes that each state will achieve within the five-year cycle.

States tailor their plans to take into account state government rules and regulations and other contextual factors such as the characteristics and needs of the state's population, the state's library service infrastructure, the rapid pace of technological change, and the funding environment for related programs and services (see Figure 1). IMLS allotments are calculated and disbursed for each fiscal year based on congressional appropriations and the latest population figures.

Appendix II

New Hampshire State Library: Library Service and Technology Act (LSTA) Goals

Goal 1: Utilize appropriate technology for statewide programs to improve access to information and ensure delivery of that information to the citizens of New Hampshire.

1.6 Maintain and upgrade the New Hampshire Union - Public Access Catalog (NHU-PAC) and support a statewide delivery system for resource sharing and interlibrary loan

- State legislature will demonstrate a continued commitment to the New Hampshire Automated Information System (NHAIS) by providing funding for an upgraded NHU-PAC
- Librarians will have an enhanced resource sharing capacity among all types of libraries via a new interlibrary loan component through NHU-PAC
- Libraries will receive materials and information more efficiently and faster based on an accurate digital database
- All members of the New Hampshire Automated Information System (NHAIS) will contribute their records and holding data to the Union Catalog
- All NHAIS libraries will have access to regular (at least once a week) deliveries of interlibrary loans and other resources, either by direct deliveries or nearby library pick-ups
- A sufficient transport system to facilitate interlibrary loan and resource sharing will be offered.