

# Rethinking the Fee Structure



Sharing the Cost of  
CRL Infrastructure



# The Story Begins with Center Challenges

- Ensuring that individual members realize the full value of their investment in the Center
- Ensuring a sustainable future for the Center
- Ensuring an environment that encourages growth in membership



# Summary of Benefits

- Demand Purchase Program
- Purchase Program Proposal
- Shared Purchase Program
- Deposits
- Distributed archiving program
- Access to ALL Center resources through interlibrary lending (soon, unmediated loans)



## These benefits are:

- The means by which we can leverage our own local resources:
  - The dollars we have for building collections
  - Space we have for housing collections
  - Dollars we need for preservation
- A product of our investment in the Center
- Necessary to ensure the Center can continue to thrive.



# Strategic Membership Initiative Task Force

- Objectives:
  - Rethink CRL membership and benefits
  - Develop new models for membership
  - Search for ways to expand the membership base
  - Contribute to the Center's role as a partner for collection development and preservation.



# Task Force Research and Analysis

- Defining the CRL Market
- Modeled value propositions to optimize marketing opportunities in library markets
  - North American Doctoral Research Extensive
  - North American Doctoral Research Intensive
  - Four year Colleges (Oberlin, as an example)
  - US independent Research Libraries
  - Foreign libraries



# Task Force Findings

- Cost share decline as the number of members increase
- The Center has excess content and service capacity that can be leveraged through incentive programs
- Because the Center has fixed costs, new members' needs can be supported with existing infrastructure and minimal increase in expense



# Blue light special

- New voting member incentive
- Associate member incentives
- Global Members



## For the short term: Voting member incentives

- Year 1: a fixed \$13,000 cost share
- Year 2: a cost share calculated at the midpoint between \$13,000 and the member's fully assessed cost share for that year
- Year 3 is full assessment
- Participation requires a 3 year commitment
- Participation in governance and cooperative collection programs delayed until Year 3



## For the short term: Associate member Incentives

- For every 7 new members that join through a consortium, the Center will grant gratis member to 2 of those 7. The cost shares are calculated as an average of all members in that consortium
- Requires a 3 year commitment for all new members



## For the short term: Global Membership Program

- A fixed fee of \$13,000 (U.S.\$)
- Cover all delivery costs to and from the Center
- Insurance surcharge to cover replacement
- Unlimited access to microform and digital resources only
- Ineligible for participation in governance and cooperative collection programs



# Results

- 16 new associate members
- 3 new voting members
- More that are in dialogue
- University of Hong Kong is the first Global Member, effective May 1, 2005
- Inquiries from other international universities



# Eliminating Disincentives

- Non-member use fees: Increase to support full cost recovery
- Transition from Associate to Voting Membership: Create a five-year transition phasing process.



## Next Steps

- Task Force is considering developing and testing new fee structure scenarios.
- Task Force is conducting cost-benefit analysis of Center partnerships, activities, and resources to develop principles for fair distribution of costs. (International Coalition on Newspapers)



## In the long term: New ways of distributing costs

- More finely stratified levels or tiers
- Create a cost-share and benefits continuum from smallest to largest institutions
- Promote more equitable distribution of costs based on capacity to pay
- Basing cost share on collections expenditures reflects the Center's function as a collection-building cooperative



# Why change?

- Sustainable future for the Center
- Benefit of all members
- Predictable and understandable cost sharing for members
- Create an environment that encourages membership growth
- Ensure that the changing technologies are used to the advantage of members



# Questions?

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