

SLASIAC Budget Subcommittee
Conference Call Meeting Notes
Jan. 05, 2012, 2 – 4pm

Participating: Gene Lucas (chair), Dan Greenstein, Meredith Michaels, Ginny Steel, Gary Strong, Laine Farley

1. Overview of the UCOP budget process, the November 9th budget request, and the role of the group within that.

Gene Lucas provided some background information on the “budget call” from Nathan Brostrom, included in the background materials. In short, an additional savings of \$50 million is needed from UCOP. The process now is for all departments to go through this planning exercise, which is what is often used on campuses. Each program/department has to project cuts of up to 25% (as well as increases), and what that would mean to their unit.

The deadline for this exercise is Jan. 20, 2012. There will then be a couple of rounds of consultations, first with a Presidential Advisory Group and then with a new campus budget review executive committee. UCOP departments will then be asked to work with OP budget coordinators to develop final budgets for 2012-12 and 2013-14 to be brought to the May meeting of the Board of Regents for approval.

2. Review of materials

Laine Farley gave a brief overview of the charts included with the background materials. One of the charts identified Lottery Funds as being restricted, which was questioned by Meredith Michaels. In a follow-up explanation from the UCOP Budget Office, Kristen Neal explained: “CDL has a permanent \$1 million allocation of Lottery Funds. These funds can be used to support instruction in general.”

Laine noted that a 25% reduction in the CDL’s budget would mean making cuts of approximately \$3.5 million in the CDL’s base budget of \$14 million for 2011-12. Laine described the five options for significant decreases to the CDL budget.

In summary:

Option 1: Trim staff support. Relatively modest, probably do-able, does not cut into services too severely, provides an estimated \$960,000 in budget decrease, less than a third of what’s needed.

Option 2: Offload certain programs. Things that don’t *have* to be done at CDL. Provides estimated \$1.5 million decrease.

Option 3: Keep only collections services related to licensing. Cut other collections-related services, one-time content fund. Provides estimated \$1.3 million decrease.

Option 4: Cut range of “future-oriented” services and keep only Collections, Discover & Delivery. (Major loss of service.) Provides \$3.3 million decrease.

Option 5: Increase library co-investment to make up for cuts (moves burden to campuses).

Might be able to see budget decrease of approximately \$2 million.

Since none of the options provides the 25% reduction alone, two or three of the options as presented in the current draft would have to be combined to reach \$3.5 million.

Gene Lucas asked about identifying a “least painful” combination that would reach the 25% goal, and whether there was a set of planning principles that could be used to help make choices. Principles were discussed throughout the call, and are summarized below. Gene suggested showing the cuts in increments of \$1M (if possible), and to illustrate the harm to the campuses that would result from each incremental cut. It’s important to show the impact, both on CDL and the campuses, for any staffing or programmatic reduction. For example, explicitly state that “this would do irreparable damage” to the campus libraries and describe why. Some cuts to CDL would mean increased costs for campuses, even beyond even the initial cut. Because the CDL and the campus libraries are so inter-dependent in various ways, it’s not immediately clear whether eliminating a service entirely rather than reducing two or more services might be preferable. Laine noted that the cuts suggested in Option 2 target programs that are less co-dependent. Also, because the CDL budget has been cut by about 20% and staff reduced by 14 FTE since 2008, the programs and services are already fairly streamlined. Ginny Steel noted that campuses have felt the impact as well, in that faculty and student access to the range of materials has decreased. She also observed that cuts to CDL can have impacts even to the libraries’ capital budget. For example, shared print programs help campus libraries live within their current constraints for space.

Gene Lucas asked whether there were services in any of the scenarios that relate to recommendations from the Library Planning Task Force which assumed “a healthy and whole CDL.” Laine replied that there were some impacts in all scenarios, as well as impacts on the ability of CDL to take on other new initiatives.

Laine then discussed the proposed budget increase scenarios, which were provided in order of priority.

In summary:

1. Restoring collections that have been lost. Dealing with the transition between print & digital. Apply funding to content that has particular challenges. Some of the ideas come out of the 2011 Library Planning Task Force Report; some are coming out of the current Next Generation Technical Services initiatives.
2. Rights issues. Constant barrier, consumes time & effort. Supporting requires specific expertise.
3. Sustainability planning. Figure out complex funding models... how to proceed into the future.
4. Shared library IT infrastructure. Cloud services, data centers, avoiding redundancy; moving toward a unified library management application.

In response to a question about a “steady-state” (or 100%) budget where costs will increase, de-facto, Laine said that the CDL can accommodate the extra costs of retirement, etc. There may have to be some implementation of budget reduction Option 1, in addition to working on more aggressive grant funding, and decreasing infrastructure costs (projects are already underway in this area).

Ginny noted that because the CDL and campus libraries are so interdependent as a system, it’s hard to pin-point the CDL’s budgetary needs going forward. She gave the example that if one library has its budget cut and has to pull out of partnership or license agreement, other campuses are harmed financially unless CDL can come up with additional funds to cover (which has happened in the past).

Dan suggested considering a 2-tiered model to work with budget reduction Option 5, such as identifying some CDL services as requiring central funding while others are supported by campuses who want to participate. Laine noted that with some services, the CDL provides the infrastructure while campuses pay by resources consumed, such as storage for preservation. In a recent inventory of CDL services, at least six campuses are participating in or using any given service, and others have at least expressed interest. In the end, it was determined that budget reduction Options 4 & 5 should be removed. Principles that guided decision-making should be included in the scenarios for budget reductions (and increases). See below for a summary of the principles discussed in the meeting.

Next steps: Laine Farley will make the changes discussed in this meeting and send a revised version to the Subcommittee by the 13th of January. If there are no further changes, Laine will send the budget proposals to Dan Greenstein with a copy to SLASIAC before the Jan 20 deadline. These notes and the background materials will also be sent to SLASIAC.

Planning Principles for Budget Decrease Scenarios

1. Avoid shifting costs to campuses:
 - a. Consider fairness of cuts *across* campuses – more disparity makes it harder for campuses to compete on other fronts as well.
 - b. Focus first on programs that are less interdependent between campuses and CDL.
2. Avoid doing irreparable harm to CDL programs that have been identified as essential to the UC libraries *and* to campus services. (Option 3 does this.)
3. Try to save revenue-generating (or potentially revenue-generating) programs.

Potential impacts:

1. Additional costs to campuses (best if you can be specific), or loss of services.
2. Some cuts will decrease UC’s leadership position and influence on a national & international scale. (Option 2 has this potential)
3. Cuts will lead to further disparity between campuses, as some rely more on CDL’s services than others. (More well-off campuses might be able to implement their own services, but smaller campuses won’t.)