

A SHORT HISTORY OF LIBRARY PLANNING AND BUDGETING IN THE UNIVERSITY OF CALIFORNIA, 1977-2002

Office of the President
Systemwide Library Planning
October 17, 2002

Introduction

Over the last 25 years, the University of California's strategic approach to development of library collections and services has emphasized multi-campus collaboration, application of new technology, and expanded Universitywide sharing of the information resources within UC library collections. These strategies have been successful in applying the leverage available to a multi-campus system of strong and distinguished institutions in order to maintain high-quality research collections and services in the face of rising costs and other challenges to traditional library models. Moreover, each successive restatement of this overall planning strategy has extended the concepts of collaboration, sharing, and systemwide leverage into new domains of library service, from expedited intercampus lending to a shared online library catalog and regional library facilities, a shared digital collection, and beyond. Each new planning effort has been accompanied by a budgetary strategy that both adapted library budgeting to the evolving budgetary policies and practices of the University and the State and focused funding on support for the collaboration, resource sharing, and technology initiatives arising from the restatement of strategy.

Preface: the 1960s and 1970s

The history of systemwide attention to the development of UC campus libraries may be marked by the development of the California Master Plan for Higher Education in 1960, and the ensuing plans for University growth. The establishment of four new general campuses (Irvine, Riverside, San Diego and Santa Cruz) created challenges for the establishment of libraries at those locations that were met in part through collaborative solutions. For example:

- Opening-day "core collections" for the new general campuses were developed, acquired in four copies, cataloged and processed at a single location (UCSD).
- Regents' funds were used to support intercampus bus service (to move books to people and people to books) and subsidize library photocopying, to provide access for faculty and students particularly at the new campuses to the well-established collections at Berkeley and UCLA.

Subsequently, the University has frequently chosen to address significant library support challenges through cooperation, collaboration, and resource sharing in order to leverage Universitywide strengths.

1977-1997: "The University of California Libraries -- A Plan for Development" (1977)

Program planning

A formal comprehensive planning process for libraries began in 1976, triggered by the State's perception of substantial duplication among campus collections, competition among campuses to increase collection size, and concerns about the capital cost of housing growing collections. The State chose to withhold funds for library construction projects pending preparation of a Universitywide plan for cost-effective coordination of library development.

In response to this challenge, the University's plan made strategic use of emerging technology (the online union catalog) and shared physical infrastructure (the Regional Library Facilities) in the expectation that these strategies would leverage systemwide capabilities in order to maintain and improve service while containing costs. The key provisions of the resulting plan, issued in 1977, included:

- Formal endorsement of the "one University, one Library" concept as a foundational principal for planning and policy. *This concept continues to be cited and applied as a touchstone for library policy and planning at all levels.*
- Construction of two Regional Library Facilities to cost-effectively accommodate single copies of little-used material of enduring research value. *The Regional Library Facilities were completed and occupied in the early 1980s and expanded in the early 1990s (an additional expansion for the Northern Regional Library Facility is scheduled for occupancy in 2004). All Regional Facility holdings are included in the Melvyl Online Union Catalog, their collections are extensively used, and the RLFs have been thoroughly integrated into the operations and services of all campuses and of Universitywide systems.*
- Development of an online union library catalog to provide Universitywide access to the holdings of all campus libraries, including the materials deposited in Regional Facilities. *The prototype version of the Melvyl Online Union Catalog was announced in 1981, and the production version in 1983. The online catalog now contains over 10 million unique records representing over 15 million holdings, and over 8 million searches were conducted in 2000-01. The California Periodical Database contains information on serial holdings for over 550 libraries statewide. The Melvyl system has served as a platform for numerous additional service enhancements, including access to online abstracting and indexing databases (beginning in 1987), automatic current-awareness services (1993), limited patron-initiated document-delivery requesting (1993), access to full texts of selected journal articles (1993), and information about the circulation status of books (1995).*
- State funding of intercampus buses and the library photocopy subsidy, to help ensure prompt delivery of materials requested from other campuses. *State funds for this purpose were provided in the 1979-80 budget.*
- One-time support to help campuses automate their cataloging and circulation operations. *Campuses have completed the installation of online circulation and cataloging support services and the conversion of their card catalogs to digital form.*

Budgeting principles

The University and the State endorsed the principles and recommendations of the 1977 Plan, resulting in the establishment of the following budgeting practices for libraries:

- The State would fully fund a library acquisitions budget based on a model that considered enrollments, academic program offerings, and other factors in determining how much each campus would need to acquire each year to support its academic program (the Voigt-Susskind Model). Implementation of this agreement resulted in a 17 percent increase in the base State-funded budget for library collections. However, there was no provision in this agreement to increase the acquisitions budget further as enrollments and academic programs grew in subsequent years.
- Additional funding for price increases for library materials would be based on actual cost increases for research library materials, as indicated by publishing industry inflation data, and actual campus acquisition patterns.
- Increases in library staffing and operations would be based on increases in approved enrollments; however, increased operational costs for processing of library materials, resulting from the increased acquisition rate, would be covered through productivity improvements resulting from automation of various library operations.
- The State would fund the construction of the two Regional Library Facilities, on the condition that the University agrees to a specific planned rate of annual storage by each campus and to allow use of the facilities by other libraries in the state on a cost-recovery basis. The State would also agree to fund campus library facilities to accommodate remaining on-campus library collection growth, plus space for library users and staff, on the condition that campuses met their annual "quotas" for campus deposits to Regional Facilities.

These agreements were fully funded through most of the 1980s, providing substantial support for library services throughout the University and establishing the foundations for effective systemwide cooperation and collaboration. Beginning about 1989-90, however, the State found that it could not fully fund the University's price increase needs for library collections, and a combination of limited capital funding and competing capital needs (most notably for seismic and life-safety improvements) began to erode the commitment to provide for expansion of on-campus library facilities.

1997 - Present: The Library Planning and Action Initiative

Program planning

By 1996, the combined and cumulative effects of unfunded inflation in the costs of library materials and growth in enrollments and academic programs that put additional pressure on library collections had significantly eroded the quality of collections. At that time, it was estimated that the acquisition budget would need to be augmented by \$20 million just to restore the acquisition rate that had been approved in 1977, and an additional \$6 million would be needed for acquisitions to support increased enrollments and new academic programs (this estimated budget gap subsequently increased from \$26 million in 1995-96 to \$33 million in

1999-2000). Furthermore, library budgets had to cope with the additional strain of adopting newly emerging technologies for the publication and distribution of information. The problems were exacerbated by significant cuts to the University budget beginning in 1990-91, and totaling \$433 million over four years. While campuses made every attempt to protect libraries from the full effects of these cuts, there were significant staffing and service reductions and little funding to compensate for inflation or program growth.

At the annual Universitywide budget and planning retreat in May, 1996, the President, Chancellors, Executive Vice Chancellors and leaders of the Academic Senate determined that the effects of the erosion in quality of library collections had reached a crisis stage, and agreed that a Universitywide approach to library planning was now essential in order to maximize the information resources available through the libraries and take best advantage of emerging technologies. The Library Planning and Action Initiative (<<http://www.slp.ucop.edu/initiatives/lpai.htm>>) was launched in September, 1996, and incorporated work on planning for digital libraries that the University Librarians had started in 1994 (<<http://www.lpai.ucop.edu/ucdl/>>).

The University's strategy in the face of these challenges was to:

- Build on the collaborative, cooperative and shared efforts already in place: resource sharing, regional library facilities, intercampus transportation systems, Melvyl Union Catalog (augmented in the 1985-2000 period by locally-mounted journal abstracting and indexing databases).
- Once again, use emerging technology (through the California Digital Library) as a platform to enable organizational and service changes that leveraged systemwide capabilities in order to maintain and improve service while containing costs.
- Extend the concept of "resource sharing" from access to and delivery of materials between campus collections to the development and deployment of an explicitly shared Universitywide collection, the shared digital collection through the CDL.

The key recommendations of the LPAI report included:

1. UC should seek innovative and cost-effective means to strengthen Resource Sharing.
2. UC should establish the California Digital Library to create a shared Universitywide digital collection and allow the University to gain experience with the challenges of developing and integrating a mixed print+digital collection
3. UC should sustain and develop mechanisms to support campus Print Collections.
4. UC should seek mutually beneficial Collaboration with Libraries, Museums, other Universities and Industry.
5. UC should develop an Information Infrastructure that supports the needs of faculty and students to disseminate and access scholarly and scientific information in a networked environment.
6. UC should lead the national effort to transform the process of Scholarly and Scientific Communication.
7. UC should organize an environment of Continuous Planning and Innovation.

Budgeting principles

As the State and the University began to recover from the budget setbacks of the early 1990s, new budgeting principles began to emerge that were intended to provide greater financial stability while allowing increased flexibility in the use of resources, subject to accountability for the outcomes of allocation decisions. Within the University, this meant abandoning allocation by program line-items in favor of block grants of new State resources to Chancellors, who could employ these funds flexibly to address local needs within a framework of Universitywide priorities. In this environment, funding for library support is, for the most part, supported by and included within these block allocations, but Chancellors have considerable discretion in determining final allocations to their libraries.

At the State level, these principles were embodied in the Higher Education Compact with the Wilson administration (1995-96 – 1998-99), which had the following specific provisions relevant to library funding:

- Funding would be provided for approved enrollment increases, based on the "marginal cost of instruction," recalculated annually by UC; library budgets were included in the cost pool for the marginal cost calculation. Enrollment-related increases were allocated to Chancellors *en bloc* in proportion to campus enrollment growth.
- An average 4% General Fund increase would be provided each year to cover salaries, benefits, non-salary price increases, and other expenses. Within the 4% provision, all non-salary costs and estimated price increases were pooled into a single request; library materials price increases were included in pool for this request. New State funds for this purpose (often less than UC's documented need) were then allocated to Chancellors in proportion to campus share of total cost pool.
- In 1998-99, \$3 million in initial State funds for startup of the CDL was included in the University's request, within this provision of the Compact.

The Davis administration's Higher Education Partnership Agreement (1999-00 – 2002-03) continued the principles of the Compact, but with some additional funding provisions and specific requirements for accountability. Specific provisions relevant to library funding included:

- Funding for enrollment increases generally followed the Compact, and continued to be based on the marginal cost of instruction.
- An average 4% General Fund increase, generally following the Compact, including the provision for non-salary cost increases.
- An additional 1% increase to the General Fund base to phase in full funding to eliminate historic annual budgetary shortfalls for ongoing building maintenance, instructional equipment, instructional technology, and libraries ("core needs"). As noted above, the library shortfall was estimated at \$33 million as of 1999-00. The 1% provision would fund \$20 million of this shortfall over four years (\$5 million per year). The remainder was to be funded, along with some part of the shortfall for other core needs, through internal redirection of savings from productivity improvements totaling \$10M per year for four years. UC policy has been to allocate \$4M of the \$5M provided annually under this provision to campuses, in proportion to total enrollment, and reserve \$1M to support enhanced and expanded sharing of information resources among the campuses. In the 2002-03 Regents'

Budget request, the University proposed to redirect the \$1M previously designated for Resource Sharing to support of the ongoing development of CDL collections and services. The University has received the following funding under this provision:

- 1999-00: \$2.96M (\$740K to Resource Sharing, \$2.96M to campuses)
 - 2000-01: \$5M (\$1M to Resource Sharing, \$4M to campuses)
 - 2001-02: No funding
 - 2002-03: \$29 million one-time cut to the "1% provision," generally allocated to campuses with specific cuts at the discretion of Chancellors.
- Funding for new or expanded special programs or initiatives "outside the Partnership," contingent upon the State's fiscal situation. UC's library budget plan envisioned requesting \$2.5M per year for three years to support the continued development of CDL collections and services. The University has received the following funding under this provision:
 - 1999-00: \$1.5M for the CDL
 - 2000-01: \$2.5M for the CDL
 - 2001-02: No funding
 - 2002-03: No funding
- The Partnership also included a provision for one-time funding for high-priority needs, including "core needs" included in the "1% provision," contingent upon the State's fiscal situation. The University has received the following funding under this provision:
 - 1998-99 (Wilson administration Compact): \$10M for library collections
 - 1999-00: No funding
 - 2000-01: \$4M for library collections
 - 2001-02: No funding
 - 2002-03: No funding

Challenges for the Future

In October 2001, SLASIAC appointed the Scholarly Information Program Task Force with a charge to articulate a structure of vision and goals for post-Partnership resource development, thus beginning a new cycle of strategic planning. Among the challenges to be confronted at this time are:

- Continued price inflation and the ongoing need to encourage change in the economics of scholarly publishing
- A new budget crisis compounded from the State's inability to fully fund the library components of the Partnership Agreement, as recounted above, and the significant shortfall in State revenues, beginning in 2002-03, that will seriously affect the University's budgetary prospects over the next few years.
- The emerging need to review the role(s) of the campus library, including the use and management of physical facilities and collections, in the light of changing demands and the evolving capabilities of shared collections and services, and reassess the roles and relationships among the elements of shared infrastructure (including, for example, the CDL and the RLFs) and the campus libraries.
- Opportunities and expectations for leveraging online assets for educational/instructional and public advantage