

University of California
Systemwide Strategic Directions for Libraries and Scholarly Information
Supplement on Current Budget Issues

Systemwide Library and Scholarly Information Advisory Committee*

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The paper entitled “Systemwide Strategic Directions for Libraries and Scholarly Information” describes the characteristics of a UC library system in which the campus libraries are increasingly collaborating with and dependent on the other libraries and shared systemwide services to deliver comprehensive collections and high-quality services to their campus’ faculty and students. That paper is intended as a foundation for an ongoing planning process that will engage the University community in identifying new strategic directions to address the issues currently facing the libraries and to provide enhanced library services to every UC student and faculty member. However, the state’s financial crisis and its effects on UC library budgets have overtaken this planning process. While many of the initiatives currently in the planning stage may prove helpful in dealing with budget cuts, it is essential that the Universitywide and campus senior management recognize that decisions currently being taken at UCOP and the campuses to deal with the budget situation may propagate throughout the infrastructure that underpins the provision of quality library collections and services and lead to unintended consequences for all campuses.

This paper accompanies and supplements “Systemwide Strategic Directions for Libraries and Scholarly Information,” and is intended to inform University decision-makers about the current characteristics of the UC library system and planned strategies for its further development, in order to foster understanding of the consequences of current budgetary decisions for the UC Libraries individually and collectively.

It is evident that the UC Libraries will share in the substantial budget cuts facing the University. These cuts come at a time when the cost of acquiring library materials continues to increase at a rate that outpaces inflation, challenging the campuses and their libraries to find ways to sustain the quality of current collections and services while adding new forms of knowledge and coping with growing enrollments. What may be less evident is that these cuts present serious challenges to the integrity of the shared Universitywide library programs upon which campus libraries depend. As a result of the growing importance of collaborative and cooperative strategies, the UC Libraries have become increasingly interdependent, both on each other (as indicated by the substantial growth in interlibrary loan among the campuses) and on shared and centralized services (such as a growing shared collection of digital journals) that are financed and supported by a combination of central and campus resources. This interdependence allows greater efficiency by leveraging resources and capabilities, but also has important implications for decision-making.

Campus decisions about library investment must now be considered in a systemwide framework. Decisions at one campus can have effects on all the other campuses, through their impact on shared collections and services, and these effects in turn can be reflected back to the campus, resulting in consequences that may not have been intended. The challenge facing the University

at all levels will be to make budget decisions that balance the need for local library investments that support campus distinctiveness, diversity, and local needs with the necessity for continued investment in shared systemwide resources, recognizing the existing differences among the campuses in ability to invest and the effect on systemwide services of campus decisions to co-invest in them.

The context for budget decision-making for campus libraries consists of the following key factors:

- **Interdependence.** As set out in Section 4.4 of “Systemwide Strategic Directions for Libraries and Scholarly Information,” the operations of each campus library are imbedded in a network of relationships and interdependencies. Not only does each UC library depend critically on the others to supply needed items not held locally (just in the three years between 1998-99 and 2001-02, lending and borrowing between UC libraries increased 20%, from 128,000 to 155,000 items per year), but each UC library depends increasingly on an infrastructure of shared services that reduce costs and provide information resources on a Universitywide basis. This infrastructure consists of the two regional library facilities at Berkeley (Richmond) and Los Angeles, the Melvyl online union catalog, a shared digital collection of licensed resources currently comprising over 8,000 online journals and 250 reference and journal indexing databases, and a variety of services that enhance access and support resource sharing (e.g., *Request* service that allows library users to place interlibrary loan requests online, and *UC-eLinks*, which establishes online links between catalog and journal citations from a variety of sources and the online version of the cited publication, allowing library users to easily locate and retrieve the online versions of needed material) for the benefit of all UC faculty and students.
- **Costs, Budgets, and Finance.** As described in Section 4.5 of “Systemwide Strategic Directions for Libraries and Scholarly Information,” in the University’s decentralized system of budgeting and financial management much of the cost of developing shared infrastructure is financed from campus library budgets. For example, in 2002-03, 91% of the \$63.7 million UC budget for library materials was held in campus budgets, while 9% (\$5.5 million) was in Universitywide accounts supporting shared collections. During that same year, the budget for the shared digital collection was \$24 million, including the cost of print subscriptions “bundled” with digital access. Since Systemwide funds could provide only \$5.5 million, or 23%, of this amount, the remainder, \$18.5 million (77%), has come from voluntary co-investment of funds from campus library collection budgets. In a time of budgetary contraction, the shared financing of shared services can place an extraordinary strain on campus library budget decisions. As campus library commitments to shared solutions increase, libraries will have less flexibility to make discretionary investments (or take cuts) to meet purely local priorities. In 2002-03, almost 19 percent of the total of campus library collections budgets was devoted to direct investment in the shared licensed digital collection; when campus commitments to continuation of print subscriptions required by some publishers’ license agreements are included, this percentage increases to about 29%. With the cost of both books and journals and the shared licensed collection increasing at 7-8% per year, it will be problematic simultaneously to sustain the shared digital collection and the currency and vitality of campus collections.

- **Governance and Decision-Making.** At present, most of the funds available to support library programs are allocated directly to campuses, as part of block grants for core operating costs (e.g., salary and price increases) and new enrollments. Programs budgeted at the Office of the President (the California Digital Library, including the Melvyl catalog and shared digital collections, and modest programs to support resource sharing among the libraries) receive normal cost increase funding when available, but do not share in enrollment funding. As a result, while about 10% of the total UC library budget, and 20% of the collections budget, are currently devoted to shared collections and services, most programmatic and budgetary decisions involving the libraries are made independently at the campus level or by the program managers for the systemwide programs. While the University Librarians consult extensively about plans for shared collections and services in the context of local resources, there is currently no body that can comprehensively review current issues and conditions, strike a balance between shared systemwide and local campus investment needs, consider intercampus equity in investment in systemwide programs, and make legitimate decisions about the deployment of library resources to meet Universitywide and campus needs (the Systemwide Library and Scholarly Information Advisory Committee, <<http://www.slp.ucop.edu/consultation/slasiac/>>, is, as its name suggests, charged only to provide advice on these matters).

As a result of these factors, most budgetary decisions about a highly-complex and interdependent University library system are made independently by the individual components of that system.

When a campus, for example, reduces its library materials budget, it causes:

- A direct effect on its own faculty and students, who may lose access to material they need;
- A potential indirect effect on the faculty and students of other campuses, who may depend on the material that would have been acquired if the budget were not cut;
- A potential indirect effect on the libraries of the other campuses, if the campus must increase its reliance on interlibrary borrowing to meet the needs of its faculty and students;
- A potential indirect effect on the faculty and students of the campus in question and of all other campuses, if the campus must reduce its co-investment in shared collections and services, thus reducing the level of information resources available to all.

These issues have been raised and will be discussed in the context of the planning process grounded by “Systemwide Strategic Directions for Libraries and Scholarly Information.” In the meantime, it is critically important for budget decision-makers at campus and Universitywide levels to be aware of these interdependencies and take them into consideration in budgetary decisions.

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