OFFICE OF THE PROVOST AND EXECUTIVE VICE PRESIDENT –
 ACADEMIC AFFAIRS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

May 4, 2011

CHANCELLORS
ACADEMIC COUNCIL CHAIR SIMMONS

Colleagues:

I enclose for your review the Interim Report of the systemwide Library Planning Task Force, which was convened at my request under the auspices of the Systemwide Library and Scholarly Information Advisory Committee (SLASIAC) to advise on systemwide strategies and investments that might be required to maintain the quality of UC library services in the face of our current financial challenges. The Task Force was chaired by Santa Barbara Executive Vice Chancellor and SLASIAC chair Gene Lucas, and brought together a distinguished group of UC faculty, University librarians, administrative leaders and external experts. EVC Lucas' transmittal letter, also enclosed, provides an excellent summary of the group's findings and recommendations.

In his letter, EVC Lucas discusses the need for an expedited review of the Task Force report, and I endorse his recommendation. Accordingly, I request your comments on the report no later than **Friday, September 2.** The Task Force acknowledges that additional time may be needed after the deadline to complete your review process; if this is the case, I ask that you forward such comments as you have assembled by the deadline, along with an indication of the issues still outstanding and the additional time you need to complete your review. Comments should be submitted to Joanne Miller, Principal Library Planning Analyst, at joanne.miller@ucop.edu; 415 20th St., 4th Floor, Oakland, CA 94612; or (510) 587-6141. Copies of the report will also be available to view or download at <http://libraries.universityofcalifornia.edu/planning/taskforce/>.

As you review EVC Lucas' letter and the Interim Report, you will note that the Task Force has recommended both a suite of four broad strategies that are intended to help the campuses mitigate the effect of budget constraints on the quality of their library services, and a three-phase plan to guide the Council of University Librarians in developing specific proposals for shared library services consistent with those strategies. You may find it helpful to consider these categories separately in formulating your responses, and to indicate which of your comments are pertinent to the strategic recommendations of the report and which should be directed to the Council of University Librarians to inform their detailed planning efforts.

You will also note that the Task Force recommends a clarification and strengthening of roles and communication channels among the systemwide bodies with responsibility for planning, funding and operating shared library services. These recommendations have particular significance for the Council of Vice Chancellors and the Council of University Librarians, and I encourage these groups to provide comments from their collective perspectives, as well as contributing through their campus processes.

If you have comments or questions about the review process, you can direct them either to Ms. Miller or to Daniel Greenstein, Vice Provost for Academic Planning, Programs and Coordination, at daniel.greenstein@ucop.edu or (510) 987-0772.

Thank you in advance for your attention to these critically important issues. I look forward to receiving your comments.

Sincerely,

Lawrence H. Pitts
Provost and Executive Vice President
Academic Affairs

Encs.

cc: Council of Vice Chancellors
        Council of University Librarians

May 3, 2011

PROVOST AND EXECUTIVE VICE PRESIDENT PITTS

Dear Larry:

I am writing as chair of both the Systemwide Library and Scholarly Information Advisory Committee (SLASIAC) and its Task Force on Library Planning to convey to you the Interim Report of the Task Force, pursuant to your charge of August 17, 2010.

In your charge, you identified the variety of pressures facing the UC libraries, with special emphasis on the rapidly evolving changes in UC's economic environment, and asked the Task Force to recommend the systemwide strategies and investments that the University needs to pursue with regard to library services in light of those pressures, with a focus on the financial efficiencies that can be gained in library operations areas. As you know, in the months since your charge was issued, the University's financial challenges have grown dramatically and our understanding of their scope and impact has sharpened considerably. Based on estimates developed by staff, the Task Force anticipates that:

- As a result of the combined effects of the obligation to fully fund the retirement system and to absorb a cut of $500 million to $1 billion in State funding, the libraries may experience budget reductions of as much as $52 million, or 21 percent of their current budget base, over the next six years. To put this into perspective, this cut is greater than the total library budget of any single UC campus, and roughly equivalent to the budgets of three of our mid-sized campuses, all AAU members.
- As a result of ongoing increases in the prices charged by publishers for scholarly material in both print and digital formats, the libraries will likely lose the equivalent of $17 million in buying power over the same period. This is equivalent to the current library materials budgets of two mid-sized campuses, and means a reduction in the systemwide acquisition rate of about 200,000 items per year.
- Existing library facilities will run out of space for new materials over the next 5-7 years (some are already at capacity) even as demand increases for extended hours and services and technologically well-equipped and flexible learning environments in the libraries' prime campus locations.

The adverse effects of the anticipated budget cuts cannot be entirely avoided; a reduction in library budgets of 20 percent or more will inevitably have an undesirable effect on library services and support for the University's academic programs. However, the effects of the cuts can be mitigated through collaboration. The Task Force recommends four broad strategies that, taken together, give the UC campuses and their libraries essential tools that can help them, individually and collectively, to ensure that the library collections and services available to UC faculty and students remain as broad, diverse, and distinguished as possible.

1. <u>Expand and collectively manage shared library services.</u>   Over the last 25 years, the libraries have responded to similar challenges through multi-campus collaboration and application of new technologies, allowing the libraries to avoid up to $100 million per year in costs while maintaining and enhancing the quality of service available to students and faculty. Planning initiatives undertaken by the Council of University Librarians (CoUL) over the last several years provide a solid foundation for the development of new services to achieve additional significant operating efficiencies.
2. <u>Support faculty efforts to change the system of scholarly communication.</u> The pricing behavior of publishers continues to contribute disproportionately to the libraries' budget situation. Because our faculty and their peers throughout the world are the primary contributors to and users of the scholarly communication system, leadership in addressing the structural problems of this system rests primarily with them. However, the University and its libraries stand ready to support the faculty with services and strategies that can help them in their efforts.
3. <u>Explore new sources of revenue.</u> As the traditional sources of budgetary support for the libraries diminish, it is important to identify and explore potential new sources of revenue and incorporate these in our planning at both campus and systemwide levels.
4. <u>Improve the existing framework for systemwide planning, consultation, and decision-making.</u> Given both the increasing importance of shared services and the increasing interdependence of the libraries in a time of declining resources, it is critically important to clarify and strengthen the roles and communication channels of the systemwide bodies that bear responsibility for planning, funding and operating library services, including the Council of University Librarians, the Council of Vice Chancellors, and SLASIAC.

In considering how best to execute these proposed strategies, the Task Force notes that time is of the essence, because significant budget cuts are expected to begin in the upcoming 2011-12 fiscal year. However, considerable work remains to move the dozens of proposals developed under CoUL's planning initiatives to the point where each can be fully and fairly considered for funding and implementation. At the same time, it is critical that the University community be afforded ample opportunity to review and help shape the strategic recommendations drafted by the Task Force. For these reasons, the Task Force recommends a three-phase strategy of consultation and detailed planning. A phased plan can best balance the need for immediate action with the requirements for both additional detailed planning and full consultation overall strategic directions.

To facilitate broad review of the recommended strategies, the Task Force recommends that you request the Chancellors and Academic Council to conduct an expedited review of this Interim Report, with the goal of receiving comments by September, 2011. We anticipate that this process will afford faculty, students and other key constituencies the opportunity to review and comment through normal channels, including campus administrative avenues and Academic Senate divisions and campus and systemwide committees; at the same time, the University Librarians will ensure thorough discussion with library staff. UC members of the Task Force are prepared to assist campuses to facilitate discussion, and both University Librarians and members of the Senate's University Committee on Libraries and Scholarly Communication are fully informed about the work of the Task Force and able to provide assistance as well. SLASIAC, which has reviewed a late draft of this report, will have additional opportunities to comment during this period, and both the Council of Vice Chancellors and CoUL, which are proposed to have expanded roles in the consultation framework, will surely wish to comment as well. The Task Force recognizes that it may be necessary to extend the review process beyond September, depending on the initial responses of the community, and is prepared to reconvene in the fall both to revise its

recommendations based on those responses and to modify the proposed planning goals and timeline as required.

In parallel with the consultation process, the Task Force has recommended a process through which CoUL can continue and accelerate the detailed planning needed to fully develop viable proposals for shared library services. To help frame and guide this planning, the Task Force has set a tentative goal to identify $52 million in new efficiencies (corresponding with the anticipated budget cuts), to be developed over a three-year period, with interim targets of $15 million in the first phase, $25 million in the second, and $12 million in the third. The Task Force further recommends that CoUL begin this process immediately, developing detailed proposals that meet the Phase I target by fall 2011, with the understanding that these specific proposals, and any implementation and financing plans associated with them, are subject to modification in light of the consultation process described above. Consonant with our strategic recommendation to strengthen the planning framework, the Task Force has also recommends that new communication, consultation and review processes among CoUL, the Council of Vice Chancellors, and SLASIAC be put in place during Phase I to guide the planning outcomes.

The recommendations developed by this eminent group of advisors acknowledge the extremely difficult circumstances facing the University and its Libraries, and chart a path to minimize the undesirable effects of those circumstances. Their recommendations continue UC's long and highly successful history of systemwide collaboration and collective investment in library collections and services. These strategies promise to maximize the quality of library service for faculty and students under challenging economic conditions while fostering the transformative change in library organization and operations that is necessary to respond to the demands and opportunities of a rapidly-evolving digital information environment.

Sincerely,

Gene Lucas
Executive Vice Chancellor
Chair, Library Planning Task Force

Encl: Interim Report of the Library Planning Task Force
cc: Systemwide Library and Scholarly Communication Advisory Committee
          Library Planning Task Force

UNIVERSITY OF CALIFORNIA

SYSTEMWIDE LIBRARY AND SCHOLARLY
INFORMATION ADVISORY COMMITTEE

LIBRARY PLANNING TASK FORCE

Interim Report
May, 2011

SYSTEMWIDE LIBRARY AND SCHOLARLY INFORMATION ADVISORY COMMITTEE
LIBRARY PLANNING TASK FORCE

Interim Report
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CONTENTS

Executive Summary

The University of California libraries face not only the challenges of adaptation to a complex and increasingly digital scholarly communication environment, but the acute issues arising from the financial circumstances of the State and the University, including:

- The combined effects of the requirement to fully fund the University's retirement system liabilities and the prospect of a cut of $500 million to $1 billion in State funding beginning in 2011-12. While both the overall budget picture and the particular impact on each campus' libraries cannot be determined with certainty, library budgets may be reduced by as much as $52 million (21%) over the next six years.
- Publisher price increases. Continuing increases in the cost of library materials at a rate that exceeds general inflation will reduce the purchasing power of current library budgets by about $17 million over the same period.
- Limited library space. Existing library facilities will run out of space for new materials over the next 5-7 years (some are already at capacity) even as demand increases for extended hours and services and technologically well-equipped and flexible learning environments in the libraries' prime campus locations.

The adverse effects of the anticipated budget cuts cannot be entirely avoided; a reduction in library budgets of 20 percent or more will inevitably have an adverse effect on library services and support for the University's academic programs. However, collaborative strategies can mitigate the effects of the cuts by increasing operating efficiencies and helping to ensure that the collections and services available to UC faculty and students remain as broad, diverse, and distinguished as possible.

Over the last 25 years, the libraries have responded to similar challenges in part by employing a systemwide strategy that emphasizes both collaboration and application of new technologies to create a multi-campus library system with capabilities for coordination and sharing of resources that are unequalled by the libraries of comparable research universities, thereby fostering innovations in organization and technology that result in millions of dollars in avoided costs. Now, the most promising strategy for addressing the budget and space challenges facing the libraries is to develop and manage collectively an expanded portfolio of shared library services.

Owing to the current financial prospects and changing budget management strategies of the University, and the increasing interdependence of the libraries resulting from extensive collaboration and sharing, the framework for planning, consultation and decision-making that has served UC well in the past must now be clarified and strengthened to effectively manage investments in and operations of current and future shared library services. The most important needs are: (a) a well-defined channel of communication between the Council of University Librarians (CoUL) and the Council of (Executive) Vice Chancellors (COVC), to ensure that each campus' library decisions are fully informed by the interdependent impacts of decisions by other campuses and managers of shared services; (b) effective "business planning" for the development of new shared services, to define and justify campus investments; (c) a process for routine assessment of the portfolio of existing shared services, to ensure that they continue to meet campus needs and justify existing investments; and (d) a process for review, consultation, communication and decision-making with respect to the entire shared service portfolio.

In addition, the Task Force supports the efforts of UC's faculty to address the structural problems in the system of scholarly communication that continue to contribute to unsustainable cost increases for library collections, and believes that the University must be prepared to develop a framework through which the UC faculty will be enabled to participate in changing scholarly communication. Further, the Task Force believes that there may be unexploited opportunities to recover costs and enhance revenue for the libraries, and encourages the University to explore these whenever possible.

CoUL has conducted continuous collaborative strategic planning and development for the UC libraries, and has recently identified more than two dozen shared service project initiatives that have the potential to create efficiencies that can help to offset the effects of anticipated budget cuts. However, considerable work remains to move these proposals to the point where each can be fully and fairly considered for funding and implementation. But time is of the essence, because significant budget cuts are expected to begin in the upcoming fiscal year beginning July 1, 2011. For these reasons, the Task Force recommends a three-phase strategy of consultation, planning and implementation. A phased plan can best balance the need for immediate action with the requirements for both additional detailed planning and full consultation with the University community on the overall strategic directions recommended by the Task Force.

- Phase I:
  - o Target for increased efficiencies: $15 million. Estimates developed by the libraries suggest that at least $6 million in operating efficiencies can be achieved relatively quickly. However, by 2012-13, the anticipated reduction in library budgets is estimated at $40 million. The goal of $15 million in efficiencies appears to the Task Force both achievable in light of the potential savings already identified, and needed to help the campuses offset the much deeper cuts that are anticipated early in the planning time frame.
  - o Components:
    - Plan for management of collection growth and conservation of library stack space, including deduplication of existing collections if and as necessary.
    - Prepare detailed plans for projects that are capable of offsetting $15 million in anticipated budget reductions.
    - Consult broadly with the University community on the recommendations of this Task Force, and adjust strategic directions and specific plans for all phases accordingly.
    - Under the direction of the Provost and in consultation with key stakeholder groups, plan and implement changes in the organizational structure for shared library services as recommended by the Task Force.
  - o Timetable:
    - Detailed analysis and planning through September 2011
    - Consultation through September 2011
    - Adjustment of plans, analyses and timetables in response to consultation
    - Where appropriate, develop funding proposals to be submitted to the Provost in October, 2011
    - Complete implementation during 2011-12
    - Begin recapturing savings in 2012-13
- Phase II:
  - o Target for increased efficiencies: $25 million. Achieving this target would produce total efficiencies of about $40 million by 2013-14, when anticipated budget cuts are expected to total $43.3 million.
  - o Components:
    - Incorporate the results of consultations conducted in Phase I into priorities and detailed plans for shared services.
    - Initiate and continue review of existing shared library services.
    - Prioritize and develop detailed implementation plans for systemwide and shared services that can offset anticipated budget reductions of $25 million annually.

- - - Review collection growth and library space needs, determining the need for additional deduplication projects, and developing plans for their implementation as needed.
  - o Timetable:
    - - Detailed implementation planning through September 2012
    - - Where appropriate, develop funding proposals to be submitted to the Provost in October, 2012.
- - Phase III:
  - o Target for increased efficiencies: $12 million, bringing total efficiencies to the $52 million target level, equivalent to the anticipated budget cuts.
  - o Components:
    - - Ongoing review of existing shared library services
    - - Prioritizing and developing detailed implementation plans for additional systemwide and shared services that can offset anticipated budget reductions of $12 million annually.
    - - Reviewing collection growth and library space needs, determining the need for additional deduplication projects, and developing plans for their implementation as needed.
  - o Timetable:
    - - Detailed implementation planning through September 2013
    - - Where appropriate, develop funding proposals to be submitted to the Provost in October, 2013
- - Planning, Consultation and Decision-Making
  - o CoUL, with support from the office of systemwide library planning, will prepare an initial assessment of the current portfolio of shared library services, including the CDL, and their operational and financial relationships to proposed new services in Phase I, no later than October 1, 2011.
  - o CoUL, with support from the office of systemwide library planning, will prepare detailed analyses of candidate shared services projects for each Phase, to be submitted to COVC at an agreed-upon time in the early fall of the time frame for that Phase, to be accompanied by the initial (Phase I) or annual (Phases II and III) assessment of existing shared services.
  - o CoUL, with support from the office of systemwide library planning, will prepare for each Phase a report evaluating progress in implementing services scheduled for that Phase, and identifying preliminary candidates for consideration in the next Phase, to be submitted to COVC at an agreed-upon time in the spring of the time frame for that Phase.
  - o COVC, upon receipt of the reports discussed above, will convey these reports to SLASIAC with a request for SLASIAC's analysis and recommendations.
  - o Upon receipt of SLASIAC's recommendations, COVC will submit to the Provost and CoUL for appropriate action its recommendations for:
    - - Development and implementation of new shared services
    - - Financing of new shared services
    - - Revisions to the operations and financing of existing shared services.

Interim Report
May, 2011

1 Background

1.1 Mission

The continuing primary mission of the UC libraries is to optimize the use of available resources to select, create, organize, preserve, and provide access to the world's output of scholarly information in support of the academic programs of the University of California. Research and scholarship, scholarly practices, and scholarly publishing are experiencing rapid change, affecting the manner and means by which the libraries accomplish their mission, but library support for key advances in research and teaching are critical to maintaining UC's competitiveness. Therefore, libraries must continue to be adaptable, nimble and innovative in the pursuit of their primary mission.

1.2 Challenges Facing Academic Libraries in the 21st Century

The UC libraries face a number of persistent issues shared in common with peer institutions:
- Publisher price increases for library materials continue to exceed the rate of inflation; this condition is not sustainable.
- As the print collections of the libraries continue to grow, new space is needed to accommodate them, but space is a scarce commodity at most institutions of higher education, particularly high-value central campus space. At the same time, faculty and students raise new expectations and place additional demands on the use of existing facilities.
- Budgets are never sufficient to buy and process all the material that faculty and students demand and expect, or to provide all the services that increasingly sophisticated campus constituencies want and need.
- Changing information technology places even greater strains on limited budgets and facilities. New technology changes publishing and communication media and methods and brings forth new research methods and topics.
- Changing technology also means a changing information marketplace as publishers pursue new business strategies and opportunities, likely exacerbating the effects of ongoing price increases.

1.3 Additional Challenges Facing the University of California Libraries

The University's ten campus libraries, the systemwide California Digital Library (CDL), and the Regional Library Facilities are at a watershed. Campus library funding cuts have averaged around 20% since fiscal year 2008-2009, and the cost of library materials continues to outpace inflation, further increasing budgetary pressures. Expansion in academic and research programs continues to increase demand for library collection growth in all formats, and students continue to demand long hours and extended access to library facilities that provide technologically well-equipped and flexible learning environments. Constrained capital budgets put space allocation pressure on libraries, some of which occupy buildings in prime campus locations. Finally, the shift to digital materials requires new strategies for ensuring access to the information required to support UC's mission.

Added to the complexities of the current scholarly communications environment, three specific issues arise from the financial circumstances of the State and the University (described in further detail in section 4 below):

- As a result of the combined effects of the requirement to fully fund the University's retirement system liabilities and the prospect of a cut of $500 million or more in State funding beginning in 2011-12, the University estimates that **library budgets may be reduced by as much as $52 million (21%) over the next six years**.
- In addition, the University estimates that **the libraries will lose $17 million in purchasing power** owing to publisher price increases over the same period.
- Finally, **existing library facilities will run out of space for new materials over the next 5-7 years – some are already at capacity.**

These threats are large in scope and unlikely to be temporary. A reflexive pursuit of austerity – simply cutting budgets at the margins – is not sustainable in the long run and will leave the libraries unable either to adequately support existing academic programs or rise to the challenges of new research programs and methods or changing modes of teaching and learning.

1.4   The Libraries' Response

Over the last 25 years, the University libraries have employed a systemwide strategy that emphasizes both multi-campus collaboration and application of new technologies to create a multi-campus library system with capabilities for coordination and sharing of resources that are unequalled by the libraries of comparable research university systems, and innovations in organization and technology resulting in millions of dollars in avoided costs. Through their campus libraries, UC faculty and students have enjoyed increasingly faster and more convenient access to a larger universe of information in a wider variety of formats, even in the face of rising costs and constrained budgets. Table 1 lists the key documents detailing the history of planning and implementation of systemwide and shared library services at UC.

Table 1. Key Documents in the History of Planning for the UC Libraries		
Document	Chief Features	Location
The University of California Libraries: A Plan for Development, 1977	Melvyl online union catalog; automating circulation and cataloging operations; two regional library facilities	<http://libraries. universityofcalifornia.edu/ planning/ UC_library_plan_1977.pdf>
Library Planning and Action Initiative, 1998	California Digital Library; shared digital collections; alternative scholarly communication models	<http://libraries. universityofcalifornia.edu/ planning/ lpai_finalrpt/index.html>
Collection Management Initiative, 2002	Demonstrated the importance and acceptability of the transition from print to digital journal publications	<http://www.ucop.edu/cmi/>
Systemwide Strategic Directions for Libraries and Scholarly Information, 2004	Five core strategies: shared collections, services, and facilities; scholarly communication; preservation of digital information	<http://libraries. universityofcalifornia.edu/ planning/ documents/library_strategy.pdf>
Systemwide Strategic Directions, Progress Report, 2005	Amplified shared collections and digital preservation goals, added strategies for copyright and institutional IT infrastructure	<http://libraries .universityofcalifornia.edu/ planning/documents/SSD_progress_report_ 2005_final.pdf>

Library resource sharing has been facilitated by a number of shared services, including the Melvyl union catalog, two high-density storage facilities (located at and managed by Berkeley and UCLA), the California Digital Library, and shared acquisition and cataloging services for centrally licensed electronic resources (located at UC San Diego). Particular success has been achieved in:

- Licensing electronic resources (journals, databases, and electronic books) on a systemwide basis using rigorous cost/benefit analyses;
- Central provision by CDL of commonly required library information technology (IT) systems to support the discovery (Melvyl, Online Archive of California), dissemination (eScholarship), delivery (UC-eLinks), lending (Request), and curation (Merritt, Web Archiving Service) of print and digital resources through joint planning with the UC Council of University Librarians (CoUL[1]);
- Efficient delivery of print materials among campuses;
- Provision of shared digital reference services;
- Shared high-density storage facilities supported by non-duplication and persistence policies; and
- Digital conversion of and online access to over 3 million monographs and access to over 10 million items (of which about 20 percent are in the public domain and free of copyright restrictions) through the HathiTrust partnership with more than 50 other libraries.

These shared services, developed over 35 years, result in current annual savings and cost avoidances of about $114 million.[2]

Over the same period, the UC Libraries have built, and are continuing to build, an invaluable academic asset of enormous breadth and distinction in the form of campus and shared collections in all formats. As scholarly information has moved rapidly to the digital realm, the libraries have aggressively incorporated digital journals and books into their collections. At the same time, the libraries have made dramatic progress in converting existing print collections to convenient and sharable digital formats, and have worked with the faculty and others to capture and curate information first produced in digital form. Throughout this evolving process, the libraries have taken steps to ensure that digital information resources remain as persistently accessible as their print forebears, adding further to the asset value of the collections.

In recent years, the UC libraries have endorsed the goal of developing the systemwide University of California Library Collection that is strategically selected, integrated, and shareable and comprises all print and digital formats. To achieve this within resource constraints, the libraries expect to decrease the collections' total physical footprint by reducing duplication and to expand the digital footprint by creating and capturing more unique content in all formats.

More recently, the UC libraries have recognized and begun to plan for both the general and specific issues they face and the opportunities for additional collaboration to address those issues, as described in Appendix C, Shared Services. CoUL has produced the document entitled *University of California Libraries: Priorities for Collective Initiatives, 2011-2014,*[3] which describes the strategies that the libraries are pursuing to:

- refocus collection management
- capitalize on emerging technological and preservation opportunities
- maximize discovery and access to information resources
- transform operations

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[1] <http://libraries.universityofcalifornia.edu/about/uls.html>

[2] See University of California, *2011-12 Budget for Current Operations: Budget Detail*, Display IX-5, p. 77 (available at <http://budget.ucop.edu/rbudget/201112/2011-12-budget-detail.pdf>).

[3] Available at <http://libraries.universityofcalifornia.edu/about/uls/UCLibrariesPriorities2011-2014_final_110126.pdf>.

These strategies include:

- *The University of California Library Collection: Content for the 21st Century and Beyond*[4]
- Next-Generation Melvyl[5]
- Next-Generation Technical Services[6]

These strategies are described by CoUL as follows:

The University of California Library Collection: Content for the 21st Century and Beyond articulates a systemwide view of collections that establishes principles to ensure the richest collections, increase collection diversity, expose hidden resources, and develop transformative, sustainable publishing and access models.

The Next-Generation Melvyl (NGM) initiative moves the discovery of information for researchers and students to the highest networked level. The initiative takes access to the highest level of aggregation and is vital for the most effective provision of information access and services. Strategically, NGM also positions the UC Libraries to provide aggregated access to a significantly increasing array of full-text information resources: e.g., the millions of digitized books in the Google Books Project and the HathiTrust.

The goals of the Next-Generation Technical Services (NGTS) initiative are to provide technical services with greater efficiency and at less expense, to eliminate existing backlogs of unprocessed materials, and to provide increased access to digital resources. To reach these goals, transformative change to an enterprise-level, non-redundant collection services model has begun. Impacts will be fiscal and organizational and will focus on effective information delivery to clientele across all campuses.

The Next Generation Technical Services (NGTS) initiative in particular has developed a rich menu of potential projects to improve library efficiencies while enhancing services. While it is not possible in this document to review in depth all 26 project proposals developed by NTGS planning teams, more information about them is provided in Appendix C.

The libraries' response to the current challenges is complicated by the fact that as a result of the highly successful collaborative strategies recounted above, the campus libraries are now highly interdependent. Austerity measures imposed on shared services can both inflict "unfunded mandates" on campus libraries to replace those services (or lose them), and increase the unit costs of those services through loss of scale economies. Austerity measures imposed on a campus library can result in increased cost or impacted service for other campuses, as when a campus must withdraw its contribution to a systemwide licensed journal collection, raising the cost for all remaining licensees.

The adverse effects of the anticipated budget cuts discussed earlier cannot be entirely avoided; a reduction in library budgets of 20 percent or more will inevitably have an adverse effect on library services and support for the University's academic programs. As the campus libraries develop plans to address these budgetary challenges, they require information and assurance about the prospects for the continuation of existing shared services and the development of additional services that can achieve new efficiencies in library operations, so that existing budgetary resources can be redirected to support both current and emerging needs.

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[4] *The University of California Library Collection* <http://libraries.universityofcalifornia.edu/cdc/uc_collection_concept_paper_endorsed_ULs_2009.08.13.pdf>
[5] UC/OCLC Pilot Implementation <http://libraries.universityofcalifornia.edu/about/uc_oclc.html>
[6] Next Generation Technical Services (NGTS) <http://libraries.universityofcalifornia.edu/about/uls/ngts/>

2 The Task Force

2.1 Initiation

Recognizing the centrality of the UC libraries to the academic and research enterprise in a declining budget environment, the local and systemwide strategies that have been successfully implemented, and the ongoing collaborative planning led by CoUL, it was the view of the University's systemwide leadership that progress would be enhanced and its pace quickened with concerted leadership action that would guide context, direction, priorities, and goals.

2.2 Charge

Accordingly, Provost and Executive Vice President Pitts requested that the Systemwide Library and Scholarly Information Advisory Committee (SLASIAC)[7] convene a task force to recommend the systemwide strategies and investments that the University needs to pursue with regard to library services, with the following charge:

> While it is expected that the task force will determine its own agenda, it should focus on the efficiencies that can be gained in library operations areas; the following are examples from which the task force can choose:
>
> - greater systemwide or regional consolidation of library services and systems
> - systemwide strategies for developing and managing both print and digital collections
> - greater reliance on open-access materials
> - reduced expenditure on high-priced serial publications
> - use of library space
>
> It will also need to advise on any new services that may be required of our libraries and on strategies for supporting them in an era of flat or declining library budgets.

2.3 Process

The SLASIAC Library Planning Task Force was convened in late September, 2010, with UC Santa Barbara Executive Vice Chancellor and SLASIAC Chair Gene Lucas chairing; a roster of Task Force members is provided in Appendix A. The Task Force met nine times by video and audio conference, and once in person, to review background papers and action memoranda prepared by staff at the direction of the Task Force. This Interim Report is drawn from the working papers developed during this process, all of which are available at the Task Force Web site, <http://libraries.universityofcalifornia.edu/ planning/taskforce/ >.

3 Planning Principles

In considering the challenges and opportunities facing the UC libraries and the strategies available to address them, the Task Force was guided by the following overarching principles:

- **The continuing primary mission of the libraries is to optimize the use of available resources to select, create, organize, preserve, and provide access to the world's output of scholarly information in support of the academic programs of the University.** Whether print and digital collections and information resources are acquired and held locally, sourced through systemwide or multi-campus collaboration, or obtained from other libraries or commercial providers, the

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[7] For information about SLASIAC, see <http://libraries.universityofcalifornia.edu/planning/slasiac/>.

touchstone for each campus library and the Universitywide library system is to use its resources to maximize support for research, scholarship and teaching.

- **The overarching goal of systemwide library planning is to develop strategies that leverage the capabilities of the UC system in order to maintain and enhance the distinction and effectiveness of UC library collections and services at campus and systemwide levels.** Individually and collectively, the University of California libraries provide access to the world's knowledge and scholarly publication output for the UC campuses and the communities they serve. In so doing, they directly support UC's missions of teaching, research, and public service. As knowledge management organizations, the libraries also play a pivotal role in the ongoing transition from a print to a digital environment in teaching, research, and the recording, communication, and preservation of knowledge. In the face of the ongoing demands of this transition and the resource constraints it currently faces, the University seeks to leverage the scope and resources of campus libraries across the system, the capacity for innovative library collaboration already established over three decades, and the capabilities of technology and networked information to improve efficiencies and increasingly share collections and services across the system.

- **The University must ensure close and effective engagement among the faculty, Executive Vice Chancellors, University Librarians, and other key constituencies in the development of library collections and services.** Technology is driving far-reaching changes in the methods of research, scholarship and teaching. Moreover, these effects are manifesting themselves differently and are proceeding at different rates among academic disciplines. If the UC libraries are to continue to innovate and provide effective support to the University's academic enterprise, it will be increasingly important to engage the academy closely and continuously at the disciplinary and department level. These connections can ensure that the libraries are responsive to evolving teaching and research needs, provide support for stewardship and dissemination of developing scholarly information resources, assist faculty as they initiate and adapt to changes in scholarly communication systems, and help expose innovations that can be developed and leveraged for the benefit of the UC system. In addition, the University's financial circumstances dictate that library planning is closely linked to both the financial and academic management of the University, as well as to the academic program itself. CoUL is well positioned to assess the need for, plan, implement and oversee the management of shared library services and effect campus-level consultation on library issues. The accountability of each University Librarian to his/her Provost and regular consultation with campus faculty ensure that the planning undertaken by the CoUL is informed by campus academic and budgetary perspectives. In addition, the collaborative track record of CoUL is unquestionably successful.

- **In light of the libraries' primary mission, budget and space constraints, and changing technological capacity, the University is obliged continuously to consider and balance fundamental trade-offs.** For example:
    - In managing collections, academic necessity may on the one hand dictate local campus acquisition of materials needed to support the campus academic program, even when this results in systemwide duplication of collections. On the other, the goal of enhancing the breadth and diversity of the systemwide library collection dictates avoidance of duplication and a preference for readily-sharable digital formats. In balancing these competing priorities, the UC libraries will need to further expand and develop policies and practices that seek to avoid unintentional and unnecessary duplication (including duplicate acquisition of multiple formats of the same material), give preference to digital formats (which are inherently amenable to shared provision) over print when considerations of cost, accessibility and persistence allow, and provide effective and responsive access and delivery services when reliance on a shared acquisition is the preferred choice, all with the aim of maximizing persistent access to the information resources needed for research and teaching.

o In the realm of shared services, more than 30 years of collaborative library service development within UC has launched many of the most obvious and universally beneficial systemwide strategies. As the UC libraries seek new efficiencies and collaborative innovations, it will be increasingly necessary to identify and encourage collaborations that provide benefits to fewer than all 10 campuses. Current policy and practice permit such collaborations,[8] and it is clearly in the interest of the University to encourage them when they can contribute to cost savings or avoidances. The combined effects of more diverse and complex funding arrangements and more sophisticated and flexible shared service arrangements create significant new challenges in maintaining the balance between campus and systemwide interests. Sustaining this balance successfully will require greater and more continuous attention.

- **The University must maintain and enhance the capability to innovate in the provision of library collections and services.** Over the last three decades, the University has achieved success in maintaining and improving the quality of library support for the academic program in the face of rising costs and constrained budgets through technological, organizational and operational innovations, especially (but not exclusively) at the Universitywide level. The capacity to develop, test, adopt and scale up innovative methods is vital in two regards. First, it is the surest course to achieving new efficiencies that free up resources. Second, as scholarly practice continues to evolve, particularly in response to dramatic technological changes in research methods, information sources, and communication processes, continuing innovation in library services is necessary in order to continue to provide responsive, high quality support to the academic enterprise. Retaining the capacity to innovate is especially challenging in an environment of budgetary retrenchment, as (a) there are increased pressures to maintain traditional collections and services, often at the expense of new innovations, and (b) it can be especially difficult to justify and prioritize investments in services that, by their nature, entail risk and lack a proven return on investment.

4   Budget Assumptions

Although many factors influence planning for the UC libraries, the current budget situation of the State and the University is the key driver for the work of the Task Force.

4.1   Reductions in Library Operating Budgets

The University anticipates that the systemwide budget for libraries will be affected in at least two ways: (1) the requirement to address an unfunded liability in retirement programs projected to total over $40 billion by 2014, and (b) the proposal in the 2011-12 Governor's Budget to reduce State General Fund support to the University by $500 million. To provide a foundation for Task Force deliberations and recommendations, it was necessary to estimate the likely impact of these budget factors on the budgets of the UC libraries. The estimates that follow were developed for planning purposes only. Estimated budget effects are calculated for the aggregate systemwide budget for libraries, and are assumed to apply proportionately to the library budgets of the individual campuses. The Task Force recognizes that each campus will make its own library budgeting decisions, and cannot predict how these local decisions might affect the aggregate estimates. The Task Force also recognizes, but cannot predict, that a variety

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[8] Many such collaborations already exist. For example, some digital content licenses, designated as "Tier 2," are funded by, and make their content accessible to, only a subset of the campuses; responsibility for management and publisher negotiation may lie with the CDL or a lead member of the particular multi-campus Tier 2 consortium. Similarly, for some of the digital preservation services provided by the CDL's UC Curation Center, the basic technical infrastructure is operated by the CDL, but participating campuses are responsible for the marginal cost of the storage resources and other services they use.

of possible changes in budget conditions at the State or University level could affect these estimates in either direction.

4.1.1 Retirement-Related Budget Effects

Task Force staff estimate that the systemwide budget for libraries is likely to be reduced in 2011-12 at least by an amount equivalent to reducing the Salaries & Wages budgets by a total of 7% of the 2009-10 Salaries and Wages base, and an additional amount each year thereafter, to account for required employer contributions to the UC Retirement System. The estimated level of anticipated budget reduction owing to increased retirement contributions is about $10 million in the current fiscal year, increasing to $30 million in 2016-17.

4.1.2 Effect of State Budget Cuts

The Governor's 2011-12 budget proposal, released on January 10, 2011, proposes an undesignated reduction of $500 million for the University of California, and the president of the University has indicated publicly that UC does not currently plan to backfill those cuts with additional tuition increases. While it remains uncertain whether the Legislature will approve this budget proposal, or how the undesignated cut might be allocated among the campuses or to the libraries, it seems prudent to make some allowance for the likelihood of a budget cut of this magnitude in the work of the Task Force.[9]

Staff analysis suggests that the libraries' *pro rata* share of the State funds cut would be about $22.8 million, beginning in 2011-12. Even if the Regents were willing to increase student tuition and fees, a major ongoing increase in student fees would be required to offset even a portion of this estimated reduction in library budgets attributable to the proposed State funds budget cut.

4.1.3 Combined Estimate

The combined effect of State budget cuts and retirement system financing is estimated to reduce the total systemwide budget for libraries by about $10 million (4 percent) in the current fiscal year, increasing to $52 million (21 percent) by 2016-17, as illustrated in Figure 1. A detailed description of the methods and assumptions used to develop these estimates is provided in Appendix B, Calculation of Estimated Budget Impacts.

Figure 1. Total UC Library Budgets, Actual and Projected, With Estimated Effects of Retirement Contributions and Proposed State Fund Reductions

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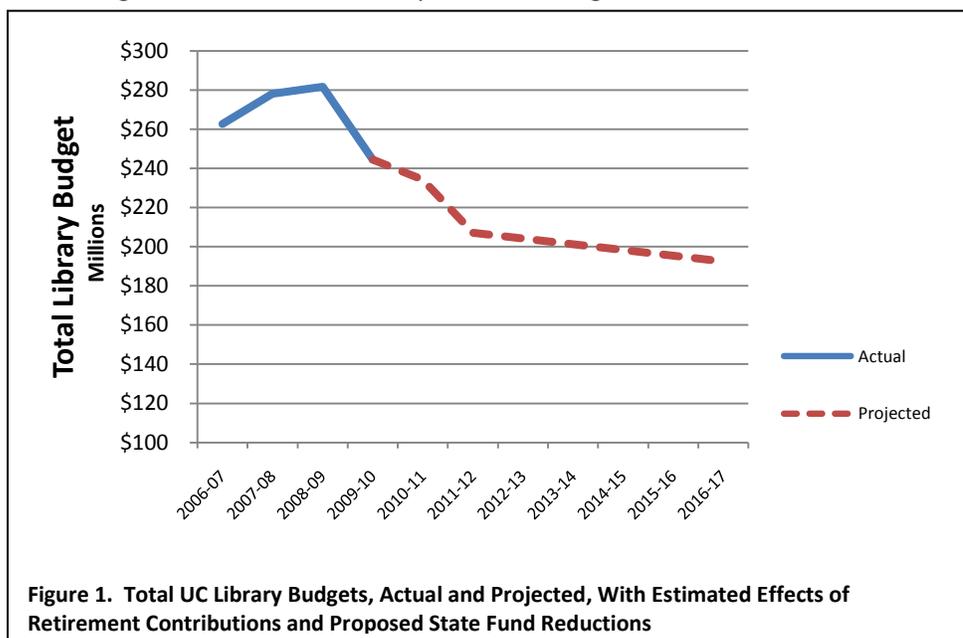
[9] The Governor's budget proposal is contingent on passage by the state's voters of a referendum to extend a set of temporary tax increases currently due to expire on June 30, 2011. Failure to (a) place this referendum on the ballot for a June election or (b) secure passage of the measure could result in a further increase in State budget cuts, currently estimated to be about double the current proposal.

4.2 The Effect of Library Materials Price Increases

Barring changes in publishers' pricing behavior, constantly compounding increases in the price of library material will erode the buying power of the libraries—absent new or reallocated resources for materials. Assuming average price increases of 4 percent annually leads to an estimated 25% reduction in materials acquired or licensed for library collections by 2016-17. The libraries would require an estimated additional $17 million in their collections budgets to maintain the current level of acquisitions; without the additional funding, the libraries might acquire as many as 182,000 <u>fewer</u> new volumes per year. The chief cause of this "inflationary" effect is not a structural economic phenomenon, but price increases imposed unilaterally and arbitrarily by publishers. Publisher price increases have historically greatly outstripped the level of general inflation in the economy.[10]

4.3 The Relative Impact of Budget Reductions

The total impact of the budget cuts and erosion of buying power is expected to exceed $69 million annually by 2016-17, more than the current library budget of the Berkeley campus, or of the Davis, Irvine and Riverside campuses combined (Figure 2). To illustrate the scale of the anticipated budget cuts:

- If each campus cut its acquisition budget by 21%, the total systemwide reduction would be about $14 million. This is equivalent to the current annual library materials budgets of UCD and UCI combined (Figure 3).
- If each campus cut its operations budget by 21%, the result would be equivalent to a reduction of about 453 FTE. This is equivalent to the total library staffing of UCD and UCSB (Figure 4).

Figure 2. Anticipated Budget Cuts in Relation to Selected Campus Library Budgets

Figure 3. Estimated Reduction in Library Acquisitions Budgets in Relation to Current Materials Budgets of Selected UC Libraries
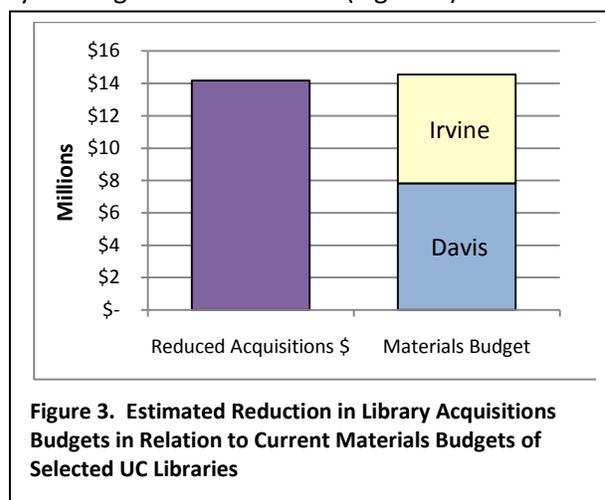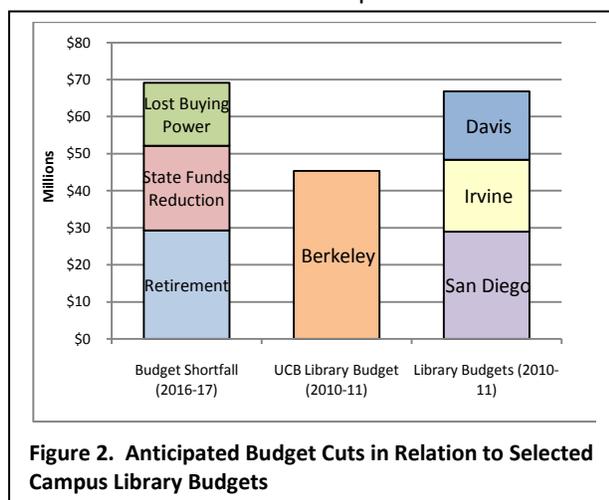
- If campuses protected their collection budgets, and the estimated budget cut of $52 million were taken solely from staff and operations, the reduction to non-collections budgets would be about 29 percent, equivalent to 626 FTE. This is equivalent to the total library staffing of UCD, UCI, and UCR (Figure 5).

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[10] See, for example, Regents' Budget for Current Operations, 2011-12, Budget Detail, Display IX-4, p.76, available at <http://budget.ucop.edu/rbudget/201112/2011-12-budget-detail.pdf>.

Figure 4. Reduced Staff FTE in Comparison to Current Staffing of Selected Campuses

Figure 5. Reduced Staff FTE in Comparison to Current Staffing of Selected Campuses, if All Budget Cuts were Taken in Operations
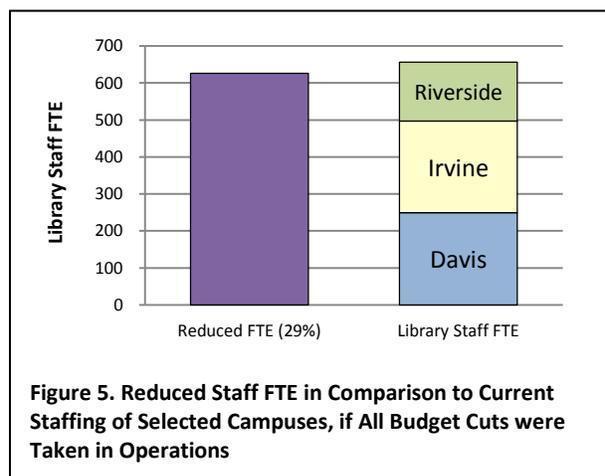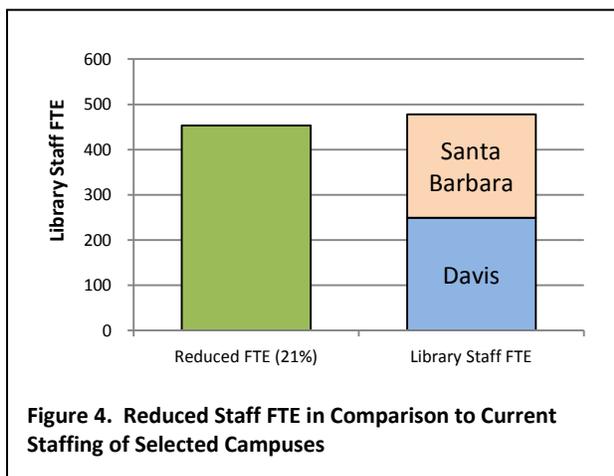
4.4 Limitations on Library Space

The UC libraries and the Regional Library Facilities currently manage about 4 million assignable square feet (ASF) of space, of which 2.4 million ASF (61%) is shown in facilities inventories as devoted to collections. Converting stack space to capacity for bound volumes using UC's standard space planning formula (12.5 volumes per ASF) indicates that the libraries currently have capacity for 40.2 million physical volumes. With a current collection size of about 35 million volumes, it would appear that there is sufficient stack space in the University to accommodate existing physical collections. However, stack space is not proportionally distributed across the campuses, and some campus libraries are currently close to capacity. In addition, several campuses now accommodate their collections by leasing off-campus space, further constraining the operating budgets of those libraries.

Physical collections will continue to grow, and space must be provided to accommodate increasing campus populations. While reductions in acquisitions rates for print, owing to financial limitations and the ongoing transition from print to digital information resources, will have some effect in relieving space pressures, campus libraries, as well as the RLFs, will begin to run out of space to house new acquisitions over the next six or seven years (see Figure 6). A recent study by the UC libraries indicated that they "need to reach a 0% growth rate within 5 years to be able to house physical collections within anticipated space."[11]

In addition to the pressure of growing collections, library space is also affected by two additional emerging demands. First, many campuses seek to enhance and repurpose their library facilities to offer students and faculty comfortable, innovative spaces in which to study and conduct research as well as places for collaboration, exchange, and contemplation.[12]
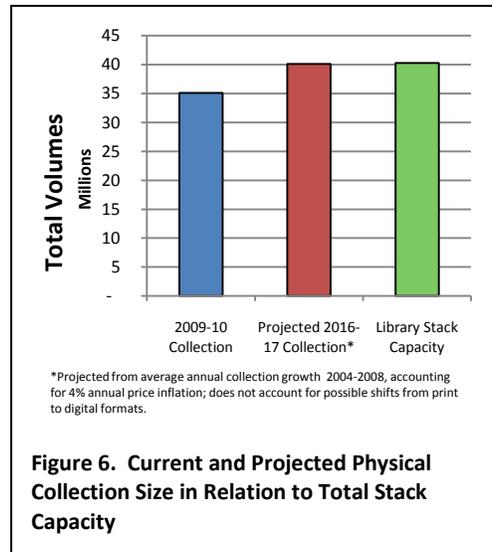
*Projected from average annual collection growth 2004-2008, accounting for 4% annual price inflation; does not account for possible shifts from print to digital formats.

Figure 6. Current and Projected Physical Collection Size in Relation to Total Stack Capacity

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[11] SOPAG Task Force on UC Libraries Collections Space Planning, Report, Revised February 5, 2010, available at <http://libraries.universityofcalifornia.edu/sopag/spaceplantf/collspace-report-mar24_final.pdf>.

[12] See, for example, the description of the UC Merced Library, the first wholly new research library facility of the current century (<http://ucmercedlibrary.info/about-the-library/the-story-of-the-library>), the description of the UCSC McHenry Library Addition/Renovation at <http://library.ucsc.edu/about/locations/mcadd/mchenry-addition-faq> or the UCLA Young Research Library renovation project at <http://www.library.ucla.edu/libraries/researchlibrary/13603.cfm>.

Second, campus responses to the budget cuts discussed above may lead to closing of some library facilities as a means to achieve savings in operating budgets.[13]

5   Recommended Strategies

In this financial climate, some reduction in library budgets cannot be avoided. However, the history of library collaboration at UC (as recounted in section 1.4 above) has shown that there are collaborative strategies that can <u>mitigate</u> the adverse effects of the cuts by increasing operating efficiencies and helping to ensure that the collections and services available to UC faculty and students remain as broad, diverse, and distinguished as possible. In this section, the Task Force recommends and describes four such collaborative strategies that are intended to assist the campus libraries as they come to grips with these impending budget challenges.

5.1   Strategies for the Expansion and Management of Shared Services

5.1.1   Introduction

The most promising strategy for addressing the budget and space challenges facing the libraries is an expanded portfolio of collectively managed shared library services. The portfolio of shared library services described in section 1.4 above has achieved substantial efficiencies in current operations while supporting the innovations that are essential to match the continuous evolution in approaches to research, scholarship, teaching and scholarly communication. Appendix C, Shared Services, describes these services in greater detail.

Strategic expansion and careful collaborative management of shared services and facilities offer the likeliest path to new efficiencies in library operations by using the unique leverage of the UC system to:

- Introduce new cost-conscious services that permit campus libraries to generate savings or avoid future cost increases
- Support effective collaborations with partners outside the University to further leverage capabilities and spread costs
- Deliver the information that faculty and students need for their academic work as the formats and methods of delivery continue to evolve
- Adapt to and support ongoing innovations in methods of research, scholarship and teaching/learning

As discussed previously, the UC libraries have anticipated the need to plan for additional shared services, and have begun to articulate a suite of program opportunities, chiefly through the pilot Next Generation Melvyl online catalog and the Next Generation Technical Services process (additional details can also be found in Appendix C). The Task Force finds that the work currently underway under the leadership and direction of CoUL informs and anticipates its recommended strategies.

The Task Force foresees that the expected budget cuts will have two primary impacts on this shared services portfolio. First, the cuts will put pressure on existing services, some of which may need to be curtailed, suspended, or even eliminated. Second, the cuts will accelerate demand for new services, particularly those that promise further efficiencies in current operations.

Existing shared services are located and administered throughout the University (e.g., the CDL at the UC Office of the President [UCOP], shared cataloging and acquisitions at UC San Diego, the Regional Library Facilities at UC Berkeley and UCLA), and it is likely that new shared services will be even more

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[13] See for example, <http://libraries.ucsd.edu/budgetcutsFAQ/intro.html>: "The budget cut scenario outlined for 2011/12 includes further cuts to the collections budget, in addition to reducing the number of library buildings we staff and support from six to two."

distributed; some will even involve partnerships outside the University. For these reasons, it is increasingly important that the University manage its shared library services, both existing and proposed, as a coherent and coordinated portfolio, with the ability to reshape and rebalance the portfolio in response to changing conditions and new opportunities.

5.1.2   Management of Existing Shared Services

The Task Force recommends the ongoing evaluation of existing shared services, including their performance in relation to the level of investment. In conducting such review, the university should consider such factors as:

- Does a service continue to allow campuses to avoid costs in their current operations?
- Does a service support scholarship in ways deemed essential to bolstering the university's academic competitiveness?
- In what other ways does the service support and enhance research, teaching and learning?
- Do the benefits continue to exceed costs?
- What, if any, alternatives exist?
- Can a change in the service (e.g., an expansion or redirection) permit additional cost savings that campuses can redirect to address budget cuts?
- If a shared service is curtailed or eliminated, will campuses undertake to offer the service locally? Will the curtailment or elimination of the service impose additional costs on campuses?
- How important is the service's continuation given the opportunity cost its maintenance entails with regard to other services provided at the systemwide, multi-campus or local level?

5.1.3   Management of Proposed Shared Services

New services that could be added to the University's portfolio will be a mix of three kinds: those that (1) afford direct cost savings, (2) provide space savings, or (3) address new needs but incur additional costs. The challenge for the University is to develop and manage a robust portfolio that both contributes effectively to the libraries' budget and space issues and supports a changing academic environment. The factors that inform the assessment of existing services apply here as well. The additional factors to be considered in developing new services are the manner in which initial and ongoing costs will be financed and how the services should best be organized and managed. Additional discussion of shared services can be found in Appendix C.

5.2   Strategies that Address the Pricing of Academic Publications

The problem of rapidly increasing prices for academic publications has been endemic for many years. As the University's Library Planning and Action Initiative Advisory Task Force put it in its 1998 report:

> The free flow of information required for scholarly and scientific communication is now threatened by rising costs in a monopoly-like marketplace that is increasingly dominated by large commercial publishers and information vendors. Universities subsidize the costs of faculty research. Faculty then give the results of that research to publishers, who sell it back at ever increasing costs and, in the case of digital information, with unprecedented new restrictions on distribution and use. Libraries have been among the first partners in the scholarly and scientific communication system to feel the ill effects of this model, but in the long-term, it will restrict the entire flow of scholarly discourse.[14]

The pricing practices of publishers have continually driven up the price of library materials at rates that greatly outstrip general inflation, eroding the buying power of collections budgets, reshaping the

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[14] University of California, Library Planning and Action Initiative Advisory Task Force, Final Report, March 1998, p. 5 (available at <http://libraries.universityofcalifornia.edu/planning/lpai_finalrpt/finalrpt/LPAIfina.pdf>).

composition of collections, and limiting the ability of the libraries to purchase materials needed for support of the University's diverse and distinguished academic programs. The economic and functional problems of the current system of scholarly communication and publishing are reasonably well understood and widely discussed.[15] However, solutions have proven elusive because of the complex and attenuated relationships and differing interests among the stakeholders: the faculty as authors, readers, editors and reviewers; the publishers as producers, distributors and organizers of peer review; and institutions as purchasers. Owing to this complexity and misalignment of interests, the actions of individual institutions have been of little avail in effecting large-scale, systemic change.

However, the scholarly publishing environment is clearly changing. The number of open-access journals[16] has grown dramatically over the last several years, and some open-access publishers, such as the Public Library of Science (PLoS), have established high-quality journals that successfully compete with the most prestigious commercial and scholarly society publishers. The National Institutes of Health have established rules, requested and endorsed by Congress, that require authors of NIH-supported research papers to deposit copies of their published articles in the open-access PubMed Central repository. Several peer institutions, including several schools at Harvard University, have adopted faculty-initiated policies addressing the assignment and management of copyrights in faculty publications, the deposit of published articles in institutional open-access repositories, and other publication issues. The Compact for Open-Access Equity (COPE), a coalition of research universities (including UC Berkeley), has been formed with a commitment to establish durable mechanisms at each institution to fund reasonable publication charges for faculty publishing in open-access journals. The University of California, through the e-journal subscription negotiations led by the CDL, has had success in tempering some of the most egregious pricing abuses of publishers, notably with Elsevier and the Nature Publishing Group (NPG).

It is evident that the costs of the existing system are not sustainable, the tide of opinion regarding methods and prices for scholarly publications is changing, and the time is right for new leadership aimed at restoring academic control over the system of scholarly communication. The size and prestige of the University of California can be leveraged to make a difference in encouraging scholars, publishers, and peer institutions to give more favorable attention to these issues.[17]

5.2.1   The Faculty Role

Ultimately, the system of scholarly communication belongs to the faculty, as its producers and primary users. Institutional initiatives can go only where the faculty lead. To foster successful change in scholarly publishing and communication, UC faculty must be prepared to:

- Retain and manage their copyrights in the works they produce
- Participate actively in new publishing models and innovations in scholarly communication that more effectively serve the interests of the scholarly community
- Decline to publish in, edit or review for journals that persist in unacceptable pricing or copyright practices
- Encourage their academic colleagues and scholarly societies to take similar actions.

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[15] See, for example, the UC Reshaping Scholarly Communication Web site at <http://osc.universityofcalifornia.edu/>.

[16] Journals that make their content freely available online without a subscription fee, either at no cost or through publication charges to authors (or their institutions or grant funders).

[17] See, for example, Jump, Paul, "Research intelligence - We're not paying that much!", *Times Higher Education*, November 25, 2010, available at <http://www.timeshighereducation.co.uk/story.asp?sectioncode= 26&storycode=414367>: "The academy's fightback [sic] was heralded in June by the financially troubled University of California system, which threatened to cancel its subscription to Nature journals and to organise an academic boycott of Nature Publishing Group when the publisher tried to quadruple charges for access to its e-journals."

5.2.2   The University Role

There is a great deal that the University can do to support faculty-led efforts to confront the deficiencies of the publishing system. Ultimately, the University must be prepared to develop a framework through which the UC faculty will be enabled to participate in changing scholarly communication. It must be recognized, however, that additional institutional support for scholarly publishing initiatives involves new costs that must be covered from existing budgets, either by the libraries or elsewhere in the institution, or from extramural funds. It must also be emphasized that as long as traditional and new modes of scholarly publishing exist in tandem, the need to support two systems will inevitably impose new costs, at least for the duration of what is likely to be a long period of transition. As the shared services that the libraries might provide to support the faculty's scholarly communication efforts are likely to add costs with uncertain prospects for budgetary savings, they should be evaluated along with all other components of the portfolio of shared services.

Among the institutional strategies that UC might adopt or continue in support of the faculty are:

- Assisting and supporting the faculty as they seek to explore and use alternatives to traditional methods of scholarly publishing and develop and adopt new modes of scholarly communication that are aligned with emerging changes in methods of research and teaching.
- Supporting the faculty by conveying to them information about the actual costs of publications and the expenses incurred by their libraries in providing access to scholarly information.
- Continuing and fortifying its strong negotiating positions with publishers. As the negotiations with Elsevier and the NPG have demonstrated, a reasonable negotiating position backed by the full force of faculty support and UC's economic clout can make a difference both to the University and to the larger community of higher education institutions.
- Encouraging and supporting the adoption of open-access publishing. The many varieties of open-access scholarly communication promise both significant academic benefits, by making peer-reviewed research results available to all without subscription charges to readers or their institutions, and significant financial benefits, by reducing and permitting reallocation of the costs of scholarly publishing. The University has already taken affirmative steps in this direction by supporting new open-access journals, helping to cover the costs for UC faculty publishing in "author-pays" open-access journals, and providing support for author compliance with the NIH open-access deposit policy.
- Redirecting a portion of the funding currently used for purchase of traditional print and digital publications to the support of alternative publishing models that advance the interests and values of the academic community.

5.3   Strategies to Recover Costs and Enhance and Diversify Revenue

The Task Force has concluded that, while it is critical to assist and support the campus libraries in coping with budget reductions, it is also important to explore avenues by which the University could secure additional funds to offset budget cuts. In this regard, the Task Force notes that campus-based efforts do not usually address systemwide and shared collections and services, the areas of primary interest to the Task Force. The University might therefore want to explore opportunities to recover costs and/or increase revenue from non-traditional sources to support its libraries, and to spread the costs of library services across a larger base of financial contributors. It will be particularly appropriate to fully consider alternative funding sources as part of the regular review and management of the portfolio of shared library services described in Sections 5.1 and 5.4.

Among the strategies that might be considered are:

- Recovering costs from non-UC users (individuals, companies and institutions) that make use of UC's current library collections, facilities and services (for example, recovering the cost of providing interlibrary loans to those non-UC users).
- Positioning the UC libraries to generate revenue as information providers and service intermediaries to organizations outside UC.
- Supporting the efforts of campus libraries and development offices to secure major donations in support of the libraries.
- Implementing student fees specifically designated to support libraries, as has been successfully done at some UC campuses[18] and many other institutions.
- Licensing UC's library service innovations for further development and diffusion into the general marketplace (for example, UC-developed software, or support services for UC software innovations that are released as open-source).
- Licensing or exchanging UC-owned library assets for services in the marketplace.
- Repurposing existing services and/or developing new services that can be marketed to external institutions and customers (for example, marketing UC's Web Archiving Service or Archivists' Toolkit to external users).

5.4 Strategies to Improve the Framework for Planning, Consultation and Decision-Making

The UC libraries have been remarkably successful in developing and sustaining a portfolio of shared services that have generated significant cost savings and avoidances while maintaining and improving services in an environment of constant technological change. The current framework for planning, consultation and decision-making for shared library services (described further in Section 5.4.1 below) has been similarly effective in guiding, supporting and assessing this portfolio of services.

The emerging forces that characterize the University's current environment, however, indicate the need to clarify and strengthen the roles and relationships among the parties involved in planning and decision-making for shared library services. These forces include:
- The budget constraints thoroughly explained and explored elsewhere in this report.
- Increasing interdependence among campus libraries and providers of shared services, as discussed in Section 1.4 above, leading to increasing complexity in the calculus of balance between campus and systemwide needs, as discussed in Section 3 above. Campus budget decisions regarding libraries will increasingly influence and be influenced by decisions taken at other campuses and collective decisions affecting shared services. It will be incumbent on decision-makers at all levels to systematically consider the impact of their plans and decisions on the interconnected UC library system. Greater transparency at all levels will be required to enable such broad consideration.
- The new financial model that has been adopted by the University to improve budget transparency and give campuses more say over centralized programs and services.[19] In the proposed model, generally referred to as the "Funding Flows" model, "UCOP would continue to provide functions and services that benefit from centralization and economies of scale — such as payroll, treasury and the digital library — or that campuses agree provide value across the system. Campuses would keep any revenue they generate, and a small portion of that revenue would go to UCOP to pay for its services." Under Funding Flows, it will be necessary regularly to analyze and demonstrate the value of shared services that are supported by UCOP funds in

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[18] At UC Santa Cruz, for example, students recently voted to institute a three-year fee of $6.50 per quarter per student to pay for increased library hours.

[19] See, for example, the UC press release, "Systemwide office to cut operating costs," 3/29/11, available at <http://www.universityofcalifornia.edu/news/article/25221>.

order to (a) secure campus support for the establishment or continuation of the service and (b) help set the assessment rate on campus revenues.

- Continuing expectations of transparency and accountability in the use of University, and especially systemwide, funds.

The following sections address the components and relationships of the current organizational structure for shared library services and the functions that a framework for shared library services must satisfy in light of these new forces, as well as additional implementation considerations.

5.4.1   The Current Organizational Framework for Libraries

The distinguishing characteristics of library services at the campus level are that they (a) are responsive to and tailored for campus needs and aspirations and (b) involve only the funds and other resources belonging to the campus. At the campus level, planning and decision-making responsibilities for library services and funding rest with the University Librarian and the Executive Vice Chancellor and Provost (EVC). Formal consultation typically involves the library committee of the campus division of the Academic Senate and the campus division of the Librarians' Association of UC (LAUC), plus other groups that may advise the UL, the EVC, and /or the Chancellor, as well as the usual informal consultation venues typical of any research university.

Systemwide and (most) shared library services (a) provide services to all or many campuses and (b) make use of funds and resources budgeted at the systemwide level, often in combination with funding contributed by the campuses. At the systemwide level, primary responsibility for planning and decision-making for shared library services rests with the University's President and its Provost and Executive Vice President for Academic Affairs. The current systemwide organizational structure related to shared library services performs planning and assessment and facilitates communication and consultation with key constituencies, and includes:

- The Council of University Librarians (CoUL; <http://libraries.universityofcalifornia.edu/about/uls.html>) and its supporting infrastructure of the Systemwide Operations and Planning Advisory Group and its committees (<http://libraries.universityofcalifornia.edu/sopag/>), which coordinates plans, policies and practices among the campus libraries; develops, proposes, and coordinates implementation of systemwide and multi-campus programs and operations; and advises the California Digital Library on development and operation of its shared services on behalf of the UC libraries.
- The Council of (Executive) Vice Chancellors (COVC), which meets regularly to discuss and exchange information about academic policies and programs at their respective campuses and systemwide, advise the Provost and Executive Vice President of the University and his/her staff, and effect multi-campus coordination when necessary for development or implementation of systemwide academic policies and programs. On library matters, COVC is informed as required through the Office of the Provost, individual campus UL-EVC relationships, and SLASIAC (see below), which is chaired by an EVC.
- The Systemwide Library and Scholarly Information Advisory Committee (SLASIAC) is appointed by the Provost with broad representation from most academic and administrative segments of the UC community. SLASIAC is charged to advise the University, through the Provost, on systemwide policies, plans, programs and strategic priorities related to the acquisition, dissemination, and long-term management of the scholarly information, in all formats, created by or needed to support UC's world-class teaching and research programs. This charge includes, but is not limited to, advising on systemwide long-term planning for the UC libraries including the 10 campus libraries and the California Digital Library (CDL), strategies that will enhance and facilitate the transmission of scholarly and scientific communication in a digital environment, and legal, legislative, regulatory and policy issues that influence the effective provision of

scholarly information services. Administrative support for SLASIAC is provided by the UCOP Department of Academic Planning, Programs and Coordination (APPC) and the CDL.

- The Shared Library Facilities Board (<http://libraries.universityofcalifornia.edu/about/slfb/>) is appointed by the Provost with representation from CoUL, library staff, and faculty, with responsibility for the development of policies, strategies, plans and general operating procedures for the effective and coordinated use of the Northern and Southern Regional Library Facilities. Support is provided chiefly from the staff and budget of the RLFs.
- The University Committee on Library and Scholarly Communication (UCOLASC; <http://www.universityofcalifornia.edu/senate/committees/ucolasc/>) is a standing committee of the Universitywide Academic Senate, charged to advise the President concerning the administration of the libraries of the University in accordance with the Standing Orders of The Regents and issues related to innovations in forms of scholarly communication.
- The Librarians Association of the University of California, (LAUC; <http://www.ucop.edu/lauc/>) advises the Office of the President, campus administration, and library administration on the operations and policies of the libraries; on professional standards, rights, privileges and obligations of members of the librarian series of the University of California; and on the planning, evaluation, and implementation of programs, services or technological changes in the libraries of the University.[20]

Until mid-2008, a small Office of Systemwide Library Planning, located within APPC, provided collaborative leadership and coordination among UCOP administration, the CDL, the RLFs, and campus libraries. Its responsibilities included development, analysis, documentation, promulgation and defense of systemwide library strategies and plans; support for funding and implementation plans for those strategies and plans; administrative support for the systemwide library organizations; and maintenance of statistical reports and other analytical resources in support of systemwide library planning activities. The office was disbanded in July, 2008, with the retirement of its director and as part of a major UCOP reorganization and downsizing project, and a subset of its responsibilities (administrative support, statistical reports and analytical resources) and the remaining staff member was transferred to the CDL. At the same time, the leadership position of the CDL was re-assigned from Associate Vice Provost, Scholarly Information and University Librarian to Executive Director. The responsibility for other areas of systemwide library planning (primarily the development of a strategic plan) remained with APPC.

5.4.2 New requirements for planning, consultation and decision-making

As noted above, the budgetary and other pressures that the libraries now face place challenging new requirements on the existing organizational framework, at both campus and systemwide levels.

For campus-level decisions involving campus funds, the increasing interdependence among UC libraries and library services means that the library decisions made by one campus can have financial, academic and operational impacts on the library services (whether shared or local) of the others. It will be in the interest of EVCs to have knowledge of the plans and decisions of other campuses and systemwide service providers to help them make decisions about the library services and budgets of their own campuses. To ensure that this information is readily and equitably available, more formal reporting and consultation by individual University Librarians and the CoUL with COVC may be required.

In addition, there are likely to be opportunities for collaborations that include and benefit fewer than 10 campuses, as discussed in Section 3 above. It will be important for CoUL, as the body chiefly responsible for planning and coordination of shared services, to be attentive to such opportunities and keep their EVCs and COVC informed.

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[20] See Academic Personnel Manual Section 360 Appendix B. 3, at <http://www.ucop.edu/acadadv/acadpers/apm/apm-360.pdf>.

For shared services that make use of systemwide funds (whether these are systemwide services or include fewer than 10 campuses), the organizational framework will be heavily influenced by two factors:

- The shift of UCOP budgeting from a central allocation model to the Funding Flows model of a flat tax on campus funds means that:
    - "Systemwide funds," including budgets currently allocated to existing shared services, will increasingly be derived from and justified in terms of the systemwide assessment on campus budgets.
    - Complete transparency in budgeting and decision-making is a foundational requirement for systemwide and shared services that use Funding Flows dollars.
    - Campuses, particularly through COVC, will have much greater input into decisions related to UCOP investments in shared services.
    - Analysis at the program/service level is likely required in order to set and justify the "tax rate."
    - It follows that where existing systemwide/shared services are financed with Funding Flows dollars, transparency and communication requirements demand regular and formal assessment of the operations and finances of those services.
- The use of internal loan funding (e.g. through the Cross-Campus Collaborations, or C3, program[21]) to finance start-up costs for shared services requires:
    - Business/financial planning and analysis to define and justify the return on investment (ROI) and plan repayment.
    - A firm and credible commitment from the sources of repayment. In many cases, this will require a commitment from EVCs.

It is evident that the University's emerging planning and budgeting environment will involve some new formalities, a greater need for detailed planning, financial and programmatic analysis and assessment, and closer coordination among the groups involved in the organizational framework. The Task Force views it as essential that an office with responsibility for systemwide library planning be re-established to support the parties in the organizational framework in meeting these new requirements. This office must be independent of, but responsive to, the libraries and systemwide services, and must include or be able to marshal the library, analytical and financial expertise required to successfully meet the planning charge. The Task Force anticipates that initially, the office would focus on developing the methodology for the periodic review of the service portfolio, and would thereafter manage and support the reporting process in close collaboration with the CoUL. The Task Force has no opinion about the organizational location or reporting relationships of the office.

While these factors do not necessarily make the case for fundamental changes in the roles, responsibilities and relationships of the parties in the established framework, it is evident to the Task Force that:

- These considerations argue persuasively for regular and systematic assessment of the operations and finances of the entire portfolio of shared library services.
- There is a clear need for regular communication of information among the parties and for definition of the information to be communicated, remembering that protocols must be flexible to allow for changing conditions and the specific characteristics of particular services or proposals.
- This budgetary environment will be characterized by greater involvement by EVCs/COVC, a likely expansion of the role of COVC in moderating and coordinating shared library service initiatives, and more formal analysis of and reporting on the operations and finances of shared services.

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[21] See the UC Chief Financial Officer's UC Strategic Investment Program Web site at <http://www.ucop.edu/finance/ucsip.html>.

- Roles and responsibilities of the parties, and protocols and content expectations for communication among them should be clarified. For example:
    - The CoUL may need to coordinate its analysis, project development and reporting activities and schedules with campus and systemwide budget cycles and the schedules of COVC and SLASIAC.
    - The moderating and coordinating role of COVC, which it has previously exercised in specific instances such as the development of the Education Abroad Program funding model, may need to be expanded and formalized to accommodate the coordination requirements of the library services portfolio and other program areas characterized by systemwide service and/or campus interdependence. This expanded role may dovetail with the evolving role of COVC in the Funding Flows budgeting model.
    - SLASIAC may need to formally schedule one or more annual meetings, in coordination with COVC and CoUL, to review and advise on plans, project and budget proposals, and assessments of the service portfolio.
    - As the respective roles and communication channels for CoUL, COVC and SLASIAC continue to develop, it may be helpful to establish a small executive group drawn from the leadership of these organizations to effect the necessary coordination.
- The planning, consultation and decision-making requirements of the organizational framework will need to evolve in response to changes in both the shared services portfolio and the financial and administrative environment of the University; regular review and revision of the framework and its element will be required.

6 Action Recommendations

The Task Force has found that the most promising strategy for addressing budgetary and space challenges facing the UC libraries is an expanded portfolio of collaboratively managed shared library services (Section 5.1 above). The shared service strategy should be complemented by strategies that address the pricing of academic publications (Section 5.2 above) and explore possibilities for enhancement and diversification of library revenues (Section 5.3 above). Finally, the Task Force finds that pursuit of these strategies should be accompanied by a strengthening of the systemwide organizational structure that supports planning, consultation and decision-making related to shared library services (Section 5.4 above).

For planning purposes, the Task Force has set as a goal the identification of $52 million in potential operating efficiencies that can help campus libraries deal with anticipated budget cuts through further development of the portfolio of shared library services. The ability of the libraries to achieve this goal depends on a variety of factors, including (a) the identification of specific services that can reasonably be expected to provide savings of this magnitude, (b) the cost of planning, implementing and operating those services, and (c) the likely need to fund the initial and ongoing costs of shared services in large part through the savings achieved (including the requirement to repay loans when these are used to fund initial implementation). Nonetheless, the Task Force, remembering the $114 million in annual savings and cost avoidances that have already been achieved through systemwide library collaboration and the detailed collaborative planning already undertaken by CoUL, believes that the $52 million is a reasonable and defensible planning goal and represents a challenge that the libraries, continuing their long tradition of collective problem-solving, are capable of achieving.

The Task Force notes that time is of the essence, because significant budget cuts are expected to begin in the upcoming fiscal year beginning July 1, 2011. We recognize, however, that considerable work remains to be done to move the dozens of proposals developed under CoUL's Next Generation initiatives to the point where each can be fully and fairly considered for funding and implementation. For these reasons, the Task Force recommends a three-phase strategy of consultation, planning and

implementation. A phased plan can best balance the need for immediate action with the requirements for both additional detailed planning and full consultation with the University community on the overall strategic directions recommended by the Task Force.

Based on these findings, the Task Force recommends to the Provost a three-phase strategy that:
- Anticipates and supports the continued leadership of CoUL in planning and implementation of shared services, and complements its efforts with a clear mandate and cross-functional planning support as required.
- Acknowledges the inclusion of a "Library Efficiencies" component in the University's *Working Smarter* program,[22] the ongoing administrative efficiency initiative that brings together systemwide, regional, and campus-level efforts under one umbrella to realize UC's top-level commitment to achieve a level of administrative excellence equivalent to that of its teaching and research enterprises, and ensures coordination with that initiative.
- Provides for broad consultation on overall strategy recommendations, while permitting the University and its campuses to move forward in a timely fashion on the most urgent actions needed to address budget issues over the next one to two fiscal years.
- Will, in each phase:
  - Enlist experts from the libraries, budget and finance, IT, business planning, etc.
  - Identify specific shared service initiatives that effectively address the anticipated funding reductions and can be implemented before the end of that phase
  - Develop detailed plans for structure, startup cost, and anticipated savings
  - Produce detailed project plans, including costs, financing options, and organizational structure

The Task Force anticipates that startup costs and ongoing operational costs for shared services will be funded by a combination of Cross-Campus Collaboration (C3) loans[23] (to be repaid through savings or other campus sources), redirection of library budgets, other campus funds, and/or adjustment of the assessment rate on campus budgets for support of UCOP services as described in the University's Funding Streams budgeting proposal. The Task Force further anticipates that the Office of the Provost will support this program through:
- Collaborative leadership and consultation with CoUL, COVC, and other Universitywide groups
- Facilitation of access to C3 loan funds
- Executive leadership
- Redevelopment of a systemwide library planning and coordination function

The Task Force recommends the following targets for operational efficiencies in each phase:
- Phase I: $15 million. Estimates developed by the libraries for some Next Generation project suggest that at least $6 million in operating efficiencies can be achieved relatively quickly (see Appendix C). However, by 2012-13 (likely the earliest year in which efficiencies could be realized; see timetable below), the anticipated reduction in library budgets is estimated at $40.4 million (see Table 4 in Appendix B). The goal of $15 million in efficiencies appears to the Task Force both achievable in light of the potential savings already identified, and needed to help the campuses offset the much deeper cuts that are anticipated early in the planning time frame.
- Phase II: $25 million. Achieving this target would produce total efficiencies of about $40 million by 2013-14, when anticipated budget cuts are expected to total $43.3 million.
- Phase III: $12 million, bringing total efficiencies to the $52 million target level.

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[22] See <http://workingsmarter.universityofcalifornia.edu/> for more information.
[23] "Cross-Campus Collaboration" is one component of the UC Chief Financial Officer's Strategic Investment Program, described more fully at <http://www.ucop.edu/finance/ucsip.html>,

The rough timetable set out below will need to be coordinated with the normal planning cycle of CoUL, to ensure that this effort supports the ongoing work of CoUL without imposing unnecessary additional or conflicting requirements on the process. It will also be necessary to coordinate this timetable with the University's budget cycle, to ensure that detailed plans are available in a timely enough manner to inform campus and systemwide budget decisions.

6.1 Phase I (Proposed Time Frame: 2011-12)

The first phase of planning features four key components:
- Plan for management of collection growth and conservation of library stack space, including removal of unnecessary duplicates from existing collections if and as necessary.
- Prepare detailed plans for projects that are capable of offsetting $15 million in anticipated budget reductions through reduction of duplication in current acquisition and consolidation of duplicative library operations and services, while maintaining the breadth and diversity of the systemwide library collection and minimizing impact on current services.
- Consult broadly with the University community on the recommendations of this Task Force, and adjust strategic directions and specific plans all three phases accordingly.
- Under the direction of the Provost and in consultation with key stakeholder groups, plan and implement changes in the organizational structure for shared library services as recommended by the Task Force.

Schedule:
- Detailed analysis and planning through September 2011
- Consultation through September 2011
- Adjustment of plans, analyses and timetables in response to consultation
- Where appropriate, develop funding proposals to be submitted to the Provost in October, 2011
- Complete implementation during 2011-12
- Begin recapturing savings in 2012-13

6.1.1 Services that Save Space

The Task Force believes that it is both possible and necessary for the UC libraries to manage the size and growth of the print collections housed both in campus libraries and Regional Library Facilities, and to make more flexible use of the space in existing library facilities, in order to accommodate future growth of print collections and allow for the repurposing of some campus library space. This question has already been studied in depth by the libraries' SOPAG Task Force on Libraries Collection Planning, and the recommendations that follow endorse and expand upon those found in their final report.[24]

The Task Force recommends that in Phase I the UC libraries develop detailed plans to:

1. Acquire digital formats (e-journals, e-books) whenever possible. In this connection, it should be remembered that changes in the marketplace for digital information, including copyright laws and the licensing terms and practices of publishers, can greatly affect the availability, cost, and persistence of digital acquisitions.
2. Coordinate collection development and acquisition processes to avoid unnecessary duplication of new print materials (which also generate cost savings; see Section 6.1.2 below).
3. As possible, remove unnecessary duplicate copies in existing print collections.
   a. As it becomes necessary to reduce the size of print collections through removal of unnecessary duplicate copies, the first priority is duplicate print backfiles of journals for which the University has reliable long-term access in digital form. Studies by the UC libraries

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[24] SOPAG Task Force on UC Libraries Collections Space Planning, Report, Revised February 5, 2010, available at <http://libraries.universityofcalifornia.edu/sopag/spaceplantf/collspace-report-mar24_final.pdf>.

indicate that this strategy could ultimately remove 6.4 million volumes from the shelves without materially affecting teaching, research or the preservation of the scholarly record, adding 13 years to the effective capacity of existing library stacks. It is expected that there will be significant operating costs associated with this strategy, but these are one-time costs; in addition, the libraries have substantial experience in implementing "last-copy" journal strategies through their JSTOR print archive program, so workflows, costs and risks are well understood. This kind of weeding is costly, but much less so than weeding individual book titles.

    b.   If additional space savings are required in the future, additional options to reduce duplication may be considered.

4.   Manage print collections on a systemwide basis to make maximum use of all available UC library facilities.

6.1.2   Services that Address the Budget Shortfall

The Task Force has reviewed the numerous proposals developed by the libraries under their Next Generation Initiatives (see Appendix C, Shared Services) and believes that efficiencies of about $15 million can be readily achieved toward the $52 million target while maintaining support for essential library collections and services. Preliminary analysis demonstrating the feasibility of these estimated savings are presented in Appendix C.

Cost-saving services are of two general kinds:
1.   Those that restructure library systems and operations to reduce redundant procedures and leverage collaborative opportunities for efficiency.
2.   Those that reduce unnecessary duplication in the future acquisition of library materials in all formats.

Both types of services are included among those identified by the libraries in their Next Generation initiatives (see Appendix C). In Phase I it may be most appropriate to give priority to those of the first type, as these "back room" efficiencies should have no visible impact on collections or service to library users. However, services of the second type, to the extent that they may be needed to manage growth in order to meet pressing space needs, should also be given high-priority consideration for planning and analysis.

6.2   Phase II (Proposed Time Frame: 2012-13)

The second phase of planning calls for:

- Incorporating the results of consultations conducted in Phase I into priorities and detailed plans for shared services.
- Initial and ongoing review of existing shared library services (see Section 5.1 above).
- Prioritizing and developing detailed implementation plans for systemwide and shared services that can offset anticipated budget reductions of $25 million annually.
- Reviewing collection growth and library space needs, determining the need for additional deduplication projects, and developing plans for their implementation as needed.

Schedule:

- Detailed implementation planning through September 2012
- Where appropriate, develop funding proposals to be submitted to the Provost in October, 2012.

6.3   Phase III (Proposed Time Frame: 2013-14)

The third phase of planning calls for:

- Ongoing review of existing shared library services (see Section 5.1 above).
- Prioritizing and developing detailed implementation plans for additional systemwide and shared services that can offset anticipated budget cuts of $12 million annually.
- Reviewing collection growth and library space needs, determining the need for additional deduplication projects, and developing plans for their implementation as needed.

Schedule:

- Detailed implementation planning through September 2013
- Where appropriate, develop funding proposals to be submitted to the Provost in October, 2013

6.4 Planning, Consultation and Decision-Making

As initial steps in clarifying and strengthening the roles and responsibilities of the parties in the planning and consultation framework (see Section 5.4 above), the Task Force recommends that:

1. CoUL, with support from the office of systemwide library planning, prepare an initial assessment of the current portfolio of shared library services, including the CDL, and their operational and financial relationships to proposed new services in Phase I, no later than October 1, 2011.
2. CoUL, with support from the office of systemwide library planning, prepare detailed analyses of candidate shared services projects for each Phase, to be submitted to COVC at an agreed-upon time in the early fall of the time frame for that Phase, to be accompanied by the initial (Phase I) or annual (Phases II and III) assessment of existing shared services.
3. CoUL, with support from the office of systemwide library planning, prepare for each Phase a report evaluating progress in implementing services scheduled for that Phase, and identifying preliminary candidates for consideration in the next Phase, to be submitted to COVC at an agreed-upon time in the spring of the time frame for that Phase.
4. COVC, upon receipt of the reports discussed above, will convey these reports to SLASIAC with a request for SLASIAC's analysis and recommendations.
5. Upon receipt of SLASIAC's recommendations, COVC will submit to the Provost and CoUL for appropriate action its recommendations for:
   a. Development and implementation of new shared services
   b. Financing of new shared services
   c. Revisions to the operations and financing of existing shared services.

Table 2. Summary of Proposed Phased Efficiencies		
Phase/Project	Savings	Remaining Target
Initial Target		$52,000,000
Phase I	$15,000,000	$27,000,000
Phase II	$25,000,000	$12,000,000
Phase III	$12,000,000	0

To illustrate the nature of these relationships in action, an example may be helpful. One of the recommendations of the Next Generation Technical Services Task Force is to implement a proposal called "System-Wide Shelf Ready," which would develop a systemwide contract with a vendor for cataloging and physical processing of a defined subset of new print acquisitions. This proposal would effectively leverage systemwide buying power by outsourcing some operational processes that are now commonly pursued in-house at every UC library (with the exception of Merced), promising annual savings estimated at $4.7 million. However, numerous details remain to be worked out: for example,

four campus libraries do not now outsource shelf-ready processing and would need to establish new procedures and workflows, it would be necessary to select and negotiate with a vendor, and outsourcing raises staff and labor relations issues. Of perhaps greatest importance, the planners estimate that an initial investment of $1.5 million would be required to launch the service. In the consultation framework envisioned by the Task Force, if CoUL wished to move forward with the "System-Wide Shelf Ready" proposal in Phase I:

- By fall, 2011, CoUL would refine the cost estimates, consult with staff about project scope and procedures, prepare a draft RFP for a vendor, develop a preliminary implementation plan and timeline, and refine estimates of the amount and timing of anticipated cost savings by campus.
- In fall, 2011, CoUL would prepare a comprehensive implementation plan and timeline, indicating the costs to be incurred and the savings that would be realized. If C3 loan funding were to be requested to finance the initial costs, the proposal would provide a detailed analysis and justification for the size of the loan, and indicate the method and timing of repayment, along with written commitments from the repayment sources.
- Because the procedures, workflows and supporting systems required for this project might interact with other established systemwide services (e.g., the Melvyl catalog, shared cataloging services), CoUL would assess these interdependencies and likely impacts as part of their concurrent assessment of the portfolio of existing shared services.
- In fall, 2011, COVC would receive both the report and recommendation for the "System-Wide Shelf Ready" project and the periodic assessment of the existing shared services portfolio, and forward both to SLASIAC for their recommendations, along with any comments or guidance that COVC would care to supply.
- SLASIAC members, after consultation with their respective constituencies, would meet to review and make recommendations on the "System-Wide Shelf Ready" proposal (along with any other proposals forwarded for consideration during this planning cycle), and forward its recommendations to COVC.
- COVC would forward its recommendations to the Provost. If systemwide funding would be required, COVC would normally ask CoUL to develop the formal funding proposal for COVC review and forwarding to the Provost with its endorsement.
- Subject to approval by the Provost and the finalization of systemwide funding arrangements if required, CoUL would proceed to implement its plan according to the timetable set out in its proposal.

APPENDIX A. Membership and charge

The Library Planning Task Force was appointed by UC Executive Vice President and Provost Lawrence H. Pitts in August, 2010, with the following charge:

Charge to a Task Force of the Systemwide Library and Scholarly Information Advisory Committee

Lawrence H Pitts
Executive Vice President and Provost
UC Office of the President
August 17, 2010

The University of California has 10 campus libraries and the systemwide California Digital Library (CDL), with a combined budget of $244m (2009/10 adjusted budget). The libraries have a long history of strategic and collaborative planning and resource sharing facilitated by a number of services that are managed on a systemwide basis, including the Melvyl union catalog, two high-density storage facilities (located at Berkeley and UCLA), the California Digital Library (UCOP), and shared electronic acquisition and cataloging services for centrally licensed electronic resources (San Diego). It is estimated that through their use of systemwide services, the libraries avoid up to $100m/year in cost. That is, if they were to attempt to achieve the same level of collection and services they currently enjoy, but acted independently of one another, the libraries would spend up to $100m/yr more than they invest at present. Particular success has been achieved in:

- Licensing electronic resources (journals, databases, and increasingly, electronic books) through co-investments on a systemwide basis;
- Central provision by CDL of commonly required library IT systems to support the discovery, delivery, lending, and preservation of print and electronic resources;
- Efficient delivery of print materials among campuses;
- Provision of shared digital reference services;
- Sharing the cost of, and managing, high-density storage facilities; and
- Digital conversion of and online access to over 2.6 million monographs via the Google Books Project and membership in HathiTrust.

Cost savings that have accrued to these services have allowed the libraries not only to maintain very high levels of collections and services, but also to develop and expand those as users' demands increase and with the advance of new technologies.

Looking forward, the UC libraries are at a watershed.

- They have taken their share of cuts in the past two years at levels that vary across the campuses but that, in general, reflect the University's overall fiscal situation and hover around the 20% mark since 2008/09. There is every expectation that budgetary pressures will continue over the next several years, reflecting the long shadow of a global recession and the University's efforts to meet unfunded liabilities in its pension and retiree health benefits programs.
- The cost of library materials continues to outpace inflation, making the budgetary pressures even more acutely felt—between a third and a half of a library's budget goes towards the cost of library materials.
- Users' information service expectations continue to rise exponentially, reflecting both the increasing sophistication of users and the proliferation and increased ease

of use of commercial online services. At the same time, patterns of library use and expectations pertaining to library services continue to evolve, as evident for example, in a survey conducted recently by the research group Ithaka S + R.[25]

- Academic and research program breadth within UC has continued to expand. Hitherto it has placed increasing demand for library collection growth in digital, print, and other formats. Going forward, the shape of the academic program, its pace of change and growth, and the demands it will place on the university library are issues that need to be addressed.

- The proliferation of commercial online services competes with libraries in the roles they have traditionally occupied.

- Students, particularly undergraduates, continue to demand long hours and extended access to library facilities that provide technologically well-equipped and flexible learning environments.

- Constrained capital budgets make space a scarce commodity and put space allocation pressure on libraries, some of which occupy buildings in prime campus locations.

- The shift to digital materials requires new strategies for ensuring access to the information required to support of the university's missions.

In response to the rapidly evolving changes in the economic environment, the UC libraries began a new phase of their strategic planning processes in 2008/09 in order to identify additional innovative systemwide strategies to mitigate cuts, while reframing library services that support institutional missions and goals in light of the pressures indicated above and the changing scholarly information environment.

Although local and systemwide strategies have been successfully implemented, progress will be enhanced and its pace quickened with concerted leadership action that establishes context, direction, priorities, and goals.

Accordingly, the Provost requests that the Systemwide Library and Scholarly Information Advisory Committee (SLASIAC) convene a task force to recommend the systemwide strategies and investments that the University needs to pursue with regard to library services in light of the numerous environmental changes indicated above.

While it is expected that the task force will determine its own agenda, it should focus on the efficiencies that can be gained in library operations areas; the following are examples from which the task force can choose:

- greater systemwide or regional consolidation of library services and systems
- systemwide strategies for developing and managing both print and digital collections
- greater reliance on open-access materials
- reduced expenditure on high-priced serial publications
- use of library space

It will also need to advise on any new services that may be required of our libraries and on strategies for supporting them in an era of flat or declining library budgets.

The task force will be convened by SLASIAC convener Executive Vice Chancellor, Gene Lucas. It will consult as appropriate with relevant stakeholders including the System Senate Committee on Libraries and Scholarly Communications and the University Librarians. And it will submit an initial report with preliminary findings to SLASIAC and to me in December 2010, and a final report in February 2011.

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[25] <http://www.ithaka.org/ithaka-s-r/research/faculty-surveys-2000-2009/faculty-survey-2009>

In conducting its work, the task force will be informed of the systemwide strategies being pursued by the University librarians, the work of the California Digital Library, and of relevant trends in library services, expenditures, and use. To that end, it will be supported by Academic Planning, Programs and Coordination—a unit at the Office of the President under Vice Provost Dan Greenstein—which will also make available to it all relevant budget and planning information as may be requested.

The members and staff of the Task Force include:

Glenn E (Gene) Lucas (**Chair**)
Executive Vice Chancellor
University of California, Santa Barbara

Thomas Cogswell
Professor of History
University of California, Riverside

Mary Doyle
Vice Chancellor for Information Technology
University of California, Santa Cruz

Daniel Greenstein
Vice Provost, Academic Planning, Programs
    and Coordination
University of California, Office of the
    President

John Meyer
Vice Chancellor for Administrative and
    Resource Management
University of California, Davis

R Bruce Miller
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University of California, Merced

Rich Schneider
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Donald J. Waters
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Ann J. Wolpert
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Consultant:
Laine Farley
Executive Director, California Digital
Library

Staff:
Gary Lawrence
Special Assistant for Systemwide Library
    Planning
University of California, Office of the
    President

The work of the Task Force was also materially assisted by Ivy Anderson, Director of Collections, and Joanne Miller, Library Planning Analyst, both from the California Digital Library.

APPENDIX B. Calculation of Estimated Budget Impacts

Retirement-Related Budget Effects

Task Force staff assume that the libraries' budgets are likely to be reduced <u>at least</u> by an amount equivalent to reducing the Salaries & Wages budgets by a total of 7% of the 2009-10 Salaries and Wages base in 2011-12, 10% in 2012-13, 12% in 2013-14, with the percentage reduction increasing by 2% per year thereafter, to account for required employer contributions to the UC Retirement System.[26] The effect of this assumption on projected library budgets (in 2009-10 dollars) is shown in Table 3.[27] Note that there is no assumption that cuts will be applied in line-item fashion to the Salaries and Wages component of the library budgets; the allocation of budgetary resources among programs and their components is at the discretion of each campus. The purpose of the analysis is solely to estimate the likely level of reduction of the total library budget arising from the funding requirements of the retirement system.

Table 3: Assumed Effect of Retirement Funding on the UC Library Budget, 2009-10 to 2016-17								
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Base Budget	$244,533,000	$244,533,000	$244,533,000	$244,533,000	$244,533,000	$244,533,000	$244,533,000	$244,533,000
Anticipated retirement contribution*		(10,259,000)	(14,656,000)	(17,587,000)	(20,518,000)	(23,449,000)	(26,380,000)	(29,311,000)
Net Budget	244,533,000	234,274,000	229,877,000	226,946,000	224,015,000	221,084,000	218,153,000	215,222,000
Change from 2009-10 (%)	0%	-4%	-6%	-7%	-8%	-10%	-11%	-12%
*Based on a 2009-10 Salaries and Wages budget of $146,557,000								

Effect of State Budget Cuts

The Governor's 2011-12 budget proposal, released on January 10, 2011, proposes an undesignated reduction of $500 million for the University of California,[28] and the president of the University has indicated publicly that UC does not currently plan to backfill those cuts with additional tuition increases. While we cannot know at this time whether the Legislature will approve this budget proposal, or how the undesignated cut might be allocated among the campuses or to the libraries, it seems prudent to make some allowance for the likelihood of a budget cut of this magnitude in the work of the Task Force.

We assume for planning purposes that the cut in State funds will be taken only from existing General Fund budgets, and will be allocated *pro rata* to General Fund-supported programs. In 2009-10, UC's General Fund budget for current operations was about $3.263 billion. Of the total 2009-10 library

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[26]University of California, Final Report of the President's Task Force on Post-Employment Benefits, July 2010, page 75 (available at <http://universityofcalifornia.edu/sites/ucrpfuture/files/2010/08/peb_finalreport_082710.pdf>).

[27] This analysis depends on published information about the line-item components of the library budget, for which the most recent published data is from 2009-10 (see the University of California Library Statistics page at <http://libraries.universityofcalifornia.edu/planning/stats/index.html>. Estimates in this paper may be updated when 2010-11 budget data are published.

[28] See <http://www.ebudget.ca.gov/>, accessed 1/19/11. The Governor's Budget also proposes some minor increases in programmatic elements of the State's budget for UC, with the result that the net proposed reduction is somewhat less than $500 million.

budget of $244,533,000, $148,774,000 (61%) was from State and UC General Funds.[29] A $500 million reduction in State General Funds represents a 15.3% cut from the 2009-10 General Fund base. Applying the proportionate cut to the General Fund budget for libraries results in an anticipated reduction of $22.8 million, beginning in 2011-12.[30] Even if the Regents were willing to increase student tuition and fees, a one percent increase in student fees yields approximately $14.5 million in revenue for the University; the libraries *pro rata* share of this amount is about $660,000.[31] A major ongoing increase in student fees would therefore be required to offset even a portion of the $22.8 million estimated reduction in library budgets attributable to the proposed State funds budget cut, much less the total combined estimate of $52 million set out in the next section.

Combined Estimate

The estimated combined effect of State budget cuts and retirement system financing are shown in Table 4.

Table 4: Combined Effects of State Budget Cuts and Retirement System Financing

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Base Budget	$244,533,000	$244,533,000	$244,533,000	$244,533,000	$244,533,000	$244,533,000	$244,533,000	$244,533,000
Anticipated retirement contribution		(10,259,000)	(14,656,000)	(17,587,000)	(20,518,000)	(23,449,000)	(26,380,000)	(29,311,000)
Anticipated effect of State budget cuts			(22,800,000)	(22,800,000)	(22,800,000)	(22,800,000)	(22,800,000)	(22,800,000)
Net Budget	244,533,000	234,274,000	207,077,000	204,146,000	201,215,000	198,284,000	195,353,000	192,422,000
Change from 2009-10 ($)	0	(10,259,000)	(37,456,000)	(40,387,000)	(43,318,000)	(46,249,000)	(49,180,000)	(52,111,000)
Change from 2009-10 (%)	0%	-4%	-15%	-17%	-18%	-19%	-20%	-21%

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[29] See the 2010-11 University of California Budget for Current Operations, Budget Detail, Appendix Displays 1 and 2, available at <http://budget.ucop.edu/rbudget/201011/2010-11BudgetforCurrentOperations-BudgetDetailrev.pdf>. Other sources indicate that the proportion of the library budget accounted as General Funds may be as great as 75%. The estimate is used here only to develop an estimate of the effect of the State funds budget cut on the library budget.

[30] It is reasonable to assume that the undesignated General Fund budget cut will be taken in General Fund accounts, as most Restricted funds and extramural funds (from contracts, grants and gifts) cannot be repurposed. If, however, the cut were applied to the total 2009-10 UC budget ($19.4 billion) and the total library budget ($245 million), the libraries' ratable share of the $500 million cut could be as little as $6.3 million.

[31] Based on an estimated yield of $163.8 million from an 8% increase in mandatory Educational and Student Services fees (excluding professional fees), less a $63.7 million allocation to financial aid (see the 2011-12 Regents' Budget for Current Operations, Summary of the Budget Request, p. 3, at <http://budget.ucop.edu/rbudget/201112/2011-12-budget-summary.pdf>); the library share of the net yield is calculated as per note 29.

APPENDIX C. Shared Services

Existing Shared and Systemwide Services

As discussed in the body of this report, over the last 25 years the UC libraries have developed a formidable portfolio of shared library services. The major services currently in operation are listed in Table 5, below.

Table 5. Major Shared Services of the UC Libraries	
Category	**Service**
Services Operated or Managed by the California Digital Library	
Collections	Licensing
	Mass Digitization
	Shared Cataloging
	Shared Print
	Regional Library Facility Operations
Discovery and Delivery	Melvyl Union Catalog
	Request
	VDX
	UC-eLinks
	Intercampus Document Delivery
Digital Special Collections	Online Archive of California
	Calisphere
	Shared images
Preservation and Curation	Merritt preservation repository
	Web Archiving Service
Services Operated by the Regional Library Facilities	
	Deposit processing
	Circulation
Services Provided in Collaboration with External Partners	
	Mass Digitization (Partnerships with Google and the Internet Archive to digitize millions of books from the library collections)
	HathiTrust (In partnership with other leading research institutions, Hathi provides robust content storage, bibliographic and full-text searching, display, and copies of bibliographic records for mass-digitized UC books. Bibliographic records for UC books in HathiTrust are loaded into the Next Generation Melvyl catalog)
	The Western Regional Storage Trust, WEST (a collaboration of 20 libraries and library consortia organized to establish a distributed, consolidated shared print repository program for retrospective journal archives)

Current Planning Activities of the UC Libraries

The CoUL document entitled *University of California Libraries: Priorities for Collective Initiatives, 2011-2014*[32] describes the strategies that the libraries are pursuing, including:

- *The University of California Library Collection: Content for the 21st Century and Beyond*[33]

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[32] Available at <http://libraries.universityofcalifornia.edu/about/uls/UCLibrariesPriorities2011-2014_final_110126.pdf>.

[33] *The University of California Library Collection* <http://libraries.universityofcalifornia.edu/cdc/uc_collection_concept_paper_endorsed_ULs_2009.08.13.pdf>

- Next-Generation Melvyl[34]
- Next-Generation Technical Services[35]

These strategies are described by CoUL as follows:

> *The University of California Library Collection: Content for the 21st Century and Beyond* articulates a systemwide view of collections that establishes principles to ensure the richest collections, increase collection diversity, expose hidden resources, and develop transformative, sustainable publishing and access models.
>
> The Next-Generation Melvyl (NGM) initiative moves the discovery of information for researchers and students to the highest networked level. The initiative takes access to the highest level of aggregation and is vital for the most effective provision of information access and services. Strategically, NGM also positions the UC Libraries to provide aggregated access to a significantly increasing array of full-text information resources: e.g., the millions of digitized books in the Google Books Project and the HathiTrust.
>
> The goals of the Next-Generation Technical Services (NGTS) initiative are to provide technical services with greater efficiency and at less expense, to eliminate existing backlogs of unprocessed materials, and to provide increased access to digital resources. To reach these goals, transformative change to an enterprise-level, non-redundant collection services model has begun. Impacts will be fiscal and organizational and will focus on effective information delivery to clientele across all campuses.

The NGTS initiative in particular has developed a rich menu of potential projects to improve library efficiencies while enhancing services. While it is not possible in this document to review in depth all 26 project proposals developed by NTGS planning teams, a December 14, 2010 letter from CoUL to campus library staff [36] sets out priorities among the recommendations contained in the NGTS2 Final Reports and provides a flavor of the range and nature of initiatives currently under consideration:

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[34] UC/OCLC Pilot Implementation <http://libraries.universityofcalifornia.edu/about/uc_oclc.html>

[35] Next Generation Technical Services (NGTS) <http://libraries.universityofcalifornia.edu/about/uls/ngts/>

[36] Available at <http://libraries.universityofcalifornia.edu/about/uls/ngts/docs/CoUL_Priorities_Cover_2010.pdf>

- High Priority [= Pursue Now]
  - F4a. Move to a deposit account model to reduce the number of recharges processed by CDL Acquisitions and the campuses.
  - E5. Implement the HOTS systemwide Shelf-Ready recommendations.
  - E6. Implement a "good enough" record standard for all of UC.
  - E8. Expand and adjust the Shared Cataloging Program.
  - E12. Develop a systemwide model for collection services staffing and expertise.
  - NM1. Implement efficient "More Product, Less Process" (MPLP) tactics for processing archival and manuscript collections.
  - NM2. Support streamlined processing workflows and reuse descriptive data with systemwide use of the Archivists' Toolkit.
  - NM3. Systematically and efficiently digitize high-use, high-priority collections for access to UC primary resources.
  - NM4. Implement a coordinated, systemwide solution for creating and managing digital objects.
  - NM5. Using the University of California Curation Center (UC3) micro-services as the foundation, develop and implement infrastructure to manage the unique digital assets created or purchased by the UC system.
- Medium Priority [= Explore Further—More Information Needed]
  - F1. UC Libraries fund commonly held collections and technical services operations from a central source. Systemwide resources and technical services activities common to all campuses would be funded off the top.
  - F2. Positions doing work on behalf of systemwide collections and technical services based at a campus need consistent and stable funding, and should be granted terms of employment consistent with their campus-funded peers.
  - F5. Establish a secure web site to allow campus representatives and CDL to see CDL invoice and recharge activity and supply account strings for recharges in real time.
  - E2. Electronic Resource Management Systems (ERMS).
  - E3. Database of Record.
  - E4. Systemwide and multi-campus collection development activities
  - E7. Define and implement UC-wide Collection Services Centers.
- Long Range [= Pursue once implementation of High Priority items above is underway and more information about Medium Priority items above is in-hand]
  - F3. Tools and services used by CDL and the campuses to support collections and technical services, (with the exception of campus-based OCLC accounts) should be funded and negotiated and acquired centrally.
  - E10. Eliminate non-Roman backlogs.
  - E11. Reduction of redundant serials management processes.
  - NM6. Reallocate library staff from units other than archives and special collections for surveying, processing and digitizing materials through implementation of an inter-campus processing program.
- Not Endorsed [= Don't Do]
  - F4b. Establish a CDL Acquisitions "pass through" account at UCOP, that will allow CDL Acquisitions Staff to process campus co-invests—reducing the need to send out and receive recharges for specific resources.
  - F6. Campuses should be encouraged to make better use of campus procurement cards, whenever possible, to reduce the overhead associated with paying invoices and cutting checks. [CoUL: To be pursued on the campuses as appropriate.]
  - F7. The University of California needs to develop interoperability between campus financial systems that allow inter-campus transactions to flow more smoothly. [CoUL: While the lack of interoperability between campus financial systems is a serious impediment to collaboration and efficiency, this is not an issue that can be taken up by the Libraries. Rather, it requires systemwide attention at a higher level—the need for which the CoUL strongly endorses.]
  - E9. Systemwide historical federal government documents repository. [CoUL: Rather than pursuing independently, even at the systemwide level, UC should coordinate with and through ARL.]
- Bigger than NGTS [= To be Discussed Further by CoUL]
  - E1. Cloud-based systemwide ILS.

Classifying Systemwide Services for Purposes of Detailed Planning

The taxonomy of services presented below was developed for the use of the Task Force in analyzing and prioritizing options for development of systemwide services, and is reproduced here for the guidance of the groups that may be organized and charged by CoUL to develop detailed plans and analyses for proposed systemwide services.

<u>Type 1: Cost-saving services.</u> These are services that are generally viewed as essential (in some form) for all libraries, potentially "pay for themselves" through direct savings in campus-level operating costs, and typically:

- Provide savings in excess of their cost.
- Feature significant economies of scope and/or scale. Typically, the unit cost of service is lowest (and hence savings are greatest) when all campus libraries participate fully. Conversely, the withdrawal of one campus from the service will raise unit costs, and diminish savings, for all remaining campuses.
- Often furnish additional leverage by serving as foundations for additional cost-effective shared services.

Examples of Type 1 services include:

1. Systemwide approval plans
2. Systemwide "shelf-ready" acquisitions
3. Expansion of Shared Cataloging

<u>Type 2: Services that save library space.</u> These services provide little if any savings in operating costs, but rather provide more efficient utilization of existing library space, and typically:

- Reduce on-campus and Regional Library Facility collections through de-duplication of holdings.
- Initially, allow physical collections to be accommodated in existing library space
- Potentially, allow some existing high-value on-campus library space to be repurposed in support of other campus functions.

Examples of Type 2 services include:

1. Removal of unnecessary duplicate print copies of backfiles of journal volumes licensed by UC in digital form.
2. Removal of unnecessary duplicate print copies of journal volumes deposited in and accessible from a shared multi-institutional repository, such as the Western Regional Storage Trust (WEST), discussed further below.

In general, these services do not deliver budgetary savings, although they can dramatically extend the shelving capacity of existing library facilities. While some initiative in this area is an urgent priority due to impending space challenges, space-saving strategies can be undertaken over the longer term since they do not materially reduce operating costs and can be scheduled to match the pace of collection growth. Because the avoidance of future capital outlay for libraries benefits the campuses, the libraries should seek funding support from campus administrations to defray the one-time costs of implementing Type 2 services.

Management of existing print collections shall be informed by the principle that an appropriate number of copies shall be retained somewhere in the University, or in the collection of a trusted partner, whenever possible, and that redundant duplicate copies are considered as the highest priority candidates for removal from the collection. Determination of an appropriate number of copies for retention shall take into consideration such factors as the needs of campus academic programs, the availability of effective discovery and delivery services to provide access to the retained copies when needed, the availability and long-term persistence of copies in other libraries or the marketplace, the availability of adequate and persistent digital copies, the condition of copies available within the University, and the long-term preservation of cultural heritage and the academic record. These recommendations are also to be understood in the context of the principle that major changes in library

service, and particularly to collections, are subject to close and effective consultation with University faculty and other key constituencies. It is also important to remember that the ability of the University to rely on shared copies, whether print or digital, of library materials protected by copyright laws may be severely constrained by those laws. The University should both carefully evaluate its collection management strategies to ensure compliance with copyright law, and seek changes to current law that serve its interest in promoting academic excellence and operational efficiency. Reliance on digital versions of academic content is also subject to the (sometimes changing) terms and conditions imposed by the license agreements of individual publishers.

Implementation of Type 2 services adhering to these principles would:
- Release enough space to accommodate more than a decade of additional growth in print collections in existing library facilities
- Relieve pressure on campus and systemwide capital programs by avoiding the necessity to build new library facilities, representing capital cost avoidance of up to $240 million over the next decade.
- Ensure that materials that are essential to support our teaching and research programs remain available and accessible throughout the University.

Type 3: Services that address new needs and add new costs. Like Type 1 services, these services are provided most cost-effectively on a systemwide basis; unlike Type 1, these services do not necessarily replace or complement existing campus-level services and therefore afford few opportunities for cost savings. These services frequently arise in response to demonstrated academic need through innovations developed at campuses or at the CDL, by academic groups within or outside the University, by or in conjunction with other institutions, or by the private sector, and often emerge in response to and for the support of new methods of research and teaching. Often, such services are first tested on a limited scale, and once proven can be scaled up to the Universitywide level or beyond, allowing costs and benefits to be spread across an ever-widening base. Because these services add cost, even as they efficiently enhance service, sustainability planning will be a critical component of any such endeavor. Financing may include startup funding via grants or other external partnerships and ongoing support from a combination of sources both within and outside the University, as well as the likelihood of concomitant reductions in other library programs. Where new services require additional University financing outside the libraries, it is critically necessary to secure clear Universitywide support in setting priorities and obtaining funding for them. These services typically:

- Are expected to provide savings in excess of their cost.
- Feature significant economies of scope and/or scale.
- Are new services; they do not replace existing campus expenditures or operations, so benefits take the form of avoidance of future expenditure rather than current budgetary savings.
- May be critical to the ongoing support of particular disciplines, and can enhance the competitive academic standing of the University.

Examples include:

1. Systemwide digitization services operated by UC (as contrasted with partner-sponsored mass digitization projects, e.g., Google)
2. Systemwide services for the ongoing management of unique digital collections
3. Digital curation services

Type 3 services impose new costs without promising offsetting savings. However, the University may consider the development and implementation of some such services a high priority, notwithstanding

the uncertainty about the likelihood of cost savings. Given the size of the remaining funding gap, the University should consider carefully the feasibility, desirability, and financing of these services.

Funding Options for Systemwide Services

Current systemwide services are supported almost entirely by fixed budgets (i.e., "off the top" funding) specifically allocated for the purpose (e.g., the CDL and resource sharing budgets at UCOP, Regional Library Facility budgets managed by Berkeley and Los Angeles). Going forward, there are a number of options for financing systemwide services that can be used singly or in combination, and will be variously suitable for specific services. These include:
- Reallocation of existing centrally-allocated funds
- Obtaining additional central funding
- Recharging campuses and charging external "customers" for services provided
- Voluntary co-investment by campuses
- "Taxation" of campus funds
- Diversifying revenue sources and increasing revenue from outside sources (see Section 5.3for a fuller discussion)

For recharge and co-investment strategies, it is important to keep in mind that there may be other sources of campus funds in addition to library budgets.

Estimated Efficiencies for Examples of Shared Services

As discussed in the Section 6 of the report, the Task Force has reviewed the numerous proposals developed by the libraries under their Next Generation Initiatives and believes that significant efficiencies can be readily achieved toward the $52 million goal while maintaining support for essential library collections and services.

Reduce Unnecessary Duplication in Acquisition of Material in the Future

The Task Force estimates indicate that in Phase I the UC Libraries could achieve savings by reducing unnecessary and unintended duplication of acquisition of new library materials by:
- Planning for and implementing a systemwide monograph acquisition plan.
- Planning for and implementing a system to improve intercampus coordination in order to avoid unnecessary duplication, as described further below, to save $1 million annually.

In their white paper, *The University of California Library Collection: Content for the 21st Century and Beyond*,[37] the UC libraries declare that "developing a system-wide view of collections allows the Libraries to develop richer services, leverage resources to increase collection diversity, expose hidden resources, and take full advantage of library expertise on the individual campuses." Consistent with this declaration, the Task Force takes a systemwide view of practices for the future development of print and digital collections, believing that a systemwide perspective promises the greatest hope of maintaining and enhancing the breadth and distinctiveness of UC's library collections while maximizing their value for support of research and teaching.

The collections can be viewed as comprising three distinctive component parts, with each made up of somewhat different material and addressing different academic audiences and needs. Drawing these

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[37] UC Libraries, Collection Development Committee, *The University of California Library Collection: Content for the 21st Century and Beyond*, July, 2009, available at <http://libraries.universityofcalifornia.edu/cdc/uc_collection_concept_paper_endorsed_ULs_2009.08.13.pdf>

distinctions is not intended to create a rigid taxonomy of library collections, but can assist in determining systemwide strategies:

    i.   Readily available current material, collected broadly and needed immediately in support of undergraduate teaching and research.

   ii.   Readily available, relatively widely held material collected more selectively in support of advanced undergraduate, graduate, and faculty research.

  iii.   Material not commonly available or widely held and collected in depth in support of research.

Materials of Types i and iii provide only limited opportunities for systemwide management of collection growth. Because materials of Type i are needed immediately at the campus level in support of instruction, little can be gained by pursuing systemwide management of prospective acquisitions. However, the acquisition of e-books (and e-journals, although these are already in place for the most part), which can readily be shared on a systemwide basis, can eliminate unnecessary duplication in the purchasing and processing of print. Collections of Type iii are normally developed by a single campus in support of a long-standing research program, are generally not available in the marketplace, and are unlikely to be duplicated elsewhere in the UC system. It is important to continue to provide systemwide bibliographic and physical access to these materials, which greatly enhance the breadth and research value of the UC collection as a whole. It will also be important for campuses to communicate and coordinate their plans and actions in developing these collections, in order to avoid unintentional duplication and to facilitate sharing arrangements when campuses develop new academic programs for which these collections are relevant.

Recently published material that is needed to support faculty, graduate, and advanced undergraduate research programs (Type ii) presents the most fertile ground for systemwide management of collection growth. As campus libraries develop local collections in support of campus research needs, independent campus acquisition decisions can result in duplication of holdings across the system. In these cases, the University faces choices between acquiring and making accessible a larger share of world information production on a systemwide basis or providing access to a smaller share as a result of systemwide duplication of titles. For collections of this kind, the University must develop collaborative collection development strategies that fully consider and balance the trade-offs between the necessity and convenience of local campus acquisition and the potential for systemwide duplication that might result on the one hand, and enhancing the breadth and diversity of the systemwide library collection on the other, with the aim of maximizing persistent access for all faculty and students to the information resources needed for their research. Appropriate strategies will comprehend such factors as:

- Means to avoid unintentional and unnecessary duplication of acquisition, either between campuses or between different formats (e.g., print, digital, microform).
- The availability of and preference for digital formats, in light of considerations of cost, accessibility, and long-term persistence.
- The availability of services to ensure effective and responsive access to and delivery of materials that are acquired on a non-duplicated, shared, systemwide basis.

In any case, systemwide strategies for more effective management of research collections will require:

- Effective engagement with faculty, particularly at the departmental and disciplinary level, to ensure responsiveness to research needs and to the changing methods of research and scholarly communication that vary among the disciplines.
- Effective engagement and communication across the campus libraries, to ensure successful coordination.

- Effective information systems to ensure that the libraries and other stakeholders have the real-time information needed to achieve the required coordination.
- Provisions for accountability and transparency to demonstrate to stakeholders the effectiveness of the trade-off decisions entailed in the coordination strategies.

Several strategies embodying these principles are under active consideration, and are set out below as examples of what might be achieved. It is also important to remember that the ability of the University to rely on shared copies, whether print or digital, of library materials protected by copyright laws may be severely constrained by those laws. The University should both carefully evaluate its collection management strategies to ensure compliance with copyright law, and seek changes to current law that serve its interest in promoting academic excellence and operational efficiency.

Analysis of the UC catalog records for books in the OCLC WorldCat database shows that, among recent *foreign-language* imprints with publication dates between 2000 and 2009, over 70% of titles is held by only one or two UC libraries; we assume then, that foreign-language acquisitions are principally Type iii materials, and are excluded from this analysis. Of *English-language* imprints with publication dates between 2000 and 2009, about 36% is held by 7 or more UC libraries; we assume for planning purposes that these are more likely to be Type i publications. The remaining 64% are either Type ii or Type iii; having already classified foreign-language imprints as Type iii for purposes of this analysis, we assume that the English-language materials in this category are primarily of Type ii and eligible for treatments that can achieve cost savings.[38]

Within the subset of prospective acquisitions that are likely to be Type ii materials, the Task Force commends attention to the following strategies.

1. *Use systemwide monograph plans and other coordinating strategies to avoid acquisition of duplicate copies of these materials unless clearly justified by research needs.* Avoidance of unnecessary duplication, whether by foregoing unnecessary copies or substituting e-book licenses for print copies, can be operationally complex when the scale of operations comprehends a half-million different titles each year. The UC Libraries are currently investigating ways to achieve significant savings and also enhance the breadth of the UC collection.

2. *Pursue additional opportunities to reduce unnecessary duplication of acquisitions, as recommended by the libraries' Next Generation Technical Services planning process.* Areas that have been considered for more aggressive development of coordinated collection development include government documents of all kinds (federal, state, local, foreign, NGOs, etc.) and foreign languages, especially in non-Roman alphabets. The Task Force recommends that the Libraries develop criteria for reducing unnecessary duplication of acquisitions that clearly and quantitatively set out budget savings targets. Projected estimates of $1 million per year could be saved by additional intercampus coordination of acquisitions, savings that can be redirected to the purchase of unique material, addressing budget cuts, and/or redirection for investment in new services.

3. *Adopt patron-driven acquisition techniques at the systemwide and campus level to ensure that scarce library dollars are spent on materials that are needed and will be used.* Although this topic is currently widely discussed in the academic library community, there are no useful data readily

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[38] It is not possible with current data to determine the extent to which Type iii materials are included in current purchases or are "aged" from Type ii to Type iii through long-term retention in the collections. The collection analysis shows that about 73% of pre-1950 imprints are held by only 1 or 2 campuses, while this is true of only 38% of post-2000 imprints; this could be taken as evidence of the "aging" hypothesis or might simply be an artifact of the relative ages of the UC campuses.

available to estimate what savings might accrue to a patron-driven acquisition program, or at what operational cost. The Task Force recommends that the Libraries develop criteria for establishment and operation of patron-driven acquisition programs that clearly and quantitatively define the role of such programs in addressing budget cuts.

The Task Force notes that these potential efficiencies cannot be achieved without incurring some additional costs. For example, shared approval plans require additional intercampus coordination and communication, a capacity for systemwide negotiation with and oversight of contracts with approval plan vendors, and changes to the operating practices of the participating campuses. Avoidance of unintended duplication in acquisitions of foreign language materials (or any other category of prospective acquisitions) requires increased coordination and communication, changes in campus operations, and investment in effective information systems that can support real-time coordination of widely-distributed purchasing decisions.

Implementation of these strategies can:
- Avoid unintentional and unnecessary duplication of new acquisitions, either between campuses or between different formats (e.g., print, digital, microform)
- Promote acquisition of readily-sharable digital formats whenever considerations of cost, accessibility, and long-term persistence permit
- Provide for deep and ongoing consultation with faculty to ensure that collection decisions provide maximum support for campus academic program needs
- Provide enhanced services to ensure effective and responsive access to and delivery of materials that are acquired on a non-duplicated, shared, systemwide basis.

Restructure Library Systems and Operations to Reduce Redundant Procedures and Leverage Systemwide Opportunities

The Task Force estimates that in Phase I, the UC Libraries could achieve savings of about $4.9 million annually through development of shared and systemwide services that restructure and consolidate operations, for example:

- Planning and implementing a systemwide shelf-ready processing service to save $4.7 million annually.
- Expanding existing Shared Cataloging services to save $165,000 annually.