

University of California
Systemwide Strategic Directions for Libraries and Scholarly Information
Perspectives on Budgeting Issues

Systemwide Library and Scholarly Information Advisory Committee*

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Systemwide Strategic Directions for Libraries and Scholarly Information describes a UC library system in which the campus libraries are increasingly collaborating with and dependent on the other libraries and shared systemwide services to deliver comprehensive collections and high-quality services to their campus' faculty and students, and sets out five strategic directions that will further leverage available resources and increase the interdependence among the UC Libraries:

- Expanded development and management of shared collections (*Systemwide Strategic Directions*, Sections 4.1 and 4.4)
- Elaboration of shared services (Section 4.3)
- Greater utilization of shared facilities (Section 4.2)
- Ensuring persistent access to digital information that results from and supports research and teaching at UC (Section 4.4)
- Changing the economics of scholarly communication (Section 4.5)

These strategies continue and extend the 25-year history of progressively growing cooperation and collaboration among the UC Libraries to share collections, leverage technology and pool financial resources. Many of the benefits that have been achieved through this strategy of progressively expanding collaboration are described in "Advances in Resource Sharing and Systemwide Library Service in the University of California: A Five-Year Progress Report" (January 29, 2003). Recent efforts at a financial assessment of these benefits suggest that:

- If campus libraries were independently to negotiate for, license, catalog, and collect user statistics for the 8,000 journal titles and 250 databases in the systemwide digital collection described in Section 2.3, UC libraries would have to spend \$34 million more per year than they do currently.
- Through the development of the shared print journal collection described in Section 4.1 below, the libraries may avoid subscription costs for print journals of up to \$3.1 million per year, plus additional savings in on-campus shelf space to house those journals.
- The savings in high-value on-campus library space attributable to the Regional Library Facilities described in Section 2.2 (after accounting for the cost of the facilities themselves) have an estimated annualized value of \$11 million per year.
- If the libraries had been compelled to purchase and add to their own collections the items they were able to borrow from each other via interlibrary loan in 2002-03, the total purchase cost would have been \$31 million.

Additional benefits accrue from the technologies that enable the libraries more effectively to share, integrate, and present the University's systemwide print and digital library collections, including the Melvyl catalog, interlibrary loan enhancements, and other services described in Sections 2.2 and 2.3 of *Systemwide Strategic Directions*.

The five strategic directions set out in *Systemwide Strategic Directions* represent the next steps to optimize the shared management of the libraries' resources, by working together to collaboratively design, develop, and share in the operation of an even wider range of services. These strategies leverage the ascendance of scholarly information in digital form, while continuing to improve access to print resources and further enabling each campus library to provide needed information in all formats along with advanced services for its campus communities. Among the additional benefits promised by these strategies are:

- Possible savings in space and in staff required to acquire, process and manage print collections that are acquired, housed and managed collectively.
- Better integration of a greater variety of information sources through collaborative development of shared services, and an enhanced ability for each UC library to create and integrate collections and services to meet campus needs and reflect each library's strengths.
- Cost-effective development of a shared infrastructure for preservation and management of digital information, enabling the libraries to act as guardians over the University of California's digital scholarly assets without having to individually invest in the requisite deep technical infrastructure.

However, the benefits of collaboration, both in terms of quality of service and avoidance of cost, can be achieved only by sustaining and expanding an operating environment that increases the financial and operational interdependence of the campus libraries in providing services to each other and supporting shared systemwide collections and services. As a result, independent campus budgetary and operational decisions can have dramatic effects on the quality of systemwide library service.

Under the provisions of the Partnership Agreement with California Governor Gray Davis (<<http://budget.ucop.edu/NP.html>>) and the internal UC budget management initiative implemented in 1996-97, much of the burden of financing the shared collections and services of the UC libraries falls to the campuses. In 2002-03, for example, 91% of the \$63.7 million UC budget for library materials was held in campus budgets, while 9% (\$5.5 million) was in Universitywide accounts supporting shared collections. During that same year, the budget for the Shared Digital Collection was \$24 million, including the cost of print subscriptions "bundled" with digital access. Since Systemwide funds could provide only \$5.5 million, or 23% of this amount, the remainder, \$18.5 million (77%), has come from voluntary co-investment of funds from campus library collection budgets. Even in the best of times, the health of the libraries' shared infrastructure, and hence the quality of service that each campus library can offer to its students and faculty, depends increasingly on the ability and willingness of the campuses to co-invest in shared programs and services: while 7-8% of the University's library budget is allocated to systemwide programs, about 10% of the total UC library budget, and nearly 20% of the collections budget, are currently devoted to shared collections and services.

It is now evident that the UC Libraries will share in the substantial budget cuts currently facing the University as a result of the State's fiscal crisis. These cuts come at a time when the cost of acquiring library materials continues to increase at a rate that outpaces inflation, challenging the campuses and their libraries to find ways to sustain the quality of current collections and services

while adding new forms of knowledge and coping with growing enrollments. In a time of budgetary contraction, the shared financing of shared services can place an extraordinary strain on campus library budgets. As campus library commitments to shared solutions increase, libraries will have less flexibility to make discretionary investments (or take cuts) to meet both local and systemwide needs. In 2002-03, almost 19% of the total of campus library collections budgets was devoted to direct investment in the shared licensed digital collection; when campus commitments to continuation of print subscriptions required by some publishers' license agreements are included, this percentage increases to about 29%. Owing to the combined effects of the increase in national and international publication output, the ongoing increase in the cost of both books and journals, and a 7-8% annual increase in the cost of the shared licensed collection, it is problematic simultaneously to sustain the shared digital collection and the currency and vitality of campus collections without additional sources of funding.

The budget cuts currently being experienced by the campuses present serious challenges to the quality of campus libraries, as well as the integrity of the shared Universitywide library programs upon which all campus libraries depend. The impact of local decisions about library investment must now also be considered in a systemwide framework. Decisions at one campus can have effects on all the other campuses through their impact on shared collections and services, and these effects in turn can be reflected back to the campus and magnified, owing to the high degree of leverage that characterizes the shared programs. The challenge facing the University at all levels will be to make budget decisions that balance the necessity for local library investments that support campus quality, distinctiveness, diversity, and local needs with the need for continued investment in shared systemwide resources, recognizing the existing differences among the campuses in ability to invest and the effect on systemwide services of campus decisions to co-invest in them. While the University Librarians consult extensively about plans for shared collections and services in the context of local resources and have taken collective responsibility for planning and managing shared collections and services, additional funding strategies and broader consultation may be needed to sustain comprehensive and continuous review among all the stakeholders in the library program, to strike a balance between shared systemwide and local campus investment priorities, to consider intercampus equity in investment in systemwide programs, and to support the deployment of library resources to meet Universitywide and campus needs.

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