Budget Transparency in Collection Development

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Hosted by ALCTS, Association for Library Collections & Technical Services
Goal of this Presentation

... to share our experience and approach to managing a precarious collections budget shortfall in a transparent manner that educates, engages, and informs a broad constituent audience.

Caveat: Libraries have differing realities – funding sources, budget parameters, political backdrops, & constituent priorities - that affect collection budget management. We hope our examples will help generate ideas for you to use in approaching difficult budgetary situations in your library.
Steps to Transparency

• Identify constituents
• Clarify budget realities
• Communicate issues & process
• Explore strategies
• Provide feedback
Identify Constituents

- Faculty
- Community
- Students
- Administration
- Board
- Government
Clarify Budget Realities
70% - 90% of collection expenditures go to e-resources
10% - 15% goes to print & AV resources
5% - 10% goes to access & support (cataloging, copyright, ILL, processing)
Cost Factors

- **FTE pricing** (Institution vs Discipline FTE)
- **Inflation** (3% - 8%+)
- **Disciplines** (Chemistry vs. English)
- **Journal bundles** (vs. Title-by-Title)
- **Formats** (E- vs. Print)
- **Vendors**
- **Publishers**
Cost Examples

• DB w/ Streaming Video $19,000
• DB w/ Full Text Journals $25,000
• DB w/ E-books $50,000
• Bundled Journal Package $150,000
Source of Funds – The Reality

$2,100,000 university allocation
$20,000 fines & fees collected
$5,000 endowment income

$2,125,000 TOTAL Collection Funds*

*Examples based on public, comprehensive institution with 23,000 students (19,000 FTE)
# Collections Expenditures

<table>
<thead>
<tr>
<th>COLLECTIONS</th>
<th>ACCESS &amp; SUPPORT</th>
</tr>
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<tbody>
<tr>
<td>$1,200,000 Journals</td>
<td>$55,000 OCLC/cataloging</td>
</tr>
<tr>
<td>$800,000 Databases</td>
<td>$25,000 Document delivery/ILL</td>
</tr>
<tr>
<td>$200,000 Books &amp; media</td>
<td>$13,000 CONTENTdm</td>
</tr>
<tr>
<td>$40,000 Microforms</td>
<td>$12,000 Bindery</td>
</tr>
<tr>
<td>$45,000 Serials</td>
<td>$10,000 Copyright &amp; e-reserves</td>
</tr>
<tr>
<td><strong>COLLECTIONS TOTAL:</strong> $2,285,000</td>
<td><strong>ACCESS &amp; SUPPORT TOTAL:</strong> $115,000</td>
</tr>
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**TOTAL COLLECTIONS RELATED EXPENDITURES:** $2,400,000
<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Funding</td>
<td>$2,125,000</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$2,400,000</td>
</tr>
<tr>
<td><strong>SHORTFALL</strong></td>
<td><strong>$275,000</strong></td>
</tr>
</tbody>
</table>
Overspend budget ... ?
Next Steps
Explore Strategies – What to do about Deficit?

- Increase Funding
- Reduce Deficit
- Reallocate Funds
- Reduce Expenses
Increase Funding

- Institutional funds
- Development & donors
- Grant funds (direct; sponsored research)
- Academic department contributions

DONATE PLEASE

Nursing Dept.
Reallocate Funds within Budget

- Reallocate print funds to e-resources
- Reallocate supply funds to collections
- Reallocate technology funds to collections
Reduce Collection Expenditures

• No book purchases
• Database cancellations
• Journal cancellations
Expenditure Reduction Examples: Pros & Cons

• Cancel a journal to buy a journal of like value
  + Cost containment
  - Difficult for small departments

• Rely on aggregator databases for full-text journals
  + Access at lower cost
  + Multiple access points
  - Embargos
  - Instability of holdings
  - Article access only
Expenditure Reduction Examples: Pros & Cons

• Try new purchasing models, e.g. PDA, DDA, UDA
  + Extensive content at minimal cost
  + Expenditure based on use; minimal waste
  + Flexibility – pay as you go or pay up front
    - Profile errors unplanned expenses
    - Requires careful monitoring – to avoid over expenditure or dead links

• Rely more on interlibrary loan
  + Cost effective
    - Students won’t wait
    - Faculty resist
Expenditure Reduction Examples: Pros & Cons

- Comprehensive journal cancellation project
  - Opportunity to review relevance
  - Encourages constituent participation
  - Faculty don’t understand costs
  - Negative public relations for library
  - Affects scholarship, recruitment, reputation
  - Creates conflict
  - Complex & time consuming
  - Iterative effort
What to do?....

All the expenditure reduction examples will help, however the biggest bang for the buck is **Journal Cancellation Project**
Criteria Used to Determine Proposed Cancellations

• Principles
  – Emphasize access versus ownership
  – No attempt to balance across disciplines

• Questions to answer
  – Is journal in our JSTOR packages?
  – Is journal available in subscribed databases?
  – Are these databases with or without embargos?
  – Is CPU $100 or greater?
### Potential Savings by Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Potential Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Titles w/JSTOR access</td>
<td>$117,700</td>
</tr>
<tr>
<td>Titles in aggregator DB, no embargo</td>
<td>$7,000</td>
</tr>
<tr>
<td>Titles in aggregator DB, w/embargo</td>
<td>$92,000</td>
</tr>
<tr>
<td>Print titles in aggregator DB</td>
<td>$15,900</td>
</tr>
<tr>
<td>Titles with no e-access after cancellation &amp; CPU over $100</td>
<td>$23,273</td>
</tr>
</tbody>
</table>

**Potential Savings $255,873**
Journal Cancellation Project

• Communicate widely
  – Summarize issues, budget history & cost trends
  – Explain decision-making criteria
  – Meet with constituents & send e-mails

To: Deans, Chairs, Department Reps, Librarians, Library Advisory Committee

Given the library’s static collection budget, ongoing journal inflation of 6 – 12%, and the need to reduce expenditures in order to stay within our budget, Cook Library must cancel journal subscriptions for FY 17.

Target: Approximately $300,000 in journal expenditure reductions for FY 17
Journal Cancellation Project

• Provide a cancellation website
  – Explain issues in detail
  – Define terminology (CPU; embargo)
  – Solicit feedback
  – Respond to comments

⚠️ Faculty and Researchers: Journal Cancellation Project

The Library is seeking your feedback on journals nominated for cancellation. Send comments now.
# Journal Cancellation Project FY 2017

**Proposed Cancellations**

These titles have been identified for cancellation. Additional titles will be added periodically.

Last updated August 26, 2016

<table>
<thead>
<tr>
<th>Journal Title</th>
<th>Access retained (with exceptions)</th>
<th>Send a comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>19th century music</td>
<td>Available via JSTOR and Aggregator Databases</td>
<td>Send Feedback</td>
</tr>
<tr>
<td>Acta oto-laryngologica</td>
<td>Available via Aggregator Databases</td>
<td>Send Feedback</td>
</tr>
<tr>
<td>Advertising age</td>
<td>Available via Aggregator Databases</td>
<td>Send Feedback</td>
</tr>
<tr>
<td>African affairs (London)</td>
<td>Available via JSTOR and Aggregator Databases</td>
<td>Send Feedback</td>
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<tr>
<td>African studies</td>
<td>Available via Aggregator Databases</td>
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<td>Aggressive behavior</td>
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</tr>
<tr>
<td>AI magazine</td>
<td>Available via Aggregator Databases</td>
<td>Send Feedback</td>
</tr>
<tr>
<td>America (New York)</td>
<td>Available via Aggregator Databases</td>
<td>Send Feedback</td>
</tr>
<tr>
<td>American antiquity</td>
<td>Available via JSTOR</td>
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Final Decision-Making Factors

• Faculty feedback
• Aggregator database access
• Usage – Cost per Use
• Current holdings
• Accreditation requirements
• New programs
• Program growth or decline
• Interdisciplinary content
Faculty comments:  *PLEASE do not cancel. This is the seminal and most important journal in our discipline*

Library’s initial response:  *Thank you for commenting on the list of potential journal cancellations – the library appreciates your concerns and will take all faculty input into consideration when making our final decisions. See below for information on specific journals:*

*American political science review (price)* – if we cancel our subscription, we’ll still have access through JSTOR, with a 3 year rolling embargo

Library’s final response:  *After careful review of the journals identified for cancellation and commented upon by faculty, the library decided to continue our subscription to the American political science review. Thank you for taking the time to comment on our list of titles and helping us with our decisions.*
Problem Scenarios – Difficult Choices
What’s Your Solution?
Scenarios

- Scenario 1: New e-resource requested
- Scenario 2: Journal costs escalating
- Scenario 3: Subscriptions to be cancelled
- Scenario 4: Unsustainable costs & flat budget
Scenario 1 – The Library’s Perspective

The problem: Faculty request new e-resource

Issues to Consider

• Critical for program; heavily used in trial; good reviews
• Collection funds already spent or encumbered
• Low use databases already cancelled
• Where will money come from?
• Are there other options?

What to do?
Scenario 2 – The Library’s Perspective

The problem: Journal package costs escalating

Issues to consider

• Bundles often provide access to additional journals
• Bundles often cost less than buying each title separately
• Is it more cost effective to buy only specific journals?
• Does library really need the additional “access” titles?
• Are additional “access” titles used?

What to do?
Scenario 3 – The Faculty Perspective

The Problem: Journal subscription will be cancelled

Issues to Consider

• Access to most current content
• Necessary for teaching & scholarship
• Critical in discipline
• ILL insufficient

What to do?
Scenario 4 – The Administration Perspective

The Problem: Unsustainable costs & flat budgets

Issues to Consider

• Competing institutional priorities
• Library budget fungible
• Support to teaching & scholarship
• Faculty recruitment
• Consortial opportunities & challenges

What to do?
The next step
Future Directions for Collections?

- Open Access
- Consortia
- Last Copy
- Institutional Repositories
- Continued Cancellations
Thank You!

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