

November 2004

# A Budget Picture: The University of Oregon Libraries

Nancy Slight-Gibney

*University of Oregon Libraries*, [nsg@uoregon.edu](mailto:nsg@uoregon.edu)

Follow this and additional works at: <https://docs.lib.purdue.edu/atg>



Part of the [Library and Information Science Commons](#)

---

### Recommended Citation

Slight-Gibney, Nancy (2004) "A Budget Picture: The University of Oregon Libraries," *Against the Grain*: Vol. 16: Iss. 5, Article 7.

DOI: <https://doi.org/10.7771/2380-176X.4062>

This document has been made available through Purdue e-Pubs, a service of the Purdue University Libraries. Please contact [epubs@purdue.edu](mailto:epubs@purdue.edu) for additional information.

# A Budget Picture: The University of Oregon Libraries

by Nancy Slight-Gibney (Director of Library Resource Management, University of Oregon Libraries) <nsg@uoregon.edu>

Founded in 1872, the **University of Oregon (UO)** is a state-supported research institution serving 20,034 students granting bachelors, masters, doctoral, and professional degrees. (<http://www.uoregon.edu/>)

The **UO Libraries**, a member of the **Association of Research Libraries**, has a collection of over 2.6 million volumes and a General Fund budget of just over \$13.5 million. The **Libraries** receive a single budget amount rather than separate appropriations for operations and for collections. The budget is divided into these categories: Collections and Access; Supplies and Services (S&S); Classified Salaries and Wages for unionized staff; Faculty Salaries and Wages (i.e., librarians); Student Pay; Benefits and Other Payroll Expenses for all categories of staff. C&A is allocated about \$5 million of the total budget. Our collections budget once received a separate, legislatively approved augment (i.e., additional appropriation). That disappeared a few years ago when the statewide **Oregon University System** changed funding models. In my opinion this disadvantaged all of the public university libraries in the state, but I am happy to report there is a pending proposal that includes a basic inflationary increase for library collections in the next biennial budget. We are hopeful this will be approved by the next legislature.

Two years ago my job changed from managing the acquisition department to overseeing the entire budget for the **UO Libraries**. This has given me another perspective on the nature of resource management issues for the **Libraries** and for the **University**.

The overall appropriation to the **Libraries** has been flat or declined over the last decade, with the most recent reduction of 3% for fiscal year 2003/04 and possibly another 2% or 3% for fiscal year 2004/05. Statewide, the **Oregon University System's** share of the state general fund budget has dropped from 12.2% in the 1987-1989 biennium to 6.1% in the current biennium. Other pressures on the state's budget include a required balanced budget, decreased taxes, and a voter-approved mandate to fund K-12 education and prisons. Legislators were left with the choice to cut higher education or increase tax rates. The result was unfortunately predictable. The percentage that **UO** receives in operating expenses from the state has now dropped from 34% in 1988 to a low of 16% this past year. Tuition increases have partially made up the difference.

The **UO** experience does not differ from many other state universities. Sampling last year's articles in *The Chronicle of Higher Education*, one sees a number of stories noting reduced funding for higher education. One article suggests that Congress should punish states that cut budgets too deeply.<sup>1</sup> Another article contends that the fault lies with the colleges not doing enough to control costs.<sup>2</sup>

These factors are nearly universal:

- Overall tax revenues are down. Taxpayers want greater accountability before agreeing to pay more (if they ever will).
- Costs for benefits (i.e., pensions and health insurance) are going up as steeply. At the **UO Libraries**, while experiencing a salary freeze and reducing the size of our permanent staff by 5%, our benefits costs (Other Payroll Expenses) still rose 6%!
- Energy costs are going up. This usually does not come directly out of the library budget, but has a big impact on the overall institutional fiscal picture.
- Every institution is looking at how to increase revenue. Fundraising and grant writing activity is up almost everywhere. (At a recent **American Library Association** conference, the discussion group meeting on Fee Based Services in Academic Libraries had a standing room only audience.)
- Public universities are moving toward funding models that include greater reliance on tuition revenue, much like private institutions. To make this shift in funding model work, tuition increases must be balanced by increased financial aid. Those who can afford to pay more do and those who cannot can apply for financial aid. In Oregon, unfortunately, state funded financial aid programs were also cut. This, combined with sharp increases in tuition, created a big problem for many students trying to gain access to

higher education. When I look at the demographics of our student population, I see a clear trend of greater wealth and less economic diversity.

- The **Oregon State Board of Higher Education** is working on a number of initiatives, including one commonly referred to as "More, better, faster." (And "cheaper" goes without saying.) There is a competitive advantage for an institution accommodating more undergraduates who complete their degrees in four years. The increasing demand for online courses or courses with an online component is a key issue for "More, better, faster." Online courses accommodate more students without the need to increase classroom space. Also, online courses provide for students at diverse geographic locations. Enhanced flexibility accommodates local students who want and expect the scheduling options which online and hybrid courses provide. Libraries can play a big part in this endeavor and have a great deal of experience in providing services to patrons outside of the physical building. Our electronic reserves and e-reference services can only expect to expand.
- Increases in subscription costs of 8%-10% annually are not sustainable by the **Libraries**. Nor can taxpayers or tuition payers afford these increases. Libraries, unfortunately, cannot expect to be given budget increases to cover inflation. Libraries have no choice but to cut subscriptions or cut something else. There is recognition that serials inflation is not just a library problem and there is a growing broad interest in new models of scholarly communication.

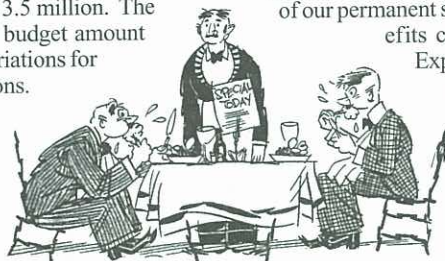


Figure 1

## Expense Reduction

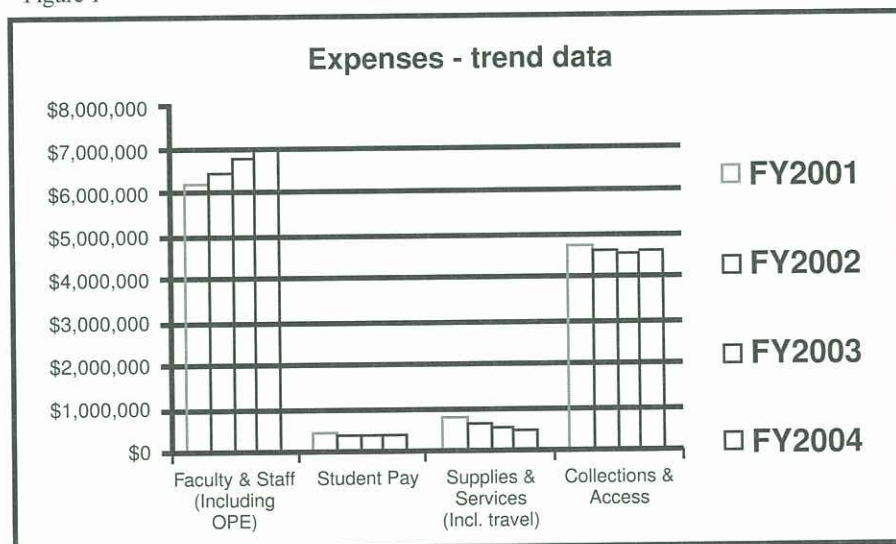


Figure 1 shows the major categories of expense for our **Libraries** are Faculty and Staff; Student Pay; S&S; and C&A. In years past, we

either ran budget deficits (no longer an acceptable option for the University Administration

*continued on page 26*

# against the grain people profile

Director, Library Resource Management  
1299 University of Oregon Libraries, Eugene, OR 97403-1299  
Phone: (541) 346-1831 Fax: (541) 346-3485  
<nsg@uoregon.edu>

Nancy Slight-Gibney

**BORN & LIVED:** Born, Whittier, California; lived most of my adult life in Eugene, Oregon.

**EARLY LIFE:** Suburban Los Angeles was great in the 1950's and 1960's. It took me a while, and several severe sunburns, to realize that beach life was not for me and that I would never, ever have a tan. The sun is much kinder to me here in Oregon, especially the "liquid sunshine".

**FAMILY:** My husband, siblings, and all my nieces and nephews are in the Northwest now. It makes for noisy and fun gatherings.

**EDUCATION:** BA and MA in anthropology from the **University of Oregon**. MILS from the **University of Michigan**.

**FIRST JOB:** My first job in a library was as a work-study student in the catalog department here at the **University of Oregon**. I did pre-catalog searching in the **National Union Catalog**.

**PROFESSIONAL CAREER AND ACTIVITIES:** I worked at the **UO** library as a staff member in the Acquisition Department for 10 years before attending library school at the **University of Michigan**. I was Head of Acquisitions for three years at **Santa Clara University** and then returned to the **UO**. I was Head of Acquisitions here for nine years before moving into my current position two years ago.

**IN MY SPARE TIME I LIKE TO:** Grow bonzai trees. My husband and I have about 50 trees.

**FAVORITE BOOKS:** Mysteries, T.C. Boyle, Tom Robbins, history of science.

**PET PEEVES/WHAT MAKES ME MAD:** Not much makes me mad. Mostly I get frustrated with myself when I file something away and then I can't find it!

**PHILOSOPHY:** Small actions have a big impact over time. Our everyday actions shape the world.

**MOST MEANINGFUL CAREER ACHIEVEMENT:** Helping to get the **Timberline Institute** up and running.

**GOAL I HOPE TO ACHIEVE FIVE YEARS FROM NOW:** Developing a systematic way of gathering and presenting data for key performance indicators for our library.

**HOW/WHERE DO I SEE THE INDUSTRY IN FIVE YEARS:** Budgets will remain flat or increase only very slowly. Purchasing decisions by libraries will continue to be very focused on meeting immediate needs. This will result in: 1) Growth of books-on-demand; 2) Increased use of pay-per-view for journal articles.

We will also see the gradual demise of print versions of journals. Libraries will still have a central roll in archiving the record of scholarship. In an increasingly digital environment, this will occur through institutional repositories.



## A Budget Picture: from page 24

as the deficit had to be covered from somewhere else) or achieved a balanced budget by cutting around the edges: trimming the student wage budget, belt tightening for supplies and travel expenses, and/or moving expenses onto other fund lines. By the fall of 2003, it was clear that this was no longer going to be enough. We had

already used gift and endowment funds for purchasing all new equipment. We had already shifted almost all supply purchases to library income funds (i.e., revenue from fees and fines). A University instituted technology fee substantially supplemented the student wage budget. It was clear to the **UO Library Council** of department heads and library leaders that in order to achieve overall reductions, other sources of the **Libraries' General Fund** must be tapped.

From the time the **Libraries** stopped receiving targeted augmentations for collections, the C&A budget received the same proportionate increase or decrease as other budget categories. In other words, we decided not to protect collections when the library budget as a whole had to be cut. Some institutions have absorbed budget cuts entirely from salaries and wages. We chose not to go down that road. In past years, with largely flat funding, we were able to preserve our buying power for books by funding serials inflation with serials cancellations. This year we are looking at cutting approximately \$300,000 in serials as well as reducing monograph expenditures by roughly 10%, and making significant cuts to the binding budget. These decisions are not unique to the **UO**, they are being replicated all across the country. We can no longer hold the monographs budget harmless. We anticipate being able to meet the needs of researchers through the **Orbis Cascade Alliance** and the **Summit** union catalog, with holdings of over 22 million items and with patron-initiated borrowing. In practice, what this means is that selectors will take into consideration the overall holdings of the **Alliance** and will focus on being more selective in their decision-making.

Early in our **Library Council** budget discussions University Librarian **Deborah A. Carver** stated that we would not run a deficit, as administratively mandated. Also, we would not lay anyone off, a strongly held shared value of the library leaders, library staff, and indeed a value held throughout the university. Our greatest asset is our people. These two "givens" shaped our decision-making: balancing the budget without laying anyone off. There is nothing like an inescapable budget cut to illuminate what your values truly are.

This past year to accommodate the 3% cut, in addition to the previously noted reductions in C&A, we eliminated seven positions. We did this through attrition. Because of statewide cuts in pension benefits, many long-term employees realized a benefit by retiring sooner rather than later. Of fourteen positions that became vacant during the past year, six were due to early retirements. Seven of the vacancies were filled or are in the process of being filled. Seven positions were eliminated. Vacancies were assumed to result in the elimination of the position unless a strong case could be made that mission critical services could not be preserved in any other way. In some cases, labor was redirected to cover increasing service needs in another library area. Aggressive vacancy management, a state mandated wage freeze, and careful monitoring of every expense brought our budget into balance. In fiscal year 2005 we will likely have to trim another two or three positions through attrition. In addition, there will be further reductions in the number of student workers hired plus instituting other, smaller cost reductions.

## Revenue Enhancement

The **Libraries** get substantial benefit from the Educational Technology Fee collected from all students based on the number of credit hours taken. This fee pays over \$100,000 annually in

*continued on page 28*

**A Budget Picture:**  
from page 26

support of student assistants for our library information technology centers (labs), media services, and other technology support activities. Funds from the fee also cover the costs of some of our big-ticket hardware and software purchases such as file servers, our online course management system, and serials linking software. This funding has enabled the **Libraries** to move forward with significant new services to support teaching and learning in spite of General Fund reductions. Funding from a special technology or library fee to support library budgets has become more common across the country.

The **Libraries** recently renegotiated the amount that it gets from the total grant overhead received by the **University**. Federal and private monies for sponsored projects have increased over the last several years and many institutions have put more effort into obtaining grants. The **UO** is seeing the level of research sponsored by grants increase steadily. The **Libraries** had received a fixed amount from grants to apply toward research support (database licenses). We now receive a fixed 3% of the grant money. These funds have been used to supplement our C&A budget and we have been able to make some major enhancements to our research database portfolio at a time when the **Libraries** are challenged to meet all budget requests.

One of our major overall strategies for balancing our budget has been to tap every possible source of existing funding. Increasingly, fundraising is becoming an important activity in our **Libraries**. We are going into fiscal year 2005 with the expectation that all S&S purchases (i.e., supplies, travel, and minor equipment) will have to come out of non-general fund sources such as income from fees and fines or gift and endowment funds. Our revenue from endowments, still a little anemic from the stock market downturn but now picking up, provides supplemental funding for a variety of purposes including \$50,000 annually for C&A.

### The Budgeting Process

More than ever, budget reductions force the focus on good stewardship and modeling expenses with a multi-year view. Awareness of **University** initiatives and strategic directions in conjunction with changes in the publishing world are important for anticipating ways the current budget might need to be modified.

For example, personnel: When looking at personnel costs, you need to know not only if you have the funds to fill a vacancy for the current year, but if you will have the funds to keep the position filled in future years. For us, it has been critical to take this longer-term approach to identify how many of the currently vacant positions we must leave open permanently to prevent the necessity of layoffs in the future.


Serial subscription renewal is an area where

costs must be anticipated well in advance to allow for sufficient time for cancellation decision-making and communication to both vendors and the **University** community. Vendor supplied data is extremely valuable for projecting future collection costs. Knowing how your own local situation mirrors or differs from the vendor data and published averages, such as the Library Materials Price Index, is useful. These tools can help fine-tune planning.

Monograph funds, sometimes seen as the only sources of discretionary spending, may be scooped up to fund an emergency or unanticipated shortfall. We have been able to avoid this robbing of monograph funds. I personally would consider it a failure of the planning process if this were to happen. I rely heavily on **University** budget projections for anticipated tuition revenue based on enrollment trends. A hot topic, discussion of budget issues is intensive and extensive at **UO**. Although firm budgets are not settled until after the fourth week of fall term when tuition revenue is known, good **University** predictive tools give us a pretty close estimate as far ahead as the previous spring, so that planning for budget cuts to be implemented in November can begin months ahead.

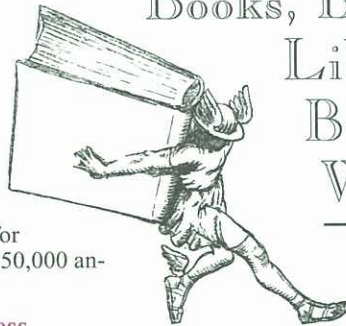
Without a doubt, the hardest category of expense to predict is the cost of electronic resources. The products change every year with new entries into the market; old entries with enhancements; bundling or unbundling; assembling, disassembling or reassembling of buying groups; and suppliers entering or leaving the market place. "Current service level" has almost no meaning when trying to make a multi-

year projection for electronic resources. Our approach has been to anticipate as many of the changes as we can as early as we can before we set a firm budget for C&A. This happens in late spring or early summer. New products or substantial changes in existing products after the budget is set must be scaled to fit the available funds.

Over the last decade our **Libraries** have seen a 5% drop in staffing, most of that occurring during the past year. At the same time we have increased the range of services offered, better meeting the needs of our students and faculty. We have fewer subscriptions for print and electronic resources, but easier access to a broader range of content with aggregated databases and first-rate interlibrary loan and desktop delivery services. We have managed to avoid big cuts in our monograph expenditures even with this year's anticipated reduction. Our patrons have quick access to 22 million items in **Summit**, the **Orbis Cascade** catalog. In spite of the fiscal challenges, our **Libraries**, like so many others, may actually be doing a better job of supporting teaching, learning, and research. We are learning how to achieve "More, better, faster, ... and cheaper." 

#### Endnotes

1. Will Potter, "Senate Democrats Weigh in on College-Cost Debate," *Chronicle of Higher Education*, V.50:12, November 14, 2003, p.A22.
2. Stephen Burd, "Republican Introduces Bill to Penalize Colleges for Tuition Increases," *Chronicle of Higher Education*, V.50:9, October 24, 2003, p.A26.



## Books, Bytes and the Quintessential Library: Information Resources Budgeting at the University of Washington

by **Linda Di Biase** (Collection Development Librarian,  
University of Washington Libraries)  
<ldibiase@u.washington.edu>

The other day my nineteen-year-old daughter **Diana** came to visit me at my new home. Recently a couple of new bookcases had been installed to accommodate the overflow from my bookseller friend's collection which is too large to fit into his own living space. Eyeing the voluminous rows of art books, **Diana** commented, "It really looks like a library now." So, this child of the Internet age, well aware of the array of electronic resources at her mother's institution as well her own college campus, views the quintessential library...books.

Some may cringe at such a stereotypic identification as my daughter's, but I did not rush to disabuse her of any outdated notion. Many of us came into this profession precisely because we loved books and ideas and people

and the yeasty fermentation of it all. And, many like me, who for years have had a part in creating and sustaining such a heady brew, wonder if the ingredients and methods of the future will be so changed that the drink we helped to craft will lose its fizz and disappear for good.

Let me tell you a little about the microbrewery that is the **University of Washington (UW)** and its library system. The **University** was established in 1861, making it the oldest public university on the West Coast. Under the direction of several visionary leaders, beginning with **Henry Suzzallo** whose administration (1915-1926) laid the foundation of a "university of a thousand years," it grew to its present three Puget Sound campuses and stu-

*continued on page 30*