# Trot So Quick: Addressing Budgetary Changes

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# Trot So Quick: Addressing Budgetary Changes

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## Abstract

This session discussed the planning and implementation of strategies taken by the Dean B. Ellis Library to address a significant budget reduction that went into effect in FY19. Holloway and Bailey covered methods taken to optimize a reduced collection development budget and distribute funds to various subject areas in an equitable and justifiable manner. Presenters reviewed meetings conducted with faculty to clarify the new budget and resource alterations. Examples of data provided to stakeholders was shared. Topics covered include deadlines implemented for resource renewals and requests, methods used to track and disclose information regarding the process, and interactions with vendors during this transition. Presenters shared recommendations and information pertaining to unexpected issues experienced during this process.

## Introduction

Prior to the 2018–2019 budget year (FY19), the Dean. B. Ellis Library of Arkansas State University had two funding sources that were used for collection development. The Library Holdings budget of approximately $930,000 had been a part of the university's budget for decades, and since 2004 the library had also received approximately $1,820,000 in revenue annually from a student library fee that was dedicated to use for the acquisition of library resources.

Near the end of the 2017–2018 budget year (FY18), the $930,000 Library Holdings budget was permanently eliminated beginning with the next budget year, leaving the library fee revenue as the sole source of funds for acquisitions and holdings. The net result of this change was an overall reduction in funding of 33.5%.

Going forward, all funding for collection development will be enrollment-driven, and funding for library resources will fluctuate from year to year as enrollment increases or decreases.

In the first year of this new funding environment, the library needed to make substantial reductions to both subscriptions and one-time purchases, as the total amount committed for ongoing subscriptions was well above the new $1.82 million budget. Due to this circumstance, there were very few one-time purchases of books or other resources in the first year, and very few are being made in the second year.

In the fall of 2019, institutional enrollment declined by approximately 3%, forcing the library to reduce spending further.

## Collection Development Practices at the Dean B. Ellis Library

The library allocates funds to each department based on a weighted collection development allocation formula. Factors in the formula include student credit hour production by academic department, the number of courses offered and degrees awarded by department, the number of FTE faculty, and the average cost of materials. Most of the data used to populate the formula come from the university's Office of Institutional Effectiveness, while the average cost of materials by subject disciplines is obtained from the *Library and Book Trade Almanac*.

Departmental allocations can be used for continuing resources, such as journals and databases, and/or one-time purchases of books, e-books, streaming media, DVDs, and so forth. The Dean B. Ellis Library does not allocate by format, so the types of resources obtained from departmental allocations are primarily determined by the faculty within that department. Some departments utilize almost all of their allocation for subscriptions, while other departments balance their expenditures between subscriptions and one-time purchases.

Prior to FY19 approximately 62% of all available funds were allocated to the departments. The library itself retained control of 38% of funds and used them for library catalog maintenance, broad


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interdisciplinary database subscriptions, hosting fees, filling in gaps in the collection not covered by faculty requests, and annual online catalog (ILS) charges.

### Year One Goals

The primary goal of librarians at Arkansas State was to reduce FY19 collection development expenditures to match the changing budget while maintaining sufficient resources to support all university degree programs.

The library became aware of the FY19 budget reduction shortly before the end of FY18, and a decision was made to utilize remaining FY18 funds to prepay FY19 subscriptions when possible in order to give the campus a little more time to make data-driven decisions about which subscriptions to keep and which ones would be allowed to expire.

As we planned for the coming budget year, we quickly made the decision to reduce the funds retained by the library to a greater degree than we were reducing the allocations to the academic departments. Our reasoning for this decision was that reducing the funds available to the library by more than the allocations to the departments would show that the library was leading the way by cutting our allocation more deeply, hopefully eliminating any accusation that the library was requiring the departments to bear the brunt of the budget reduction.

After numerous calculations and consultations with the Office of the Provost, we settled on a 35.9% reduction in the funds retained by the library, and an overall 32.5% reduction in the funds allocated to the academic departments.

In year one of the budget restructuring, instead of gathering new data and rerunning our weighted collection development allocation formula using the smaller FY19 budget, we decided to base FY19 allocations on a percentage reduction of the amounts distributed in FY18. This was primarily due to the short amount of time we had to accomplish our tasks, although we also concluded that this method of reduction would be easier to explain to departments than the combination of a new formula run along with a reduced overall budget.

At the same time, the decision was made to run the collection development allocation formula for FY20 and make new departmental allocations for year two using current enrollment and pricing data.

In addition to eliminating some subscriptions and reducing overall expenditures, the library set a goal of ending two “Big Deal” subscription packages with journal publishers and replacing them with targeted individual journal subscriptions and expanded document delivery services.

A further goal was to schedule and conduct meetings with all department chairs and college deans by October 1, 2018, to discuss and explain changes in funding for library collections and to solicit their input regarding which subscriptions would be retained in order to best support their respective academic programs.

### *A Time Crunch*

Library personnel learned the full extent of the budget changes around June 1, 2018. That gave us just under three months to determine how to approach reducing spending to match the new budget numbers, to gain university administrative approval for our action plan, and to gather and interpret all of the data that would be needed to make informed decisions.

We believed it was important to determine the departmental allocations and begin gathering data for departments as quickly as possible. Library Director Jeff Bailey first formed a small team of key library leaders and worked with them to develop a plan for implementing the new budget. While Bailey was meeting with the university’s academic administration to explain our methods, outline a plan of action and timeline, and successfully gain their approval and full support, Collection Management Librarian Star Holloway began gathering a wide array of data and compiling it into individual spreadsheets for each academic department.

By early in the fall semester, we needed to schedule and conduct meetings with department chairs and faculty liaisons to the library, as well as gather data and review all subscriptions. In preparing these reviews, Holloway calculated costs per use for every subscription, projected future subscription costs based on current prices, and evaluated current database subscriptions to identify overlapping content.

We set the goal of finalizing 2019 journal subscription renewals and making renewal decisions for most database subscriptions by October 5, 2018.

## *Putting the Plan Into Action*

Bailey and Holloway met with the Academic Deans Council on August 27 to present the current state of funding for library acquisitions and to discuss the steps being taken to reduce spending while maximizing the resources that could be provided using available funds. The overall response was one of being sympathetic to the library's reduced budget while also expressing concern that the remaining funding would be insufficient to support current academic programs and faculty research.

Meetings with the department chairs and library liaisons began later that same day and continued through the first three weeks of September. Both Bailey and Holloway participated in every meeting. In each meeting, attendees were presented with spreadsheet data similar to what is depicted in Figure 1.

Each department's spreadsheet included the specific name of each journal, database, or standing order; the vendor from which the resource was obtained; the expected FY19 cost for the resource; and relevant notes from Holloway regarding pertinent subscription information or the availability of a journal's content in a database, use data for 3.5 years, and a calculation of the cost per use for that subscription.

At the bottom of each spreadsheet was the sum total of the expected prices for the subscribed resources, the department's FY19 allocation, and the amount spending must be reduced by in order to keep expenditures within the department's reduced allocation. The library highlighted the titles with the highest cost per use and recommended those titles for nonrenewal based solely on the cost per use calculations.

Departments were given an October 5 deadline to make changes to their journal subscriptions. It was emphasized in these meetings that the library would move forward with the recommended changes based on cost per use after the October 5 deadline if we did not receive alternative instructions for a department. Bailey had obtained the provost's backing for this measure during his summer meetings with the academic administration.

All of the meetings were cordial, and most departments worked closely with Holloway and made their selections well before the deadline. In some cases, library personnel were surprised when departments decided to drop some database resources that had long been considered basic staples for research, instead deciding to maintain subscriptions to targeted individual journals.

| Titles in yellow are recommended for non-renewal based on cost per use calculations. | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| **Databases** | **Vendor** | **Price** | **Format** | **Notes** | **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** | Cost per Use Calculations (Resource Cost/FY19 Usage) |
| Database 1 | Vendor 1 | $1,500 | Online | Subscription Dates: 1/19-12/19 added Nov. 2016 Stats are Number of Record Views | NA | NA | 54 | 169 | 367 | $4.09 |
| Database 2 | Vednor 2 | $2,750 | Online | Subscription Dates: 1/19-12/19 Stats from 2016-17 forward are # of Record Views - Older stats are number of searches | 8067 | 9976 | 558 | 496 | 546 | $5.04 |
| Database 3 | Vendor 3 | $3,500 | Online | See Tab 2 for more information | | 155 | 76 | 49 | 18 | $453.72 |
| | | ***$7,750*** | | | | | | | | |
| | | | | | | | | | | |
| **Journals** | | | | | **2015** | **2016** | **2017** | **2018** | **2019** | Cost per Use Calculations (Resource Cost/total number of full-text use in 2018 and 2019. Approximatley 1.5 years of use) |
| Journal 1 | Vendor 4 | $300 | Online | Not available to present in databases | 1 | 9 | 40 | 1 | 0 | $300.00 |
| Journal 2 | Vendor 5 | $500 | Online | Not available to present in databases | 2 | 47 | 34 | 5 | 3 | $62.50 |
| Journal 3 | Vendor 4 | $400 | Online | 1 yr delay in databases | 32 | 9 | 5 | 5 | 3 | $50.00 |
| Journal 4 | Vendor 4 | $250 | Online | 6 yr delay in databases | 4 | 5 | 8 | 10 | 1 | $22.73 |
| Journal 5 | Vendor 6 | $250 | Online | 4 yr delay in databases | 56 | 37 | 22 | 48 | 9 | $4.39 |
| Journal 6 | Vendor 9 | $450 | Online | Not available to present in databases | 7 | 2 | 16 | 65 | 13 | $5.77 |
| | | | | | | | | | | |
| **Print Journals** | | | | | **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** | Cost per Use Calculations (Resource Cost divided fiscal year 2018-19 usage) |
| Print Journal 1 | Subscription Agent | $50 | Print | Only available in Print Not in any databases | 0 | 0 | 4 | 4 | 2 | $8.33 |
| **Journal Total** | | $2,200 | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| ***Total*** | | ***$9,950*** | | | | | | | | |
| ***Allocation*** | | ***$8,500*** | | | | | | | | |
| ***Difference*** | | ***-$1,450*** | | | | | | | | |

**Figure 1. An example of the types of data provided to academic departments.**

There were, however, a small number of departments that declined to participate, and as a result, the library made the cost per use recommendations exactly as they were noted in that's department's spreadsheet. Bailey and Holloway were both pleasantly surprised by how positive many of the discussions were, and working relationships with several departments improved dramatically following the meetings.

The reviews of the databases paid from the library's nonallocated funds were more complex. In addition to the factors considered when looking at journals, librarians also considered the amount of overlap with other resources, the relevance of some subscriptions to multiple disciplines, usage trends, and the usability of database interfaces.

Librarians also evaluated and made decisions to change or end subscriptions to several other types of resources.

We reviewed all of our standing orders, and in addition to dropping a number of them altogether, we considered decreasing the frequency with which we receive some titles. For example, standing orders to some almanac-type resources could be changed from receiving each annual volume to only receiving every other year or every third year.

Additionally, subscriptions to a number of newspapers were dropped, and during an examination of leased resources we reduced our spending on popular reading titles we have been acquiring primarily for student recreational reading. If we had not already done so, the library would also have seriously considered eliminating all of our approval plans.

A cost to benefit analysis of consortia memberships resulted in ending our membership to selected consortia. During this analysis we learned that our budget reductions were significant enough that our membership dues for some consortia were lowered, making it much more feasible to continue our institutional memberships.

Coincidentally, the library proactively restructured during the summer of 2018 at the end of a two-year planning process. In recognition that the campus would soon be losing access to a great deal of article and e-book content as subscriptions ended, one additional full-time staff position was allocated to Interlibrary Loan and Document Delivery in order to help meet the expected increase in requests.

### *Issues Encountered*

Breaking up the "Big Deal" subscription packages resulted in large increases to the subscription rates for individual journal subscriptions retained through those publishers. In some cases the service fees charged to the library by publishers also increased.

However, there were some positive experiences as well. A number of vendors decreased our subscription rates after we explained our new circumstances, and one publisher significantly lowered the rate for a direct journal package in order to retain our subscription.

A great deal of library personnel time has been spent tracking access after subscriptions ended, and the level of postcancellation access has varied between publishers. During this process we frequently referred to the terms in our license agreements in order to determine the level of access we would continue to have after subscriptions ended.

A limited number of new individual journal subscriptions needed to be added after some databases were dropped. These journals were important either to faculty research or student course assignments. In most cases, additional subscriptions were dropped in order to make available additional funds to pay for the new subscriptions.

## Year Two and Going Forward

After achieving the basic goal of cutting spending in the first year in order to stay within a smaller budget, the library took the time to look deeper for additional opportunities to reduce expenditures.

One step involved the changing of our subscription agent. After receiving a competitive quote from one agent, our longtime subscription agent made a counter-offer before we ultimately accepted the initial quote and made the decision to change agents. Making this change is saving the library and university several thousand dollars annually.

The library is also in the process of changing discovery services to take fuller advantage of the resources that are provided statewide through the Arkansas State Library. Once implemented, this change will undoubtedly lead to further subscription changes to resources and platforms that will work better with the new discovery service.

Additionally, a number of database subscriptions are now being acquired directly from the vendor to avoid any third-party charges for managing those subscriptions. Many of these arrangements were initiated in past years to save time for library personnel. However, with a reduced budget resulting in fewer orders and invoices, staff are not seeing an increased workload from these billing changes.

The improved working relationships with some academic departments has led to a small number of new partnerships, whereby a department is providing funds from some of their nonlibrary accounts in order to help pay the cost of selected subscriptions. Two academic departments have already transferred funds into library accounts and a third has pledged to do so in the spring of 2020.

In year three, the library will be seeking to reduce subscription spending even further to reestablish the regular one-time acquisitions of books and media. Prior to the budget reductions, the library had relatively robust collections of current books and media, and had relied upon those existing collections to sustain scholarship during the first two years of the reduced budget environment. The knowledge that these collections are becoming dated is the prime factor in reestablishing acquisitions of this type in FY21.

## Documentation and Communication

<tx>Holloway maintains documentation regarding every subscription that has been ended. This includes the name of the resource, the resource type, the fund code used, the last subscription date, the most recent price, the format, the vendor, and any notes on postcancellation access. Actions pertaining to the discontinued resources are also noted. This refers to either the removal of the resource from the library website or modification of access dates visible to users. The full documentation is stored on one of the library's shared drives. A modified version of this documentation is on workstations at the library's service desk in order to help desk personnel respond to questions regarding former library resources.

As part of the communication process, e-mail notifications are sent to relevant library personnel when any resources are discontinued.

Additionally, Library Director Bailey has made presentations to the Faculty Senate and answered numerous questions regarding the changes to the library's budget and the processes used in deciding which resources to keep and which ones to let go.

## Conclusion

Even though the Dean B. Ellis Library of Arkansas State University is nearly two years into the implementation of a permanent 33.5% reduction in collection development funding, much remains to be done. Declining enrollment and the cumulative effects of inflation annually decrease the library's purchasing power, while the demand for new resources remains high. Library personnel plan to continue building new partnerships with academic units to fund resource subscriptions and will be seeking to maximize the buying power of consortia. Changes to the makeup of the library's allocation formula will also be considered in order to allocate resources to subject areas as effectively as possible.