Introduction

MURRAY S. MARTIN

THIS ISSUE OF *LIBRARY TRENDS* recognizes the many financial changes that are affecting libraries. Not only is financial support for the library dwindling as funding authorities are affected by the general economic depression, there is a widespread feeling that the traditional library is perhaps no longer an appropriate model. Librarians themselves are also realizing that the old rules and paradigms must be rethought in a time of rapidly developing information technology.

The effects of these changes, both on the mission of the library and on the way it attempts to meet that mission, are widespread. Nowhere, perhaps, is this more visible than in the prolonged debate within the library profession over the respective merits of access and ownership. This has led to the concept of "the virtual library," ably considered in *The Virtual Library: Visions and Realities* (Sanders, 1993). Although, as an actuality, the virtual library has not yet emerged, the ideas involved in the concept are already altering the traditional ways of budget making.

The general principles of budgeting, accounting, and financial control have not changed greatly over time, although new concepts and ideas have emerged for their use. It is more that librarians have come to recognize their importance and how they can be used to make libraries more effective and efficient. What have changed much more drastically are many of the old assumptions underlying library budgets, such as the proportions that should be spent on materials and people or the ways in which the library materials budget should be divided.

Murray S. Martin, Murray Martin Associates, 56 South Street, Windsor Locks, CT 06096-2518
LIBRARY TRENDS, Vol. 42, No. 3, Winter 1994, pp. 369-72

The articles may be seen as divided into three parts. In the first are set out three ways of looking at the library, each of which has its own financial imperatives. The second part examines the ways in which old financial paradigms are changing. The third part looks in more detail at what is happening to the various kinds of library expenditures—particularly, given their past pre-eminence, at library materials expenditures.

Richard M. Kesner looks at the library as an information center and develops the "information utility budget model." He is concerned that librarians should be more user responsive and that they should define more carefully their tasks, their organizations, and their modes of management.

Barbara L. Anderson envisages a new role for public libraries as community centers involved in literacy, outreach, and cultural programs as well as in the traditional role of provider of reading materials. Such an involvement not only affects the ways in which budgets are spent, it also encourages seeking new sources of funding. This interdependence is a new factor in library planning.

From a totally different prespective, Sherman Hayes and Don Brown look at the library as a business. Particularly important is their mapping in text and diagram of the pervasive financial relationships within the modern library. Many more library staff have a business and financial role than they realize. The authors stress that interdependence has replaced independence.

Turning to the practice of budgeting itself, Barbara M. Anderson and Sherman Anderson examine the concept of strategic budgeting, where choices must be made between different "goods" if the library is to keep true to its mission and yet remain financially viable.

John D. Campbell, following the line of thought apparent in his earlier articles, challenges the traditional paradigms and proposes a "transitional library model" for a time when change is the only constant. He is particularly scathing about budgets that are derived from comparative studies and thus merely reinforce older stereotypes.

Two special aspects of change are added emphasis on research and fund-raising. Ronald F. Dow points out the need for deliberate expenditure on research and development to encourage innovation and sustain the advantage libraries presently have as prime providers of information within the information world. To meet all the new needs and pressures, libraries must have adequate funding, not only for ongoing programs but also to support risk ventures. Dwight F. Burlingame, as a result, projects a much more active future for librarians in fund-raising but cautions that it must be carefully developed and managed.

The change in the library's operating environment is described by Murray S. Martin in introducing the final section, which deals with more specific parts of the library budget. He reminds librarians that there are now many more players—most of them outside the library or the institution—whose decisions can affect libraries and their budgets.

Perhaps no part of the library budget has seen more pressure than the library materials budget. The transformation of this budget is described as a metamorphosis by Barbara G. Leonard, who posits its future to be an information resources budget. The effects of rising prices on the distribution of academic library materials expenditures are explored by Chandra Prabha and John Ogden. Their text and diagrams illustrate dramatically the increasing impact of rising serials prices.

Change is not confined to the library itself. As Martin Warzala points out in his study of approval services, dealers have changed their procedures and practices and will continue to change. He sees a convergence between the traditional approval plan and Selective Dissemination of Information (SDI), with electronic communications playing an ever-important role.

One area of library expenditure which has received a lot of attention, but is seldom seen as a whole, is automation. Maureen Pastine and Carolyn Kacena look at the whole range of such costs wherever they may be allocated within the budget. They point out the significant needs for capital outlay, which are almost never available from regular budget sources and the pervasive effect on all budgetary categories of applied electronics.

Personnel expenditures have traditionally been the largest segment of the library budget. Barbara I. Dewey explores a new way of developing personnel budgets as vital parts of program plans rather than relying on ratios and proportions. Only by understanding the programmatic roles of personnel and support costs can adequate models be developed. These must also be seen within the context of changing human values, new social needs, and the necessity of having to continually develop new skills.

Lest we forget that all human activities take place within some defined area, Elaine Cohen looks at new ideas emerging in library design planning. Changes in various building codes, the Americans with Disabilities Act, the effects of automation, and resulting changes in behavior have caused allied changes both in planning needs and in the planning process.

John A. Dunn and Murray S. Martin attempt to sum up these concerns under the rubric of the whole cost of libraries. There are many other costs than those which show up in the library budget, ranging from cleaning services to insurance and capital replacement. They suggest that libraries and their parent institutions should look closely at a management accounting concept—*value maintenance*—so as to be able to preserve their ability to continue providing essential services.

In this issue we have tried to look at some of the pressing financial concerns of libraries. Some types of expenditures and some types of libraries have received less consideration than others, but the assembled articles have seized on some of the key issues in library budgeting. All have stressed the continuing nature of change and point out some of the ways in which change can be managed.

REFERENCE

Sanders, L. M. (Ed.). (1993). *The virtual library: Visions and realities.* Westport, CT: Meckler.