

January 10, 2002

TO: University Library Committee

FROM: Deborah A. Carver
Interim University Librarian

SUBJECT: Update on Library Materials Budget

In response to the ULC's concern regarding spending reductions, the library administration has reconsidered our initial strategy and made some revisions. Although the materials budget will still be affected, I believe the process will be less detrimental to the departmental fund lines.

Background:

Over the past decade, library costs have increased faster than our budget allocations and revenue streams. For several years, the library has ended the budget calendar with a deficit, which is applied to the next fiscal year's obligations. Last year, our deficit had accumulated to \$731,000, even though the library administration reduced general fund expenditures by leaving positions vacant, moving equipment purchases to gift lines, and cutting student labor costs. After factoring in savings from staff turnover, income from fee-based services and fines, and targeted gift support, the net effect is a current operating deficit of approximately \$800,000 per year.

Most of the library's general fund expenditures fall into two categories: labor and materials. Compared to peer institutions, the UO Library spends more on materials and less on labor. Our response to budgetary challenges has been to protect the materials budget (FIS index: NCA) as much as possible and look elsewhere for savings. Since 1996/97, the library has reduced its FTE by 3 positions, and increased NCA by 18 percent.

New Strategy:

The library's existing budgetary challenges combined with the latest information on the state's fiscal problems force us to look at the broad spectrum of library programs and purchases. To help us reach a balanced budget, the library is examining staffing levels and assignments, outsourcing opportunities, new resource sharing agreements, and reduced duplication of content, i.e. print *plus* electronic. NCA expenditures will be reduced by \$100,000, but most of these cuts can occur without affecting the departmental allocations. Approximately half this amount will come from approval plan modifications and cuts in processing, document delivery, and replacements (for lost items available through Orbis). Approximately \$40,000 will come from unspent allocations at the end of the year. The decision to use unspent money rather than cutting the beginning allocations was made following the discussion in the last ULC meeting. Existing serial expenditures will not be cut, although no new funding will be allocated for journal purchases. There is an existing balance of \$64,295 from previous cancellations that can be used to purchase new titles if needed.

The ultimate answer to the budget problem will require further programmatic changes as well as increased support (both in general fund allocations and private giving). It is important to reduce the deficit as quickly as possible, especially in times of major fiscal uncertainty at the state level. It is also important to retain core programs and the quality of our research collections. The ULC's input into these discussions has been very valuable in shaping the final course of action. I appreciate your feedback, concern, and thoughtful guidance.

cc. Lorraine Davis