

Doing More with Less

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Doing More with Less

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Introduction

Budgeting in the academic library setting can be a very daunting task from year to year due to the complexities of the funding models, yearly percentage increases for continuations materials, budget cuts, and other unexpected issues that may result in budgetary issues. This paper will discuss the 2012 Charleston Conference Presentation entitled, Doing More with Less, presented by Ryan Weir, Assistant Librarian at Indiana State University on November 9, 2012.

Strategies for Increasing One-Time Funding

Libraries can seek to increase one-time spending in many ways, some of which could result in a sustained increase in the budget. The strategies used at a specific individual library will vary from institution to institution. These strategies include fundraising, grant submission, and looking for loopholes and/or areas to take advantage of university policy to protect excess year-end funds.

Fundraising

Fundraising at many institutions is usually coordinated through the foundations office of the university and may be engaged in by a foundations representative, library dean or director, or a designated employee of the library or greater institution.

Grant funding can be obtained through a large number of grant funding entities. The Office of Sponsored Programs is generally the office on campus that provides assistance with and oversight for grant proposals and applications.

A wide variety of free and proprietary resources are also available for identifying grant opportunities, such as Community of Science (COS[www.pivot.cos.com]), Foundation Directory Online (www.fconline.foundationcenter.org), Grants.gov (www.grants.gov), and Grant Resource Center (www.aascu.org/GRCinfo/).

Working within the University Structure

Each individual library may have a variety of ways to either increase funding on one-time basis; get an increase to the yearly allocation the library receives for materials; receive one-time funding as part of other faculty or departments grant funding, donor funds, or program fees; and/or have excess funding either roll automatically from year to year or be guaranteed to roll after a request is made at the beginning of each fiscal year. These opportunities will vary by institution and fiscal year.

Funding Formulas

Libraries use a variety of strategies to help them allocate materials funds for an upcoming fiscal year. One of these is funding by formula. There are a wide range of variables that can compose a formula, for example:

- Number of FTE tenure-track faculty
- Number of credit hours taught
- Average cost of a journal in the discipline
- Number of students currently enrolled in all majors associated with a given college or program

Information specific to the university or organization can usually be obtained from the office of institutional statistics, registrar, or Provost, VP of Academic Affairs. In any case, the offices mentioned above should be able to tell you where to ask for the information if their office is unable to provide it to you. Information for average journal cost is provided by *Library Journal* every year. This year's information can be found at: <http://lj.libraryjournal.com/2012/04/funding/coping-with-the-terrible-twins-periodicals-price-survey-2012/>.

The next step in the creation of a budget formula is deciding whether or not to weight class level

and degree level within the student population. For example:

- 100–200 level classes multiply course hours taught by 1
- 200–400 level classes multiply course hours taught by 2
- 400–600 level classes multiply course hours taught by 3

Bi-Annual Budgeting

Another strategy that can be used to maximize spending power and decrease the amount of work that has to go into budgeting and cancellation cycles is to develop a 2 year budget rotation. In this model, a library would project cost increases out 2 years. For example, if the library used 3% as a standard for increase, the library would apply a 6% increase to the cost of each continuation title. The library would then make changes to the collection based on the 6% increase not an annual 3%. For example:

- Standard budget model: $\$1,000,000.00 * 3\% = \$30,000.00$
- Two year budget model: $\$1,000,000.00 * 6\% = \$60,000.00$

In a standard budget model, cuts may need to be made on a yearly basis and with no funding for year-end purchasing unless built in as a reserve. In the 2 year model, cuts are only made the first year. In addition, for the first year of the cycle there is additional finding, 3% in the example above, for year-end purchasing at the end of the first year.

Vendor Negotiation

Another money saving strategy that many libraries are now using is heavy negotiation with vendors. If a library is not currently negotiating with vendors, then it must begin to develop a program and a set of criteria for negotiations. This strategy can greatly increase the amount of content that a library gets for the capital invested.

Will every vendor negotiate on every item? No, however on the whole, most vendors will negotiate for database content, journal packages, journal access packages, e-book packages, service charge rates and a variety of other variables that affect the overall price of a given resource or resource set. Keep in mind that the salesperson you speak with may have the ability to give discounts, but their supervisor most likely will also have the authority to authorize deeper discounts.

How do I negotiate for discounts or reductions in cost? First and foremost, you must ask for what you want. Be reasonable in your requests, and be willing to give and take as needed to meet a mutually beneficial outcome. Second, have something to bring to the table. For instance, offer of a multi-year agreement, purchase of additional new content (year-end), or offer to move subscription of content from a competitor's platform to theirs.

If you are unsure what you could offer a vendor or publisher, ask them. If they have any standing offers that can be made they will, and if they do not, they will get back with you if they can come up with something.

Next, know how to communicate with each of your negotiation partners. Determine whether the salesperson prefers to communicate via e-mail, phone, or other mode of communication and maximize effectiveness by using that mode of communication when engaging them. Finally, ask for all terms agreed upon in writing; without a signed an executed document, an agreement will not be deemed binding in most cases.

Access-Only Options

Many larger publishers are now offering access-only packages. These packages are usually deeply discounted and allow access to a limited back file for the journals contained within the package. Many of these packages also include obligations on the library's part, such as multi-year commitments to a specific number of titles that must be retained or the maintenance of a certain level of spending. In addition, there are other terms that are usually associated with these packages: percentage cost increase caps and

annual cancellation allowances. While these options are definitely not for every library, they may be beneficial to many. Wiley and Springer are among the companies that offer these large access-only options either direct to libraries or through existing consortial agreements. A library designee should contact the library's sales or consortial representative to see if these options are available.

Pay-Per-View/Transactional Access

Many larger publishers and, more recently, vendors are offering pay-per-view (PPV) services. In this model a library may be billed on a regular basis for journal articles purchased within a pre-designated time frame or may be asked to set up a deposit account with the company in which they have entered into a PPV agreement. Articles or other units of material may then be purchased by library patrons at the time the need arises. Articles generally cost between twenty and fifty dollars per download. The ability of the library to retain copies of these downloads varies by company and program model. PPV program titles should be monitored to ensure that a given journal's PPV costs do not consistently exceed the cost of a subscription. If they do, then the journal may need to be considered for subscription. Likewise, if a journal that is available via PPV is not being used often, and the cost per full-text use of the journal is higher than the PPV cost, then the library may wish to move that title from the traditional subscription model to a PPV model.

Patron-Driven Acquisition/E-Book Packages

Patron-driven acquisition (PDA) is a purchase model that is generally associated with e-book acquisition, but in some cases can also be used to purchase print materials on demand. Like PPV, PDA allows patrons to buy content at the point of need rather than the library buying the content just in case. In addition, the library then generally owns the content.

Many vendors now offer PDA programs to their customer libraries. These include Ebrary (www.ebrary.com/corp), EBSCO eBooks (www2.ebsco.com/en-us/ProductsServices/

ebooks/Pages/index.aspx), and Electronic Book Library (EBL [www.ebllib.com]). Each company has a variety of purchase models to offer libraries, many of which can be tailored to an individual library's needs.

Year-End Bundle Purchasing

A last way to optimize the use of library collections funding is to purchase large amounts of one-time content from vendors at the end of the fiscal cycle. These types of deals are usually best negotiated between the end of February and the beginning of May. However, the specific time frame of these offers and opportunities varies by vendor/publisher and even from year to year. A few examples of possible inquiries using this model are listed below:

Company A is offering a 2012 e-book collection for \$ 40,000.00, 2011 for \$20,000.00 and 2010 for \$10,000.00. The library is interested in signing onto a journal-access package with the company through its consortia. While working with the consortia, the library contacts the vendor directly and inquires about getting additional price cuts on the e-books collections if they buy all three and move forward with the journal-access package. The library offers to pay \$50,000.00 for all three years of e-book collections. The company counters with \$65,000.00, and the two negotiating entities settle on \$60,000.00 and an additional 1% per year cancellation allowance for the journal-access package. In this instance, the library was able to leverage the combination of multi-year commitment and one-time purchase options to their advantage.

Company B is offering six different journal back files for \$15,000.00 a piece, but does not initially offer the library discounts for purchasing more than one. The library inquires about discounts if multiple back files are purchased. The company comes back with an offer of a \$10,000.00 reduction per collection if the library purchases three or more. The library counters with buying all six collections for \$60,000.00; the company accepts the offer. In this instance, the library could have accepted the initial offer since the resources offered were already discounted. However, by putting in limited additional time and

resources the library was able to save an additional \$30,000.00.

These types of deals and negotiations may or may not be attainable for every institution in every instance. Additionally, engaging in these types of negotiations and open dialogue will generally strengthen the vendor/publisher–library relationship, which is beneficial to both negotiation partners.

Conclusion

As budgeting in libraries becomes more complex and intelligent and strategic collection development and spending become more imperative, it is important for all libraries of all types and sizes to learn from each other's and other industry's cost saving and negotiation strategies. A flat budget does not necessitate cutting content in all instances, but may require re-aligning and retooling the collection and acquisition strategies of the library.