

September, 2003

The Seventy Percent Solution: Assessing Criteria for Model Fund Allocations

Mary Ellen Kenreich, *Portland State University*

Claudia Weston, *Portland State University*

Sarah Beasley, *Portland State University*

Cyril Oberlander, *Portland State University*

Don Frank, *Portland State University*

NASIG 18TH ANNUAL CONFERENCE (2003)

CONFERENCE REPORTS PRECONFERENCES

1. The Seventy Percent Solution: Assessing Criteria for Model Fund Allocations

Claudia Weston, Portland State University; Mary Ellen Kenreich, Portland State University; Sarah Beasley, Portland State University; Cyril Oberlander, Portland State University; Don Frank, Portland State University
Reported by Karen Matthews

Historically, Portland State University (PSU) library has over three hundred fund lines related to academic departments and/or subject areas. Many of these funds are then split into monographs, microforms, standing orders and e-resources. There are also interdisciplinary funds and general book funds. Budget increases have been about two percent, which has been distributed as zero percent increase for monographs, three percent increase for standing orders and microforms, and seven to

eight percent increase for journals. The policy has been to add no new journals without canceling other journals of comparable worth. For most subject funds, the split has been eighty percent for journals, and twenty percent for monographs. The last major serials cancellation was in 1993.

Serials inflation has hurt PSU's purchasing power with science titles consistently increasing at ten percent and some humanities increasing around seven percent. The current arrangement did not give the library the flexibility to add new journals or e-resources and there is the concern that many current titles no longer fit the enrollment or research needs of the university. Thus a committee was formed to identify options, and design a formula to allocate their limited resources based on equity

and need. This formula would also be useful in solving political dilemmas in assigning resources.

The librarians looked at the institution's goals, and reviewed the university and library mission statements and collection development policy. They also were interested in maintaining baseline funding for each area and considering costs of materials, especially journals, in designing their allocation formula. The 80/20 split was also reviewed.

Select factors found in library resources formula allocations were broken down into four areas. These are local environment, demand, clientele; local environment, demand, research activity; local environment, demand, library usage; and publishing universe, supply. The clientele factors include the number of faculty, full-time equivalent students (undergraduate, graduate, doctoral, etc.), enrollment by credit hour, courses taught, degrees conferred, and participation in undergraduate research programs. Research activity included research funding (received or expended) and number of faculty actively engaged in research. Library usage included monographic circulation, journal reshelving, library use rating, faculty ILL requests, and participation in bibliographic instruction. The publishing universe included number of books published, number of serial titles published, average cost of books, average cost of serial titles, actual serial expenditures, and actual monographic expenditures. Some of this publishing information was obtained from Blackwell North America cost and coverage studies and from Library Journal's annual journal survey (April 15th issue).

Initially allocation formulas included PSU factors—percent of undergraduate course hours, percent of graduate course hours, percent of PhD course hours, percent of FTE faculty and percent of grants for a three-year average. The publishing factors were book cost in a subject, books produced in a subject, serial cost in a subject and serials produced in a subject. Constant weight factors were created for the PSU and publishing factors. After adding all these factors together for a department, ratios of the budget were obtained. With all the department information put in a chart, the first problem with the allocation formula was visible. The historical budget and the allocation formula budget were not in alignment. Some areas such as history and the sciences were “over funded” in the historical budget. Other areas, such as education, were “under funded”. By reapplying this formula to subject clusters, better differentiation of unit budgets was obtained. There continued to be subject areas, which would require canceling journal titles to meet their new budget allocation and other areas that would show greater budget growth thus being able to add more new titles.

PSU realized this allocation formula did not recognize the historical budget. The formula needed to integrate the historical budget and maintain baseline funding for the departments. The seventy percent solution was developed to try to solve this problem. This proposal would protect seventy percent of the historical budget and re-allocate thirty percent of the budget using the formula. Charting the subject areas showed the historical budget and formula budget much closer in alignment. This change allowed shifting of money to “under funded” areas without major cancellations in the “over funded” areas.

Recommendations were to do this process in less than a year and to involve the subject selectors more along the various steps of the process. There is a need to include interdisciplinary trends in designing this formula. The 80/20 split will no longer be used, which gives the selectors more flexibility. The selectors also will have a role in educating the faculty about trends in and implications of scholarly publishing. A core journal collection will be protected. Many titles will be included in the cluster budgets rather than the subject budgets. Also, electronic resources will be paid from these cluster funds. Consortial purchases will not affect the department funding since they will be included in the general funds. History and politics will influence titles that will be in the general fund or in the subject clusters.