Best Practices For Budget Management and Financial Modeling of Content Budgets - Baselining

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Budget Deconstruction/Construction

Levels of perspective

• Macro-level understanding – sources of funding
  – Assessing external fund structure – University has 2 fund lines (fees & University allocation).
  – Assessing internal fund structure (within ILS) – Library has 475 funds broken up by subject or material types.
  • How does this intersect with the external funding structure?
  • Is there utility in the intersection?
  • Are all costs being tracked via this system?

• Micro-level understanding
  – Assessing internal fund structure.
  • History of the fund structure – why was it created?
  • Is it still relevant to the current situation (new leadership)?
  • Audit fund structure to determine what is being used.
  • Can the funds be simplified without corrupting the prior history?
  • Reduce the number of funds?
  • Result: 256 fund codes used in FY2011 vs. 170 fund codes used IN FY2015
Budget Deconstruction/Construction

Levels of perspective

- Assessing spending
  - Establishing percentage of spending at material type level.
    - Challenges
      - Found bib records for materials type not consistent on items.
        » Example: ReferenceUSA – material type = Monograph vs. Hoover’s Company Records – material type = Journal/Periodical
      - Order records when closed had their notes deleted (i.e. canceled or change of publisher).
      - Did not open new order records when changed payment funds or vendors (lost history).
      - One-time acquisitions not always recorded in ILS (paid other funds).
    - Result: Dumped 3 years of transactional data and traced by funds/titles/vendor.
      - Guessed that looking at 3 years of spending would provide all subscription costs and a reasonable sample to look at spending patterns.

  - Questions/Best Practices
    - Is the spending historically consistent?
    - Are the records consistent? If not, how can you make them consistent?
    - Who is responsible for the records?
Reconstructing The Budget

Understanding variables that influence modeling/forecasting

- Uncontrolled variables/uncapped costs or expenses
  - Approval plans
  - Demand Driven Acquisitions
  - Maintenance fees
  - ILL costs
  - High inflation materials - typically publisher/vendor based (RSC)

- Controlling the variables (minimizing the unknowns)
  - Multi-year agreements
  - Paying in advance for subscription(s)
  - Core subscription with predictable inflation rates
  - Allocated funds for materials (monographs, etc.)
Results/Revelations

Actionable findings

• Able to spot vendors/publishers with high inflation rates and negotiate blanket reduced inflation rates.

• Predictive modeling – by vendor/publisher or material type.
  – Allows you to leverage conversation with company reps holistically (i.e. “we spend X and the overall inflation rate is X”).
  – Can determine when materials type will be unsustainable or determine reallocation of funds.

• Banding all content spending by LC classification can be useful for conversations with academic departments (i.e. “we spend X on your subject area”)
Application and Impact – Pre-application

ACRL FY 2013 – Reported 3.1 million dollars

Materials Budget

- One-Time
- Ongoing resources
- Collection Support
Application and Impact – Applied

ACRL FY 2014 – Reported 3.3 million dollars

Materials Budget

- One-Time
- Ongoing resources
- Collection Support
Impacts at the Fiscal Level

FY13 – Pre-application

• Was calculating one-time purchases based on material type on the bib record.
• Had classified database subscriptions and some serial monographs as one-time purchases.
• Approximately 700k a year was being reported in the one-time purchases.

FY14 – Application

• Reclassified databases and serial monographs as ongoing resources.
• Approximately 700k to ongoing resources line.
• One-time content purchases being paid for by non-materials lines were reported in Sierra and added to the ACRL report.
• Approximately 200k allocated to one-time purchases (backfiles).
Make Up of Budget in FY15

Where we landed on a percentage basis

Materials Budget FY15

- Journals
- Monographs Slips
- Approval Plan
- Databases
- OhioLINK (Journals & Databases)
- Maint Fees
Questions
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