**A. Introduction**

“The University of Minnesota, founded in the belief that all people are enriched by understanding, is dedicated to the advancement of learning and the search for truth; to the sharing of this knowledge through education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world.”

The University’s mission is carried out through fundamental activities of research, teaching and learning, and service. The University Libraries both support these activities through collections and services and provide leadership with respect to knowledge resources on campus. The University Libraries serve as a unique common good, providing services that enhance University values in support of academic programs while also contributing directly in development of new knowledge resources.

The University Libraries strive to deliver information and information services to individuals where and when they need it, in a format or venue that matches their needs. With over 6 million volumes within 14 facilities, and a rapidly growing virtual collection of electronic resources accessible any time/any place, the Libraries serve a significant role in building and sustaining the information resources necessary for classroom and laboratory, and for outreach and community engagement.

The Libraries, in partnership with campus information technology units and organizations, work to develop campus-wide information policy and infrastructure to ensure effective, equitable, and integrated access to information resources on- and off-campus, for libraries throughout the state, and, more broadly, within the community. The impact of the Libraries’ roles and resources is demonstrated broadly in the thousands of interactions between individuals and library staff, in the essential content provided for inquiry, and in the strategic role the Libraries play in helping shape the environment for scholarly communication in the future.

**University Libraries Vision, Mission, and Goals Statements**

**Vision**
The University Libraries is a “center” of choice for the University of Minnesota-Twin Cities for immediate access to information and knowledge resources. Increasingly, this role is played out in venues beyond library facilities; i.e., in its partnerships with academic programs, its virtual presence, and its activities integral to the instructional mission of the University. The Libraries’ knowledgeable, innovative, and service-oriented staff:

- Develop and manage collections, in all formats, to serve contemporary and future needs of the University community;
- Integrate information resources and skills into the broader teaching, research, and service mission of the University;
- Support research and instruction through direct services and in new models of collaboration with academic programs;
- Develop digital resources and services;
- Provide leadership in educating and supporting campus authors and information providers in creating, sharing, and preserving new works of knowledge;
- Collaborate with other institutions and organizations in exploring and developing economically sustainable models of scholarly communication; and
- Preserve the scholarly record for future students and faculty, citizens of the state, and the broader scholarly community.

**Mission**
The mission of the Libraries is to enhance access to and maintain the record of human thought, knowledge, and culture for current and future users. The University Libraries support and contribute to the
University’s three-fold mission of research and discovery, teaching and learning, and outreach and public service through the development of collections, delivery of services, and creative applications of information technologies.

Goals

University Libraries goals for 2004-2005 (FY05) include:

1. To realize the potential and centrality of knowledge resources for the University, the Libraries will articulate our role as a strategic asset of the institution.

2. To support and contribute to academic programs and initiatives, the Libraries will develop collections in all formats and implement focused collection management strategies to ensure effective stewardship of collection resources.

3. To provide leadership in shaping the online environment for effective information inquiry, the Libraries will aggressively develop the infrastructure for a mature digital library.

4. To better serve academic programs and realize opportunities for collaboration, the Libraries will focus the organization to serve the generalized needs of undergraduates and the specialized interests of graduate students and faculty within disciplines. The Libraries will strive to develop a culture of collaboration to leverage Libraries resources and better integrate the Libraries within academic programs of the campus.

5. As the most significant comprehensive collection serving the state of Minnesota, the Libraries will continue to promote, share, and leverage Libraries resources to the benefit of state and regional communities.

6. To enhance the effectiveness of the Libraries’ resources and the organization’s adaptability to changing requirements, the Libraries will invest in key components of its infrastructure: facilities, organization and staff development, budgetary structures and accountability, and programs to secure broader understanding of Libraries resources and external support.

University Libraries Organization

Administration
- Finance and Data Analysis
- Development Office
- Public Relations and Communications

Academic Program Services
- Humanities and Social Sciences
- Sciences: Physical Sciences and Engineering
- Sciences: Agriculture, Life Sciences, and Human Ecology
- Special Collections and Archives

Access Services
- Facilities and Operations Management
- Information Access and Delivery Services
- Materials Acquisition and Control

Bio-Medical Library

Collection Development

Information Technology
- Digital Library Development Laboratory
- Digital Collections
- Information Technology Services

Libraries Enterprise Operations (formerly MnLINK)

MINITEX (funded in part by the Minnesota Higher Education Services Office)
The compact between the Senior Vice President for Academic Affairs and Provost and the University Librarian for FY05 includes the following:

B. **Update – Major Long-Term Goals/Priorities**

1. **Collection Development & Management**

   *To support and contribute to academic programs and initiatives, the Libraries will develop collections in all formats and implement focused collection management strategies to ensure effective stewardship of collection resources.*

The Libraries’ development of information resources in all formats is significantly challenged by transitions within publishing toward digital production, changing paradigms for pricing content, shifts in campus program priorities, and long-term issues associated with preservation of knowledge resources.

In FY03, $500,000 was added to the collection budget from central Compact and AHC sources, one-time funds from the Deans’ Initiative, and revenues from delivery services. These funds were directed toward stabilizing financial support for core electronic resources (used by disciplines across campus) and toward minimizing necessary journal cancellations. Despite this infusion of funds, over $400,000 in journal cancellations were processed. In FY04, recurring Compact funding ($200,000) and one-time royalty income ($500,000/year for 4 years) enabled the Libraries to reduce additional planned cancellations to 1,300 titles; significant new electronic resources were added with these new funds.

Trend data on higher education costs reflect a continued extraordinary rate of inflation in publications, far outstripping increases in professional and non-professional salaries, utilities, and equipment. In the last several years, the inflation in library materials costs has surpassed even fringe benefit increases (as noted in the Higher Education Price Index).

While an increasing effort is made to realize external support for collections, the vast majority of funds raised during the capital campaign was targeted for special collections. While important, these funds did not provide support for the core research collections.
Steady high inflation, coupled with multiple models and costlier pricing for electronic resources require regular and significant increases to the Libraries collection budget in order to sustain a current level of commitments. Equally critical will be regular carefully planned journal cancellations, selective reductions in support for monographic purchases, and increased inter-library borrowing, all at a cost.

Preliminary data for interlibrary loan requests from University faculty and students in FY03 indicate a high proportion is for articles from cancelled journal titles. Data for interlibrary loan for University faculty and students in the first half of FY04 reflect a 33% increase in borrowing over FY03. The data also suggest a high proportion is for cancelled journals. The services to support these borrowing requests introduce increased labor and copyright costs associated with securing these books and articles from other institutions. The impact of past collection reductions is eroding core support for students and faculty.

Where desirable, the Libraries are entering into longer-term agreements for some large e-journal packages and e-resources helping to predict costs and stem inflation. New models of open access (freely accessible with costs supported by author fees) are slowly emerging in this volatile environment, which over time will be influenced by changes in practices of scholarly communication, institutional policies, and libraries’ limited budgets.

Since 1995, the Bio-Medical Library has supplemented its state OM funds used for collections with money generated by its income services. The extent of this subsidy has grown substantially and has reached $500,000, representing over 30% of its overall expenditures for collections. Overall income is declining and a new model of support is increasingly necessary [see: B. 5. a)].

The majority of our peer libraries have put in place preservation programs to ensure long-term viability and usability of collections in the face of deteriorating volumes (estimates suggest nearly half of our physical collections are in jeopardy.) More recently, libraries have initiated services to support digital preservation; i.e., reformattting of books and journals to preserve content, reduce shelving, and provide improved access to full-text. A pilot program, working with the University Bindery to re-design their reproduction services, will experiment with reformattting of brittle books. The project is internally funded with one-time funds and will rely on contributed services from the University of Michigan to provide search/retrieval systems.

In FY05, the Libraries will continue strategies (journal cancellations, shifts to electronic-only subscriptions, and analysis of academic program needs) to manage continuing commitments and respond to the effects of inflation and currency fluctuation.

Actions and Expected Outcomes:

• Continued revision of collection budget allocation process for each discipline, driven by common metrics, standardized user data, and input from academic programs.
• Refinement of enterprise system reports to facilitate collection and budget management.
• Analysis of budget model and income operations in support of the Bio-Medical Library collection budget.
• Through stepped-up fund raising activities, increase endowment and gift funds for acquisitions, collection support, and preservation.
• Continued transition to electronic-only formats, realizing enhanced access and savings in the management of physical formats.
• More effective communication mechanisms for sharing information and soliciting input from users. A series of faculty focus groups in spring 2004 will provide a venue for dialogue and user feedback.
• Promote and support better utilization of existing electronic and print resources through new tools and access techniques.
• Provide the most efficient and seamless document and book delivery services possible, with consideration of the appropriate application of user fees.
• Implement pilot project to explore digital reformatting of deteriorating print resources as a preservation and access mechanism.
• Continue to leverage the acquisitions budget through cooperative licensing of content through CIC and MINITEX, including new efforts of support for the Minnesota health science community.

A conservative estimate of overall inflation for books, journals, and electronic resources in FY05 is 8.55% (down from 12% in FY04). In addition, the weakened US dollar significantly lessens purchasing power in many disciplines from publishers and vendors outside the U.S., in particular Western Europe and the UK, the sources of a large proportion of publications. To sustain current collecting levels and electronic licenses, an increased allocation of just under $800,000 would be required.

The financial plan details the inflationary needs. If additional funds for collections are not realized, journal cancellations and further reductions in allocations for book purchases will be necessary. As in the past, these would be accomplished through consultation with academic programs. (Note: to give some sense of requirements to live within a flat or modestly increased collection budget, a $100,000 reduction in journal commitments would translate into 226 social science titles or 165 medical titles or 746 humanities titles).

<table>
<thead>
<tr>
<th>Collection Development and Management Financial Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
</tr>
<tr>
<td>Recurring</td>
</tr>
<tr>
<td>Sources of funding</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Base allocation</th>
<th>$8,599,333</th>
<th>$8,799,333</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalty Income</td>
<td>$500,000</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Compact</td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library</td>
<td>100,000</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Central funding request</td>
<td></td>
<td>799,368</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$8,799,333</td>
<td>$600,000</td>
<td>$9,598,701</td>
</tr>
</tbody>
</table>

2. The Digital Library

_Develop the Libraries' infrastructure for a mature digital library, including leadership on campus with respect to knowledge resources and leadership within state and national organizations._

Three components comprise the Libraries’ planned efforts in digital library development: the Digital Library Development Lab, the MnLINK project, and our IT infrastructure.

a) Digital Library Development Lab

Information technology has become pervasive in libraries and in the lives, work, and expectations of our users. It is a mission-critical ingredient to the Libraries’ present and future work. Recognizing this, the Libraries are becoming increasingly strategic in the development of the University’s information technology framework.

The Digital Library Development Laboratory (created in 2003) works in collaboration with others around the Libraries and the University to create an information environment that significantly advances end-user resource discovery, retrieval, and use of information. Key to this activity is the development and support of a highly integrated and secure information architecture. This architecture embraces content, services, and tools. The Lab is responsible for the design, development
or acquisition, and implementation of the software tools that make such an environment possible.

The current phase of digital library development moves beyond the conversion of content to digital form and focuses on establishing a more mature, more integrated environment for our users. Survey data provide strong evidence that our users experience difficulty in navigating the labyrinth of resources the Libraries license. The Lab integrates this environment of distributed resources and develops the logical connections between the Libraries information services and other campus enterprise systems.

In FY05, the Libraries will continue to develop a coherent and programmatically centered whole out of the many digital library efforts underway and to come. Plans and organizational structures put in place during the past year will be refined to ensure dialogue about priorities both inside and outside of the Libraries. In addition to the need to work with other campus technology efforts, there are a number of significant efforts within the library and scholarly communities nationally and the Libraries will strive to leverage and contribute to these activities and collaborations. By doing this, the Libraries can shape its future capacity and enhance its stature as a premier destination in the increasingly complex information environment available to our users.

Actions and Expected Outcomes:
• Initiate a three-year strategy for the development and implementation of robust digital library architecture at the University. Priorities for development are driven by research, educational, and outreach needs identified through the Libraries’ Academic Programs and Access Services divisions, and through consultation with OIT (Web Integration Group and Web Enterprise Services). Feedback on development and enterprise integration efforts are also solicited from various University bodies, including the TEL Council, Senate Committee on Information Technology, and the Senate Library Committee. Accompanying investment requirements will be articulated as needed.
• Support the developments needed to create the Undergraduate Virtual Library, including implementation of a “metasearch” tool that will allow for searches across multiple databases.
• Expand and enhance our successful “Find It” service, which uses “OpenURL” technology to provide inter-vendor linking between indexes, journals, citations, and other sources for easier navigation.
• Integration of LibData (which was released from the Libraries as open source software in FY04), SFX “Find It” (the OpenURL resolver implemented in FY04), and other elements of our digital library with the campus portal, online course environments, and collegiate information sites.
• Development of collaborative partnerships with campus partners to support research and development of digital library components, such as alternative interfaces, navigation engines, personal control features, and information retrieval methods and to identify common interests and develop plans for joint research efforts; e.g., Digital Technology Center, New Media Studies, etc.
• Work with the Bio-Medical Library to integrate their resources more fully into the Libraries offerings and into the AHC portal.
• Work with Archives and Special Collections to develop a robust XML-aware database to support the indexing and discovery of archival information.
• Provide faculty, students, and staff with experimental web space and authoring tools for creating individual blogs for courses, course assignments, scholarly communication, and personal essays or opinion.
• Cultivate campus partners who can help the Libraries sustain the successfully launched web-based RefWorks citation helper. Between November 2003 and March 2004, over 2,000 user accounts were established in this highly successful pilot.
• Completion of two large grant-funded digitization projects (World War I and II Posters, and Research Libraries Group Cultural
Materials Initiative) and investigation of new sources of funding for ongoing digitization efforts.

- Expand existing project to provide electronic course materials (course notes, presentation materials, and published articles and chapters) and work with campus programs (TEL) to develop more robust online course environments.
- Development of a new Dissertation Calculator (following the revisions to the Assignment Calculator in FY04) which will serve graduate students in their more in-depth research and publication efforts.
- Work with the Minnesota Digital Library Coalition to host our initial signature project of statewide collaborative digital scanning.
- Explore the technical options and requirements for sustainable repositories of digital works at the University.

Compact funding in FY04 provided $60,000, which was fortified through an additional internal reallocation of $20,000, to solidify “soft” appointments and increase existing staff to full time.

During FY05, we must also begin the long-term support for tools that have been implemented in various pilots. These tools, such as SFX (the heart of our “Find It” service for inter-vendor linking) and RefWorks (which enables campus-wide savings on citation-software purchases), have been put in place by the Libraries with $189,000 of one-time funds ($85,000 of the one-time funds for SFX provided by OIT, another $52,000 provided by non-university institutions buying SFX services from the University). The hope was to reallocate recurring dollars when they were required to support these projects. However, reallocations necessary to support library increased costs now make those recurring dollars scarce. While we are able to cover some of the associated staffing expenses, we require $79,000 of new base funding to help us sustain these new services.

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>FY04</th>
<th>FY05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libraries</td>
<td>$52,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>OIT</td>
<td>$85,000</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$52,000</td>
<td>$18,000</td>
</tr>
<tr>
<td><strong>Central funding request</strong></td>
<td></td>
<td>$79,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$189,000</td>
<td>$112,000</td>
</tr>
</tbody>
</table>

As part of this move toward sustaining these new tools, we will also begin to rely on our Library Enterprise Operations (LEO) department to manage the long-term maintenance of these services. LEO has become adept at supporting such systems through its responsibility for the MnLINK system, but we realize the management skills required for MnLINK and those required for these other enterprise-wide tools are quite complementary.

b) MnLINK

In 1996, the legislature appropriated $12 million for the implementation of two statewide library systems:

- The MnLINK Gateway, whose components are 1) a common interface to databases licensed statewide and to most library
catalogs in the state and 2) an interlibrary loan (ILL) management system.

- A new **integrated library system** (ILS), for the four University campuses and all libraries that use the MnSCU/PALS system. An ILS handles core, operational functions such as acquisitions, cataloging, circulation, and related inventory control of collections. The ILS system selected is Ex Libris’ Aleph500.

The Aleph system was put into production on the Twin Cities campus during the summer of 2002. The following summer (2003) we brought the Coordinate Campuses of Duluth, Crookston, and Morris up on the same server. The Twin Cities Libraries staff provided the infrastructure and service/training support during this implementation for the Coordinate Campuses.

During the summer of 2004, all campuses will move to a new version of the software, requiring further training and process revision. We anticipate greater efficiencies in materials handling and process management with this next version of the software once implemented and with sufficient opportunity for evaluation of processes.

**Actions and Expected Outcomes:**

- All University campuses now share the same integrated library system, increasing the potential for greater coordination, efficiency, and sharing of expertise. The implementation of a new version in summer 2004 will require system-wide coordination and training.
- Necessary programming to create critical management reports will be a focus after the summer 2004 upgrade.

In order to meet the increased support requirements of the system and our coordinate campus libraries, an additional systems position was created in early 2004 through $50,000 of FY04 compact funding and a matching $50,000 internal reallocation. As part of the ongoing state MnLINK program, the University Libraries continue to provide support for the MnLINK administrative offices (located at MnSCU) at $100,000 per year. Negotiations continue regarding the ongoing support of the statewide MnLINK program.

**c) Information Technology Infrastructure**

Given the pervasive and mission-critical nature of information technology for the University Libraries and our users, we must improve our stewardship of the technology infrastructure we provide. This requires not only putting the renewal of our equipment on a sound financial footing, but also developing the staff expertise which supports this widely deployed resource.

During FY03, the Libraries reallocated $150,000 of recurring funds to our previous computer renewal budget of $100,000. To date in FY04, over 100 workstations have been removed from the installed base, providing a more manageable complement of 800 workstations and dozens of servers throughout the Libraries’ 14 locations. We must continue to solidify support for computer equipment renewal so that we can ensure the Libraries provide an environment conducive to research in the 21st century.

Per-workstation costs and support demands are rising as the need for laptop devices has increased dramatically. Success in our additional outreach through the mobile librarian programs and partnerships to serve Greater Minnesota initiatives requires that the Libraries invest in ever more sophisticated mobile technology.

The demand for increased public workstations continues and only modest increases were possible in FY04. Contention for workstations is high, and Wilson Library has seen significant complaints about the pressures of non-University users, despite the implementation of University-only restrictions for nearly half of the public computers.

Support for computer technology has also grown more difficult as the threats of viruses and network attacks increase. The Libraries reallocated $50,000 in base funds and $15,000 in one-time funds for
computer support in FY04. To address the need for deeper technology skills throughout the Libraries organization, a renewed effort to foster technology skills among the staff will be developed by our Information Technology Services (ITS) team and the Bio-Medical Library Systems Office.

Actions and Expected Outcomes:

- Continue refinement of tools and processes to manage the installed base of workstations and their replacement. Participate in campus efforts to leverage funds through collective purchasing of equipment.
- The Libraries’ near-term goal (within 4 years) is to double the current allocation of recurring funds available for computer equipment replacement to reach a desired 4-year replacement cycle. To reach this goal, the Libraries should be spending $500,000 annually on replacing and upgrading equipment.
- Develop a model for distributing technology skills and perhaps first-line computer support responsibilities through leadership from the Libraries’ IT professionals.

Given the reduction in our installed base of workstations, the Libraries can sustain replacements for FY05. However, from FY06 to FY08 we will begin to feel the pressure of replacing a large group of workstations purchased for Walter Library with one-time renovation funds and also the added cost of the more frequent renewal required by our growing base of laptops. This will require either further reductions in our already thin base of workstations or additional financial support to sustain a responsible replacement schedule.

<table>
<thead>
<tr>
<th>Information Technology Infrastructure Financial Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
</tr>
<tr>
<td>Recurring</td>
</tr>
<tr>
<td>Budget needs</td>
</tr>
<tr>
<td>Computer renewal</td>
</tr>
<tr>
<td>Staff development</td>
</tr>
</tbody>
</table>

| Total | $520,000 | $300,000 | $410,000 | $440,000 | $500,000 |

<table>
<thead>
<tr>
<th>Sources of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior year base</td>
</tr>
<tr>
<td>One-time allocation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Central funding request</th>
<th>$140,000</th>
<th>$40,000</th>
<th>$70,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$270,000</td>
<td>$270,000</td>
<td>$410,000</td>
</tr>
</tbody>
</table>

3. Enhanced Service to Academic Programs

To better serve academic programs and realize opportunities for collaboration, the Libraries will focus the organization to serve the generalized needs of undergraduates and the specialized interests of graduate students and faculty within disciplines. The Libraries will strive to develop a culture of collaboration to leverage Libraries resources and better integrate the Libraries within academic programs of the campus.

The Libraries’ support of academic programs is challenged by significant change within disciplines (with respect to curriculum and research emphases), significant change within publishing, and significant change related to technology applications in scholarly communication. Further, differences between disciplines in information needs and the lack of good mechanisms for dialogue have added to the complexity of planning.

In FY04, the Libraries reorganized to create an Academic Programs division, structured along discipline lines. New leadership is currently being recruited, an Associate University Librarian for Academic Programs, and a Public Relations and Communications position added to assist in communicating about the Libraries resources.
Building on the themes of engagement, collaboration, and outreach established in FY04, the plans for FY05 will continue to pursue new venues and methods to support instruction and research.

a) Undergraduate Services Initiative

A new leadership position and Libraries-wide program was established in FY04 to address the unique needs of the undergraduate community. Since the University does not have an undergraduate library, as many of our peers do, we are challenged to help this user group take advantage of a highly distributed, complex library system.

A series of focus groups, interviews with individual faculty and administrators, and surveys have helped inform the initiative and highlight priority areas for attention. These include: programs to help undergraduates better integrate Libraries resources in their academic work, improved study and collaboration space within Libraries facilities, enhanced educational opportunities to build information literacy skills, and improved tools to allow effective exploitation of information resources.

Three components of the Undergraduate Initiative were funded through the Compact process (a Virtual Undergraduate Library, Information Commons, and information literacy program growth) and the Libraries reallocated additional funds to support information literacy programming and online reference services.

Actions and Expected Outcomes:
- The development of an innovative Virtual Undergraduate Library, with online tools, services, and new licensed e-content geared to the undergraduate user. The virtual environment will include a new search interface and system, integration of electronic content and WebCT or other course environments, and a simplified gateway to library catalogs. Technology development will be undertaken by the Digital Library Development Lab.
- An Information Commons facility (in collaboration with the Writing Center) to bring together information resources, technology, and expertise in information inquiry and writing. This initial site in Wilson Library is part of a larger plan to assess the needs for skill-based educational centers within Libraries. Additional partnerships with Rhetoric and the Writing Center will support a writing/research assistance service in St. Paul.
- An expanded information literacy program to help students more effectively engage in the process of inquiry and improve the quality of their research. Workshop series and online tutorials would be expanded for greater integration within the general undergraduate departmental curriculum. In addition evaluation of the program and exploration of credit courses offered through the Libraries would be pursued.
- A pilot program to explore just-in-time assistance for users throughout library facilities; e.g., roving staff assistants, telephone “hotlines,” funded with $31,000 one-time reallocation.
- Employment of graduate students to assist in information literacy programs and skill development within disciplines. Pilot funded with $20,000 one-time reallocation.
- Increased investment to support electronic reserves to provide course material; i.e., through scanning print materials for online access by using base reallocation of $10,000.

FY04 Compact funds provided recurring ($200,000) and non-recurring ($280,000) funds to support the Undergraduate Initiative. The Libraries contributed an additional $130,000 toward the effort, through reallocation.

b) Graduate Student, Faculty and Research Support

The Libraries are also exploring ways in which new models might be deployed to support graduate students and faculty. Unlike the undergraduate program, services to these communities are typically more tailored to the discipline's structure, communication methods, and
research methodologies. Recent data about University faculty and graduate students gathered from a national survey (LibQUAL+), sponsored by the Association of Research Libraries, indicated that these groups hold high expectations for services to enhance access to information and tools to improve personal control over the research process, but they perceive the level of service currently offered them in these areas as barely adequate.

The Libraries “mobile librarian” program has expanded in the past year, with attention to unique needs of each discipline; e.g., librarian office hours in the Geology Department, an online service center for content and services for Education, satellite reference services in Carlson School of Management. Additional programs to reach students and faculty and support information needs at point of need will be pursued. (Note: This program relies on the availability of laptops and wireless access.)

A series of discussions is planned with targeted research groups to explore research collaborations surrounding digital resources and tools. The Libraries will pursue collaborative projects to support the development of specialized information environments and new tools for information delivery and analysis. Three recently allocated graduate student appointments ($75,000) will be utilized in projects to collaborate with academic departments in this design and development process.

Many major institutions have begun programs, often with library leadership, to support and preserve digital content created or managed by campus units; e.g., working papers, images, publications, etc. The Libraries currently have several collaborative projects with academic departments and will begin broader discussions with programs to identify campus needs, target potential collaborations, and evaluate available software to support such content.

A related issue derives from the Libraries role as the University Archives. Discussions and planning will be initiated with relevant administrative units and academic departments to explore the role and scope of the Archives in a digital age. External consulting support may be pursued for this analysis. Leadership within the Libraries Special Collections and Archives will also explore the requirements of sustaining digital archives.

Actions and Expected Outcomes:
- Expanded program of on-site and virtual services focused in support of specific disciplines/departments.
- Implementation of pilot partnerships with units to create sustainable archives of digital content created or managed by the unit.
- Engagement of consultant and campus stakeholders in documentation and exploration of issues surrounding University Archives role.

(c) Copyright

The Libraries, in consultation with the Office of General Counsel and the Copyright Permissions Center, have completed a review of library copyright practices and proposed significant policy reform for the application of Fair Use in library operations and services. The review included assessments of operational impact on new policies, as well as institutional risks. Implementation of the new policy and accompanying standards will be underway in summer 2004. The Libraries’ policy reform and developing copyright expertise are expected to be influential on campus, as units continuously face difficult copyright issues and express interest in receiving guidance. In this regard, the Libraries may serve as a model for policy direction and best practices on copyright issues.

As a second phase of these efforts, the Libraries plan to develop copyright information resources and educational programs for the University community, and to pilot a proposed copyright consultation network to give guidance on issues of copyright and Fair Use rights and responsibilities. These programs will assist the University in meeting new compliance requirements for copyright information
dissemination and educational activities set forth in recent copyright legislation (Digital Millennium Copyright Act in 1998, TEACH Act in 2002).

With Compact funds (non-recurring $55,000), the Libraries will develop a copyright information web site, in collaboration with other copyright information stakeholders on campus. The site will feature copyright decision-making tools and resources that will help to ensure efficiencies in copyright deliberations. An educational program will be offered in the fall that will build upon intellectual property themes of the Libraries’ co-sponsored Presidential Conference. A campus-wide copyright information and education advisory board is proposed to guide the Libraries’ efforts.

Actions and Expected Outcomes:
- Web site to present key copyright information resources.
- Development of decision-making support tools for the University community.
- Education/outreach program to promote an understanding of copyright law and Fair Use rights and responsibilities.
- Piloted campus-based copyright consultation network.
- Formation of a campus-wide copyright information and education advisory board.
- Collaborative program of advocacy within the University community and beyond for responsible copyright compliance, and the preservation of Fair Use.

d) Library as an Intellectual Center

As part of the Libraries’ efforts to become more engaged in contributing to the academic activities of the campus, a seminar series featuring University faculty will be initiated, focused on the scientific disciplines.

The sciences libraries (Walter, Bio-Medical, and St. Paul Libraries) have plans to collaborate with collegiate units to co-sponsor events that focus on interdisciplinary research at the University. Each event will highlight a research theme that cuts across several scientific disciplines.

The President’s 21st Century Interdisciplinary Conference Series has funded an event entitled “Publication, the Public University, and the Public Interest.” The proposal was developed by the Libraries and faculty from several departments with relevant interests. The event will focus on the tensions that currently exist between the desire to disseminate information and the pressures to protect and secure intellectual property. In addition to keynote speakers, the conference will include workshops for the campus community to build awareness and explore potential new models of publication. The Conference is co-sponsored and supported by AHC, CLA, COAFES, Biological Sciences, Law, the Institute of Technology and Digital Technology Center, the Graduate School, and the Vice President for Research.

e) Grants

The Bio-Medical Library is creating a post-graduate librarian track, as part of the recently renewed National Library of Medicine Informatics Training Program five-year renewal (a University/ Mayo Medical School Master’s and Doctoral program). Bio-Med librarians are implementing the librarian track in partnership with Mayo Medical Library.

The Bio-Medical Library is providing the training and development services necessary for a recent National Library of Medicine grant to the Tri-County Hospital in Wadena, Minnesota. This award will involve outreach and training related to Internet access to digital content.

Librarians from the Bio-Medical Library are participating in a project to train staff at public libraries throughout the state in the use of health
information sources. Funded by the Bill and Melinda Gates Foundation, the State Library Development and Services (LDS) staff and members of Health Sciences Libraries of Minnesota are coordinating the project.

The Libraries (through its Charles Babbage Institute Archives) has received a grant from the National Historical Publications and Records Commission to develop a collaborative approach to selecting and collecting historically valuable documentation created in electronic formats in order to preserve and make them available for research. The target content will be the documentation of the Internet2 project. The grant will partner with faculty at the University of Michigan’s School of Information and includes an advisory board with experts from Indiana University, the Minnesota State Archives, the American Institute for Physics, as well as the University. This project breaks new ground in addressing the challenges of archives in a non-centralized environment.

The Graham Foundation has awarded a grant to the Libraries to process the papers of Walter H. Sobel, acquired as part of the Northwest Architectural Archives. Sobel is a leading Chicago architect recently appointed as Distinguished Research Professor of Architecture at the Illinois Institute of Technology.

4. Library Collaboration and Resource Sharing

As the most significant comprehensive collection serving the metropolitan area, state of Minnesota, and region, the Libraries will continue to promote, share, and leverage resources to the benefit of these external communities.

The University Libraries’ collections and staff offer service to external communities through programs of outreach and resource sharing. Several notable areas of current activity and attention are featured.

a) MINITEX

MINITEX is a division of the University Libraries founded to share resources from the University within the state. MINITEX is currently funded largely by the Minnesota Higher Education Services Office, with additional support from the Department of Education (for public library services) and contracts for service in the Dakotas. In the context of resource sharing, MINITEX draws significantly on the collections of the University Libraries. In FY03, 87% of the book loans and photocopies from the University Libraries went to Minnesota libraries, serving the citizens of the state. MINITEX also provides the lending service from the University Libraries to other libraries outside the region and throughout the world.

In addition, MINITEX has leveraged the print journal titles subscribed to by the University of Minnesota Twin Cities Libraries into a program whereby MnSCU and private college libraries have online access to those journals. The two main publishers involved are Elsevier (including Academic Press) and the American Chemical Society. This has allowed small libraries with perhaps only a few titles from these publishers to gain access to hundreds of journals.

MINITEX licensing of electronic content also provides direct benefits to the University community. In FY03, over $500,000 in subsidized electronic journal subscriptions was provided to the University of Minnesota through MINITEX licensing. As MINITEX reduces its services to accommodate a $300,000 base reduction in funding, this support may be diminished.

The future of MINITEX (and the MnLINK program cited earlier) will be impacted by any changes in the Higher Education Services Office support or configuration, since both programs are accountable to this state agency.

b) Minnesota Digital Library Coalition
The University, other state universities and private colleges, major public libraries, and historical societies are working together to develop a coordinated, state-wide digital library effort. The Coalition provides an organizational and operational framework wherein the archives, libraries, and museums of Minnesota can collaboratively build and sustain digital collections and a coordinated system of access. Through this collaborative program, Minnesota’s unique resources will be made Internet-accessible for use by the citizens of Minnesota and a global audience.

The Minnesota Digital Library Coalition recently received a grant (managed by St. Cloud State University) to implement the first phase of the library, focusing on documentation of the first 50 years of statehood. The federal LSTA (Libraries Services and Technology Act) funds were awarded through the Minnesota Department of Children, Families, and Learning. The University Libraries expect to play a leadership role in the development of the digital library through its expertise and existing software development.

c) Partnerships for Greater Minnesota Services

The Libraries have initiated cooperative planning with several campus programs to further service to the state. Working with Extension Services, the St. Paul Libraries and MINITEX are exploring mechanisms to exploit the state public library infrastructure to disseminate Extension Services information and to enable community-based participation in Extension programs. Programs to build awareness of available University Libraries resources will also be launched for Extension staff. Similarly, work is underway to pursue licensing of electronic content and educational programs (information skills for evidenced-based medicine) for health practitioners in the state through collaboration with AHC and MINITEX.

d) West Bank Community

Wilson Library’s location within the densely populated West Bank community makes it a target resource for the non-University community. The most frequent resource has been the open access computers. In order to curtail the contention for workstations, the Library has implemented system restrictions that prohibit use of some game and email applications on open access workstations. However, tensions continue in light of the limited number of computers available. Staff from Wilson have worked with the University’s Community Relations director and with local community groups to pursue support for additional computers in nearby community centers.

e) International Digital Library Development

The University is a member of the Digital Library Federation, (which will be launching a major initiative in the humanities to develop the protocols and systems for “deep sharing” of digital content. This would allow users to access the digital masters of content, particularly important in areas where manipulation or text analysis is useful. Minnesota will need to evaluate its potential role in this endeavor and whether it can position its digital library program to take advantage of the external funding that is expected.

5. Organization Effectiveness and Development

To enhance the effectiveness of the Libraries’ resources and the organization’s adaptability to changing requirements, the Libraries will invest in key components of its infrastructure: facilities, organizational and staff development, structures and processes for budgetary accountability, and programs to secure external support.

a) Budget Analysis and Models
As part of the planning and priority-setting process in FY03, the Libraries implemented a new budget model that incorporated a taxation system on vacancies to build funds for reallocation. In addition, a distributed program of lapsed salary management was implemented to create a balance of distributed flexibility and accountability for lapsed salary dollars. Since the Libraries rely on lapse funds to support base commitments (about 4% of its non-collection base commitments), careful management of this resource is essential. Despite aggressive internal reallocations to reduce the level of over-base commitments, unexpected increases in costs have driven the commitments higher than desirable.

A targeted review of the Libraries’ income-producing operations was launched in FY03 and some modifications in operations have been made. Further work in addressing document delivery services continues, with special emphasis on fee-based delivery services.

A significant area for future attention will be an analysis of the budget model supporting the Bio-Medical Library. This library operates a significant document delivery service to business and other external customers and relies on this income for a portion of its operational support. With the potential for declining revenues (due to license restrictions and reduced collection strength), this model is in jeopardy. An initial review of the model and its viability will be pursued in 2004.

b) Intellectual Property Management

The Libraries have successfully completed work with the Office of General Counsel to develop standard agreement templates for securing (through gift or purchase) or lending special collection materials. Attention is now shifting to Libraries policies and rate structures for granting permissions for use of these resources by commercial entities; e.g., publishing or movie rights for content where the Libraries have literary rights.

Additionally, working with the General Counsel, a review of rights agreements is underway. These agreements convey literary rights to the Libraries for collections held; e.g., in Special Collections. An analysis will help the Libraries and University better understand how these rights should be managed and exploited in the future.

c) Security

The highly distributed physical environment, many isolated locations, and increasing issues associated with unaffiliated users have required an increase in the Libraries’ need for security services. Wilson Library has experienced a significant increase in use by the West Bank community, resulting in frequent incidents and the necessity for security staff intervention. Walter Library, since opening, has become a popular study location during evenings and weekends, requiring supplemental staffing to provide security. Through Compact funding in FY04 ($20,000 recurring) and internal reallocation, the Libraries have been able to increase support for security in Wilson, Walter, and Magrath libraries, as well as some branch libraries. In addition to an increased presence of security monitors and Libraries staffing, security phones are being installed in remote locations in the three main facilities.

d) Public Relations and Communications

Lack of awareness of Libraries resources is a frequent lament from students and faculty alike. The Undergraduate Initiative surveys, for example, revealed a general lack of awareness of Libraries resources. In addition, our development efforts have significant and growing requirements for communications materials. The Libraries will establish a public relations and communications office in early 2004 through reallocation. This position will help increase the visibility of the Libraries and build awareness of its resources and challenges. The position will also play a key role in fund raising and external relations.

e) Development
The Libraries significantly increased efforts toward development, with assistance from the University Foundation in developing a strategic plan for fund raising. While the Libraries completed a $15 million contribution to the capital campaign, the majority of gifts were targeted for very specific collections (largely in Special Collections and Archives). Work is underway to identify major prospects, to develop a framework for giving opportunities, and to realize a broader appeal for Libraries fund raising.

A revamping of the 10-year-old Friends of the Library (FOL) organization occurred in Fall 2003. This was the result of a planning effort within the FOL Board and focuses on building a strong membership group and increasing participation in programs.

f) Compensation Support

An anticipated FY05 salary program will require approximately $425,000 in order to cover an expected 2.5% salary program. While our organization has many characteristics in common with collegiate units – a large group of academic staff (45% with continuous appointment), a mission intimately tied to academic programs – we do not have the flexibility of tuition nor other external income to support this increase. Since only 10% of our budget is allocated to operations (and since sustaining the collection budget is a mission-critical priority), the Libraries’ already-reduced personnel budget would need to bear the cost of salary increases and the across-the-board mandated cuts ($73,000).

The extent of previous mandated cuts and significant reallocations has challenged the Libraries organization on further reductions to support these salary increases. Further, the queue of necessary development for our enterprise system has limited the potential for further efficiencies in processing. The new version migration in summer 2004 will, in fact, require additional support to undertake training and process redesign throughout all four University campuses.

In the five fiscal years prior to FY03, the Libraries consistently received base increases to cover the salary increases mandated by the University compensation plan. During the same period, the Libraries consistently absorbed increases in salary commitments for anniversary raises, reclassifications and in-range adjustments reflecting increased complexity of work, while market forces consistently drove salaries upwards for both librarians and infotech professionals. The combined impact of these unfunded increases totaled nearly $1 million.

In FY04, the Libraries undertook budget cuts (through layoffs and attrition) and also addressed critical needs and market forces, resulting in a net reduction of $431,000 in the salaries budget. In these circumstances, and with further base cuts and cost increases expected, the Libraries no longer have the capacity to absorb the further $480,000 in unfunded salary increases planned for FY05.

<table>
<thead>
<tr>
<th>Compensation Financial Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY03</td>
</tr>
<tr>
<td>Recurring</td>
</tr>
<tr>
<td>Salary base</td>
</tr>
<tr>
<td>Comp plan</td>
</tr>
<tr>
<td>Anniversary raises</td>
</tr>
<tr>
<td>Fringe rate</td>
</tr>
<tr>
<td>Net addl. reallocations</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Sources of funding</td>
</tr>
<tr>
<td>Libraries</td>
</tr>
<tr>
<td>Central funding received/requested</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Note: In May 2004, $500,000 was received through central allocations as “budget impacts support” for FY05. The Libraries allocated $450,000 to a salary program and $50,000 to collections.

C. New Long-Term Goals/Priorities

The Libraries’ planning process has identified several overarching goals to develop a more community-focused agenda that reflects the differing needs of disciplines and user groups. Collaboration with academic programs will feature prominently in Libraries planning. The Libraries' longer-term goals advance the themes of strong connections with academic programs and investments to enhance the quality and effectiveness of the University's commitments.

- Exploration and facilitation of more strategic approaches to information dissemination and publishing through work with units to collaborate in creating new sustainable repositories and work with administrative contacts to assess the future of the University Archives role.
- Advancement of the Libraries' role in furthering and supporting University programs of outreach and engagement to "Greater Minnesota."
- Strengthened service and collaboration roles of the libraries that serve the Academic Health Center through planning, investment, and collaboration.
- Assessment of internal inequity and external competitiveness of librarians' salaries and a program to address programs of compensation for this group.

- Assessment of the role and potential for Special Collections and Archives to serve both University programs and a global audience.
- An expanded preservation program to address the deteriorating condition of the University’s collection assets.

D. Diversity Assessment and Planning

In FY04, as part of the Libraries' restructuring, a new division of Organization Development was created to encompass Human Resources and Staff Development and Training units. The OD framework is to increase the Libraries' programs toward improving the organization's effectiveness, climate, and capacity for ongoing development. As part of this new charge, new methods are being developed for individual and group goal-setting and for evaluation. This new focus will, by definition, incorporate the Libraries' values with respect to diversity objectives and organization development.

The Libraries' Residency Program, begun in 1990 for newly graduated librarians, is designed to recruit librarians from traditionally underrepresented groups for careers in higher education and specifically for careers in academic research libraries. The Libraries have been able to recruit five of the eight past residents to open
positions in the Libraries. With additional support from the Vice President and Executive Vice Provost for Faculty and Academic Programs, the Libraries were able to sustain two resident appointments for 2003/2005.

The number of University Libraries staff who are members of racial and ethnic minorities is currently 14%, across all employment categories. Our challenge continues to be the successful recruitment and retention of a larger number of individuals to build a significantly more diverse staff. Over the next five to ten years, the Libraries will experience a number of retirements and will have an opportunity to focus recruitment efforts toward this challenge. The Libraries continues to set goals for diversity as a standard procedure for hiring in all classifications.

**E. Outreach and Civic Engagement**

The Libraries serve broad and diverse communities through collections and educational programs. The Libraries are a significant resource for the state and its citizens, the corporate environment, and the educational system. Since the Libraries’ licensed electronic content is only available to the non-UM community through workstations within UM libraries, our facilities serve a critical role as gateway to all Library content.

In addition to cooperative programs with other libraries to serve the information needs of the state, the Libraries partner with other campus units to support distributed University programs; e.g., Extension, AHC Regional Health Education Centers.

This past year through open source software distribution channels, the Libraries have delivered “LibData: Library Web Management System” and the very popular “Assignment Calculator” applications. Installations of these University Libraries-developed products are seen in a variety of regional, national, and international venues, including University coordinate campuses, MnSCU sites, CIC institutions, and other large public and private universities.

The Libraries also provide support for the K-12 community, through assistance with on-site classes; e.g., History Day and work with teachers. The Libraries also support College in the Schools through workshops on library research and resources for high school faculty who teach these University courses in collaboration with area high schools. Numerous programs offered by the Special Collections and Archives and the Friends of the Library provide educational opportunities to the community at large.

The Libraries provide an important venue for librarians' and library workers’ continuing education. We host annual full-day symposia, each attended by over 200 individuals from across the state, that focus on collection development, reference and public services, and paraprofessional library staff members.

**F. Enrollment Management**

N/A

**G. Facilities Issues**

The Libraries’ physical plant is extensive, including several large, standalone facilities and many more libraries that are located within other buildings. A comprehensive review of collection capacity and growth projections was undertaken in FY04 as well as a targeted
assessment of St. Paul branch libraries in response to our FY04 Compact.

1. Diehl Hall - Bio-Medical Library

Capital funds have been requested for the complete renovation of Diehl Hall, home of the Bio-Medical Library (now on the Six-Year Plan for 2008). This is the Libraries’ highest priority for attention. The very deteriorated physical plant and lack of facilities for problem-based learning have become a significant accreditation issue. Significant environmental health and safety problems exist, including asbestos, water leakage, and mold, and electrical problems that preclude enhanced networking.

During FY04, the Libraries collaborated with the AHC Office of Education to create an “information commons” (student/faculty center for exploring technology and skills development) by remodeling the fifth floor of Diehl Hall. The Libraries contributed $75,000 to the commons plan and also $120,000 toward the associated expansion of stack space for the Wangensteen Historical Library of Biology and Medicine.

2. St. Paul Campus Libraries

In FY04, a comprehensive assessment of each library facility’s collection size and growth projections was undertaken. These data can now inform future planning. Encouraged by the Provost’s Office to pursue consolidation of libraries in St. Paul, the Libraries are conducting a more thorough assessment of the options and impact of such consolidation. There appear to be many potentially positive outcomes of consolidation; e.g., reduced costs, longer hours, increased security, enhanced access to librarian expertise. The challenges associated with greater distance from departmental user communities can be mitigated in some part by outreach programs of support.

In order to move this initiative forward, support is needed to provide specialized engineering and architectural assessment of options within the Magrath Library for incorporation of branch libraries.

3. The Minnesota Library Access Center (MLAC)/Andersen Library

Problems with MLAC require significant monitoring and follow up by Libraries and FM staff. Work to replace the fans and correct environmental humidity problems were completed in 2003 and the situation is being assessed regularly. An additional problem was identified when external temperatures drop below 17 degrees F. This is being addressed with plans to install an additional air cooler that will operate during these conditions. The cracks and crumbling in the floor in MLAC are being corrected. A plan to address the falling shotcrete in the portal has been developed and will be implemented with funds recovered from the original designer/installation companies, supplemented (if necessary) by FM. Concerns remain about failure of the sump pumps before end of normal life expectancy of such equipment. FM is exploring the possible causes and installation of additional pumps that were value-engineered out during construction. FM and EHS continue to work closely with the Libraries to monitor and to develop plans to correct problems.

The Libraries have several facilities (including Wilson, Veterinary Medicine, Mathematics, Walter, Music, Forestry, and Entomology/Fisheries/Wildlife) that are near or over capacity and cannot effectively handle growth in collections and the technology-intensive demands of new services. Estimates suggest that the MLAC cavern used by the Libraries for general collections will be full in 2 to 3 years (its capacity was further reduced with the unexpected requirement to put more of the Science and Engineering Library collections in storage after the Walter renovation). The cavern used for Special Collections and Archives is near capacity.
Planning for a third cavern (part of the original MLAC strategy) will be an important future issue for the Libraries and the campus.

4. Facilities Infrastructure

One-time funds ($100,000) provided by the Provost in FY03 were used to improve the study environments in Wilson Library. All public spaces were reviewed, and eight areas were renovated to create more comfortable seating and discussion areas. Painting, carpet, furniture, and electrical work for new workstations were part of the plan.

Further assessment of ongoing facilities needs within our 14 library locations reveals a growing, deferred problem. The Libraries have a currently installed capacity for over 4,500 users (chairs, tables, carrels) system-wide. In addition, there are ongoing needs for collection-related equipment (storage cabinets for microfilm and other media), and increasing maintenance needs due to heavy and growing user traffic. Over 80% of user seating is over 20 years old (40% is over 30 years old). The current Libraries-wide budget for addressing replacement and refurbishing furniture and equipment in public areas is $60,000 (Note: estimates to replace the deteriorated seating in Magrath Library alone total $100,000.)

Additional funding of $75,000 (base) would allow attention to the most critical needs on an ongoing basis (similar to the program of classroom updates that takes place in that high-traffic arena.)

<table>
<thead>
<tr>
<th>Facilities Infrastructure Financial Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Sources of funding</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Libraries</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Central funding request</td>
</tr>
</tbody>
</table>

H. Financial Issues

The budget reductions in FY03 (one-time) and FY04 (base) significantly reduced staffing and budgetary flexibility, resulting in a need to re-base the budget and realize a far larger reduction to balance the Libraries' FY04 budget. The reductions in base budget have resulted in less capacity to generate lapsed salary, and diminished one-time resources.

In addition to the cuts and reallocations, in FY04 the Libraries have implemented further reallocations to support areas of high priority or unavoidable attention where central funding was not possible; e.g., undergraduate services, hours, e-reserves, IT support. Further reallocation is hindered by the state of our enterprise system; some planned efficiencies have not yet been realized due to the complexity and demands of the system.

Notably, the Deans’ Initiative funding ($125,000 annually for FY03 and FY04) will cease in FY05. This has been an important source for seeding new initiatives and providing collection support for one-time purchases.

Specific financial issues include:

- The Libraries face significant pressures in building library collections (in all formats) that meet the needs of users while simultaneously coping with decreasing purchasing power. Compact and one-time royalty income funds (pledged for 4 years) allowed the Libraries to reduce planned journal cancellations in FY04 to 1,300 titles. Inflation and exchange rates continue to escalate our costs. Further, the current volatility in the publishing industry has introduced significant issues associated with electronic product
pricing. The failure to keep pace with publishing costs has also affected our rankings with peer libraries. ARL data reflect a drop in rank from 14th to 28th for acquisition expenditures in the last 5 years.

- The Libraries have little flexibility to meet basic and increasing operational costs (expenses other than salaries and collections). Many of the problems were identified in the 1998 report by the Task Force on the Future of the Libraries, which noted that the Libraries had been chronically under-funded and needed an increase to the base budget of between $5,000,000 and $7,000,000 to recover and reach parity with peer institutions. The Libraries’ ARL ranking for operating expenditures dropped from 12th in FY02 to 22nd in FY03. Total expenditures have dropped from 14th to 17th in the past 5 years. The current budget model for common goods, such as the Libraries, does not provide the level of Libraries resources necessary to support the University's academic program investments.

- The Libraries have focused significant attention toward meeting required reductions and toward reallocation to support important initiatives and uncontrollable cost increases; e.g., insurance increase of 150%, un-funded mandates, rising demand for interlibrary loan borrowing. There remains considerable risk in sustaining core programs and critical areas of institutional investment in the context of ongoing reductions and reallocations. The lack of reserves has significantly compromised flexibility as well.

- The Bio-Medical Library has increasingly funded collections and operating costs with revenues from its document delivery services. This income is increasingly in jeopardy as collection strength is diminished through reductions and as licenses for electronic content prohibit use for unaffiliated users. This reliance on income was cited as an issue in the past Medical School accreditation process.

- Ongoing costs of the computer hardware replacement program and the new online library system as detailed above.

- The increasingly competitive market for librarians requires increases in salary commitments. Librarian salaries remain significantly below peers. In addition there are serious inequities among existing librarian staff. Both these issues will require attention in the near future if we are to remain competitive with our peers.

- The Libraries have ongoing costs associated with refurbishing and maintaining high-use public facilities.

I. Compact Development

The Libraries goals established in FY04 have been reviewed and each division of the Libraries has engaged in more focused planning to identify key themes for FY05. A consultant was engaged to assist staff in developing more specific and measurable performance and development goals. These processes will be fully in place in FY05 and lay the groundwork for an ongoing Libraries-wide planning framework.

J. Data Profile

For a display of planning data related to the University Libraries, refer to a link off the University web site managed by the Office of Institutional Research and Reporting at http://www.irr.umn.edu. This site contains standard financial, staffing and student information. (Note: Final ARL data for 2003 will be available in April.)

University Libraries Position

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2000 Rank</th>
<th>2001 Rank</th>
<th>2002 Rank</th>
<th>2003 Rank*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes owned</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Serial subscriptions</td>
<td>19</td>
<td>23</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>Books purchased (vols)</td>
<td>41</td>
<td>52</td>
<td>63</td>
<td>66</td>
</tr>
<tr>
<td>Collection Expenditures</td>
<td>15</td>
<td>26</td>
<td>27</td>
<td>25</td>
</tr>
<tr>
<td>Operating Expenditures</td>
<td>17</td>
<td>18</td>
<td>12</td>
<td>22</td>
</tr>
<tr>
<td>Inter-library loans</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Inter-library borrows</td>
<td>53</td>
<td>50</td>
<td>46</td>
<td>45</td>
</tr>
<tr>
<td>Professional staff</td>
<td>29</td>
<td>28</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>Support staff</td>
<td>21</td>
<td>20</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td><strong>OVERALL ARL RANK</strong></td>
<td>14</td>
<td>15</td>
<td>17</td>
<td>19</td>
</tr>
</tbody>
</table>

* Note: Stanford University withdrew from ARL, so its data were not included in 2003 ranks, resulting in increases for the U of M Libraries in each category by one rank.

K. Summary of Compact Priorities: Library Commitments & Central Requests

<table>
<thead>
<tr>
<th></th>
<th>FY05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libraries</td>
<td></td>
</tr>
<tr>
<td>Recurring</td>
<td>$50,000</td>
</tr>
<tr>
<td>NR</td>
<td>$799,368</td>
</tr>
<tr>
<td>Digital Library Services &amp; Tools</td>
<td>15,000</td>
</tr>
<tr>
<td>Compensation</td>
<td>480,000</td>
</tr>
<tr>
<td>Facilities Infrastructure</td>
<td>60,000</td>
</tr>
</tbody>
</table>
## Historical Allocation Summary
### FY1999 through 2004 Compact Investments ($000)

<table>
<thead>
<tr>
<th></th>
<th>FY1999 &amp; FY00</th>
<th>FY01</th>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick Start/Quick Study</td>
<td>$60</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library Inflation</td>
<td>$75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distance Ed Librarian</td>
<td>$140</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital &amp; Undergrad.</td>
<td>$1,731</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital</td>
<td>$227</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions/Operating</td>
<td>$200</td>
<td>$450</td>
<td>$676</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anderson Library Loan</td>
<td>$283</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCIFinder Chem. Abstracts</td>
<td>$35</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment to base (wksh)</td>
<td>$300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library system (wksh)</td>
<td>$106,5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freshmen Seminars</td>
<td>$6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate Initiative</td>
<td></td>
<td></td>
<td></td>
<td>$450</td>
<td></td>
</tr>
<tr>
<td>Collection development &amp; management</td>
<td>$200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MnLink systems position</td>
<td></td>
<td></td>
<td></td>
<td>$50</td>
<td></td>
</tr>
<tr>
<td>Digital Library Development Lab</td>
<td>$60</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copyright outreach</td>
<td></td>
<td></td>
<td></td>
<td>$55</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
<td></td>
<td></td>
<td>$20</td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td></td>
<td></td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>FY04 support from VP Research</td>
<td></td>
<td></td>
<td></td>
<td>$575</td>
<td></td>
</tr>
</tbody>
</table>

**Total** | **$2,233** | **$518** | **$450** | **$1,088,5** | **$1,510**
### Allocation Summary
#### FY05 Compact Investments ($000)

<table>
<thead>
<tr>
<th></th>
<th>FY05 Recurring</th>
<th>FY05 Non-recurring</th>
<th>FY05 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection development and management</td>
<td>$150</td>
<td></td>
<td>$150</td>
</tr>
<tr>
<td>Digital Library services and tools</td>
<td>$60</td>
<td></td>
<td>$60</td>
</tr>
<tr>
<td>Position - Head of Special Collections</td>
<td>$50</td>
<td></td>
<td>$50</td>
</tr>
<tr>
<td>Budget impacts support</td>
<td>$500*</td>
<td></td>
<td>$500*</td>
</tr>
<tr>
<td>(FY2004-05 allocation worksheet)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions (Provost &amp; Presidential Initiatives)</td>
<td></td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>FY05 support from VP Research</td>
<td>$575</td>
<td></td>
<td>$575</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$760</strong></td>
<td><strong>$775</strong></td>
<td><strong>$1,535</strong></td>
</tr>
</tbody>
</table>

* Note: In May 2004, $500,000 was received through central allocations as “budget impacts support” for FY05. The Libraries allocated $450,000 to a salary program and $50,000 to collections.

Revised 9/19/04