Texas State University-San Marcos
Library Operating Letter (OL)

Title: Calculation of Departmental Allocations for Library Materials by the University Libraries

LB/OL No. 06.02

Department of Origin: Acquisitions
Date of Origination: September 17, 1987
Date Last Revised: August 16, 2018
Next Review: August 2023

I. PURPOSE

1.01 The purpose of this OL is to describe the process by which funds are allocated to academic departments for library materials.

1.02 Specific objectives of this OL are:

a. To set forth the rationale for using a formula for allocating funds for library materials.

b. To record briefly the history of formula development at Texas State University.

c. To explain the allocation formula elements and the calculation process of departmental allocations.

d. To communicate the dates and regulations pertaining to the creation and spending of allocations.

II. Formula Rationale and History

2.01 The appropriation for the Library is intended to develop a collection which supports the research and educational goals of university faculty, students, and staff. To implement this objective a substantial proportion of this appropriation is set aside to support the specific needs of academic departments. This allocation is called the "Departmental Appropriation."
2.02 The Allocation Formula was developed to ensure that a fair proportion of each annual Departmental Appropriation is allocated to each academic department. It attempts to accomplish this objective by giving mathematical weights to those factors considered to be most directly correlated with adequacy of library materials.

2.03 In 1966, the Faculty Library Committee and the University Library developed a formula by which to allocate book funds to academic departments.\(^1\) It underwent annual changes from 1966/67 until April 18, 1969, when it assumed a stable form.\(^2\)

2.04 In Fall 1979, the Learning Resources Center (LRC) administration brought to the attention of its supervisors and the LRC Committee the very serious problems posed by the rising cost of periodicals. The LRC recommendation was that funds for periodicals and serials be allocated by the formula in the same manner as funds for all other learning resources since 1966.\(^3\) The special budget for all serials would be eliminated.

2.05 On December 5, 1979, the Instructional Council referred four alternative formulas to the Faculty Senate with a suggestion that these be reviewed by the LRC Committee.\(^4\) The Faculty Senate agreed to this action.\(^5\) The LRC Committee review resulted in a recommendation that formula Alternative 4 be utilized in determining departmental allocations. Formula 4 gave the cost-of-serials factor equal weight with the factor for the cost of books. The Committee also recommended added factors for thesis courses and mini-thesis courses.\(^6\) The LRC administration accepted the entire recommendation except the provision for mini-thesis courses which were not defined.\(^7\)

2.06 On January 28, 1987, the Library Committee voted to recommend that actual departmental average costs for monographs and serials be used in the formula, and that the Library begin to retain data so that a 3-year average could be considered in the future.\(^8\)

2.07 In Spring 1995 the Library Committee determined that all aspects of the Allocation Formula should be reviewed.\(^9\) A subcommittee to consider new factors in the formula was formed at the April 10, 1995 Library Committee Meeting.\(^10\) A survey was distributed to the faculty on campus
listing a large variety of factors that could be considered in an allocation formula. The subcommittee convened in the Fall of 1995, and using the survey as a starting point, devised an entirely new formula.\textsuperscript{11} The new formula was approved by the Library Committee March 29, 1996.\textsuperscript{12} The Faculty Senate approved the new formula October 2, 1996, and allocations to departments for the Fiscal Year 1997 were made according to this formula.\textsuperscript{13}

2.08 With the advent of PhD programs, the formula was amended giving PhD Semester hours (SCH) a weight of 14. This was approved by the Faculty Senate June 21, 2000.\textsuperscript{14}

2.09 In April 2005 the Library Committee considered assignment of semester credit hours for the College of Education’s Interdisciplinary PhD programs. These semester credit hours will be credited to the Department of Counseling, Leadership, Adult Education, and School Psychology when computing the annual allocation for library materials.\textsuperscript{15}

2.10 In 2009 and 2010, the process of calculating supply and price indices was converted from a sequence of computer programs in the campus VMS environment to a process that can be completed entirely in Excel.

2.11 In 2013, the serial supply element was removed from the formula, due to the lack of specific enough supply data for many departments.

2.12 Also, in 2013, the Library returned to using a separate fund for continuing resources. The department allocations are still run with both monographic and continuing resources data and the library continues to track sponsoring department for allocation and serial review purposes. However, after running the allocation formula, the amount needed to renew each department’s subscriptions is transferred to a single subscription fund, to simplify the renewal process.

2.13 In 2017, the University Libraries adopted a new collection budget model which aligned with the way scholarly information is produced and sold while providing flexibility to meet emerging needs of the University. Serials were removed from department allocations, a simplified formula was adopted, and an adjustment mechanism was added. The new budget model was reviewed by the Library Committee February 21, 2017.\textsuperscript{16}
III. Current (2017) Formula Concepts

3.01 The **departmental allocation** is an amount budgeted to purchase one-time resources to support a department’s educational and research programs.

3.02 The **base** is an amount allocated to each department. The base is determined annually as part of budget planning. The rationale for including a base is to ensure that all departments, no matter how small, receive some funding for individually selected titles.

3.03 The **formula amount** is calculated from three elements: number of degree programs, number of majors, and faculty full-time equivalency (FTE). The rationale for including a formula amount is that departments with more programs, majors, and faculty typically need more resources than departments with fewer programs, majors, and faculty. Degree programs and majors are weighted because graduate programs typically require more specialized resources than undergraduate programs.

3.04 The **allocation cap** amount is the maximum amount allocated to each department at the beginning of the fiscal year. The cap is determined annually as part of budget planning. The rationale for the cap is to minimize extremely high allocations.

3.05 The **allocation adjustment process** is used to provide additional funding to support a department based on demonstrated need. The allocation cap does not apply to adjustments. Appendix A outlines the process.

IV. 2017 Allocation Formula Computation

4.01 During budget planning, the Head of Acquisitions makes recommendations to the Associate Vice President and University Librarian (AVPUL) on the amount to be set aside for departmental allocations, the base amount, and the allocation cap for the upcoming fiscal year. The AVPUL may accept or modify the recommended amounts. After the library budget is approved, the Head of Acquisitions will compute allocations using the amounts approved by the AVPUL.

4.02 The base amount is allocated to each department.

4.03 The formula amount is calculated as:
(Funds available after deducting total base amount)°(department index)

Where the department index (i) for each specific department is given by:
\[
[(A-i/total\ A) + (B-i/total\ B) + (C-i/total\ C)]/3
\]

Where

\( A = (\text{Bachelors}}\text{ Degree Programs}) + (\text{Masters}}\text{ Degree Programs} \times 2) + (\text{Doctoral Degree Programs} \times 2.5) \)

\( B = \text{FTE Faculty} \)

\( C = (\text{Undergraduate majors}) + (\text{Graduate majors} \times 2) \)

4.04 The base and formula amounts are added together to calculate the tentative allocation.

4.05 The tentative allocation for each department is compared to the allocation cap. The department allocation is the lesser of the tentative allocation or the allocation cap.

4.06 Amounts that exceed the allocation cap are transferred to a strategic purchase fund. Strategic purchase funds are used for larger one-time purchases, usually electronic resources, selected by consensus of the subject librarians. Priority is given to resources that benefit many programs or greatly benefit one area.

V. Calendar and Application of the Formula

5.01 During budget planning in the spring, the Head of Acquisitions will send the AVPUL recommendations for the total amount for departmental allocation, the base amount, and the allocation cap. The AVPUL will inform the Head of Acquisitions of any modifications to the recommended amounts before or when the library budget is approved.

5.02 The information necessary to compute the allocations is gathered late August – early September. The calculation is done after the library’s budget is approved.

a. Degree programs. The number of degree programs is based on the
most recent Degree Program Inventory produced by Academic Affairs annually for the Texas Higher Education Coordinating Board.

b. **Majors.** The number of majors is obtained from the Office of Institutional Research. At the time of data collection, the number is available for fall semester of the previous fiscal year.

c. **Faculty FTE.** Faculty full-time equivalency is obtained from the Office of Institutional Research. At the time of data collection, the number is available for the previous fiscal year.

5.03 By September 20, departmental allocations are announced to departments. The allocations represent the funds available for the purchase of new materials.

5.04 Due dates for allocation adjustment requests are late October and early March.

5.05 Target dates for department spending are mid-November, mid-March, and mid-June. The subject librarian is responsible for selecting enough requests to spend one third of the working balance by each target date. If not enough requests are submitted to meet target balances by target dates, the Collection Development Librarian or the Head Acquisitions Librarian may select additional titles relevant to the discipline.

5.06 If by June 30 Collection Development / Acquisitions staff have exhausted options to spend the funds on items relevant to the subject area, Acquisitions retains the option to either 1) spend the funds on related materials needed by other departments, 2) transfer the funds to general library fund to facilitate the purchasing of more expensive items benefitting all departments, or, 3) transfer the funds to demand-driven fund to facilitate purchasing materials at the point of use.

5.07 Departments may request materials at any time during the year. Subscription requests are only acted upon at renewal time.

5.08 Unfilled requests due to unavailability of funds are returned to the subject librarian in August for cancellation consideration. The librarian may consult with the department, as needed.
5.09 Amounts derived from the formula may be expended on library materials selected in accordance with Library Operating Letter 06.07 Collection Development Policy. The following may not be purchased with departmental allocations: laboratory software and equipment; materials to be housed permanently in locations other than University Libraries or Schneider Music Library; expendable materials such as workbooks and forms; and electronic resources with unacceptable license restrictions, such as limiting access to only one specific individual; and, resources requiring ongoing payments, such as journal subscriptions.

VI. REFERENCES

1. Faculty Library Committee Minutes, 13 April 1966.
2. Faculty Library Committee Minutes, 28 April 1969.
4. Instructional Council Minutes, 10 December 1979, Item IV.
5. Faculty Senate Newsletter, V (23 January 1980), Item 11.
10. Library Committee Minutes, 10 April 1995.
12. Library Committee Minutes, 29 March 1996.
13. Faculty Senate Minutes, 2 October 1996.
14. Memorandum to Library Funding for PhD Programs, 21 June 2000.

VII. REVIEW

7.01 This OL will be reviewed in August every five years, the next review is 2023.

7.02 This OL will be reviewed by the Head Acquisitions Librarian who will
consult with the Associate Vice President and University Librarian and the Library Committee.

VIII. APPROVAL

8.01
Virginia Kay Williams, Head Acquisitions Librarian

8.02
Ray Uzwyszyn, Director of Collections & Digital Services

8.03
Joan L. Heath, Associate Vice President and University Librarian
LB/OL No. 06.02 Calculation of Departmental Allocations for Library Materials by the University Library Appendix A

Appendix A: Allocation Adjustment Process

1. Requesting an increase to department allocation

Subject librarians may request adjustments twice a year. The Head of Acquisitions will announce due dates annually, typically in late October and early March.

Requests should be submitted via the form on the Acquisitions web page at [http://www.library.txstate.edu/about/departments/acq.html](http://www.library.txstate.edu/about/departments/acq.html). Lengthy requests are not necessary; a one-page narrative may be sufficient. Appendixes are allowed, but not required.

The body of the application should clearly explain why additional funds are needed and briefly describe the materials to be acquired. Subject librarians should consider the following questions when preparing requests, but need not address each question:

- Are there important program expansions, new majors or minors, new degree programs, or new research centers to support?
- Are there results of a program review or accreditation reports that would recommend a change in allocation?
- Is the subject named as a priority or strategic initiative of the Libraries or University?
- Has a program supported by this fund been ranked nationally? Please provide that information, its source, and comparative data from earlier years, where available.
- Have you surveyed faculty/students about the collection? Explain the sampling and provide results.
- Have you conducted any collection assessments (e.g., circulation, e-resource usage, ILL borrowing, core book checklist analysis)? Explain the method and results.
- Due to lack of funds have purchases been declined or held over from the previous year, especially faculty requests?
- Are there other factors which should be considered?

2. Reviewing requests for increase to department allocation

Requests will be reviewed by the Head of Acquisitions and Head of Research, Instruction, & Outreach. Requests will be prioritized based on the strength of evidence presented for the questions above and availability of funding. Requests may be denied, partially funded, or fully funded.

The Head of Acquisitions will notify the subject librarian of the decision made, including a brief explanation of the reasons for the decision. If a request is not fully funded in the fall, the subject librarian may request that it be reconsidered without additional information in the spring or may submit a new request.

The Head of Acquisitions will notify the subject librarian, faculty representative, department chair, and Collection Development Librarian of approved adjustments. Funds will be added to the departmental allocation. The adjustment will be noted on the fund report as a reminder that the subject librarian should be allowed some leeway in meeting the next target date.