

Conference Paper

**Changing Patterns of Expenditures
for Information Services**

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I. Introduction.

- A. One of the topics suggested for discussion at this seminar was proposed by Martin Cummins as follows:

"What are the implications of changing patterns of expenditure for information-- e.g., expenditures based on use of information as opposed to expenditures used to develop information resources in anticipation of user needs? Who should pay for online services: students, departments, libraries, or the university?"

- B. Joe Rosenthal has asked me to start the discussion of this topic by saying a few words about it.

II. Archive versus Access Functions.

- A. One way to tackle the problem of deciding who should pay for information services is to consider a rather simple model of library functions. In this model there are two functions: archive and access.

1. The archive function, simply stated, is one in which the library is responsible for collecting and maintaining a body of information. The library becomes a repository of information.
2. The access function is providing access to the information that the library has collected.

3. From an economic standpoint, these models have an interesting interpretation. They say that there is a fixed cost of accumulating information. It is fixed in the sense that it does not vary depending on the extent of use. It includes acquiring, cataloging, binding, checking-in (for serials), etc.
4. Similarly, every time someone wants access to information, there is a variable cost incurred. This cost reflects the cost of retrieving the material, maintaining the circulation records, etc.

III. Online Searching

- A. Consider a new form of information product or service: Online searching. With online searching the archive function is provided by the search service vendor and the access function is also provided by the vendor. The service is a legitimate information service, but the library does not have a major role in providing it except as an intermediary.
- B. Unique characteristics of online searches.
 1. Online searches are relatively expensive.
 2. Online searches are tailored to the individual and may have little value to others. This contrasts with the utility of a book which may have broad appeal and repeated use in time.
 3. Direct charges accrue every time an online search is performed.

III. Funding library services

- A. Traditional library services
 1. The normal way in which library services are funded in a university is that the university gives the library a certain amount of money and they use that money to create and maintain the information

archive and provide access to the information.

2. With the introduction of online searching, and the continuation of the present funding model, the library continues to provide the access to the information by acting as an intermediary between the user and the search service vendor.
3. The difference here is that the money being allocated to the library is used to provide information services that are not usually reused by any other patron.

B. A new approach.

1. Consider the way in which users pay for services at a university computer center. They are given a budget for expenditures and this budget lets them use the services of the center up to the budget limit.
2. In fact the model is not quite that simple, because the faculty member's or student's department acts to allocate the funds to individuals that they have been given by the university.
3. There is more complexity to the model in that the computer center does not receive all its money from the fees it collects from the students or faculty for direct charges. There is a considerable amount of money that is given to the computer center to cover its fixed costs.

C. Archive versus Access revisited.

- D. Suppose the university recognized that the online searching function is a legitimate one and that the library should provide it. Why not separate the funding of that service from the normal archive service, create a separate budget category for access to online services, and take the allocation function out of the hands of the library.

1. Let the university allocate money for online searching and let them allocate it to departments who

allocate it to students and faculty.

2. We are still dealing with funny money in the sense that the university gives it to the students on the base of budget requests.
 3. A more serious answer might be to let the students pay for it directly just like they pay for books, laboratory, and sports fees.
- E. I am not convinced that this is the right model. I suspect that the true solution falls somewhere in between. Nevertheless, by approaching the problem in this way there is the possibility that the library will have the resources to continue to provide the access function and will not sacrifice the quality of that activity at the expense of something more transient.
- F. There is always the possibility that the library's 'store of information' will disappear in the future and that everything will be in data bases. I am not willing to admit that possibility for the present and would not be willing to develop policy on that basis.