

**Inter-Department Memorandum**

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**DATE:** November 24, 2008

**SUBJECT:** Library Information Resources (Acquisitions) Budget for 2008/09

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The precipitous and unprecedented drop in the value of the exchange rate between the Canadian and US currencies has had a serious impact on the Library's Information Resources (Acquisitions) budget. The Library acquires approximately \$3.9 million worth of subscription resources (including electronic journals, books and databases) on an annual basis; 80% of these resources are purchased in US funds. This year over last year, the decrease in the Canadian dollar's purchasing power has been approximately 17%. On an annualized basis, this decline translates into approximately **\$405,000** of lost purchasing power to the Library's acquisitions budget. Added to this problem is the perennial problem of inflation on electronic resources. The average annual increase for these subscription based resources is 6% or approximately \$234,000 per year.

The Library has moved aggressively to address this budgetary shortfall through a number of actions. First, strategic spending initiatives last year will save money on a one-time basis in the current year. Second, a large amount of the new funding (45%) allocated to the library in the current year will not be spent on new resources but will instead be used to offset the budget shortfall. Third, the Library has reduced spending for the current year on books and databases. These reductions have been modest: less than 5% to selected departmental book budgets, and the cancellation of one database (ProQuest National Newspapers) which has significant content overlap with other resources which we will continue to subscribe to. Our best estimates are that these measures should enable the library to offset a potentially serious deficit in the IR Budget for the current fiscal year.

Looking forward, the Library faces ongoing challenges should the value of the Canadian dollar to the US dollar remain consistently in the low 0.80 cent range. With most short-term, one-time savings already realized, the library may have to undertake additional austerity measures in order to address the ongoing shortfall caused by currency devaluation. Over the long term, the problems posed by the currency devaluation, compounded by inflationary pressures, will challenge the library's ability to adequately resource new programs and even to sustain existing ones.