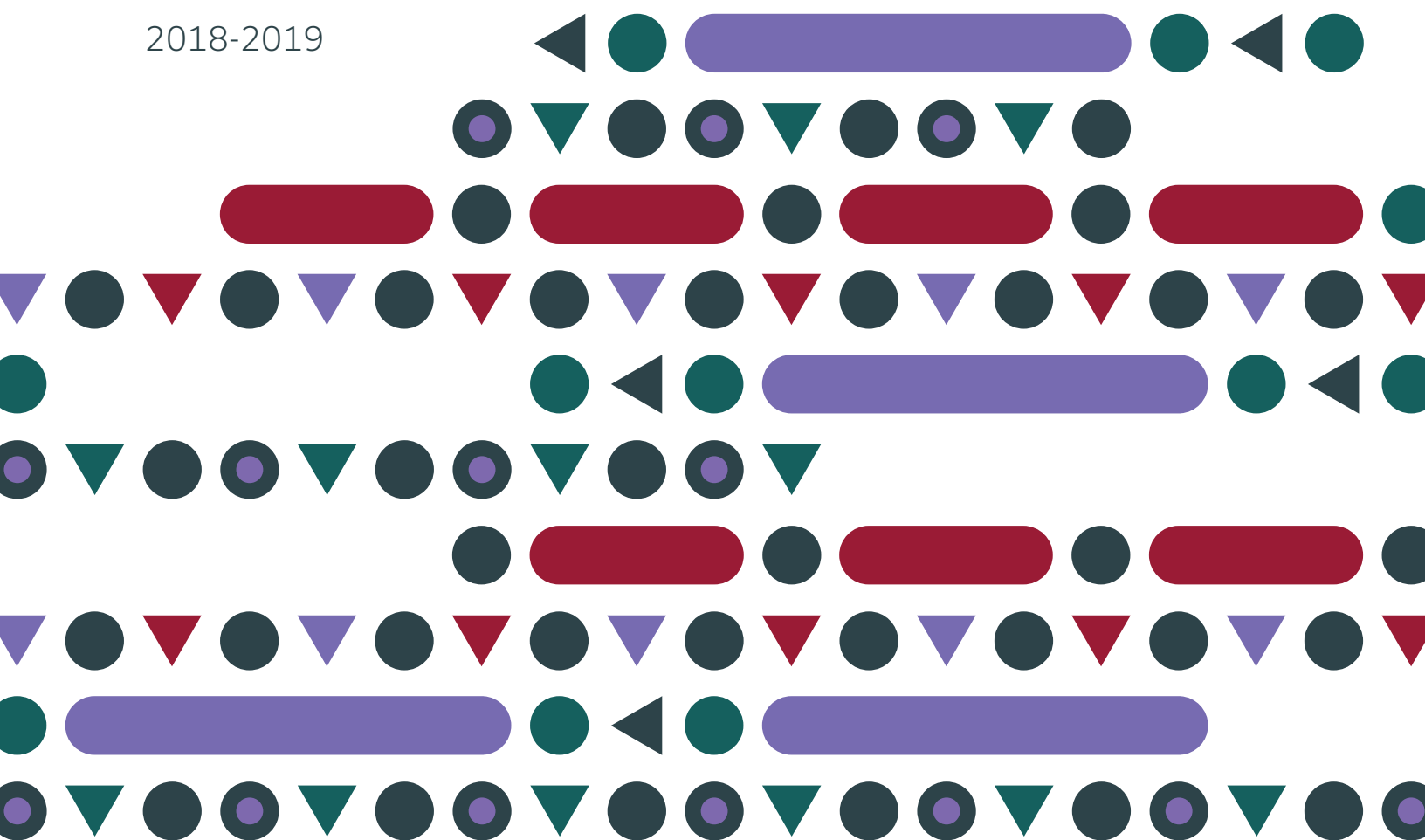


# Canadian Research Knowledge Network

## Annual Report

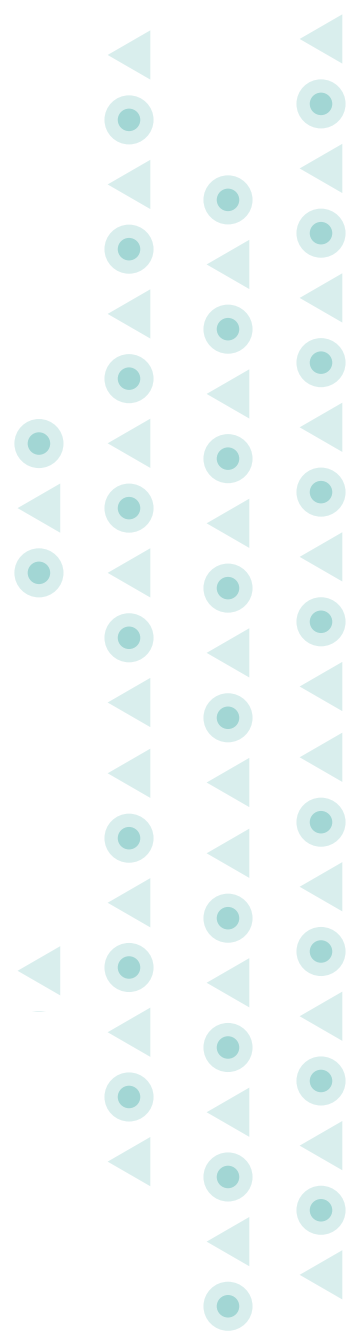
2018-2019





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# Message from the Chair



As my term as CRKN Chair comes to a close, I reflect on the many achievements CRKN has made over the last three years. Throughout this time, CRKN has offered continued and expanded member support during a period of budgetary challenges and an increasingly complex publishing marketplace. CRKN has developed value-added services that enable members to make data-informed decisions, and CRKN has advanced sustainable and strengthened financial and governance processes that ensure CRKN's long-term success. In 2018, CRKN completed a merger with Canadiana.org, expanding the mandate of the organization to include the digitization of, and preservation and access to documentary heritage content. It has been a period of change and transformation for CRKN and its members, resulting in strengthened collaboration to meet shared goals in serving researchers and Canadians.

The work of CRKN is central to the research enterprise in Canada. CRKN provides equitable access to research content across the country. This access ensures that Canadian universities continue to be world-class research and learning environments. The addition of the Canadiana collections to CRKN's portfolio, which includes millions of pages of primary source documentary heritage, and the transition to access at no charge to that content, expands CRKN's stakeholder community, further integrating the organization into the Canadian research ecosystem.

These exceptional achievements are possible because of an excellent and engaging Board of Directors who lead expert committees and task groups, all working on behalf of CRKN members and the communities they serve. Through the Board, committees and task groups, CRKN continues to foster and develop strategic partnerships in international and national collaborations.

This year was also a year of strategic planning for CRKN, which resulted in increased engagement with CRKN's expanded stakeholder community. The CRKN team lead dozens of consultations and collected insights from members and the community which cumulated in a comprehensive consultation report for the Board strategic planning session in January. CRKN moves forward into this next financial year with an updated vision, mission, and strategic goals. My thanks to the CRKN team as they continue to fulfill the goals, objectives, and opportunities set by CRKN members with dedication and expertise.

I would like to thank the CRKN Board of Directors for their leadership and guidance, as well as all of CRKN's committees, sub-committees, and task groups. I would also like to thank the CRKN membership for their continued support of CRKN. It has been a pleasure to serve as Chair for this dynamic organization, and I look to the future with anticipation.

Sincerely,

**Alan Shepard**

Chair, CRKN Board of Directors

President and Vice-Chancellor, Western University

# Message from the Executive Director



This year marked the last year of CRKN's current strategic plan that was driven by the goals of collaborating to advance digital scholarship, expanding content and services, engaging with members and stakeholders, and maintaining and strengthening sustainability. The team continued to meet, and often exceed these strategic goals, while planning for the future.

With our expanded mandate, licensing and negotiation strategies continued to be a priority for members. As in previous years, members sought viable alternatives to the Big Deal as well as open access options. This year, CRKN continued to support innovative national open access projects, notably through our partnership with Érudit in support of Coalition Publi.ca. CRKN also continued to both participate in and follow global open access initiatives with the goal of working with members and stakeholders to define the Canadian approach to open access. In addition, we continued to explore a national preservation strategy for CRKN licensed content.

This was also CRKN's first full year of operation as a combined organization offering Canadiana's digitization, access, and preservation services for heritage content. In 2018-2019 we launched the new Preservation and Access Committee and its associated task groups, as well as the Heritage Content Access and Preservation fund. I am very proud that within this first year, we were able to deliver on our first commitment to members and stakeholders by removing the paywall to Canadiana content, making it available at no charge to users. This significant achievement highlighted the opportunity we have in the coming years to address the need for decolonizing the metadata for Indigenous content in the Canadiana collections.

In August of 2018, CRKN embarked on strategic planning for 2019-2024. We held numerous consultations in person and online, culminating in a consultation report that served as the foundation for the Board of Directors strategic planning session in January 2019. I look forward to launching the 2019-2024 strategic plan at the 2019 CRKN Conference. Through the strategic planning process, CRKN has had the opportunity to strengthen existing relationships with members, stakeholders, and partners and to develop new relationships with users of the Canadiana collections and the gallery, library, archive, and museum (GLAM) community. I am inspired by the engagement and insights that have been shared by our community on goals and initiatives for the future.

CRKN is fortunate to have impressive leadership from its Board of Directors, committees, and task groups. The expertise and vision of all those who volunteer their time to enact CRKN's mission and vision is astounding – thank you.

It is, as always, my pleasure to work with the CRKN team who demonstrate dedication and a level of professionalism that brings tremendous value to members. I continue to be grateful for the opportunity to work on behalf of, and with the members of CRKN.

Sincerely,

**Clare Appavoo**  
Executive Director

# About CRKN

## CRKN AT-A-GLANCE

26 Staff and a volunteer board



5 Standing committees



2 Associated task groups



Supporting

79

member institutions



For the benefit of **44,000** researchers and faculty



And **1.1M** Students across Canada



By managing license expenditures of



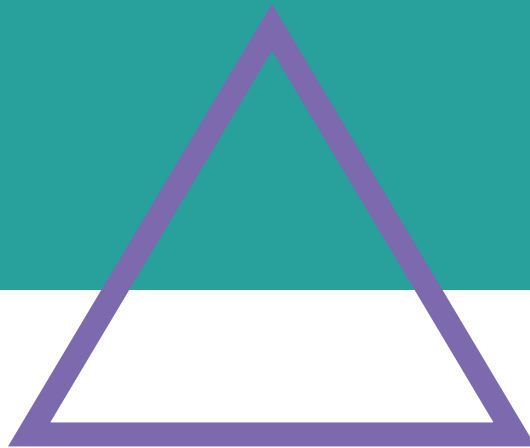
# MISSION

The Canadian Research Knowledge Network is a partnership of Canadian universities, dedicated to expanding digital content for the academic research and teaching enterprise in Canada.

Through the coordinated leadership of librarians, researchers, administrators and other stakeholders in the research community, CRKN undertakes large-scale content acquisition and licensing initiatives in order to build knowledge infrastructure and research and teaching capacity in Canada's universities.

# VISION

CRKN is a catalyst for innovation and development and achieves the greatest possible impact in support of Canadian research, scholarship, creative activity and knowledge transfer by working creatively and collaboratively with other stakeholders.



# VALUES

## **Accountability**

CRKN is driven by and accountable to its membership.

## **Broad access**

CRKN is committed to securing the broadest possible access to the world's knowledge for the benefit of its member universities and the communities they serve.

## **Collaboration**

Commitment to collaboration and the building of partnerships among stakeholders underpin all CRKN operations and activities.

## **Transparency**

CRKN operates transparently, engaging in open dialogue, communicating its actions effectively, and responding to input in an ongoing fashion.

## **Consensus building**

CRKN recognizes the diversity within its member institutions and the research community, and builds consensus and understanding in achieving common goals.

## **Excellence**

CRKN is committed to excellence and the pursuit of continuous improvement in its services and operations.



# OUR MEMBERS

Acadia University  
Algoma University  
Athabasca University  
Bibliothèque et Archives nationales du Québec  
Bishop's University  
Brandon University  
Brock University  
Cape Breton University  
Capilano University\*  
Carleton University  
Concordia University  
Concordia University of Edmonton  
Dalhousie University  
École de technologie supérieure  
École nationale d'administration publique  
École Polytechnique de Montréal  
HEC Montréal  
Institut national de la recherche scientifique  
Kwantlen Polytechnic University  
Lakehead University  
Laurentian University  
Library and Archives Canada  
MacEwan University  
McGill University  
McMaster University  
Memorial University of Newfoundland  
Mount Allison University  
Mount Royal University  
Mount Saint Vincent University  
Nipissing University  
Nova Scotia Agricultural College  
NSCAD University  
OCAD University  
Queen's University  
Royal Military College  
Royal Roads University  
Ryerson University  
Saint Mary's University  
Simon Fraser University  
St. Francis Xavier University

Télé-université du Québec  
The King's University  
Thompson Rivers University  
Toronto Public Library  
Trent University  
Trinity Western University  
Université de Moncton  
Université de Montréal  
Université de Sherbrooke  
Université du Québec à Chicoutimi  
Université du Québec à Montréal  
Université du Québec à Rimouski  
Université du Québec à Trois-Rivières  
Université du Québec en Abitibi-Témiscamingue  
Université du Québec en Outaouais  
Université Laval  
Université Sainte-Anne  
University of Alberta  
University of British Columbia  
University of Calgary  
University of Guelph  
University of Lethbridge  
University of Manitoba  
University of New Brunswick  
University of Northern British Columbia  
University of Ontario Institute of Technology  
University of Ottawa  
University of Prince Edward Island  
University of Regina  
University of Saskatchewan  
University of the Fraser Valley  
University of Toronto  
University of Victoria  
University of Waterloo  
University of Windsor  
University of Winnipeg  
Vancouver Island University  
Western University  
Wilfrid Laurier University  
York University

*\*Associate Member*

# Welcoming New Members

CRKN welcomed three new institutional members this year: Bibliothèque et Archives nationales du Québec, Library and Archives Canada, and the Toronto Public Library. These institutions joined CRKN as a result of a vote during the 2018 Annual Meeting of the Members, which amended the CRKN By-laws to include founding members of Canadiana.org. Expanding membership to include these leaders in heritage, access, and preservation allows CRKN to foster connections with gallery, library, archive, and museum (GLAM) stakeholders, and individuals who access the unique content in the Canadiana collections.

CRKN also welcomed its first associate member, Capilano University. Associate membership

ensures that institutions that are not members of Universities Canada can access CRKN's content licensing and heritage activities, resulting in better support for scholarly research initiatives and diverse contributions to Canadian heritage resources.

As CRKN's membership reaches 79, we look forward to working with our new members to forge collaboration between academic libraries, public libraries, and other Canadian institutions, in the spirit of transforming research and innovation in Canada.



# Strategic Objectives: 2016-2018

## 1 Collaborate to Advance Digital Scholarship

We will assess the value of current and potential partnerships to best focus our resources and effort nationally and internationally. Our goal is to reduce redundancy, share and distribute expertise, and identify opportunities for joint funding initiatives.

## 2 Expand Content and Service Offerings

CRKN will continue to support, strengthen and evaluate existing licenses, while developing and implementing a systematic process to identify and respond to the diverse and evolving content needs of CRKN members. We will assist our membership to meet the evolving needs of its stakeholders by offering new infrastructure and additional services, and by expanding its role in the scholarly communication life cycle by developing a systematic way to support open access publishing.

## 3 Engage Members and Stakeholders

We will continue to develop and deliver strong member services and commit to engaging our members in authentic dialogue. We commit to fostering a high degree of trust and accountability with both our members and our stakeholders.

## 4 Maintain and Strengthen Sustainability

Through visionary leadership and resourcing of strategic priorities, we will leverage the total capacity of CRKN's membership and staff to provide a full range of seamless, consistently high-quality services in both official languages. CRKN will build the trust of its members and ensure their full understanding of the CRKN value proposition. CRKN will mitigate financial risk by providing a high ROI for members and by identifying initiatives or partnerships that will attract new funding.

# Strategic Planning: 2019-2024

In August 2018, CRKN launched an ambitious strategic planning process. Our goal was to consult widely with CRKN's expanded stakeholder community to determine our collective vision for 2024.

Between September 2018 and January 2019, CRKN held nine member and stakeholder consultations and issued three surveys. Throughout these consultations, CRKN connected with almost 200 individuals from more than 70 institutions. CRKN also convened 13 one-on-one stakeholder calls. The results of these consultations were consolidated as part of the Consultation Report, which was distributed to members for further review and comment and was used as the foundation for the Board of Directors strategic planning session in January 2019.

Based on member and stakeholder insights, the Board reviewed and updated the CRKN mission, vision, and defined three strategic goals. These outcomes were then shared with members once again through the regional consortia meetings. The final strategic plan will be shared with members and stakeholders in September 2019 for ratification by members at the CRKN conference.

# Board of Directors

CRKN is governed by a volunteer Board of Directors consisting of 11 members (nine elected, two appointed) drawn from the CRKN membership. The Board of Directors is supported by CRKN staff, and by four volunteer committees (Executive, Content Strategy, Finance and Audit, and Preservation and Access), one sub-committee (Serials Management), and two task groups (Heritage

Content Priorities and Platform Technical). Sub-committees and task groups are added as needed by committees to address particular issues. The structure of the organization is designed to be responsive to, and representative of the membership, while providing sufficient oversight and strategic vision to lead national content programs.



**Front row, from left to right:** Catherine Steeves, Clare Appavoo, Alan Shepard, Gwen Bird  
**Back row, from left to right:** Ian Nason, Lesley Balcom, Constance Crompton, Melissa Just, Daniel Godon, Larry Alford  
**Missing from photo:** Rebecca Graham and Todd Mundle

**Dr. Alan Shepard**  
Chair  
President and Vice-Chancellor  
Western University

**Larry Alford**  
Chief Librarian  
University of Toronto

**Lesley Balcom\***  
University Librarian  
University of New Brunswick

**Gwen Bird\***  
Vice-Chair  
University Librarian and Dean of Libraries  
Simon Fraser University

**Constance Crompton**  
Assistant Professor, Department of  
Communication  
University of Ottawa

**Daniel Godon**  
Directeur du Service de la bibliothèque  
Université du Québec en Outaouais

**Rebecca Graham**  
University Librarian  
University of Guelph

**Melissa Just\***  
Dean, University Library  
University of Saskatchewan

**Todd Mundle**  
University Librarian  
Kwantlen Polytechnic University

**Ian Nason\***  
Treasurer  
Vice President, Finance and  
Administration  
Dalhousie University

**Catherine Steeves\***  
Vice-Provost and Chief Librarian  
Western University

\*Member of the Executive Committee

# Annual General Meeting

The 2018 Annual General Meeting (AGM) was held from October 16 to 18 in Vancouver. The meetings were well-attended with 88 registered members and stakeholders, plus invited guest speakers and staff.

In addition to the AGM, CRKN co-hosted the Joint NHDS & CRKN Workshop on Documentary Heritage.

AGM sessions included updates on licensing, digitization, preservation and access, outcomes of the Trusted Digital Repository Task Group (TDRTG), approaches to open access, and a session on strategic planning.

During the Meeting of the Members, members voted to amend the CRKN By-laws to include Bibliothèque et Archives nationales du Québec, Library and Archives Canada, and the Toronto Public Library as institutional members of CRKN.

Members provided very positive comments during the event as well as through the feedback surveys, referring to the sessions as informative and well-paced. The event received an overall satisfaction rating of 100% (54% Very Satisfied, 46% Satisfied).



Photos of members and staff during the welcome reception at the AGM



## Ron MacDonald Distinguished Service Award

AGM delegates and special guests were invited to the Ron MacDonald Distinguished Service Award Reception hosted by CRKN Board Chair Alan Shepard at the Bill Reid Gallery of Northwest Coast Art.

The 2018 Reception honoured Benoit Séguin as the 2018 recipient of the Ron MacDonald Distinguished Service Award. A respected leader and collaborator, Mr. Séguin has dedicated his career to increasing access to scholarly content for Canadian researchers. Over the span of his 34-year career, he has taken an active role in both provincial and national initiatives aimed at advancing access to research and enhancing Canada's research infrastructure. Congratulations Benoit!

This member recognition award, first conferred in 2010, honours the late Ron MacDonald, a key contributor to the development of CRKN's collaborative programs and services.



Gwen Bird, Benoit Séguin, Daniel Godon, Clare Appavoo, and Alan Shepard



CRKN members and colleagues celebrating Benoit Séguin

# Projects and Collaborations

CRKN works on behalf of its members to develop partnerships and joint ventures to meet its objective of collaborating to advance digital scholarship.

Through collaboration with librarians, researchers, administrators, archivists, funders, publishers, and other stakeholders in the research community, CRKN connects associations, organizations, and individuals working together to advance research in Canada.

CRKN members represent 76 academic libraries across Canada that include world-class research institutions, innovative teaching-focused institutions, as well as two national libraries, and Canada's largest public library system. CRKN invites like-minded organizations to collaborate on projects that focus on building knowledge infrastructure and research and teaching capacity in Canada's universities. We are pleased to highlight the projects and collaborations that we focused on in 2018-2019.

## Coalition Publi.ca

Coalition Publi.ca is a strategic initiative, created by Érudit and the Public Knowledge Project, which is dedicated to the advancement of research dissemination and digital publishing in the social sciences and humanities in Canada and abroad.

In early 2018, CRKN and Érudit signed a five-year agreement to financially support journals that are part of Érudit and Coalition Publi.ca. This year, CRKN member participation expanded to 54 full participants with Université du Québec en Abitibi-Témiscamingue joining the partnership, as well as six supporting participants with the addition of Thompson Rivers University. The partnership involves 179 journals, 88 of which are currently open access. This agreement builds on the success of earlier iterations of the CRKN-Érudit partnership, including changing the relationship from a commercial subscription to a collaboration partner, and working together on shared goals. The partnership, and now the support for Coalition Publi.ca, creates a framework for a new relationship between journals and libraries, and helps to provide financial support for Canadian journals as they transition to a fully open access model at the end of the current agreement.



## ORCID-CA

ORCID provides a persistent digital identifier that solves research name disambiguation and, through integration with workflows such as manuscript and grant submission, supports automated linkages between researchers and their professional activities.

Formed in the spring of 2017, ORCID-CA, a multi-stakeholder consortium, provides Canadian institutions and organizations with premium access to the ORCID registry at a reduced cost as well as access to community services. CRKN acts as the consortial lead for ORCID-CA and hosts the ORCID-CA Community Manager.

Over the year, the ORCID-CA staff held several webinars, including a webinar on integration best practices that focused on the work of four ORCID-CA members, and a joint webinar with ORCID-CA and CANARIE. ORCID-CA also held its inaugural National Forum with 155 participants. The goals of the forum were to showcase the work of ORCID-CA and collectively explore next steps for the development of ORCID in Canada.

In 2018-2019, ORCID-CA staff created an Integration Planning Guide to assist members in integrating ORCID on campus, as well as a number of resources and documentation to support members.

Also this year, the ORCID-CA Advisory Committee developed a list of goals to guide the strategies and actions of the consortium, including:

- All active researchers in Canada will have an ORCID identifier
- Canadian researchers actively use their ORCID throughout the research lifecycle
- Working with the Tri-Agencies to integrate ORCID with grant management and CV systems
- The ORCID-CA is a sustainable organization which has steadily grown its membership base
- Publishers, granting agencies and institutions across Canada will consider ORCID as the community supported choice for a persistent identifier (PID)

There are currently more than 100,000 ORCID iDs in Canada, an increase from 86,000 in 2017-2018.

## National Heritage Digitization Strategy

Founded in 2016, the National Heritage Digitization Strategy (NHDS) outlines a way for Canadian memory institutions to work together to digitize, preserve and make accessible Canada's documentary heritage. CRKN's Executive Director sits on the NHDS steering committee and CRKN supports the work of the NHDS through collaborative projects and joint initiatives. CRKN staff also participate in the NHDS Technical Working Group.

On October 16, 2018, CRKN and the NHDS hosted a Joint Workshop on Documentary Heritage. The workshop was well attended with 124 participants. The goal of the workshop was to highlight the digitization and preservation work of the NHDS and CRKN and to gather perspectives on how both organizations could evolve to meet the needs of our communities.

The workshop opened with a keynote by Christina De Castell, Chief Librarian, Vancouver Public Library, followed by an update on the recent work of the NHDS and CRKN. The workshop also included two panels on content and discovery of documentary heritage, and an interactive session on user needs.

## SCOAP<sup>3</sup>

The SCOAP<sup>3</sup> (Sponsoring Consortium for Open Access Publishing in Particle Physics) initiative converts key journals in the field of High Energy Physics to open access through the redirection of library subscription fees. CRKN acts as the national contact point for the administration of SCOAP<sup>3</sup> in Canada, and the CRKN Executive Director also serves as the Chair of the Executive Committee of SCOAP<sup>3</sup>.

The SCOAP<sup>3</sup> initiative now effectively covers the conversion to open access of roughly 90% of all High Energy Physics articles without cost to authors, and with the launch of Phase III, which begins on January 1, 2020, there is potential for expansion into the remaining 10%.

SCOAP<sup>3</sup> also recently launched a beta version of an updated repository (<https://beta.scoap3.org>). The new site offers additional self-service tools such as direct access to article level list exports, and new search and filtering options such as country-level information.

## COUNTER

CRKN continues to play an active role as a member of COUNTER, the international electronic resource usage statistics standards body. CRKN members participated in the development of Release 5 of the COUNTER Code of Practice. In August 2018, CRKN provided a French translation of "The Friendly Guide to Release 5 for Librarians" in order to support our Francophone members and the broader Francophone community. CRKN is working together with other consortia to encourage publishers to support Release 5.

## Consortia Collaborating on a Platform for Library Usage Statistics

Since 2016, CRKN's Manager, Member and Metadata Services has served on the Advisory Board of the Consortia Collaborating on a Platform for Library Usage Statistics (CC-PLUS) project. CC-PLUS was initiated by the International Coalition of Library Consortia (ICOLC) with the objective of developing an open technology, prototype, usage data platform for library consortia and their member libraries.

This platform will be used for the collection, display and analysis of consortial library usage data. The project successfully completed a proof of concept thanks to a grant from the Institute of Museum and Library Services (IMLS), as well as testing by two CRKN members: Memorial University of Newfoundland and University of Ottawa.

The code has been released on Github and CC-PLUS has been granted a second IMLS grant to transform the proof of concept into a sustainable software service. CRKN staff will continue to be involved in the CC-PLUS project as it evolves in this second phase.

## Canadian National Digital Heritage Index

Launched in March 2016, the Canadian National Digital Heritage Index (CNDHI) is an index of digital heritage resources from across Canada. It includes digital collections held by universities, provincial archives and libraries, museums, local historical societies, and more.

Throughout the year, CRKN staff have continued to expand the number of collections in CNDHI. Specifically, additional Indigenous collections are now included in CNDHI and, where possible, French language descriptions have been added to existing collections.

In 2018-2019, CRKN staff added over 100 new digital heritage collections to CNDHI, bringing the total collections to over 1,500. CNDHI received 10,205 page views over the past year, representing a 31% increase from the previous 12-month period.

## Digital Heritage Content and Preservation

As part of the merger with Canadiana.org, CRKN now oversees the Canadiana collections, Trustworthy Digital Repository, and the Canadiana website.

### Canadiana Collections

The Canadiana collections include Canadiana Online, Héritage, and Early Canadiana Online.

**Early Canadiana Online** (ECO) began in 1999 in partnership with Library and Archives Canada, the University of Toronto, and Université Laval as a pilot project to test the feasibility of converting microfiche documents to digital documents. The project was deemed a success and materials continued to be added to the ECO collection until 2017. All 5.8 million pages of ECO content are now included in Canadiana Online.

**Canadiana Online** is a collection of published materials with over 95,000 titles (19 million pages). It is split into three sub-collections: monographs, serials (periodicals, newspapers and annuals), and government publications. Canadiana Online mainly consists of items published before the 1920s and includes all content in Early Canadiana Online.

**Héritage** is a collection of archival materials that was created in partnership with Library and Archives Canada. There are currently 900 collections, or 41 million pages of digitized microfilm documents made available from some of Library and Archives Canada's most important archival collections.

Over the year, close to 400,000 pages of content were added to Canadiana Online and approximately 140,000 pages of archival material were added to the Héritage collection.

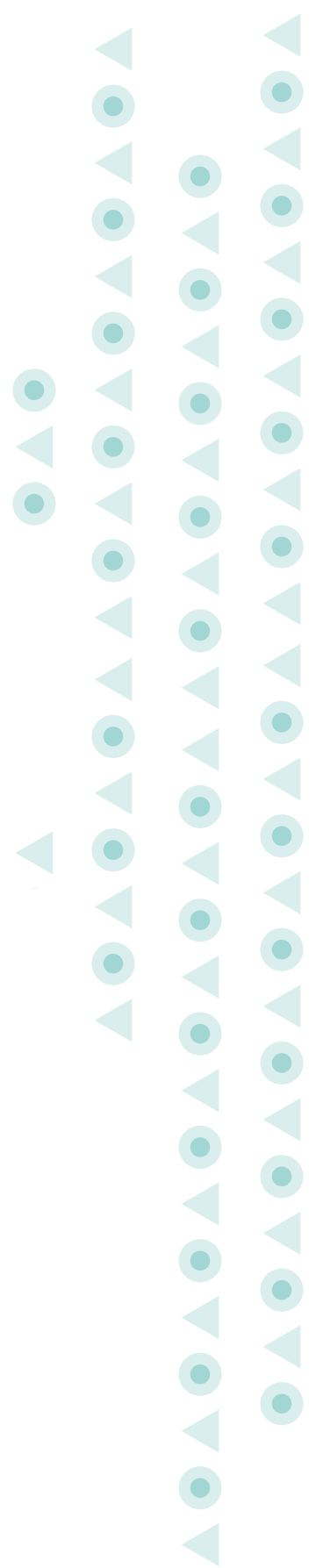
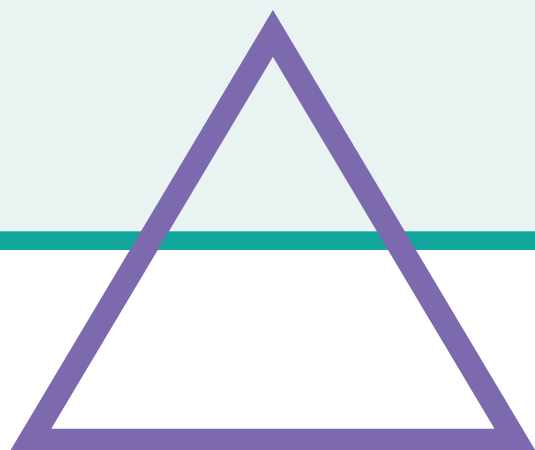
### Trustworthy Digital Repository

CRKN operates the Canadiana Trustworthy Digital Repository (TDR), a reliable and integrated digital preservation system in which deposited content can be identified, collected, managed, and kept secure over time. The TDR provides a permanent capability to preserve the documentary heritage digitized through CRKN projects, as well as content already digitized or born-digital, and content received from project partners.

## Heritage Content Access and Preservation Fund

The CRKN-Canadiana Combination Business Proposal included the development of a new Heritage Content Access and Preservation (HCAP) fund to be created through the re-direction of former Canadiana membership fees and Canadiana content subscriptions. During the 2017 AGM, members were asked to commit to the redirection of those former fees and subscription values towards the new HCAP fund for a three-year period. CRKN members who had not been subscribing to Canadiana content were also asked to support the HCAP fund through an annual contribution of 2% of their CRKN membership fee for the same three-year period. The HCAP fund enables CRKN to enhance Canadiana services and continue the development of the Canadiana Trustworthy Digital Repository (TDR) platform as we transition to making Canadiana content open access.

The HCAP fund was launched in November 2018, invoicing members for the 2019 calendar year. This fund is separate from and does not affect ongoing CRKN membership fees.



# Tools and Services

CRKN provides tools and services that assist members in meeting their institutional goals and in making collection decisions. These tools and services are developed based on member needs and respond to our rapidly changing environment. We invite you to explore our [website](#) to learn more about the tools and services available to members.

## Journal Value Analytics

CRKN annually collects usage data on the largest journal packages that are up for renewal to assist members in measuring the value of the packages to their institutions. In 2018, CRKN distributed its annual Journal Value Analytics (JVA) report to members in August. The report contained an analysis of all journal licenses up for renewal, including American Chemical Society, Cambridge University Press, Institute of Physics, Oxford University Press, Royal Society of Chemistry, and Springer.

The 2018 JVA included several improvements: analysis of year of publication, open access usage statistics, and improved subject data. CRKN staff have been working on the 2019 JVA, which will provide an analysis of the journal licenses being renewed for 2019: Springer and Taylor & Francis. The 2019 JVA is anticipated to be distributed to members in summer 2019.

## Foreign Exchange Service

The bulk of CRKN-licensed content is negotiated and settled in U.S. dollars (USD) but billed to members in Canadian currency (CAD). With the goal of minimizing members' foreign exchange risk, the Foreign Exchange (FX) Service provides greater control and predictability for budgets by allowing members to lock in their foreign exchange needs, or to place bids for a better exchange rate, on some of CRKN's largest licenses. In 2018-2019, the value of USD meant member licensing costs were in excess of \$125 million CAD.

The FX Service is offered for a small administrative fee and is completely opt-in. In 2018-2019, CRKN offered the FX Service for payment of Elsevier ScienceDirect, Taylor & Francis Online Journals, and Wiley-Blackwell Online Database products. CRKN also offered a USD invoicing option on the commitment forms for the first year (2019) for the SpringerLink license renewal.

Nineteen members placed bids in CAD, and a further eight asked to be invoiced in USD, for over \$20.5 million USD or over 28% of the total amounts billed for the four participating licenses. During the year, CRKN staff significantly improved the processes for invoicing members in USD.

Given the previous success of the service, the Finance and Audit Committee recommended an extension of the FX Service for 2019-2020, including USD invoicing for the 2020 Elsevier Science Direct and Taylor & Francis licenses. A USD invoicing option will also be included as part of the 2020 SpringerLink and Wiley Blackwell renewals.

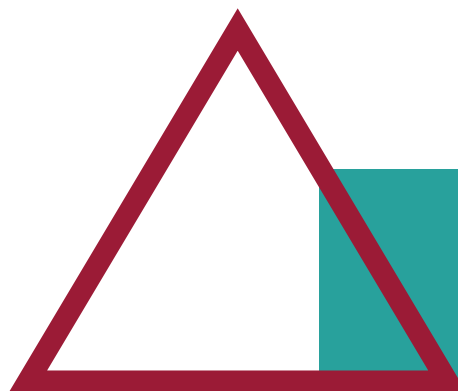
## **Digitization, Hosting, and Preservation Services**

In addition to digitizing and preserving material for the Canadiana collections, CRKN is pleased to expand digitization, hosting, and preservation services to members and stakeholders, including archives, government agencies, public libraries, museums and galleries.

Over the course of the year, CRKN's digitization team scanned 2.2 million pages for four clients: the Library of Parliament, University of Victoria Libraries, Numeris, and the City of Peterborough.

CRKN also provided hosting and preservation services to nine organizations in 2018-2019: the Canadian Association of Research Libraries (CARL), Geomagnetic & Space Weather Operations (Natural Resources Canada), Global Affairs Canada, the Library of Parliament, McGill University Archives, the Mississauga Library System, Numeris, Shortgrass Library System, and South Mountain Library System.

In total, CRKN hosts over 7.3 million pages (39,776 documents) for these partner organizations.



# Content Strategy Committee

The Content Strategy Committee (CSC) is established by the Board of Directors as a standing committee of the Board. The CSC is responsible for:

- Developing and overseeing systematic means of needs analysis with members, to ensure meaningful consultation with regard to members' priorities, requirements and specifications for the identification, negotiation, implementation and perpetual access of electronic resources;
- Maintaining an awareness of developments in the scholarly publishing landscape and potential opportunities to advance members' interests;
- Developing objectives, principles, strategies, and specifications for vendor and open access negotiations and license agreements, for recommendation to the Board as appropriate;
- Monitoring the execution of agreed-upon negotiations strategies by staff, and assisting/ serving as a resource to the staff negotiator(s) according to the objectives established by the Board of Directors;
- Evaluating the results of negotiations, and apprising the Board of progress, developments, issues and resulting contract terms achieved through negotiations;
- Advising and assisting staff with effective implementation of resulting license agreements and access (including, for example, serials management and perpetual access details);
- Contributing strategic insights and operations expertise from members' professional practice to support overall CRKN planning, program implementation and communications;
- Working closely with other Committees to ensure alignment of committee objectives with respect to license fees and cost-sharing;
- Apprising the Board and staff of any policy and/or operational issues arising from the committee's work that may require delegation to another group or action elsewhere within the organization;
- Assuming such other responsibilities as from time to time may be delegated by the Board.





**Front row, from left to right:** Craig Olsvik, Amanda Holmes, Gabrielle Prefontaine, Todd Mundle, Clare Appavoo, Jason Friedman, Arnald Desrochers

**Back row, from left to right:** Tanja Harrison, Sandy Stif, France Paul, Denise Koufogiannakis, Pamela Jacobs, Harriet Rykse, Alison Ambi, Weijing Yuan

**Missing from photo:** Jennifer Richard, Chantal St-Louis, Émilie Lavallée-Funston

## Members

**Todd Mundle**  
Chair  
University Librarian  
Kwantlen Polytechnic University

**Gabrielle Prefontaine**  
Vice Chair  
Dean of the Library  
University of Winnipeg

**Council of Atlantic University Libraries (CAUL) designates:**  
**Alison Ambi (beginning January 2019)**  
Head, Collections Strategies  
Memorial University of Newfoundland

**Tanja Harrison**  
University Librarian  
Mount Saint Vincent University

**Jennifer Richard (until December 2018)**  
Academic Librarian  
Acadia University

**Ontario Council of University Libraries (OCUL) designates:**  
**Harriet Rykse**  
Associate Chief Librarian  
Western University

**Pamela Jacobs**  
Head, Collections & Content  
University of Guelph

**Bureau de coopération interuniversitaire (BCI) designates:**  
**Arnald Desrochers**  
Chargé de project  
Bureau de coopération interuniversitaire

**Chantal St-Louis**  
Directrice adjointe  
Université Laval

**Council of Prairie and Pacific University Libraries (COPPUL) designates:**  
**Denise Koufogiannakis**  
Associate University Librarian  
University of Alberta

**Sandy Stif**  
Associate Dean, Collections Services  
MacEwan University

**Band 13 Balance:**  
**Weijing Yuan**  
Head, Licensing and eResource Acquisitions  
University of Toronto

# CRKN NEGOTIATION PROCESS



# Content Strategy Committee Report

## Licenses Renewed in 2018-2019:

- American Chemical Society – Web Editions & Legacy Archive
- American Mathematical Society – MathSciNet
- Cambridge University Press – Journals
- Center for Research Libraries – Global Resources
- Clarivate – Web of Science & Web of Knowledge
- Elsevier – Scopus
- Institute of Physics – Journals & E-Books
- Oxford University Press – Journals
- ProQuest – Alexander Street Press Databases, House of Commons Parliamentary Papers, Historical Newspapers
- Royal Society of Chemistry – Journals & E-Books
- Springer Nature – Journals

## License Renewals

Several major journal packages were renewed for 2019, primarily society and discipline-specific publishers, but also one large multidisciplinary commercial publisher, Springer Nature. Although a multi-year agreement could not be reached with Springer, CRKN extended its prior license with Springer for one additional year with no increase to base pricing while we continue to negotiate terms for the next multi-year deal.

Journal packages were also renewed with American Chemical Society, Cambridge University Press, Oxford University Press, Institute of Physics, and the Royal Society of Chemistry. In each license, options were provided for CRKN members to subscribe to a smaller subset of journals either via subject collections or individual title selection. Additionally, in several cases, CRKN worked with these publishers to welcome back members that had previously exited agreements, and participation increased for the Cambridge University Press and Oxford University Press licenses.

During 2018-2019, the CSC negotiated a 20% article processing charge (APC) discount for the Cambridge University Press license.

Looking ahead to future license renewals, the CSC spent significant time at the end of fiscal year 2018-2019 engaging with members to determine their priorities with regards to open access and the potential incorporation of open access-related components into journals licenses under renewal for January 2020. The CSC will investigate options for open access options within the Taylor & Francis contract as a first step towards transforming a CRKN agreement towards a fully-open access model.

### **Migration to Banded Pricing**

As of 2019, CRKN has completed the migration to banded pricing for one of its core licenses, Institute of Physics journals. A transition to banded pricing ensures transparent and equitable pricing for members within the same CRKN band, and marks a move away from pricing based on historical factors such as prior print subscription spend. This migration was undertaken over a three-year period during the previous license term (2016-2018) in order to ease the burden of transition for those members whose pricing increased as a result of the changes.

The license for American Chemical Society journals is also undergoing a transition to banded pricing but is taking place over a period of six years. The renewal of the license for 2019-2021 marks the beginning of the second three-year migration period, after which time the pricing for participants will be fully based on banding.

CRKN developed its Banding System in 2015 as a way to group its membership to ensure transparent and equitable vendor pricing. The Banding System uses a rolling three-year average of three factors to assign band placement (student full-time equivalent, faculty full-time equivalent, and sponsored research funding).

### **Opt-Out Clauses in Licenses**

With the finalization of the 2018 license renewals, CRKN now includes an opt-out clause for license participants in the vast majority of its agreements, notably for all major journal packages. This marks a change from prior agreements where members were typically locked-in to licenses for three years without the ability to cancel participation. The option to opt-out in the second or third year of an agreement gives members the confidence to sign on to licenses, as well as the ability to exit a license if financial circumstances change at their library or institution. A key component of CRKN's opt-out clause, and one that is present in the majority of our contracts, is that the departure of any member from a license during the term of a contract does not affect costs for the remaining participants.

### **Serials Management Sub-Committee**

**The Serials Management Sub-Committee is composed of the following members:**

**Patricia Pang**

Chair  
Electronic Resources Assistant  
University of Victoria

**Melissa Belvadi**

Collections Librarian  
University of Prince Edward Island

**Carolle Blais**

Bibliothécaire, Acquisition et traitement  
des ressources documentaires  
Université du Québec à Montréal

**Courtney Bremer**

eResources Access Manager  
University of Waterloo

**Sue Fahey**

Head of Serials and Acquisitions  
Memorial University



**Mandi Schwarz**

Library Assistant – Electronic Resources  
University of Northern British Columbia

**R. Scott Shannon**

eResources Administrator  
University of New Brunswick

**Wei Zhao**

Senior Metadata Librarian  
McMaster University

In 2018-2019, the Serials Management Sub-Committee (SMSC) met ten times to analyze title lists formerly maintained by the now-decommissioned CUFTS link resolver based at Simon Fraser University. This analysis was performed concurrently with their annual Knowledge Base And Related Tools (KBART) title list updating process.

Throughout this process, the SMSC established criteria for the CRKN Open Access Journals List and worked with CRKN staff to develop a communications plan for the launch of the list. The SMSC also provided valuable feedback to CRKN staff for the development of KBART files for Canadiana collections, in an effort to increase the discoverability of this content. These Canadiana KBART files are expected to be distributed to link resolvers in the summer of 2019.

**Trusted Digital Repository Task Group**

The Trusted Digital Repository Task Group (TDRTG) was formed in 2017 with a mandate to develop a framework, including a service model, governance model, and cost-sharing model, for establishing a national Trusted Digital Repository (TDR) for CRKN members. The goal of this framework was to ensure long-term access to CRKN-licensed resources and to provide a publisher-independent mechanism for exercising post-cancellation rights.

The TDR service as proposed would build on the foundation established by the Scholars Portal TDR, which serves the libraries of the Ontario Council of University Libraries (OCUL), under a service agreement with University of Toronto Libraries (UTL).

The TDRTG completed its work and delivered its final report to CRKN's Board of Directors in June 2018. The report and its recommendations were approved by the Board and were presented to the membership at the 2018 Annual General Meeting in Vancouver. CRKN members voted to endorse the TDRTG's recommendations and provided CRKN with a mandate to pursue next steps with UTL, OCUL, and Scholars Portal towards realizing a national preservation and post-termination solution for CRKN-licensed resources.

**License Transition Task Group**

In January 2017, the CRKN Board of Directors approved the creation of the License Transition Task Group (LTTG). The LTTG was tasked with recommending how CRKN could best support members who choose to exit Big Deal agreements, and to propose alternative options for the CSC's considerations in negotiations with vendors. The LTTG undertook this work through an extensive series of meetings informed by a broad literature review and consultations with CRKN members. The LTTG filed its final report in January 2018.

As a result of the LTTG's recommendations, opt-out clauses have now been included in all major licenses. Additionally, Big Deal alternatives were offered for the vast majority of 2018 renewals. In June 2018, CRKN also conducted a survey on usage statistics and analysis tools to provide additional support to members. CRKN continues to use the report to guide licensing renewals and member services.

# Preservation and Access Committee

The Preservation and Access Committee (PAC) is established by the Board of Directors as a Standing Committee of the Board. The PAC is responsible for:

- Assessing the digital preservation and access requirements of members and other stakeholders and making recommendations on how the TDR should be leveraged to address these needs;
- Recommending and monitoring a long-term strategy for the development, positioning, and use of the TDR that follows from CRKN's strategic plan;
- Making recommendations for:
  - › Extending the TDR to support additional formats and types of content and metadata;
  - › Developing new services, APIs, and features to aid researchers and other users in discovering, accessing and making use of the content and metadata stored in the TDR;
  - › Integrating the TDR with other digital preservation and access systems;
  - › Developing features to provide content management, digital asset management or institutional repository services;
  - › Other enhancements or extensions;
- Making recommendations on the prioritization of the development and enhancement of TDR features and capabilities;
- Identifying opportunities to align and integrate the TDR platform with other digital preservation and access initiatives in Canada and internationally;
- Creating and overseeing technical working groups as needed to evaluate specific standards, practices, and technologies relevant to the development of the TDR, to be comprised of a combination of experts from member institutions, other stakeholders, and staff;
- Assessing the value and replacement cost of the TDR platform and its content; assessing short and long-term risks to both; and evaluating the adequacy of disaster prevention and recovery plans and resources;
- Making recommendations on goals and standards for preservation, data security, service availability, support, and issue resolution;
- Making recommendations on standards for access and functionality including metadata standards;
- Assuming such other responsibilities as from time to time may be delegated by the Board.



**Front row, from left to right:** Rebecca Ross, Ian Milligan, Rebecca Graham, Clare Appavoo, William Wueppelmann

**Back row, from left to right:** Paul Durand, Dana McFarland, Beth Stover, Mark Jordan, Sharon Farnel, Émilie Fortin, Sascha Adler, Russell McOrmond, Eric Schwab

**Missing from photo:** Johanna Smith

## Members

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**Rebecca Graham**  
Chair  
University Librarian  
University of Guelph

**Dana McFarland**  
Vice Chair  
eResources & Scholarly  
Communication Librarian  
Vancouver Island University

**Paul Durand**  
Specialist, Digital Collections  
Management  
Canadian Museum of History

**Sharon Farnel**  
Metadata Coordinator  
University of Alberta

**Émilie Fortin**  
Chef de la section Production  
numérique, préservation et  
conservation des collections  
Université Laval

**Mark Jordan**  
Head of Library Systems  
Simon Fraser University

**Ian Milligan**  
Associate Professor of History  
University of Waterloo

**Eric Schwab**  
Manager, Digitization &  
Preservation  
Toronto Public Library

**Johanna Smith**  
Director General, Public Services  
Library and Archives Canada

# Preservation and Access Committee Report



## Preservation and Access Platforms

In 2018-2019, the PAC oversaw significant changes to the platform infrastructure which preserves and makes accessible the Canadiana collections. A technological roadmap was developed in August 2018 outlining the steps required to separate the preservation and access platform and integrate two key community-supported, standard tools: Archivematica and IIIF. Planning for two formal projects took place in 2018-2019 to further streamline and modernize platform infrastructure by separating preservation and access functions and migrating digital object storage to the industry-standard Swift platform.

Throughout 2018-2019, the PAC reviewed all unmaintained portals and developed a plan to decommission portals. Through this decommissioning, the committee ensured that members and stakeholders were notified of changes to the portals and that content was archived.

Server equipment operating out of Ottawa was moved to Robarts Library at the University of Toronto to take advantage of dedicated data centre facilities and increased network connectivity. End-of-life infrastructure was replaced, with network switches upgraded to faster ones and a number of servers refreshed.

## Trustworthy Digital Repository

As part of the merger between CRKN and Canadiana.org, the Center for Research Libraries (CRL) granted provisional Trustworthy Digital Repository (TDR) certification to CRKN. Throughout 2018-2019, CRKN worked with CRL to provide updated information on roles and responsibilities and other information to secure a permanent transfer of certification.

In January 2019, CRKN undertook a systematic assessment of its infrastructure, operations and policies relating to TDR certification in order to identify any changes needed to ensure ongoing compliance with certification requirements. This assessment also included a project plan for CRKN to identify continuing improvements to its ability to provide trustworthy preservation of digital materials.

The initial assessment found no significant technical or operational deficiencies which would call into question CRKN's ability to provide trustworthy preservation at or above the levels offered by its predecessor. The assessment did identify a significant amount of documentation and policy review that must be undertaken in order to integrate Canadiana.org's trustworthy preservation activities into the combined organization, and to reflect the change in governance and operations management under CRKN.





## Canadiana Collections

Over 2018-2019, close to 400,000 pages of content were added to Canadiana Online and approximately 140,000 pages of archival material were added to the Héritage collection.

With the goal of increasing the discoverability of the Canadiana collections, over 78,000 MARC records were created and made available on CRKN's website. Due to strong interest from CRKN members, staff also began work on creating KBART files for Canadiana Online.

Under the guidance of the PAC, in 2018-2019, CRKN took the first steps in investigating ways to decolonize the metadata of the Canadiana collections. As the collections have expanded in both content and ease of access, we acknowledge that we have ongoing work to do to ensure that these materials are culturally sensitive and have been assigned appropriate rights and usage statements.

## Canadiana User Survey

In December 2018, a survey was sent to all former individual subscribers of Canadiana and promoted widely on the Canadiana and CRKN websites, as well as through social media. Sixty-nine responses were received and the survey indicated that in general, users are happy with the Canadiana platform and collections. The survey indicated that search and navigation are the biggest challenges for users of the Canadiana platform and that users would like better download options and higher image resolutions. Users also stressed the importance of new content, particularly local newspapers. The findings from the survey were analyzed by the PAC and used as the basis of strategic planning tactics and approaches.

## Access at No Charge

One of the major milestones for the PAC in 2018-2019 was the removal of the Canadiana paywall. On January 1, 2019, CRKN removed the subscription paywall to the Canadiana collections, allowing researchers to access 60 million pages of Canadian digital documentary heritage at no charge. This step was a significant deliverable of the CRKN-Canadiana.org merger. The response to the introduction of access at no charge was overwhelmingly positive and has directly contributed to increased usage and visibility of the Canadiana collections. Access at no charge is also the first step in making the Canadiana collections available as open access.

## Heritage Content Priorities Task Group

**The Heritage Content Priorities Task Group (HCPTG) was formed in January 2019 with the following members:**

### Gabrielle Prefontaine

Chair  
Dean of Libraries  
University of Winnipeg

### Jordan Bass

Coordinator, Research Services and Digital Strategies  
University of Manitoba

### Melanie Brown

Manager, Strategic Initiatives  
Library and Archives Canada

### Loren Fantin

Executive Director  
Our Digital World

### Danny Létourneau

Chef de la bibliothèque livres rares et collections spéciales  
Université de Montréal

### Dan Mirau

Library Director  
Concordia University of Edmonton

**Kathryn Rose**

Humanities Research Liaison Librarian  
Memorial University Libraries

**Eric Schwab**

Manager, Digitization and Preservation  
Toronto Public Library

The objective of the HCPTG is to develop principles and criteria that CRKN staff may use to evaluate and prioritize heritage content for digitization and ingestion, conversion and augmentation of the Canadiana collections. The HCPTG will recommend and prioritize plans for making current and future collections more accessible to researchers by means of enhanced metadata and improved collection arrangement. In addition, the HCPTG will make recommendations to the PAC and the Board of principles and criteria that CRKN staff may use in evaluating and prioritizing revenue generating projects of digitization, preservation and hosting undertaken for third-party clients.

The HCPTG held its first meeting in February 2019. In preparation for the development of a task group workplan, the HCPTG was provided with updates on the historical and current Canadiana collection development process and policies and the digitization program.

The HCPTG will deliver a final report, including recommendations to both the PAC, and the Content Strategy Committee by September 2020.

**Platform Technical Task Group**

**The Platform Technical Task Group (PTTG) was formed in January 2019 with the following members:**

**Mark Jordan**

Chair  
Head of Library Systems  
Simon Fraser University

**Corey Davis**

Digital Preservation Coordinator  
COPPUL

**Erin Johnson**

Metadata Management Librarian  
Western University

**Faye Lemay**

Manager of Digital Preservation  
Library and Archives Canada

**Steve Marks**

Digital Preservation Librarian  
University of Toronto

**Donald Moses**

Interim University Librarian  
University of Prince Edward Island

**Daniel Sifton**

Coordinator, Library Automation and Technical Services  
Vancouver Island University

**Lee Wilson**

Service Manager  
Portage

The objective of the PTTG is to evaluate and make recommendations on the development of the Canadiana access and preservation platforms. The PTTG will act as a resource for the implementation of metadata best practices on the platform and extending the assets of Canadiana content for end users and researchers. The PTTG will support the Canadiana technical team in meeting the requirements outlined in the TDR documentation and provide guidance on how to extend the TDR to support member and community needs. The PTTG held its first meeting in February 2019.

The PTTG will function for a fixed duration, ending at the 2021 CRKN Conference.

# Finance and Audit Committee

The CRKN Finance and Audit Committee is established by the Board of Directors as a Standing Committee of the Board. The Finance and Audit Committee (FAC) is responsible for:

- Advising the Board on all financial matters affecting CRKN;
- Recommending auditors for appointment;
- Reviewing scope of the audit and approving the audit fees involved;
- Receiving and reviewing the audited financial statements of CRKN as to reasonableness of presentation, appropriateness of accounting principles and adequacy of disclosure prior to their submission to the Board;
- Receiving and reviewing written annual report of the auditor;
- Recommending the annual budget to the Board, including recommending the annual membership fee;
- Determining whether revised budgets are necessary and recommend accordingly to the Board;
- Advising the Board on specific matters relating to financial exigencies;
- Reviewing on behalf of the Board all contracts, agreements or other instruments involving the financial affairs of CRKN and which are to be presented to the Board and to make recommendations to the Board regarding appropriate action;
- Ensuring that CRKN has an effective process in place that provides appropriate alignment of financial resources with strategic directions;
- Promoting transparency and accountability in all financial and planning activities of CRKN; and,
- Assuming such other responsibilities as from time to time may be delegated by the Board.

The Committee takes a consultative approach to its work, engaging members as appropriate, and provides regular feedback to members.



**Front Row, from left to right:** Bernard Bizimana, Clare Appavoo, Andrew Coward  
**Back Row, from left to right:** Ken Blonski, Mariette Philippe, France Paul, Ryan Chen, Ian Nason  
**Missing from photo:** Daniel Godon

## Members

The FAC is composed of two members from the CRKN Board of Directors and three individuals from CRKN member institutions who bring additional financial knowledge and expertise.

### Ian Nason

Chair and Treasurer  
Vice-President Finance & Administration  
Dalhousie University

### Bernard Bizimana

Directeur de la bibliothèque  
HEC Montréal

### Andrew Coward

Treasurer  
University of Victoria

### Daniel Godon

Directeur de la bibliothèque  
Université du Québec en Outaouais

### France Paul

Directrice des services techniques,  
Service des bibliothèques et archives  
Université de Sherbrooke



# Finance and Audit Committee Report

## Completion of FY2017-2018 Audit and FY2018-2019 Audit Planning

In June 2018, FAC reviewed the audited financial statements for the year ending March 31, 2018, received and discussed the auditor's report (including in camera discussion with the auditor), and recommended their approval by the Board of Directors.

At its meeting on March 8, 2019, the FAC met with the Deloitte auditors to approve the audit scope, process, formal reporting responsibilities, planned audit approach, and to confirm the audit team for the year ended March 31, 2019.

## FY2018-2019 and FY2019-2020 Budget Process

The FAC is responsible for recommending the broad principles to guide the annual budget preparation, reviewing the draft budget prepared by management and recommending the annual budget for approval by the Board of Directors. On March 8, 2019, the FAC met to review and recommend the draft budget for FY2019-2020 for approval by the Board of Directors.

The budget for the fiscal year 2019-2020 was comprised of five components:


1. Budget Proposal Narrative
2. 2019-2020 Summary and Segmented Budget
3. 2019-2020 Variance Analysis
4. Multi-Year Projections
5. Background: Budget Development Principles and Process

On March 25, 2019, the Board of Directors approved the budget for fiscal year 2019-2020 as recommended by the FAC, including a budgeted deficit of \$286,172.

## Membership Fee Discussions

For the past number of years, FAC goals have included reviewing and updating CRKN's membership fee calculation based on the work of the Banding Task Group.

At its May 2018 teleconference, the FAC endorsed plans to maintain banded membership fees, resetting the calculation to minimize the change for members in fees between 2017-2018 and 2018-2019. Membership fee invoices for the 2018-2019 year were sent in June 2018.



In March 2019, CRKN once again undertook communications to members related to changes in the 2019 bands and the associated impact within a banded membership fee structure for 2019-2020.

### **CRKN and Canadiana.org Merger**

The FAC reviewed the draft audited statements for Canadiana.org for the year ending March 31, 2018 and met with auditors from Bouris Wilson during the June 6, 2018 FAC meeting. The FAC focused on the terms of the purchase/sale transaction including the disclosure of unrecognized severance liability and was satisfied that CRKN was reflecting the transaction consistently in the audited statements for both organizations.

A special meeting of the members of Canadiana.org was organized on June 8, 2018 to receive the March 31, 2018 audited statements and to vote to formally dissolve the organization.

The wrap-up of Canadiana.org was officially completed on March 5, 2019. All payroll and HST liabilities (including a refiling of prior periods' HST returns) have been resolved.

### **Policy and Governance Updates**

The FAC continues to review CRKN's financial policies on a rotating triennial basis. During this year, the committee reviewed the following policies:

- Associate Membership Policy
- Investment Policy (formerly Investment Policy Statement)
- Net Assets policy
- Travel Expense Policy
- Purchasing Policy

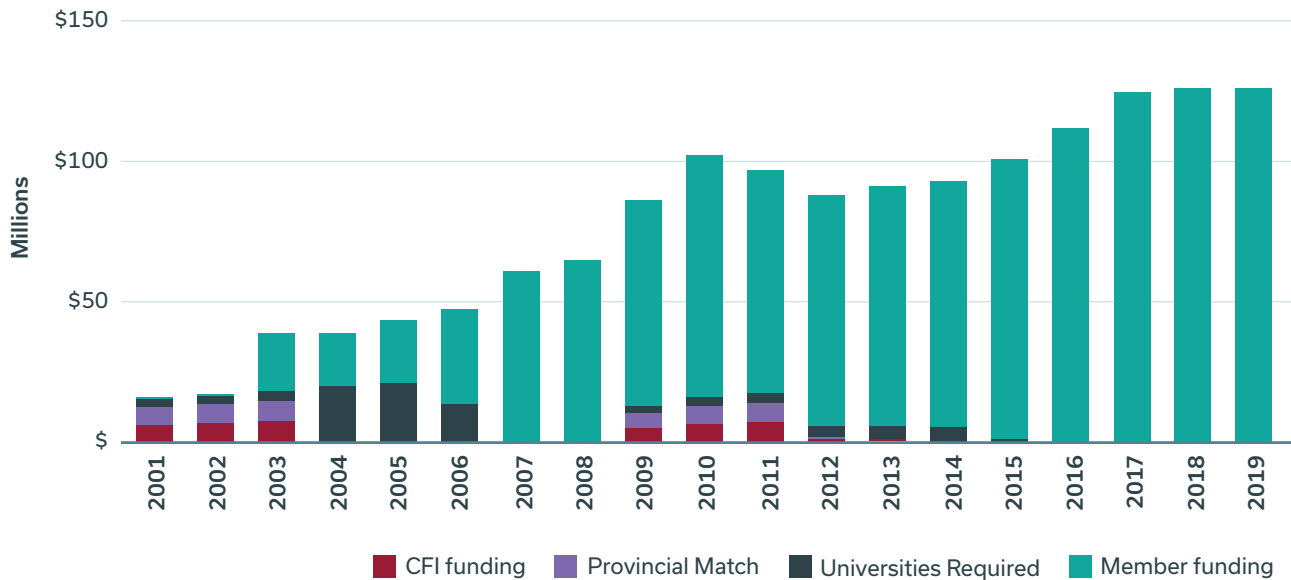
### **Risk Management**

The FAC continued to evaluate and extend CRKN's risk management framework, including reviewing the annual risk management report. Based on the recommendation and the input of the FAC, CRKN staff updated the format of the risk register and underwent a full review of risks associated with a combined organization.

## Funding Partner – A CFI Success Story

The Canada Foundation for Innovation (CFI) investment has been instrumental in establishing a collaborative knowledge infrastructure in support of CRKN’s mandate to increase access to digital research content. In 2001 CFI invested \$20 million in support of the Canadian National Site Licensing Project, with a further \$30 million matched by provincial governments and member institutions. In 2009 CFI invested again in the DCI Project (\$19.1 million) with provincial and member institution matching (\$29 million). Today, CRKN members continue to invest in high value content, creating additional value through advantageous licensing term and collaborative interdisciplinary research.

### CFI seed money leverages sustained investment



# Management Discussion and Analysis

Year Ended March 31, 2019

This Management Discussion and Analysis is intended to accompany and complement CRKN's audited financial statements for the year ended March 31, 2019. Both the Finance and Audit Committee (FAC) and the CRKN Board review the audited financial statements and notes, the associated summary financial statements, and this document prior to their approval by the Board for broader distribution.

The financial statements of CRKN are the responsibility of management. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and audited by Deloitte & Touche, LLP. No areas of concern or improvement were identified in either a management letter or in the auditor's year-end communication to the FAC.

CRKN completed its fifteenth year of independent operations as an incorporated Canadian Not-for-Profit on March 31, 2019.

The vast majority of CRKN's revenue and corresponding expenses continue to consist of national licensing agreements with publishers for digital research content on behalf of CRKN members. CRKN is administered with the continued goal of the efficient provision of these license agreements with the full weight, leverage and purchasing power of the organization for the benefit of all CRKN members.

## Executive Summary

CRKN continues to fund operations internally, without drawing on any credit facility, by prudently monitoring cash flows and by subsidizing its operating activities with interest and other revenue where appropriate. The multi-year financial objectives continue to reduce reliance on investment income, control costs and draw down accumulated surplus as needed, while the organization balances the proper size and scope of activities with the appropriate revenue sources, to fund its ongoing operations.



CRKN continues its commitment to making digital content available to the academic research enterprise in Canada on a cost-effective, stable, and predictable basis. This fiscal year marked the first year of operating the digitization, preservation, and access activities of heritage content previously undertaken by Canadiana.org. CRKN has leveraged the opportunities afforded by the combination with Canadiana.org to focus on the mandate to collaborate with stakeholders to advance digital scholarship in Canada.

CRKN had budgeted for a planned surplus of \$111,000 during the 2018-2019 fiscal year. During the year, the organization realized sufficient one-time cost savings, investment income, and other revenues (including digitization service fees and the Heritage Content Access and Preservation (HCAP) fund) to result in a surplus of \$970,000.

Staff changes this year included the addition of a licensing officer, a member services and licensing officer, a finance officer, a communications coordinator, a platform project manager, and several scanning operators. Other developments included the completion of the first year of HCAP fund billing and significant work to advance digitization projects for the Library of Parliament and others. In January 2019, CRKN removed the subscription paywall to Canadiana.ca, and made the Canadiana collections available at no charge.

## **Statement of Financial Position**

**Cash and receivables balances:** Publisher invoicing delays extending beyond the anticipated January 1 renewal for several licenses once again created a large cash and receivables balance at March 31, 2019.

CRKN has no concern about the ability to collect its accounts receivable balances, and CRKN continues to maintain adequate financial resources to meet its operational requirements. On February 20, 2019, CRKN received all amounts owing from Canadiana.org (Canadiana.org had no operations during the year and was dissolved as a corporation on March 5, 2019).

### **Prepaid licenses and deferred revenue for license fees:**

CRKN realizes its license expenses and corresponding license revenue on a monthly basis as license access is provided, and accordingly, CRKN typically has significant, offsetting prepaid license and deferred revenue amounts. These unrealized license balances are higher than last year, largely due to the timing of publisher invoicing.

**Capital assets:** Finance staff have added new asset categories for digitization equipment, scanners, and network switches to accommodate capital assets purchased from Canadiana.org. CRKN also purchased new digitization equipment, office furniture, and servers in FY2018-2019.

### **Accounts payable and accrued liabilities:**

CRKN's payables balance is driven by variations in the license cycle from year to year.

### **Government remittances payable/receivable:**

The periodic nature of CRKN's licensing operation often results in very significant commodity tax payable or recoverable balances. In general, CRKN recovers all the GST, HST and QST expended in its operations.

**Deferred revenue:** As in past years, CRKN has matched deferred revenue for licensing activities against prepaid license expenditures. As part of the combination with Canadiana.org, CRKN provided services and realized amounts paid to CRKN by members under Canadiana Online and ECO licenses. CRKN also realized deferred revenue amounts for membership fees and hosting amounts paid to Canadiana.org for services delivered by CRKN post-combination. The new HCAP fund was set up to transition Canadiana licensing and membership fees to fund digitization, access, and preservation services as a program of CRKN beginning January 2019.

**Unrestricted and restricted net assets:** As recommended by the FAC and in accordance with the recently approved Net Assets Policy, CRKN has internally restricted \$1,628,000 (40% of its approved FY2019-2020 operating budget) of its net assets. The CRKN Board has also recently confirmed policies which set upper limits for CRKN's balance of unrestricted net assets equal to two times its approved operating budget.

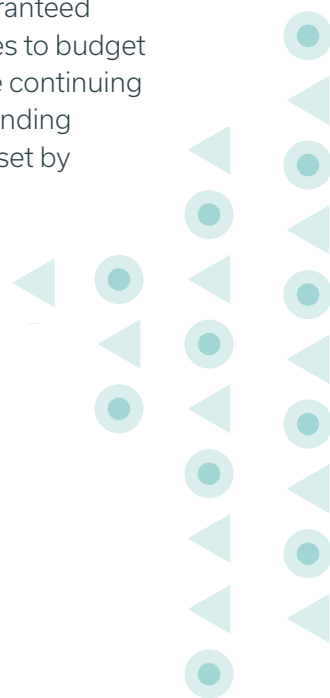
## Statement of Revenue and Expenses

**Net license contribution:** As CRKN bills members for 100% of its license costs, and because it matches the realization of licensing revenues and expenditures monthly based on the relevant license period, the net licensing contribution is ordinarily zero.

CRKN's license revenue remained consistent with last year (2018-2019: \$125.4M, 2017-2018: \$126.0M). Variations in licensing revenues are the result of changes in license participation and fluctuations in foreign exchange rates.

**Operations fees:** With the approval of members, CRKN began in 2017-2018 a two-year planned move to membership fees based on 13 bands rather than the previous eight tiers. During the budgeting process for FY2018-2019, the Board approved a membership fee increase totalling 2.0% during the year and from \$1,308,515 to \$1,334,678. While CRKN's membership grew to 79 members in 2018-2019, the revenue effects of new Institutional and Associate members will not be realized until FY2019-2020. CRKN continues to use the banding system to set membership fees charged to its 75 university Institutional Members.

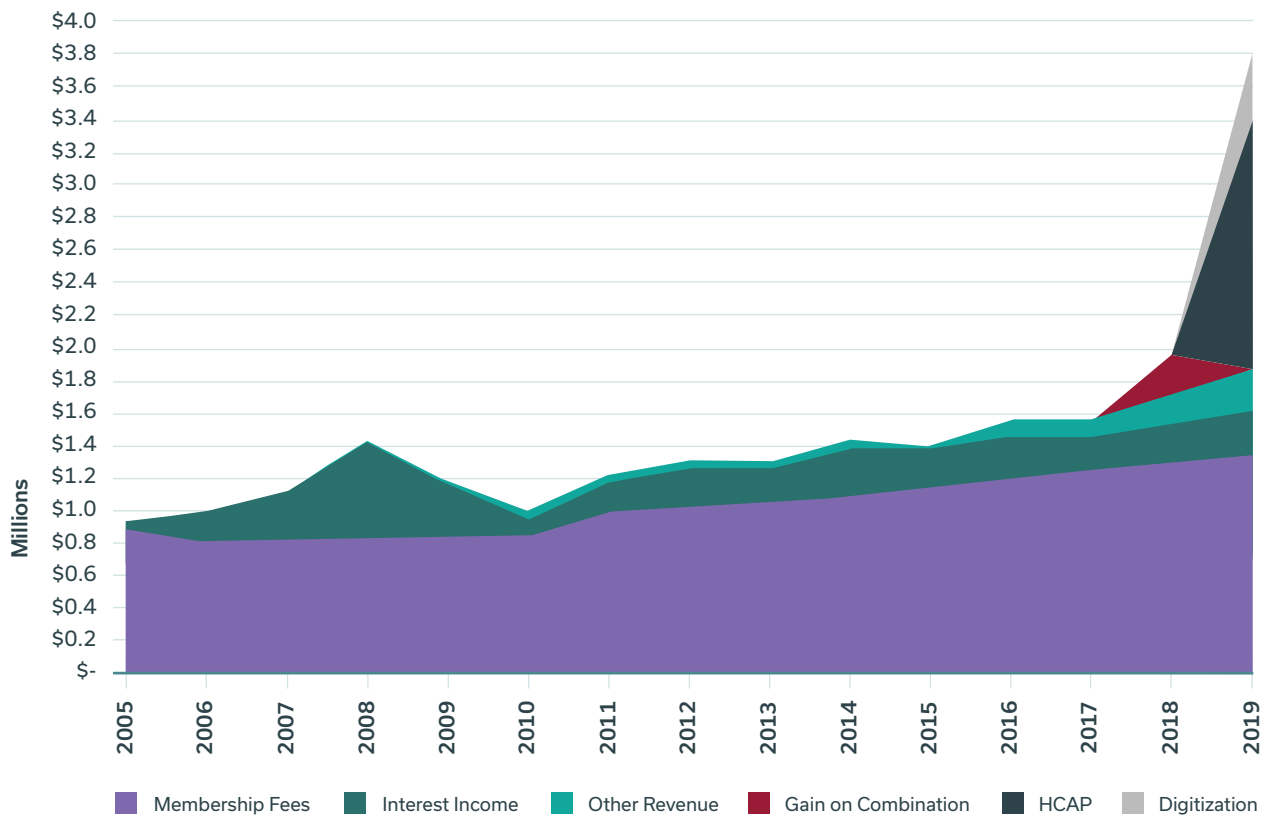
**Interest revenue:** Interest revenue was higher than budgeted with interest rates rising from 1.80% to 2.65% during the year. Larger-than-typical cash balances (including USD balances) in the fourth quarter of the year also augmented CRKN's interest income. CRKN's investment policies limit CRKN's choices to guaranteed investment vehicles. CRKN continues to budget interest income conservatively while continuing to maximize cash flow and corresponding investment returns within the limits set by the Board.



**Other revenue:** CRKN continued to raise additional revenue and recover costs where possible, including continuing its Foreign Exchange Service, recovering some costs for the annual general meeting held in Vancouver, qualifying for a Young Canada Works grant to fund the Digital Services Intern position, and building in cost recovery for the ORCID-CA Member Support Specialist. CRKN remains committed to pursuing other revenue options which are tied to its core mandate.

**Digitization and HCAP fund revenue:** Both revenue streams were new in FY2018-2019. CRKN advanced a digitization project for the Library of Parliament during the year, which contributed to a total of \$377,000 revenue from digitization. CRKN invoiced for the first year of the HCAP fund in December 2018. The total HCAP fund revenue realized during FY2018-2019 (including membership fees and subscription amounts transferred from Canadiana.org for the April-December 2018 period) was over \$1.4M. As a result, CRKN exceeded its budgeted revenues by more than \$550,000.

### CRKN - Operating Income Composition



**Salary and benefit expenses:** CRKN's payroll expenses were about 7% less than budgeted, largely due to staff turnover and delays in filling and replacing positions.

**Contractor and professional fees:** Professional fees were less than budgeted, including savings on translation, communications, and human resources contractors.

**Governance and meeting costs:** Total meeting and governance costs were less than budgeted, largely due to savings on staff and committee members travel costs.

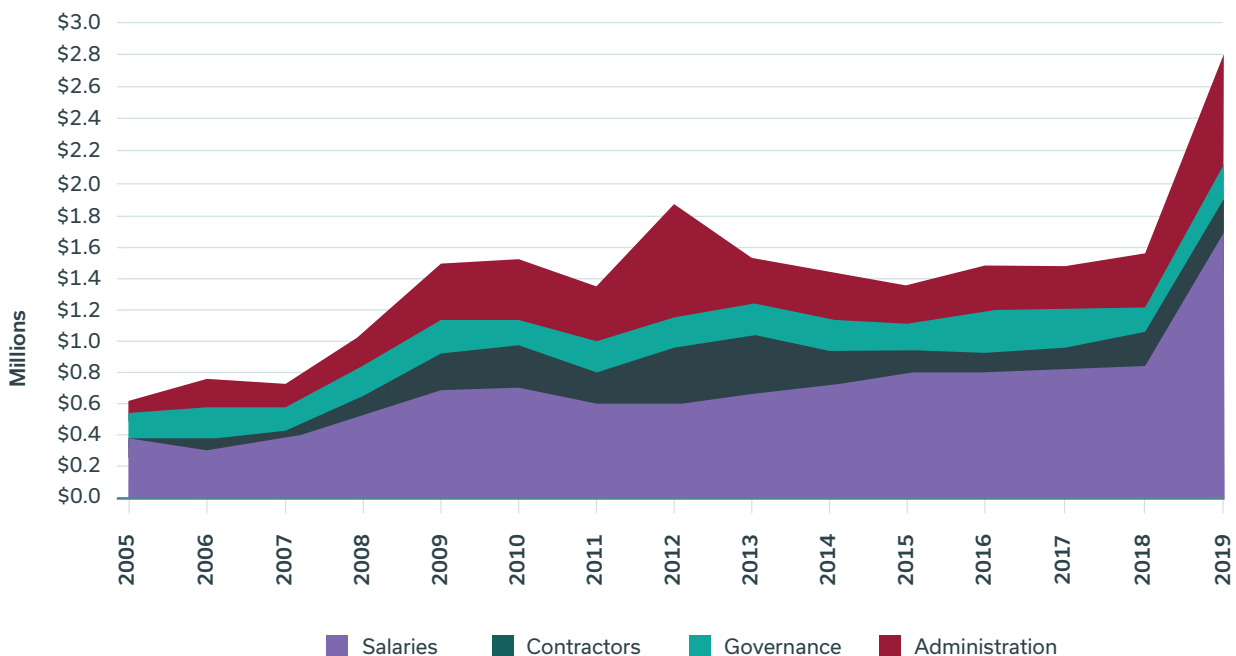
**Administration expenses:** Administrative expenses were generally less than budgeted, with savings in particular on conference expenses, graphic design and advertising. CRKN also spent less than budgeted on professional development and training, and general office travel.

## Prospective Analysis

**Content acquisition and delivery:** CRKN anticipates few opportunities for new large-scale content acquisition in the near term, and notes that most members are considering rationalizing their content budgets, including their purchases through CRKN. CRKN has identified the potential drop-off of participation in individual licenses, and the potential cascading effect on CRKN membership, as a potential organizational risk.

The USD will likely continue to exacerbate the effects of rising costs along with shrinking member budgets. CRKN staff will continue to use forward contracts and offer additional foreign exchange services, including limited USD denominated invoicing, to provide licensed content to members on a 100% cost-recovery basis.

### CRKN - Operating Expense Composition



**Operations:** Membership fees will increase by 2.0% overall in 2019-2020 as approved by the Board, increasing from \$1,334,678 to \$1,361,585. FY2019-2020 will be the third year of allocating membership fees across 13 bands. Future membership fee increases, and changes to how membership fees are calculated and administered, will continue to be considered carefully by the Board during its budget deliberations, in consultation with members, and in the context of the strategic plan and CRKN's multi-year financial model.

The Board initiated a strategic planning process in 2018 including an extensive member and stakeholder consultation and will present a plan for members to review and discuss at the Annual Meeting of the Members in October 2019. CRKN staff continue to identify and prioritize areas where the organization can provide value to members.

**Multi-year perspective:** Seven years ago, changes in financial presentation necessitated by the updated Net Assets Policy reduced CRKN's balance of unrestricted net assets to \$961,134, at that time, the lowest level in the organization's brief history. In May 2019, considering the growth of the organization, the FAC recommended changes to restricted net assets from 50% to 40% of the following year's operating budget. The change was approved by the Board and is reflected in the 2018-2019 Financial Statements.

CRKN staff develop the budget in response to the needs of the members, in accordance with the strategic plan. The key to CRKN's budget process continues to be the surfacing of a strong consensus on the scope and level of service that the organization needs to offer and maintain, identifying the required resource levels to adequately and efficiently provide those services, and adjusting and sourcing CRKN's revenues to match those needs over a multi-year horizon. With a strategic planning process underway, staff will develop the 2020-2021 and subsequent budgets based on the operational demands of the new strategic plan.

