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SPECIAL ISSUE: RESOURCE SHARING

USING RESOURCE SHARING STANDARDS IN THE ORBIS CASCADE ALLIANCE CONSORTIAL BORROWING SYSTEM

ROUNDUP OF RESOURCE SHARING TOOLS & PROJECTS

FUNDING MODELS FOR COOPERATIVE INFORMATION RESOURCES AND REPOSITORIES

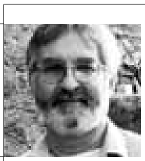
NISO PHYSICAL DELIVERY OF RESOURCES WORKING GROUP

NISO

How the information world CONNECTS

OP [OPINION]

TOPIC: Funding Models for Cooperative Information Resources and Repositories

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The Funding Experience of the Stanford Encyclopedia of Philosophy

In 2003, the Stanford Encyclopedia of Philosophy (SEP)—an open-access, online reference work—partnered with library organizations ICOLC, SPARC, and SOLINET to build an endowment of $4.125 million to sustain the SEP for the long-term (a 5% annual payout from which would cover the SEP's $200,000/year budget). The plan called for $3 million to be raised from the world-wide library community and for Stanford to raise the rest from private individuals. Academic libraries would support the plan by paying voluntary one-time membership dues to join a membership organization (SEPIA = Stanford Encyclopedia of Philosophy International Association) in return for member benefits. One innovative part of the plan was that the money received from the libraries would be protected and invested in a special escrow account in Stanford's endowment (for the sole use of the SEP) governed by the condition that dues would be returned to the contributing libraries should the SEP project ever terminate, together with any unspent interest and appreciation.

In many ways, this plan was successful. Many libraries at institutions around the world have contributed funds to support a freely available publication. The National Endowment for the Humanities awarded us a Challenge Grant, promising $500,000 in matching funds if the library community reached half its goal. During the years 2004–2008, when library budgets were hard pressed but before the economic downturn, the world-wide library community raised $2.3 million (including the $500,000 from the NEH) towards its $3 million goal. Stanford University met its goal of raising $1.125 million from private individuals for the SEP. So by the end of our official fundraising period in 2008, the SEP had raised $3.425 million of its $4.125 million goal, and the library community had only $700,000 left to raise. As an incentive that is part of our funding model, the library community will gain representation on an SEP Governing Board when they reach their goal.

But since 2008, few libraries have joined SEPIA, despite our library partners' best efforts—perhaps partly due to the economic downturn. Also, the shortfall has grown to $1 million because the complete endowment was not raised within the original four year period. The SEP has therefore developed a new way to supplement its annual income while remaining open access. We formed a membership organization (Friends of the SEP Society) for individuals, and in return for modest annual membership dues ($5/year for students, $10/year for associates, and $25/year for professionals), members receive access to specially-formatted PDF versions of SEP entries, which are freely available in HTML on the web. While this raises about 5–10% of our budget, it doesn't fully close the funding gap. Fortunately, the Stanford administration has been covering our budget shortfall each year.

The SEP therefore faces the "free rider" problem—many institutions that make use of the SEP are able to ride free because the SEP has been supported by others and remains committed to open access. Free-riding institutions undermine the long-term sustainability of the project. Though 62 of the 110 universities offering a Ph.D. in philosophy in the U.S. and Canada have fully supported the SEP, there are

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So we'd like to ask the librarians who have supported our innovative funding model: What can we do to convince the free riders to join SEPIA and support the SEP? Would the SEP now be justified in implementing negative incentives for free riders with significant SEP usage to replace our reliance on positive incentives for joining SEPIA?

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some major exceptions. For example, one major university in the U.S. accessed the SEP about 16,000 times from about 6,000 different computers in just the 2009–2010 academic year. Readers at this institution have been accessing the SEP at a growing rate for 15 years, but we have not found a way to get the library to join SEPIA. (As a U.S. institution offering a Ph.D. in philosophy, the recommended one-time dues is $15,750.) Outside the U.S. and Canada, the response from institutions in Australia, New Zealand, and some European countries has been good (the U.K. made a national commitment through JISC, for example), but despite significant usage, we have received support from only one library in China and Spain, and nothing from libraries in France, Italy, and Japan.

The SEP recognizes that it is the first and foremost duty of the library to spend its money to make resources available to its constituents that it can't otherwise make available without spending that money. We also recognize that an economic downturn places even greater pressures on libraries to discharge this duty in a responsible way. However, had the SEP been behind a subscription wall, charging $1,000/year for subscription-based access since, say, 2000, the major university noted above might well have felt the need to subscribe (given how highly the SEP is regarded and given the potential demand reflected by actual usage statistics) and would have now paid $10,000 in cumulative fees, with the prospect of paying $1,000/year or more for the next 20 years and beyond. Moreover, under many typical electronic licenses, those fees would simply disappear: if the library were to stop the subscription, they would have little or nothing to show for it—they would not have received copies of our archives to build their collection, and their money would have been spent directly on SEP operations rather than being managed and put to work in a protected fund (with the promise of being returned should the project ever terminate).

Thus, given some reasonable assumptions, the library community would have paid more for the SEP in the long run had we adopted a traditional subscription-based model requiring annual payments. So we'd like to ask the librarians who have supported our innovative funding model: What can we do to convince the free riders to join SEPIA and support the SEP? Would the SEP now be justified in implementing negative incentives for free riders with significant SEP usage to replace our reliance on positive incentives for joining SEPIA? The SEP could easily configure its web server so that pages sent to free-riding institutions have a nuisance factor, such as keeping a banner flagging the institution's lack of support in a fixed position while the reader scrolls down the page, or interposing webpages that require a second click-through to reach the free content. The SEP could construct a "name and shame" webpage of the largest non-contributing (academic) institutional users. All of these disincentives would be consistent with the idea that our content remains freely available. But we have been reluctant to adopt such measures; we've (a) assumed that positive incentives will engender good will among the library community and (b) relied on librarians to convince their free-riding colleagues to join the cause. But if we are to survive, we have to complete our fund-raising goals. What argument should we use, what methods should we deploy, and what changes might we make to our model to convince a librarian at an institution with significant access statistics that the right thing to do is to join the world-wide library community's effort to sustain the SEP or, having done so, to exhort their non-contributing colleagues to stop their free riding?

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