

A FUNDING MODEL FOR
OPEN ACCESS TO A HUMANITIES PUBLICATION

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The Stanford Encyclopedia of Philosophy (SEP)

- 850 authors and 91 subject editors *volunteering their labor* to collaborately write, referee, and maintain an up-to-date and authoritative reference work
- 550 entries averaging 9500 words/entry now online; nearly 200 revised since publication
- Total of 970 entries commissioned; 1500 projected entries
- 300,000 accesses/week combined (1 server and 3 mirror sites)
- All managed with paid staff of 1.75 FTE; total budget = \$191K/year

The SEP's Publishing Model: I

- Web interface for authors: download templates, submit drafts, remotely edit/update private copies
- Interface for subject editors: add topics, commission entries, referee entries/updates, and accept/reject entries; updates and originals displayed side-by-side *with the differences highlighted*
- Interface for principal editor: add editors and authors, add entries, assign entries to editors, issue invitations, track deadlines, publish entries and updates, etc.
- Tracking system: logs the actions at the interfaces, monitors entry state, tracks deadlines, automatically sends reminders.
- Dynamic cross-referencing script activated when new entries are published

The SEP's Publishing Model: II

- Periodic, automated checking for broken links, with email to affected authors
- Automatically generated, quarterly archives for proper scholarly citation
- Three mirror sites: provide faster access worldwide, provide access when the Stanford server is down, and safeguard the digital content.

Current Funding

NEH Grant through September 2005. We are applying for a 2-year extension.

Why the Traditional Funding Model Won't Work: I

If the SEP were to align with a publisher or otherwise put its content behind a subscription wall, its publishing equation would change entirely:

- Traditional industry standard is to pay authors and subject editors; otherwise they could justifiably argue that unless the subscription price were set high enough to pay them, the SEP would not be generating enough income to cover the true costs of the project.
- The SEP would incur marketing and income collection costs, and the costs of the extra personnel and managers needed to implement those processes (e.g., marketing and income collection personnel and their management personnel).
- The SEP would lose its mirror sites or else have to pay them for their costs.

Why the Traditional Funding Model Won't Work: II

If the SEP were to align with a publisher or otherwise put its content behind a subscription wall, its publishing equation would change entirely:

- The SEP would incur costs required to support the customer service demands of libraries paying annual subscriptions.
- The SEP might have to be moved off-campus since it would no longer be a purely academic project. It would incur extra costs above and beyond the 6.5% overhead. This includes office space, electricity, networking and networking support, incremental backup on tape, budget and accounting support, incidental office supplies, cheap hardware repair, a wealth of computing experts to tap, etc.

Why the Traditional Funding Model Won't Work: III

To support such costs, subscription prices would have to be set high, with the following consequences:

- Disenfranchise many deserving scholarly groups (at home and abroad) and individuals too poor to pay personal subscriptions.
- Access restrictions block search engines, undermining our web visibility.
- Access restrictions stop people from linking to our pages, undermining our high Google ranking.

Why the Traditional Funding Model Won't Work: IV

- Bottom line: The commercial market for regular subscriptions to philosophy (humanities) reference works is very small.
- Other income-producing mechanisms would be needed: advertisements, sponsored links, etc. (These all have costs: personnel/mechanisms to market to advertisers and to develop contracts with sponsors.)
- The traditional funding model would therefore compromise the academic appearance and integrity of the encyclopedia, and reach a small fraction of those we currently reach, discouraging our volunteer workforce.

Benefits of an Endowment

- Maintains open access for everyone
- SEP could continue to grow and expand its listings
- If successful, it provides a model for other humanities projects
- A private/public partnership between Stanford University, the global library community, and federal funding agencies would fund a resource, by which the public could satisfy their curiosity about a wide variety of questions that affect the human condition.
- SEP staff could focus on academic mission and on grant proposals for developing new cutting edge technology for dynamic reference works (e.g., a web metacontent management system which runs in parallel with our web content management system)

A New Funding Plan and Model: I

- Strategic partnership between ICOLC, SPARC, SOLINET, Stanford, and NEH to raise, collect, and manage endowment
- Endowment Fund Parameters: 8.5% average yield (4.8% returned as expendable interest and 3.7% returned to the principal)
- Required Endowment: \$4.125 million, for \$191,790 (05-06) budget
- Division of fund-raising labor:
 - ICOLC and SPARC raise \$1 million/year for 3 years from consortia and libraries (targeting libraries with philosophy departments)
 - SOLINET collects funds raised by ICOLC and SPARC
 - Stanford raises \$375,000/year for 3 years from private and corporate donors

A New Funding Plan and Model: II

- Money paid to SOLINET from libraries and consortia can be positioned as either a donation or a subscription.
- SOLINET transfers money raised to Stanford under a contract which specifies:
 - Money from the library community will be held and managed *in separate fund accounts* in Stanford's endowment, for the sole purpose of supporting the SEP on the mentioned parameters.
 - If the SEP project ever moves to a new host institution, Stanford sends the accounts holding library money to the new institution.
 - If the SEP project ever terminates, the money would be returned to the libraries either with interest or as a pro-rated amount, depending on whether the money was given as a donation or a subscription.

Long-Term Financial Accounting Summary

	1st Year (04-05)	2nd Year (05-06)	3rd Year (06-07)	4th Year (07-08)
Budget Needs	Covered by NEH	191790	198789	205945
Incoming Funds				
NEH (2 year commitment)		100,000	50000	0
Usable interest from Library Endowment (4.8%)		48000	97776	149394
Usable interest from Stanford Fund-Raise (4.8%)		18000	36666	56023
Stanford Administration support		25,790	14347	529
Total Incoming Funds		191,790	198789	205945
Deficit/Surplus		0	0	0
Libraries raise (3,000,000)	1,000,000	1,000,000	1000000	0
Libraries reinvested interest		37,000	75369	115158
Total Library Endowment	1,000,000	2,037,000	3112369	3227527
Stanford Fund Raise (SFR) (1,125,000)	375,000	375,000	375000	0
SFR reinvested interest		13875	28263	43184
Total SFR Endowment	375,000	763,875	1167138	1210322

Feasibility of the Fund-Raising

- Top-down contact: ICOLC/SPARC to reach libraries offering degrees in philosophy; see <<http://plato.stanford.edu/fundraising/ICOLC-Call.pdf>>
- Bottom-up contact: SEP to ask the 940+ volunteer force to contact their libraries; see <<http://plato.stanford.edu/fundraising/colleagues.html>>
- Extra incentive: participating libraries download/store copies of the new SEP content each year.
- Amount of library contribution is determined by highest degree in philosophy awarded and geographic location
- Example: Suggested contribution for U.S. and Canadian institutions with Ph.D. programs in philosophy: three annual payments of \$5000. (Large institutions now pay \$2500/year for the Routledge.)

Additional Efforts and Contingency Plans

- SOLINET submitted a Challenge Grant proposal to the NEH. Other grant proposals in support of the funding plan will be developed.
- Non-participating universities with the means to contribute may be subject to negative incentives, such as being restricted to 50-100 free accesses to the SEP per month until they participate or until fund-raising goals are met.
- We may need to approach publishers in the humanities about the prospect of supporting the SEP through sponsored links to publishing house books for placement in selected SEP entries (explicitly marked as such and confined to a special section). They are eager to do this given our high visibility on the web.

Is the Model General?

Other humanities projects could use this model if:

- they are well-established, reputable, maintain the highest academic standards and have maximized efficiency in their operations,
- they have developed support within a profession (among departments and libraries),
- they have developed the support of large professional library associations, with a plan that makes economic sense and saves individual libraries a lot of money over the long-term,
- they have a large volunteer force which are loyal, enthusiastic, and can help to motivate colleagues and librarians, and
- they are at a university willing to participate in creative institutional arrangements.