UC’s model for a transformative agreement

Jeffrey MacKie-Mason, @jmmason
University Librarian
Professor of Information, Professor of Economics
UC Berkeley

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Today

UC Libraries $40M
$ State funds

→

Publishers

Double dipping • Uncontrolled, independent spending • Unsustainable
Our APC spend has gone from 0 to 20% in just a few years

DeltaThink APC revenue to publisher (year-over-year) – about 16% / year over last 3 years
2015-2016 18%
2016-2017 16%
2017-2018 15%

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[[Mat’s analysis on UC APC growth
2016 $6.7M
2017 $10M
Full OA spend: 30% year over year]]
The alternative: A transformative OA agreement

The UC model:

- **Off-setting**: An integrated contract with subscription fees decreasing as OA publishing fees increase

- **Multi-payer**: Library subscription funds + researcher grant funds

**INTEGRATED / OFF-SETTING:**
- transitions industry from pay-to-read into pay-to-publish
- addresses the issue of uncontrolled independent spending by two actors

**MULTI-PAYER**: addresses sustainability for high-publication institutions; also gives authors skin in the game
What does multipayer look like to authors?
Author decides on publisher

Then decides whether OA
then pays subvention, or full amount for APC

Library financial transactions are in bulk
Benefits for authors

With the libraries' negotiated APC, plus their subvention, it's much less expensive to publish OA now.

Definitely! For some journals, my APC is now entirely covered.
Benefits for authors

I opted not to publish OA, which is easy to do.
Benefits for authors

I'd like to publish OA, but I don't have the grant funds for the APC.

That's ok - the libraries will cover it.
In summary, all authors are better off, or at least no worse off than before
Components of the UC model

- **Fixed** at start of agreement
- **Variable total** based on author choices
- **Base set** at start of agreement
- **Control** by restricting variance to +/- X%

Reading Fee

+ Publishing Fees

**Total Contract Cost**

Library subvention
(on every article)

Grant-paid remainders
(where grant available)

Library-paid remainders
(where grant unavailable)
UC model contract in action

Total contract cost
Total cost range

Reading Fee

Publishing fees

Theoretical cost
Actual payment
## UC model contract in action

**Basis:** Expected publication volume 4,500 articles, $2,000 negotiated APC

<table>
<thead>
<tr>
<th>Total contract cost</th>
<th>Total cost range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reading Fee</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Publishing fees</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Theoretical cost</strong></td>
<td></td>
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<tr>
<td><strong>Actual payment</strong></td>
<td></td>
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</tbody>
</table>
# UC model contract in action

Year 1: Publication volume 4,500 articles as estimated

<table>
<thead>
<tr>
<th>Description</th>
<th>Year 1</th>
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<tbody>
<tr>
<td>Total contract cost</td>
<td>$10,000,000</td>
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<tr>
<td>Total cost range</td>
<td>+/- 2%</td>
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<tr>
<td>Reading Fee</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Publishing fees</td>
<td>$9,000,000</td>
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<tr>
<td>Theoretical cost</td>
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<tr>
<td>Actual payment</td>
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*Negotiated APC: $2000 per article*
## UC model contract in action

### Year 2: Publication volume increases 3% to 4,635 articles

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<th>Year 2</th>
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<tr>
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<td>+/- 2%</td>
<td>+/- 2%</td>
</tr>
<tr>
<td>Reading Fee</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Publishing fees</td>
<td>$9,000,000</td>
<td>$9,270,000</td>
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<tr>
<td>Theoretical cost</td>
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<tr>
<td>Actual payment</td>
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</tbody>
</table>

*Negotiated APC: $2000 per article*
## UC model contract in action

### Year 3: Publication volume decreases 5% to 4,403 articles

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Reading Fee</td>
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<tr>
<td>Publishing fees</td>
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<tr>
<td>Theoretical cost</td>
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<td>Actual payment</td>
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*Negotiated APC: $2000 per article*
UC model contract in action

The more grants participate, the more money is brought into the system.
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Year 1: 20% of authors use grants

*Negotiated APC: $2000 per article; library subvention $1000 per article*
UC model contract in action

The more grants participate, the more money is brought into the system.

Year 1: 20% of authors use grants
Year 2: 30% of authors use grants

*Negotiated APC: $2000 per article; library subvention $1000 per article*
This creates an added tension in the negotiations, and was a big sticking point with Elsevier: do the libraries reduce their spend with these publishers, and redirect money towards subventions for OA publishers? Or does the subscription publisher claim that money on top of the current library spend?

UC model contract in action

The more grants participate, the more money is brought into the system.

- Year 1: 20% of authors use grants
- Year 2: 30% of authors use grants
- Year 3: 40% of authors use grants
And to more equitably redistribute the libraries (institution’s?) spend - for example, to disciplines that aren’t as well supported by grants (e.g. the humanities).
What does this mean for grants?

NIH, 2016
1.0% of research funding to cover all APCs
$23.3b in research grants

NSF, 2016
2.1% of research funding to cover all APCs
$6.03b in research grants

All Federal Funders, 2013
0.9% of research funding to cover all APCs
$127.3b in research grants

Assumptions in this analysis:
• Grants pay full cost of APC when acknowledged by an article
• Average APC cost is $2,586* (average hybrid APC cost in 2016)

*source: Universities UK report, Monitoring the Transition to Open Access: December 2017

[[APC source: Universities UK report, translated to USD at the rate on 12/31/2016]]
What does this mean for grants?

With library subvention

NIH, 2016

4.0% 0.6%
of research funding to cover all APCs

$23.3b
in research grants

NSF, 2016

2.1% 1.3%
of research funding to cover all APCs

$6.03b
in research grants

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Author workflow
We did these mockups using the Elsevier screens presented to authors – these are *our* proposed changes. We’ve done similar versions for Cambridge UP and for a generic publisher.

When author gets to Step 4 Publishing Options:
- The *default* is Gold OA publishing – but author can opt out (why?) and choose subscription only
- Author sees the total price, the library portion, and the library’s willingness to cover author portion of research funds not available
Author then chooses the license to publish under. CC-BY is the default: author retains copyright but allows others to share and use article (with attribution)
Arranging to pay the fee
- author indicates whether she will pay with research funds or will ask library to pay

- Pricing information is modified to more clearly show the cost-sharing mechanism and the lower portion that the author may be responsible for.

- The second section is modified to include selection of payment source as well as method.

- Language is added to explain to the user what we expect of them (with another link to our documentation).

- The user then chooses the funding option that applies to them.
Step 8 – Open Access Fee (2)

Changes and Commentary
If the user chooses that they have grant funding available:

- Elsevier will collect the author portion.
- The section is expanded to show the existing Elsevier payment options (credit card or invoice) and language.

If author pays, indicates payment method
If asking Library to pay author portion, indicates reason why, and commits to honesty

Changes and Commentary
If the user chooses that they would like the library to cover the cost:

- Elsevier does not collect funds directly from the user - instead this is added to a bulk library invoice or deducted from a library deposit account.
- This section is expanded to encourage the author to use grant funds, and asks the author to indicate why they are unable to pay with grant funds.
- Several potential reasons are offered, indicating to the author that these are acceptable reasons, and an "other" box is also shown.
- The author affirms that they are being honest.

On the back end, reporting is made available to allow UC to see the selections made from this screen for evaluation and assessment purposes.
The journey we’re on

Today - **unmanaged, escalating OA economy**

Transition - **cost neutral publish-and-read**: same cost to institutions, same revenues to publishers

Future – **a primarily OA world**

High publishing institutions pay bigger share of total cost: bring in grant funding to support library budget

Lower publishing institutions pay lower share, library can pay for OA and save money to invest elsewhere
The tipping point is near!