University of California and Elsevier: transformative publishing negotiations
goals, strategy and execution

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California Digital Library
CDL and the University of California

The University
10 Campuses
5 Medical centers
3 National Laboratories
250,000 students
21,000 faculty
44,000 other academic
Annual research expenditures: $4.6 bn
Annual publication output: ~50,000 research articles

The Libraries
10 campuses, 100 libraries
2 Regional Storage Facilities
Annual combined materials expenditures: $94M

California Digital Library
“11th University Library” - founded 1997
Operates systemwide digital library services for UC and beyond
- Content licensing & open access support
- Open access publishing + repository
- Data management
- Discovery and resource sharing
Our (public) goals

● Cost reduction

● Default OA publication for all UC corresponding-authored articles

● Transformative agreement that integrates publishing and reading with offsetting
Negotiations: UC’s final proposal

Cost-neutral with discounted APCs ($12M total UC payment)

Default 100% OA

Multi-payer model:

* Library $1000 + author research funding

* OR Library pays in full if author unfunded

* OR author opts out of OA
Negotiations progress

After 6 months not addressing publish-and-read, ELS in January offered an integrated contract

Agreed to support multi-payer workflow

Negotiations: July 2018 - Feb 2019
Elsevier Jan 31 offer

Integrated, but 100% OA would raise payment 80% ($30M over 3 yrs)

No OA for Cell, Lancet or many (> 400?) society journals

Forgo perpetual access to many journals

No workflow support for Library to cover unfunded authors

Some willingness to move on last 3, but $$ gap huge

Negotiations: July 2018 - Feb 2019
Today

No contract since 31 Dec 2018

Negotiations terminated 28 Feb 2019

Access not yet terminated

Alternative access prepared, on stand-by

Negotiations: July 2018 - Feb 2019
Alternative access web page

Document delivery contract via Reprints Desk if / as needed
University of California’s Coalition
Public support statements

Faculty Senate

UC President

UC Provost’s Library advisory committee

Council of University Librarians

University of California Academic Council Statement on the University’s Negotiations with Elsevier Publishing

The Academic Council of the Academic Senate of the University of California (UC), hereby signals its collective and resolute commitment to support UC’s negotiating position with Elsevier in order to advance UC’s mission as a public institution, make the products of our research and scholarship as freely and widely available as possible, and ensure that UC spends taxpayer money in the most ethically, morally, and socially-responsible way when entering into agreements with commercial publishers.

Background

The University of California has been negotiating with Elsevier, the largest commercial publisher of scholarly journals. As part of the current negotiations, UC has been seeking sustainable cost controls as well as a novel transformative agreement in which our Elsevier authors would retain their copyrights, their articles would become completely and immediately open access, and the payments for open access publishing would offset our Elsevier subscription expenses. By design, such a transformative agreement would be transitional and accelerate a shift to full open access for all our Elsevier authors within a very few years. Most significantly, a successful agreement would align closely with the mission of the University to provide “long-term societal benefits through transmitting advanced knowledge, discovering new knowledge, and functioning as an active working repository of organized knowledge.”

At the present time, UC and Elsevier have reached an impasse in their negotiations and our contract has lapsed. Nonetheless, the Academic Council of the Academic Senate stands firm in its conviction that a comprehensive transformative agreement that covers all Elsevier titles is required to achieve the aspirations embodied in the Academic Senate’s Open Access Policy, and articulated by the University Committee on Library and Scholarly Communication (UCOLASC) in its Declaration of Rights and Principles, and by the Systemwide Library and Scholarly Information Committee (SLASIC) in its Call to Action. We support the unified strategies of the UC libraries to ameliorate the negative effects of the impasse on faculty, researchers, and students, and applaud their efforts to closely monitor alternative access along with the impacts it may have on research and teaching.

We ask all publishers to work with UC in good faith to meet our short- and long-term goals for transforming scholarly communication, and we encourage our faculty to weigh these goals when deciding where to send their work for publication, when agreeing to review manuscripts, or when performing editorial duties. Moreover, we urge all UC authors to utilize our open access policies to make their final pre-publication manuscripts publicly and immediately accessible in our institutional repository.
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Negotiating Journal Agreements at UC:
A Call to Action

June 2018

Issued by the UC Systemwide Library And Scholarly Information Advisory Committee
Endorsed by the UC Council of University Librarians
Endorsed by the UC Academic Senate University Committee On Library And Scholarly Communication

As the University of California Libraries plan for journal renewal negotiations in 2018 and beyond, UC faces dual imperatives in its approach to acquiring scholarly content:

- The urgent need to reduce costs to levels that the University can sustain; and
- The desire to transform research production and dissemination in order to make research outputs openly accessible—leveraging the power of digital networks, accelerating beneficial research outcomes, and making the results of academic research more trustworthy and more widely available to all who may benefit for the good of society.

We believe the time has come to address these issues head-on through a combined strategy that places the need to reduce the University’s expenditures for academic journal subscriptions in the service of the larger goal of transforming journal publishing to open access. Through our renewal negotiations with publishers, we will pursue this goal along two complementary paths: by reducing our subscription expenditures, and investing in open access support.

Such an undertaking will be neither easy nor without short-term pain for the University, its faculty and students. However, even if we were able to maintain all of our current subscriptions, the long-term prospects for beneficial change outweigh the merits of attempting to cling to an untenable and undesirable status quo.

Context and Rationale: Why Now?

The escalating costs of academic journals are a well known problem in higher education, far outpacing the growth in library budgets and squeezing out libraries’ ability to invest in other content and services needed to support teaching and research. As public investment in higher education continues to decline, many of our campus libraries as well as the California Digital Library (CDL) face persistent budget shortfalls that imperil their ability to continue these licenses. These challenges are reaching a tipping point at UC and elsewhere, leading many of our peer institutions both nationally and globally to cancel large journal packages that contain vast amounts of little-used content in favor of selectively licensing only the materials most needed by their faculty and students.
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Developing our goals and engaging our community didn’t happen overnight
Libraries

To study the impact of a largescale conversion of the literature via APCs on large North American research institutions

These institutions would assume a significant financial burden in an APC-driven OA model
Findings: affordability

Our study looked at the level of APC each institution could afford, based on its current subscription spend.

$1892$: Average APC for partner institution publications in full OA journals

APCs are affordable for large research-intensive institutions if grant funds are applied.
What about long-term sustainability?

**Premise:** Involving authors is the most promising route to long-term cost control

- Authors will choose the “best” platform for their article, given the price of access, availability of publication funding, and quality and readership considerations
- Publishers will respond to *elastic* author demand by competing for submissions
- Under *ideal* conditions, competition in an OA environment will *lower* the cost of scholarly communication
Sustainability strategy: Multi-payer model

Library Subvention

Grants, startup packages, discretionary research funds

Library pays in full
OA2020

Faculty desire for OA in existing journals led to interest in OA2020, and to transformative agreements as a key on-ramp to OA –

The Libraries’ multi-payer model provided a framework for workable transformation in a North American context.
Getting faculty and administrative buy-in

- **Multiple successive presentations to systemwide leadership committees over the past three years**
  - **What**: Pay It Forward, OA2020 pros/cons, multi-payer offsetting model
  - **Who**: Academic Senate Faculty Library Committee
    - Provost-level Scholarly Communication Committee
    - Council of University Librarians

- **Engaged faculty leadership has been key**
  - Faculty desire to move from green OA policies to more immediate OA
  - OA2020 discussed by all campus faculty library committees – most have voted explicitly to support – 8 campuses have now officially signed
Crucial: Faculty as partners, not merely audience
Faculty as partners in strategy development

UC case study

- CoUL roadmap (Pathways to OA) - Feb 2018
- Senate (Library committee) Declaration - April 2018
- UC Provost advisory Call to Action - June 2018
- Only then, CoUL announces negotiations project - June 2018
Keeping faculty informed

UC case study

- Faculty Senate meetings (full & committee)
- Town halls
- Broadcast emails
- Website banners and portal page with FAQs
- Public media
Faculty as partners in negotiations

Faculty on negotiations team (3 of 6)

Faculty as communicators

UC case study: **Sequencing** communications on termination day (28 Feb 2019)

1. President's office [press release](#)
2. Faculty Senate [letter of endorsement](#)
3. Broadcast letter to faculty from [Provost + campus Senate chair + UL](#)
4. [UC Libraries website](#) announcement
UC’s model for a transformative agreement
Today

Double dipping  ●  Uncontrolled, independent spending  ●  Unsustainable
The alternative: a transformative OA agreement

For the UC, that means…

❖ **Off-setting**: Subscription fees decrease as OA publishing fees increase ➢ addresses the issue of uncontrolled independent spending by two actors

❖ **Multi-payer**: Library subscription funds + researcher grants fund APCs ➢ addresses the issue of sustainability
What does that look like?
The Author Experience

- Library financial transactions are handled in aggregate each quarter.
Benefits for Authors

My article processing charge (APC) is a lot lower now thanks to the library's support.

With the Library's negotiated APC, plus their baseline cost support, my APC is now entirely covered.

I'd like to publish OA, but my preferred journal has an APC and I don't have grant funds.

That's ok - the Library will cover it.

I opted not to publish OA, which is easy to do. Now that it costs less, I might consider OA next time.

Can make articles OA with publisher of choice

Greatly reduced APC (due to library subvention)

Library will cover the full APC if grants or other sources of funding aren't available

Can choose not to participate if wanted
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**

- Library subvention (on every article)
- Grant-paid remainder (where grant available)
- Or, Library-paid remainder (where grant unavailable)

**Publishing Fees**

**Total Contract Cost**

*Note: Image shows a flowchart and equations related to the UC model components.*
Scenario: 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

The model lends itself to lowering costs for the library, so there’s money to reinvest in similar support for native OA publishers.

*Negotiated APC: $2000 per article; library subvention $1000 per article
What does that mean for grants?

Assumptions in this analysis:

- Grants pay **remainder of APC after subvention** 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*
In summary, here’s the journey we’re on

Today - **unmanaged, escalating OA economy**
Subscriptions and APCs are funded and paid for separately in the same journals, without any relationship between them

**Tomorrow (or sooner)** - **transitional OA agreements**
Subscriptions and APCs covered by a single, transformative agreement, with one type of fee offsetting the other to eliminate double-dipping and help control the total cost to the university

Eventually - **a primarily OA world**
Subscription payments largely disappear with funding re-allocated to OA support (both APCs and other funding models)
The critical role of data analysis
Why invest resources in data analysis?

- Transformative agreements represent a new way of doing business with vendors. Therefore:
  - We need to understand what this means for our budgets, how financial flows are shifting, and which models match local priorities.
  - We need to be able to sell our models to stakeholders within the institution. Faculty are data-driven in their own work and want to see that from us as well.
  - You can bet the vendors are doing the same, and we need to be on equal footing!
What more do we need to gather?

Data represents fundamental information about the world. To expand our contracts to this scope means gathering added information about:

**Author Publication Patterns**
- Volume of publication
- Year-over-year growth of publication
- Distribution across journals
- Distribution across disciplines
- Lead/corresponding author
- OA status of publications
- Grant acknowledgements

**Journal Characteristics**
- List-price APC
- Known APC discount arrangements
- Business model (Full OA, Hybrid, Delayed OA, No OA)
- Portion of the journal currently OA
Synthesizing, analyzing, and interpreting...
What Now?
Does Elsevier care?

UC revenues? 😞

But tipping point?

→ Germany, Sweden, Hungary, UC, Norway…
→ Others lining up
Does Elsevier care?

RELX stock price

- Down 7.1% on announcement day
- ELS only 1/3 of RELX so roughly 21% hit on ELS value

AND...ELS needs our authors

(2 boycott petitions)
UC - Cambridge University Press Agreement

- Read and Publish offsetting agreement signed with CUP in April
  - 60% of spend on OA publishing, 40% spend on access to paywalled articles; spending linked so that if OA goes up, subscriptions costs go down, total spend is controlled.
  - First large RAP deal in North America; UC is largest US source of CUP articles.
  - Some society journals excluded, for now.

- Will employ UC Libraries multi-payer workflow
  - Subsidize or fully cover APCs for UC authors
  - New workflow will be designed (with CCC) to incentivize authors to use grant funds for APCs, allow centralized accounting and metrics across UC
Future Offsetting Deals

● Want several deals like CUP to pilot our business model over the next few years.

● Mix of publisher types (society, university, small and large private) and disciplines.

● Need 3 years or more to test author willingness to pay APC share.
JOIN US!

(We’ll help)