



HATHITRUST

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2016-2017 Budget Report Member & Finance Committee

HathiTrust 2016 Member Meeting
November 10, 2016

Wendy Lougee, University of Minnesota
Treasurer/Chair Elect, Board of Governors

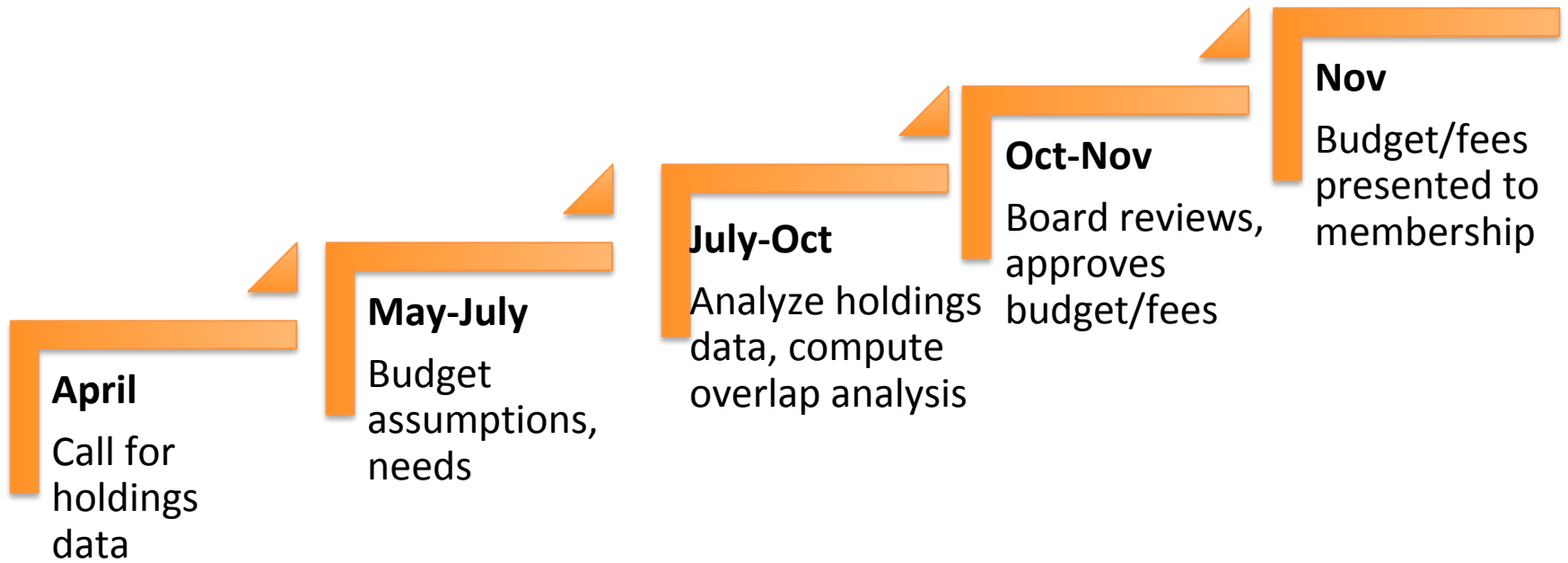
Mike Furlough, HathiTrust

Outline

- Budget process
- Budget categories
- The fee model
- 2017 Proposed Budget/Fees
- Membership & Finance Committee



Budget Process



Budget Categories

Revenue

- Partner fees
- Interest/investment income

Expenses

Operations

- Personnel
- Member-provided services
 - Zephir (CDL)
 - Administration, hosting (Michigan)
- Infrastructure
 - Storage, servers
- Contracted Services
- Travel and Hosting

Programmatic Activities

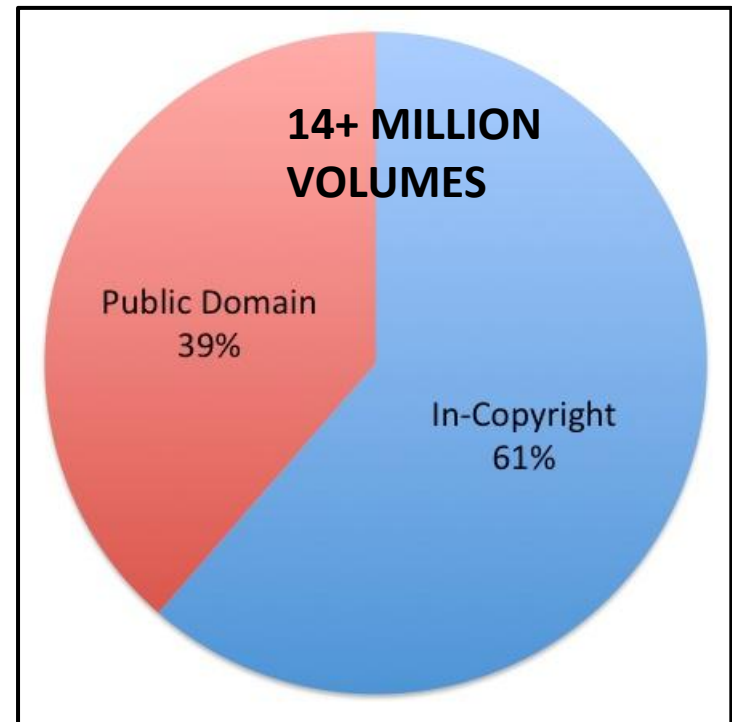
- Federal Documents Initiative
- Print Monographs Archive
- Copyright Review
- HathiTrust Research Center (Indiana and Illinois)
- Print disability services assessment/expansion

Reserve



Fee Factors

- Expenses
 - Operations
 - Programs (multiplier)
- Collection
 - Size
 - Composition
- Number of Members



2017 Fee Model

- Determine total operations and infrastructure costs.
- All partners share costs for public domain volumes:
 $(Public\ Domain * Cost\ per\ volume * X) / Total\ Members$
- Members share costs for in-copyright volumes based on holdings
 - For a given in-copyright volume:
 $(Cost\ per\ volume * X) / Holding\ Members$
- For 2017:
 - C = \$0.1821 per volume per year (operations only)
 - X = 1.2 (multiplier for programmatic funds)
 - 120 members (including 11 new)



Proposed 2017 HathiTrust Budget

Budget Category	Proposed 2017
Revenue	
Fees from existing members	\$3,212,126
Total revenue (including interest)	\$3,214,623
Operations	
Revenue allocated to operations	\$2,676,771
Recurring Expenses	(\$2,158,243)
Allocated to reserve	(\$518,528)
Difference	\$0
Programmatic Activities	
Revenue allocated to programs	\$535,354
Expenses total	(\$1,167,294)
Difference	(\$631,940)



2017 Fee Analysis

- Total fee revenue increase by 5.95%
- Individual member fee increases are not uniform, generally decreased.
 - The formula is based on individual holdings.
 - Collection growth also plays a factor.
- Average fee increase: 0.03%
- Median fee change: -2.24%
- High: 54.41%*
- Low: -10.14%*

*NOTE: A few members saw greater change due to corrected holdings data.



Approval of 2017 Budget

- Annual budget must be approved by membership before we can invoice for 2017.
- Approval requires a simple majority of weighted votes.
- We will not vote today.
- Electronic ballot has been sent to all member representatives.
- Voting closes at 11:59 ET (US) Nov 16 2016.



Membership & Finance Committee

- Bylaws: member criteria defined by board; approved by members
- Financial model implemented 2013
- Charge:
 - Member criteria, categories
 - Membership strategy
 - Finance model assessment



Membership (120)

- Predominantly North American
 - 113 US
 - 4 Canada
 - Beyond North America: Spain, Lebanon, Australia
- Largely academic and/or research libraries
 - 83 ARL
 - 11 liberal arts colleges
 - LC, NYPL



Issues/Challenges

- Membership: increase diversity, contributions
- Membership strategy: target market? Barriers to membership?
- Financial model:
 - Alignment with membership strategy
 - Funding and integrating programs
 - Volatility in fees
 - Program incentives



Planning Assumptions

- HathiTrust will remain focused on text-based content for near-term (5 years)
- Program development will build on core functions
 - Corpus content, preservation infrastructure
 - Discovery and access
 - Local collection management decisions
 - Data aggregation to enable text/data mining
- Member/Financial models: support public good



Recommendations: Membership

- Member requirements:
 - Legal standing for membership agreement
 - Shibboleth authentication
 - Library holdings data
- Member categories
 - Academic and research libraries
 - University systems (R1 support for public domain)
 - International: targeted (Canada/UK)
- Membership strategy
 - Modest growth (5-10/year)
 - Organizational capacity for marketing, communications, engagement



Recommendations: Financial

- Explore tiered membership
- Develop multi-year planning framework
 - Forecast program development and migration
 - Consider reduced frequency holdings data
- No member compensation or service fees at this time
 - Exceptions: operational/infrastructure services

