
"It is in Apple's DNA that technology alone is not enough—it's technology married with liberal arts, married with the humanities, that yields us the results that make our heart sing."— Steve Jobs



How NFTs Can Save Mills College

A nifty way to honor and preserve Mills College's 169-year heritage as a pioneering women's college.

Situation: Mills College is rich in assets, but enrollment numbers are down.

Complication: The College is running out of money fast, and needs liquidity by November 2021.

Resolution: NFTs can offer short term liquidity and a long-term stable recurring revenue

Mills College Situation

Mills has always been a technology pioneer. The synthesizer, electronic music, the first women's college to offer a computer science degree. It seems strange to us that the current Mills College leadership has not leveraged the historical and geographic strengths of its location in the heart of Greater Silicon Valley. It is well known that the tech industry has a diversity problem. Who better than Mills to provide the next generation of future leaders?

Mills College Complication

Mills College has faced declining enrolment for several years. The problem has been worsened by a Tuition Reset that lowered pricing to an unsustainable level. Mills needs to increase its revenues back to being above expenses and increase enrolment back to pre-2017 levels. Logically, new students who would pay higher tuition and whose families could donate to the College would provide more support to the College's survival. How to attract them?

In its 169-year heritage, Mills College has survived two great pandemics, two major earthquakes, two World Wars, the Great Depression, the revolution of the Sixties, the Wall Street crash of 1987, the Dot-com Crash of 2000 and the Global Financial Crisis of 2008. However, in March this year the President announced the College would no longer be issuing degrees; then she announced a takeover by another university as "the only option possible". Members of the Alumnae Association who have had access to the confidential records of the College have sued the school in Alameda County Superior Court to force them to provide records about the financial justification for this transaction, which would end Mills' 17-decade history as a women's college. These Alumna Trustees state that the College does not need to close, it already has enough wealth in its endowment and other assets to remain independent. The Board of Trustees seem to have been persuaded by the President's claim that "there is no other way".

Mills College Resolution

We hope to demonstrate in this paper that there is another way: Non-Fungible Tokens (NFTs) provide an alternative that can immediately begin to address Mills College's liquidity needs without relinquishing any assets, enabling the College to stay true to its 169-year heritage as a private women's college.

MILLS COLLEGE NFT BAKE SALE

<https://opensea.io/collection/millscollege>

An initial fundraiser as proof of concept, launched by Mills alumnae and inspired by Mills College art professor Hung Liu. 217 Fortune Cookies are being produced in 6 batches and 8 different colors.

Primary Objective: demonstrate that Mills College can remain independent by taking a different approach to its financial management, one that plays to its strengths and optimizes its assets, transparently.

Secondary Objectives: build audience, promote brand, raise awareness of the threat to this Minority Serving Institution and Historical Women's College with a majority minority, majority LGBT student population

Proceeds will be donated to preserve Mills College as an independent, degree-granting women's college. The NFTs are listed on OpenSea with an initial floor price of 0.1 ETH (\$330). If the first batch of 37 Fortune Cookies all sell for the asking price, a total of 1,154 ETH will be raised (at \$3,300/ETH = \$3.8 million).

The sums may sound astronomical, but to put it in perspective in the NFT world, just one series of 10,000 NFTs, CryptoPunks, is turning over more than \$1 million every *hour*. In October last year Mills College set a record at Christie's, selling a Shakespeare First Folio for \$10 million. In March this year Beeple set a record at Christie's, selling an NFT for \$69 million. Mills College is already in the same room as the big budget buyers and smashing records. Why not work with Christies again and take it to the next level?

TURNING ARCHIVES INTO ASSETS

It would be prudent for the College to leverage its existing asset base to generate more revenue for very little extra cost. NFTs provide several solutions.

Like many venerable institutions, Mills College is asset-rich but cash-poor. NFTs, DeFi, and blockchain offer opportunities to create liquidity and income from assets that, although extremely valuable, are hidden away somewhere producing zero value.

Peter Hirtle, President of the Society of American Archivists, said *"That archival records can have monetary value is not a surprise to any practicing archivist. We are custodians of records that are of incalculable value in the study of our history, culture, and values – and that can also be sold on ebay or in an auction house for substantial sums. I have heard it estimated that at my own institution, Cornell University, the library is single largest asset that the University owns...given the need for funds and the understandable (and applaudable) reluctance to sell assets, it is not surprising that many archives are seeking to derive revenues from their control over archival materials. The sale of reproductions of archival materials and the licensing of material for commercial use are becoming ever more important as possible sources of income for archives"*.

Hirtle highlights that it is not just rare books and manuscripts that have value, listing some high profile sales of archives to universities including Woodward & Bernstein (\$5m), Susan Sontag (\$1.1m), Francis Crick (\$1.3m), Winston Churchill (\$18m).

"In my perspective ... science and computer science is a liberal art, it's something everyone should know how to use, at least, and harness in their life. It's not something that should be relegated to 5 percent of the population over in the corner. It's something that everybody should be exposed to and everyone should have mastery of to some extent, and that's how we viewed computation and these computation devices." –

Steve Jobs

COPYRIGHT LAW AND NFTs

An NFT does not confer anyone a title of ownership on an original work, it is just a cryptographically signed receipt that you own a unique version of a digital item related to that work.

The vast majority of works in the Mills College collection were created before 1978, which means they are covered by the Copyright Law of 1909. This was amended in 1998 to 95 years total from the date of publication. This means that **any works published in the United States before 1927 are now in the public domain**. For works created after 1978, the copyright is for the duration of the artist's life plus 70 years.

Works that are copyrighted can still be monetized via NFTs – with the right holder's permission. Mills College could get started with releasing NFTs of the many older works in their collection where copyright is not an issue, while negotiating licensing terms for more modern works. Art and philanthropy often intersect, and such mutually beneficial artist partnerships may expose Mills to a wider audience of potential donors and students.

In the case of most bequests to museums and universities, the donation value might be captured at the time in the books as an increase in balance sheet assets, or not recorded at all; these numbers are seldom ever re-assessed and the item may never be seen in public again. Works out of copyright may easily be assessed at \$0, even though they



Figure 1 Diego Rivera "Mother and Child", Mills College Art Museum (1926)

have strong earning potential. Digitization into NFTs will create a new balance sheet item that can be borrowed against whenever immediate liquidity is needed, as well as bringing in cash through sales and licensing.

THE MILLS COLLEGE SPECIAL COLLECTIONS

The Mills College Art Gallery was built in 1925 with funds left for the purpose by Jane Tolman, Susan Tolman Mills, Sarah Sage, David Hewes and others, maintained by an endowment from the estate of Susan Mills. The collection then comprised “*paintings and prints by Western artists, collections of Guatemala textiles, Oriental paintinga, mortuary statuettes, pewter, purse guards, small deities*”. Albert Bender donated 40 paintings and 75 prints to Mills College and “*a treasure room containing two thousand volumes that represent the famous presses of the world, rare books, first editions and manuscripts*”. By 1939 the Bender Room collection had increased to 5,600 volumes.

The Mills College Special Collections and Archives is comprised of about 20,000 volumes, 10,000 manuscripts, archives, and photographs, including over 1,000 books printed from the mid-15th century until about 1800. There are over twenty incunables (books printed during the first 50 years of printing), including a leaf from the first book ever printed, Gutenberg’s Bible and an ultra-rare 1611 “She” Bible.

A leaf from the first book ever printed is an ideal candidate for digitization & monetization through an NFT. The work itself is probably so precious that to expose it to air is fraught with danger, let alone touching or moving it. An NFT offers the opportunity to not just sell the work once, but multiple times; and to profit every time each derivative work is resold in the future for eternity via a smart contract – all without ever having to give up ownership of the original work itself.

Thanks to a generous grant from the Rockefeller Foundation, the SF Tape Music Center moved to Mills College in 1966 and became the Center for Contemporary Music. These singular archives of the birth of the synthesizer and electronic music “a valuable piece of musical history” are currently being digitized, but there does not appear to be any plan to monetize this effort.

HOW MUCH MONEY COULD NFTs GENERATE FOR MILLS COLLEGE?

First, it should be noted that NFT sales are in cryptocurrency. This in itself is an asset that appreciates in US dollar value over time. The NFTs themselves are also assets that appreciate in value over time. The college could convert some or all of its NFT earnings to cash immediately; or it could hold a mixture of cash and one or more cryptos in its portfolio. Mills College has a diversified endowment, but currently zero exposure to this rapidly developing new asset class. This proposal provides a way for Mills College to add both cryptocurrency and cash to its balance sheet without risking any precious capital, as well as increasing top-line revenues for no incremental expense.

The success of NFTs are a matter of supply and demand, and the Mills College NFT Bake Sale is designed to demonstrate that demand does not just apply to the art work itself. Demand to support women’s education and social justice may drive someone to purchase an NFT; they may want to show loyalty to Mills College either publicly or privately; or demand can be created by speculation from investors. It matters not to Mills College, and the blockchain can’t be controlled. There is no censorship, there is complete trust, everyone can see when an item changes ownership and what the transaction price is.

Valuing the collection at present market value, just for the NFTs, creates a new intangible asset that Mills College can add to its balance sheet. It may also drive the re-assessment of the value of existing assets: if the NFT derivatives of a work are worth \$1 million, then surely that values the original work itself at more than \$1 million.

The value of so many tens of thousands of unique and priceless treasures in the Mills College collection may take decades to unlock, thus providing a sustainable incremental revenue stream as well as training and employment opportunities for students. The long lengths of copyright terms also means new works will be coming out of copyright all the time. Every year there will be some new candidates for digitization, long into the future. For example, from 2061 all the music from the SF Tape Music Center will be public domain.

Digitizing the collection into NFTs would also facilitate its accessibility to other museums and galleries that may be showcasing works of a particular artist or genre. It is quite common for collections to lend their works out to exhibitions for money, but Mills does not appear to have been active in marketing its collection in such a way.

Everybody wins in this model. Mills College wins with a self-funding economic justification to value its world-class collection on a near-real time basis. Art collectors win because they can purchase a work that otherwise would be out of their reach forever. Art enthusiasts win with more chances to see great art works.

Many wealthy art collectors own paintings that they choose to display in museums. NFTs offer such collectors an opportunity to purchase more works, indeed display an NFT rendering of the work, without the need to physically ship the painting into their own possession. It may encourage the donation of more works to the Mills College Art Museum, as the donor is still able to enjoy the work and their ownership of it in the form of an NFT they can display in all their homes.

The digitization of the Mills Collection may also create opportunities for bequests of artworks created specifically as NFTs – already an extremely lucrative market, hailed by many as the future of the art world. Mills has an existing gallery that is well suited to displaying multimedia art.

We suggest a quarterly release of between 10-100 NFTs targeted at art collectors and major donors, each backed by an original object from the Mills College collection. The art works themselves would stay at Mills; but if an opportunity came in to earn revenue from displaying it at another exhibit, this could be shared with the NFT owner through a smart contract. The NFT content would be a high-quality replica of the original work, which the NFT owner could display anywhere they choose. High end buyers have multiple homes, boats, aircraft, and offices. With an NFT the owner could purchase a Rembrandt, donate it to Mills College to make a good contribution to the world (and get a tax deduction as an additional bonus), do an NFT issue with Mills to raise funds for the College to do even more good (and keep one of the NFTs for themselves); then display their work in 10 different locations, their virtual presence in the metaverse, even in hotel rooms as they travel. Others could also enjoy some degree of rare ownership of the work, while the work itself could be displayed in the Mills College Art Museum and enjoyed by students and stakeholders.

Each Quarterly collection could also offer other NFTs targeted more at the student and alumnae populations. These could be lower resolution replicas of the works, multimedia interpretations, works from current students, or selections from the art museum of lesser commercial value. 100 NFTs per quarter would take 30 years to go through the 12,000 objects in MCAM, and 75 years for the 20,000 books and 10,000 manuscripts and photographs in the Special Collection. There is plenty of art to share now and in the future; plenty of treasure that can be used for the economic sustainability of Mills College in a smart way, that brings great benefits for very little cost.

Art goes up in value because it is scarce; so do NFTs. So it can be expected that over the next 100 years both the MCAM (preserved under this plan) and the NFTs representing the contents of the MCAM (monetized under this plan) would increase in value. It is possible that the rate of increase in value in the NFT collection could quickly outstrip that of the physical collection. Unlocking these treasures to re-assess this value to be more like \$300 million than \$3 million seems like a simple way for Mills College to immediately address their financial emergency without any capital risk.

This plan brings additional revenue to Mills College for very little incremental cost, and without having to give up the original assets which were mostly bequeathed to the College. There are further opportunities for the licensing and royalty-tracked sub-licensing of digital audio works that are facilitated by NFTs, something the music industry is already exploring.

"I think our major contribution was in bringing a liberal arts point of view to the use of computers. If you really look at the ease of use of the Macintosh, the driving motivation behind that was to bring not only ease of use to people — so that many, many more people could use computers for nontraditional things at that time — but it was to bring beautiful fonts and typography to people, it was to bring graphics to people ... so that they could see beautiful photographs, or pictures, or artwork, et cetera ... to help them communicate. ... Our goal was to bring a liberal arts perspective and a liberal arts audience to what had traditionally been a very geeky technology and a very geeky audience."

– Steve Jobs

CONCLUSION

This idea builds on Mills College's prestige in the art world, extraordinary cultural heritage as a collector of rare item, and its history of pioneering in electronic music and computers. It addresses the short-term liquidity and long-term structural deficit issues that we are told necessitate a hostile takeover. It can be tried for next to no cost, though an investment in sales and marketing is likely to yield much greater overall returns. This is an innovative and practical proposal, combining modern technology with the oldest women's college west of the rockies and a collection of the earliest books and objects, and highlighting the transparency, trust, and inclusion for all provided by blockchain.

Mills College has a fixed supply – there is only so much capacity for students. To stimulate demand, they lowered prices, but the lower prices did not stimulate demand.

NFTs also have a fixed supply...the creator gets to fix it. Demand for them is exploding, with 3 projects now exceeding \$1 billion in sales. In the first half of 2021 \$2.5 billion of NFTs were sold. In August alone, \$1 billion have been sold. Young people are becoming interested in creating wealth and a future for their families with NFTs. With a fixed supply, and growing demand, price should increase. Mills College would generate great interest if it looked to blockchain as the solution to its short term liquidity problems. Students interested in blockchain have a high likelihood of financial success – and remembering their *alma mater* as donors.

Why repeat the mistakes of the past if they didn't work? Mills College needs to offer something new and exciting.

REFERENCES

Copyright Office Guide <https://www.copyright.gov/circs/circ15a.pdf>

Hirtle, Peter B. "Archives or Assets?" *The American Archivist*, vol. 66, no. 2, 2003, pp. 235–247
<https://www.jstor.org/stable/40294232>

Getty Images Legal Precedent For Monetizing Public Domain Works
<https://www.latimes.com/business/hiltzik/la-fi-hiltzik-getty-photos-20160801-snap-story.html>

Fair Use and other legal issues with NFTs <https://www.jdsupra.com/legalnews/nfts-legal-risks-from-minting-art-and-4997056/>

Copyright Issues In NFTs

<https://www.technollama.co.uk/can-copyright-teach-us-anything-about-nfts>

<https://www.technollama.co.uk/creative-commons-commercial-use-and-nfts>

<https://www.technollama.co.uk/copyrfraud-and-copyright-infringement-in-nfts>

Most Expensive NFTs <https://www.finder.com.au/most-expensive-nfts>

DeFi – borrowing against NFTs from the Iron Bank <https://decrypt.co/76107/pleasrdao-uses-nfts-collateral-loan>
NFTfi – put your NFT assets up as collateral for a loan <https://nftfi.com/>

The book *Four Score Years*, a history of Mills College written in 1932 by Rosalind Keep, describes many thousands of items in Mills College's collection by that stage, including incredible contributions made by Albert M Bender, who also founded the San Francisco Museum of Modern Art with bequests from his collection.

She Bible "like something out of Harry Potter" <https://www.iol.co.za/news/the-great-she-bible-worth-250k-1859718>

Wall Street Journal "Musicians Turn To NFTs To Make Up Lost Revenue" <https://www.wsj.com/articles/nfts-are-music-industrys-latest-big-hit-11616491801>

A Guide To The Extensive Musical Legacy of Mills College <https://daily.bandcamp.com/features/mills-college-list>