

**THE UNIVERSITY OF NORTH CAROLINA PRESS
BOARD OF GOVERNORS MEETING
MAY 16, 2012 MINUTES**

Board Present:

William Andrews
Fitzhugh Brundage
Kathleen DuVal
Jack Evans
Karol Kain Gray
Linda Hanley-Bowdoin
William Leuchtenburg
Louise Maynor
Eric Muller
John O'Hara
James Peacock
Loren Schweninger

Board Nominees Present:

Inger Brodey
Lee Craig
Irene Owens

Board Absent:

Sherman James
Jim Johnson
Barbara Moran
Suzanne Ortega

Staff Present:

Robbie Dircks
Chuck Grench
Laura Gribbin
Elaine Maisner
Joanna Ruth Marsland
David Perry
Mark Simpson-Vos
Kate Torrey

Executive Session

The Board met in executive session from 1:05 to 1:50 p.m.

Chair's Welcome and Remarks

Mr. Evans notified the Board that due to ill health, Ms. Cell has resigned from the Board effective immediately. He and Ms. Torrey suggested that the Board present her with a framed certificate thanking her for her service, and the Board concurred. Mr. Evans then thanked retiring Board members Ms. Maynor, Mr. Leuchtenburg, and Ms. Moran for their distinguished service over the years, and he expressed his sincere appreciation, admiration, and gratitude for Ms.

Torrey's leadership of the Press during her twenty years as director. He concluded his introductory remarks by welcoming the three visiting Board nominees, Irene Owens, Inger Brodey, and Lee Craig.

Mr. Evans reported to the Board on the work of the Search Committee. He began by thanking the Committee members: Eric Muller, Chair; Hodding Carter, Joy Kasson, Elaine Maisner, Barbara Moran, John O'Hara, and the Committee's administrative assistant, Linda Naylor. He announced that during the executive session, the Board had endorsed the Committee's recommendation that Mr. John Sherer be nominated as the next director of UNC Press. He then summarized the steps that will be taken leading up to the consideration of Mr. Sherer's nomination at the meeting of the UNC system Board of Governors on June 15. He noted that Ms. Maisner will email a confidential announcement from the Committee to Press staff following today's Board meeting; a public announcement will be made after the 15 June UNC system Board meeting. Mr. Evans reported that he has begun negotiations with Mr. Sherer, who has accepted the appointment pending UNC system approval. Mr. Sherer's expected start date is July 30. Mr. Evans announced that Mr. Dircks will serve as interim director in July, and the Board concurred.

Approval of the minutes from the 21 March 2012 meeting

The minutes from the March 21, 2012 meeting of the Board of Governors were unanimously approved.

Report of the Finance Committee

Mr. O'Hara reported on the Finance Committee meeting of May 2, noting that the Press's finances are in good shape. He said that revenue is increasing and expenses are under control. The Committee is particularly pleased with the growth in e-book sales and with the lower return rate and hopes that the Press will not need to draw on the operating reserve except to finance the recent director's search. He praised the excellent work of Mr. Dircks and his staff before turning the meeting over to Mr. Dircks.

Mr. Dircks reported that the Finance Committee had recommended the FY13-15 budgets to the Board. Net sales for FY13 are projected to be \$5.6 million, a 5.6% increase over the FY12 budget, based on publishing 80 new titles (vs. 78 in FY12). The cost of sales is projected at \$2.1 million, a 5.8% increase over FY12, leaving a gross margin of \$3.5 million, a 5.6% increase over FY12. Operating expenses are projected at \$5.1 million, a 3.7% increase over FY12; the majority of the increase is due to staff salaries and benefits. Contributions by the Press to the state

retirement plan will increase by 9% and to the state health plan by nearly 5%. The cost for staff salaries and benefits is budgeted at \$3.2 million, a 6.3% increase over FY12. Support of \$518,500 from the state and university is projected to remain constant; and the endowment payout is budgeted at \$645,000. There is a projected \$55,000 draw from the operating reserve (vs. \$50,000 in FY12) to cover the budget shortfall.

Ms. Gray asked about the size of the Press operating reserve. Mr. Dircks reported that as of May 1, it stands at \$659,600.

The FY13 budget was unanimously approved.

Mr. O'Hara concluded the Finance Committee's report by praising Ms. Torrey's strong leadership of the Press, including her commitment to providing employees with autonomy that enables them to become masters of what they do.

Report of the Nominating Committee

In response to Ms. Cell's resignation, Mr. Evans reported that the Nominating Committee held a meeting via conference call to discuss the vacancy and then asked Mr. Peacock, chair of the Committee, to report on the discussion. Mr. Peacock reported that the Committee was able to draw from the list of candidates prepared earlier this year and reviewed the Committee's nominee, Marcie Ferris, briefly outlining her background and accomplishments, which had been circulated in advance. Mr. Evans reminded the Board that Ms. Ferris's partial term would begin on July 1, 2012 and would end on June 30, 2016.

The Committee's motion to nominate Ms. Ferris to the Board passed unanimously.

Director's Remarks

[Full report attached at the end of the minutes.]

Ms. Torrey expanded on her report to the Board, noting that she considered the Press's recent brush with trademark law to be a relatively cheap, timely, and very useful lesson. The total bill for legal expenses and production re-dos on the newly renamed *Savor the South* collection came to between \$14,000 and \$15,000. As a result of this experience, the Press now has better procedures in place for identifying instances when trademark law may apply. She reported that Ms. Mahalek, director of publicity, has presented the first books from the collection to New York media, and the response has been favorable. Ms. Torrey further noted that the Press is planning

another in the series of periodic staff seminars led by David Harrison, the Press's general counsel, to cover copyright and trademark law.

Ms. Torrey alerted the Board to the results of a copyright case brought by several scholarly publishers against Georgia State University in 2008. The decision is over 200 pages long and will take some time to sort out, but there is already speculation that the case may be appealed based on what seems to be the judge's mathematical (and arbitrary) definition of what constitutes fair use.

Ms. Torrey reviewed several news highlights: An op ed by Anne Butler, author of the forthcoming *Across God's Frontiers*, appeared in the May 16 *New York Times*; a handful of UNC Press authors will give talks at the New York Public Library this fall, including Eric Muller and James McPherson; and Heather Williams will be interviewed on PBS's "Talk of the Nation" on Memorial Day [n.b. this broadcast was delayed; awaiting new airdate].

Ms. Torrey announced that there will be a mail ballot sent/posted on June 12; responses are requested by June 20.

Ms. Torrey concluded by saying that it had been a privilege to work with the Board for the last twenty years. She thanked members of the Board for the numerous ways they assist and strengthen the Press and for giving her the opportunity to work at a job that she has loved and that is both important and meaningful. She expressed confidence in the future of the Press and in the Press's ability to deal effectively with what is yet unknown.

Financial Report

[Full report attached at the end of the minutes.]

Mr. Dircks reported that sales through May 15 were \$4.865 million; the Press is well positioned to meet its \$5.3 million sales projection. The UNC Press Management Company reported a 2.7% return through the end of March and an endowment balance of \$14.25 million. In November 2007 the balance was at its highpoint of \$15.3 million. It has almost returned to that level, and Mr. Dircks expects that it will do so in the next 12 months.

Mr. Dircks reported that the Longleaf Board met on May 2 and approved the Longleaf FY13 budget. Projected revenue is just under \$1.7 million, an increase of about \$120,000 over FY12; expenses are projected at \$1.7 million for a break-even budget. Mr. Dircks noted that he is seeing positive trends that should carry through to next year, driven primarily by lower sales returns and correspondingly lower fees to MapleVail. FY13 Longleaf expenses are projected to be 10.3% of net sales, an indication that Longleaf is approaching its long-term goal of 10%. FY13 fees are

projected to be 5.25% of net sales; the long-range goal is 5%. In summary, he said, expense ratios are trending in the right direction.

The Board unanimously approved the FY13 budgets for Longleaf.

Mr. Schwenger asked for verification of the number of Longleaf clients, which Mr. Dircks confirmed at six. Mr. Dircks added that Nebraska has brought in additional revenue by becoming the distributor for Caxton Press and for the Jewish Publication Society.

Other:

Ms. Torrey reported that Pete Daniel's revised manuscript, *Dispossession Blues* (accepted March 21), had arrived; the budget will be presented at the July meeting of the Board. Mr. Simpson-Vos and Mr. Grench reported that Mr. Leuchtenburg had concluded his review of William Hustwit's *Salesman for Segregation* (accepted March 21) and was pleased with the author's treatment of Mr. Kilpatrick. Mr. Grench thanked Mr. Leuchtenburg for his review and for his editorial suggestions.

Approval of the Following Projects:

Projects:

1. THE DIVIDING LINE HISTORIES OF WILLIAM BYRD II OF WESTOVER

by Kevin Berland (OIEAHC)

Manuscript Comments: Ms. Duval asked Mr. Grench about the book's market. Mr. Grench replied that it is primarily libraries, though there may be a few sales to individuals; he noted that the Press is looking for a subsidy that will allow the book to be priced at \$50. Mr. Leuchtenburg commended the readers' reports on this manuscript, which was unanimously approved.

Budget Comments: Mr. Muller asked why the print run on this book is larger than the print run for the book by Barbara Krauthamer on the Choctaw and Chickasaw nations, which would seem to have a broader market. Mr. Grench replied that the print run for Berland's book is projected to be a lifetime printing; and there is no plan for a paperback edition, whereas we hope Krauthamer's book will be reprinted in paperback for course use.

2. CUP-A-JOE: THE LIFE AND TIMES OF JOSEPHUS DANIELS by Lee Craig

Manuscript Comments: Mr. Craig left the meeting during the discussion of his manuscript. Mr. Peacock noted that the exchange between readers and author was exemplary. Mr. Grench noted that the title will change. The manuscript was unanimously approved.

Budget Comments: None.

3. DELIVER US FROM EVIL: NORTH CAROLINA POLITICS AND THE AMERICAN DREAM by Thomas F. Eamon

Manuscript Comments: Mr. Schweningen wondered whether dates should be included in the title and questioned the use of “the American dream.” Mr. Perry agreed that the title needs much work. Mr. Perry reported that Mr. Eamon began writing this book before the Press published Rob Christensen’s *Tar Heel Politics* (2008); he subsequently coached Mr. Eamon on shaping the book so that it would differ from Mr. Christensen’s. The period was changed to post WWII; he was charged with emphasizing those findings that proceeded from his discipline of political science; and he was encouraged to tailor the book for scholars and for classes on North Carolina politics. The readers’ reports suggest that he has not quite met these goals, Mr. Perry noted, and several Board members were troubled by Mr. Eamon’s response to the readers’ reports. Ms. Torrey asked Mr. Perry whether there was an action the Board could take that would aid in the next round of revisions. Ms. Hanley-Bowdoin wondered whether the Board should approve the project or hold off until the author completed revisions. Mr. Perry said it would be helpful if the Board expressed their agreement with the readers’ concerns and urged Mr. Eamon to pay close attention to the reports.

Ms. Torrey suggested that Board give the manuscript provisional approval, pending outside review of the final manuscript. Mr. Perry agreed that this would be an effective approach, confirming that he would like to move forward with the work and that he is confident he can supervise the necessary changes. The Board gave conditional approval to the manuscript, subject to a final reading and sign-off on the revised manuscript by the second reader. Mr. Perry will report back to the Board on the process.

Budget Comments: None.

4. CROSSROADS OF THE NATURAL WORLD: ESSAYS ON EXPLORING NORTH CAROLINA by Tom Earnhardt

Manuscript Comments: Mr. Muller noted that there were contradictory reports from the readers. Mr. Leuchtenburg wondered whether the second reader will review the manuscript

again; Mr. Perry said he did not think anything would be gained by this action. Mr. Perry reported that Mr. Earnhardt has agreed to address the second reader's concerns about in his revision and that her concerns were countered by the reports of the other two readers, who also are scientists and who found no problems in that area. A discussion followed about whether the Board should dismiss or be concerned by the second reader's report. Ms. Hanley-Bowdoin suggested that another reader with a background in botany look at the manuscript. Mr. Perry noted that the first reader has a degree in botany; Mr. Perry further expressed his confidence in the author and in the final manuscript. Mr. Muller asked whether Ms. Hanley-Bowdoin would be willing to review the revised manuscript. She agreed to do so, although, she said, she is not trained as a plant ecologist. The Board unanimously approved the manuscript, subject to review by Ms. Hanley-Bowdoin.

Budget Comments: None.

5. LITERARY TRAILS OF EASTERN NORTH CAROLINA: A GUIDEBOOK

by Georgann Eubanks

Manuscript Comments: There was a brief discussion about the timing of publication, which Mr. Perry said was determined by the impending retirement of the current secretary of the North Carolina Department of Cultural Resources, who has sponsored this series of guidebooks. The manuscript was unanimously approved, pending readings of the missing parts of the manuscript by the two readers.

Budget Comments: Mr. Perry noted that this book and others in the series as described have received support from the North Carolina Arts Council.

6. DAVID J. WEBER SERIES IN BORDERLANDS HISTORY

edited by Andrew R. Graybill and Benjamin Heber Johnson

Manuscript Comments: Ms. Duval was concerned about the timeliness of the series and asked whether it might be jumping on the end of a trend rather than the beginning; she further suggested that the concept of borderlands be expanded beyond North America. Mr. Schweninger noted that borderland studies are just beginning to appear in African American studies. Mr. Grench responded that the series editors have a broad understanding of the borderlands concept that extends to international arenas where the U.S. is involved.

Mr. Evans asked what the implications are for creating a new series: are there any downsides for the series editors, acquisitions editors, or our existing authors? Mr. Grench replied that the series editors would have primary responsibility for developing the list, and any relevant proposals that come to UNC Press would be passed on to them for consideration. If they are

not interested in a proposal, and the Press remains interested, we would be free to develop the project in-house. This is a common arrangement with Press series. Mr. Brundage shared Ms. DuVal's concerns about timeliness and asked what the life of a series like this would be. He felt this series differed from, for example, the OIEAHC series because it lacks a core academic constituency.

Mr. Muller asked whether, since UNC Press is not competing for the series, Mr. Grench might address the Board's concerns with the editors. Mr. Grench said that he would; he also noted that the Press periodically reviews its series for their continuing relevance. Mr. Simpson-Vos asked the Board what action they would like the series editors to take. Ms. DuVal asked that they think creatively about what the field and the series might look like in the next five to ten years. She also urged them to read Juliana Barr's recent article in the *William & Mary Quarterly* if they had not already done so. Mr. Muller suggested that they clarify the extent to which the series is geographically bounded. Mr. Brundage added that, in the case of a series, the Board is not evaluating a manuscript but the intellectual creativity of the editors. The Board then decided to defer approval of the series pending the editors' response to the questions that had been raised. Mr. Simpson-Vos suggested that the name of the series also be re-considered. Mr. Grench agreed to take these questions up with the series' editors and to return to the Board when he had satisfactory replies.

Budget Comments: None.

7. CITIZEN PATIENT: TAKE BACK THE HEALTH by Nortin M. Hadler, MD
Manuscript Comments: The Board began by querying the unusual subtitle. Mr. Perry reported that Dr. Hadler has agreed to change the subtitle.

Mr. Perry reported that the author's work on the manuscript is moving in the right direction, and he recommended the Board approve the manuscript even though the readers' reports noted several areas that still need strengthening. The author is a known quantity, Mr. Perry said, noting that he will work with Dr. Hadler to address the readers' issues. Ms. Hanley-Bowdoin asked when the book will appear. Mr. Perry said that, pending Board approval, it would appear on the spring 2013 list. Mr. Brundage suggested UNC Press market a bundled collection of Hadler's three books when this one is published. Mr. Muller asked to what extent the currency of Hadler's proscriptions depends on the outcome of the healthcare reform case currently before the Supreme Court. Mr. Perry said it does not rely on the outcome of that case to remain relevant, but that Dr. Hadler has been charged with taking note of that decision in the manuscript. The Board unanimously approved the manuscript.

Budget Comments: None.

8. REUNION WITHOUT RECONCILIATION: THE BATTLEGROUND OF CIVIL WAR MEMORY, 1861-1939 by Caroline E. Janney

Manuscript Comments: Mr. Schweningen was enthusiastic about the manuscript. Mr. Leuchtenburg questioned whether the author had referenced Paul Buck's book, *The Road to Reunion* (originally published in 1937 and still in print), and he suggested the author examine Buck's book and perhaps his papers. Mr. Brundage asked why the series editor did not provide a more substantial report. Mr. Perry apologized for not asking the series editor to expand on his brief response. The manuscript was unanimously approved.

Budget Comments: Ms. Torrey noted that the book is part of the (commissioned) Littlefield series and comes with a subvention from the University of Texas Library.

9. FROM BROWN TO MEREDITH: AN ORAL HISTORY OF SCHOOL DESEGREGATION IN LOUISVILLE, KENTUCKY, 1954-2007

by Tracy E. K'Meyer

Manuscript Comments: Mr. Leuchtenburg wondered whether the manuscript's argument is a bit solipsistic—that is, driven by the people she interviewed and not placed in a larger critical context. Mr. Simpson-Vos replied that Ms. K'Meyer does reference and draw on source material beyond her oral history to address these matters. Ms. Torrey asked Mr. Simpson-Vos to confirm his intention to work with the author to further contextualize the argument in the concluding chapter; Mr. Simpson-Vos said he would do so. The manuscript was unanimously approved.

Budget Comments: None.

10. IN THEIR "NATIVE COUNTRY": RACE, SLAVERY, EMANCIPATION, AND FREEDOM IN THE CHOCTAW AND CHICKASAW INDIAN NATIONS, 1790s-1890s
by Barbara Krauthamer

Manuscript Comments: Ms. Duval commended the project, and Mr. Schweningen suggested the title be reworked. Mr. Simpson-Vos agreed that it would be. Mr. Leuchtenburg said the docket was a model for helpful reports. The manuscript was unanimously approved.

Budget Comments: None.

11. MIGRANTS BETWEEN EMPIRES AND NATIONS: THE CHINESE IN CUBA

by Kathleen M. López

Manuscript Comments: Mr. Leuchtenburg suggested reversing the title and subtitle; Mr. Muller and Mr. Brundage agreed, and Ms. Maisner said that this would be discussed with the author. The project was unanimously approved.

Budget Comments: Mr. Brundage inquired about the logic behind short-run cloth editions on the two Latin American studies titles. Ms. Torrey explained that these (unjacketed) cloth editions are produced to fulfill library orders and are printed on demand. She noted that library orders have dropped with budget constraints, that some libraries now prefer to buy paperbacks, and that increasingly library orders are based on a patron's request rather than standing orders. Ms. Maisner noted that a book's field and potential course use are also considered when determining the publication plan.

12. DE COLORES: AMERICAN CATHOLIC AND PROTESTANT CURSILLOS AND THE "FOURTH DAY" MOVEMENT by Kristy Nabhan-Warren

Manuscript Comments: Mr. Muller questioned the title, which would likely be unrecognizable to those outside the cursillo movement. Ms. Maisner agreed that we will work on the title. Ms. Maisner noted that Ms. Nabhan-Warren is a rising star, and she feels the manuscript is well positioned, reflecting new trends in the field. The manuscript was unanimously approved.

Budget Comments: See budget comments for López above.

13. RADICAL RELATIONS: A HISTORY OF LESBIAN MOTHERS, GAY FATHERS AND THEIR CHILDREN IN THE UNITED STATES SINCE THE SECOND WORLD WAR by Daniel W. Rivers

Manuscript Comments: Mr. Muller noted that the main title, in its use of the descriptor "radical," refutes the claims of the book; he suggested instead a title that plays on the popular television series "Modern Family." Mr. Grench reported that he had just received a letter from John D'Emilio, a member of the editorial Board of the Gender and American Culture series, endorsing the book for the series. Mr. Grench has shared the report with the author; in addition to being enthusiastic, it included good suggestions for revision. The manuscript was unanimously approved.

Budget Comments: Ms. Torrey noted that she predicts the Press will increase the print run for this book.

14. IN THE NATION'S SERVICE: RACE, GOVERNMENT WORK, AND THE MAKING OF THE PROGRESSIVE STATE by Eric Yellin

Manuscript Comments: Mr. Leuchtenburg wondered what was new about the findings of the manuscript—whether this book was a reiteration of what has been long known about the Wilson administration—and asked if it was an examination of the lived experiences of black government workers who suffered as a result of Wilson's policies. Mr. Grench said that the book's strength is in its identification of the individual workers affected by these policies. The manuscript was unanimously approved.

Budget Comments: None.

Budget Only:

15. THE NEW ENCYCLOPEDIA OF SOUTHERN CULTURE: VOLUME 24: RACE
edited by Thomas C. Holt, Laurie Beth Green, and Charles Reagan Wilson; Charles Reagan Wilson, general editor

Budget Comments: Ms. Torrey reminded the Board that this is the final volume in the series.

The budgets were unanimously approved.

The meeting was adjourned at 4:15, followed by light refreshments with the Press staff.

Next meeting: 18 July 2012 at 1:30 P.M., Brooks Hall.

To: UNC Press Board of Governors
From: Kate Douglas Torrey, Director
Date: 11 May 2012
Re: Report for the 16 May 2012 meeting

Happily, I can report that sales in April were some \$40,000 (or 28%) ahead of forecast, allowing us to end the month right on our target (90% of our year-end goal) and in line with or ahead of the last two years. May has started strong; returns continue to lag projections fairly significantly; the first week's net sales totaled one quarter of the goal for the month. My guess is that we will end the year somewhat ahead of our \$5.3 million target—perhaps at \$5.350 million.

Robbie and I have our fingers crossed in hopes that our year-end sales and expenses will yield a break-even bottom line (after university support and before expenses connected with the search for a director). It would be great not to have to use the budgeted draw from the Operating Reserve for publishing operations.

Although we didn't bring home any prizes from the Organization of American Historians this year, there are other worthy accolades to mention:

- Cohen, *BRACEROS: MIGRANT CITIZENS AND TRANSNATIONAL SUBJECTS IN THE POSTWAR UNITED STATES AND MEXICO*—2012 Saloutos Memorial Award, Agricultural History Society
- Jackson/Christian, *IN THIS TIMELESS TIME: LIVING AND DYING ON DEATH ROW IN AMERICA*—2012 Independent Publisher Book Award (bronze medal)
- Haley, *TURNING THE TABLES: RESTAURANTS AND THE RISE OF THE MIDDLE CLASS, 1880-1920*—2012 James Beard Foundation Book Award in Reference and Scholarship
- Lowery, *LUMBEE INDIANS IN THE JIM CROW SOUTH; RACE, IDENTITY, AND THE MAKING OF A NATION*—2010 Best First Book, Native American and Indigenous Studies Association
- Myers, *FORGING FREEDOM: BLACK WOMEN AND THE PURSUIT OF LIBERTY IN ANTEBELLUM CHARLESTON*—2011 Anna Julia Cooper-CLR James Book Award, National Council for Black Studies
- Nguyen, *HANOI'S WAR: AN INTERNATIONAL HISTORY OF THE WAR FOR PEACE IN VIETNAM*—2012 Coffman Prize, Society for Military History
- Silkenat, *MOMENTS OF DESPAIR: SUICIDE, DIVORCE AND DEBT IN CIVIL WAR ERA NORTH CAROLINA*—2011 North Carolina Book Award, North Carolina Society

Both of our inaugural cookbooks in the (renamed) *SAVOR THE SOUTH™* collection—*PECANS* and *BUTTERMILK*—have been adopted by The Good Cook Book Club. (When these projects were presented to the Board in March, we were calling the series “Taste of the South.” We renamed the series upon

learning that there was already a federally registered trademark for that phrase. It was a scramble to make the change, but everyone here likes the new name better; and we have filed trademark registration for “Savor the South.”)

We have licensed South Asian reprint rights for Shaikh, *SUFI NARRATIVES OF INTIMACY* (2012) and Ernst, *HOW TO READ THE QUR’AN* (2011) to two publishers in New Delhi; and we have licensed audio rights for the following titles to Audible.com, the leading publisher of audio books:

- Campos, *HOME GROWN* (2012)
- Celello: *MAKING MARRIAGE WORK* (2009)
- Eagles, *THE PRICE OF DEFIANCE* (2009)
- Harrold, *BORDER WAR* (2010)
- Malone, *MUSIC FROM THE TRUE VINE* (2011)
- Ware, *GAME, SET, MATCH* (2011)
- Yow, *THE ARMCHAIR BIRDER* (2009) and *THE ARMCHAIR BIRDER GOES COASTAL* (2012)

Here are some highlights of recent review/media attention for our books:

--Broadwater, *JAMES MADISON: Publishers Weekly, Library Journal, Wall Street Journal*

--Fleche, *REVOLUTION OF 1861* and Neely, *LINCOLN AND THE TRIUMPH OF THE NATION: “Civil War Talk Radio”*

--Gutierrez, *NEW SOUTHERN-LATINO TABLE: Atlanta Journal-Constitution*

--Guthrie-Shimizu, *TRANSPACIFIC FIELD OF DREAMS: Wall Street Journal*

--Knipple, *WORLD IN A SKILLET: Publishers Weekly, Chicago Tribune, Washington Post*

--Jackson/Christian, *IN THIS TIMELESS TIME: “The Story with Dick Gordon,” NPR*

--Riggs, *BATTLE FOR NC’s COAST: New York Times, Science Times (mention)*

--Wilson, *DIXIE DHARMA: Houston Chronicle*

--Wise, *WILLIAM ALEXANDER PERCY: Publishers Weekly, Library Journal*

--10 titles were reviewed in *CHOICE* since the Board last met.

Last weekend, Chuck Grench and Mark Simpson-Vos were in Williamsburg for the annual meeting of the Council of the Omohundro Institute of Early American History and Culture. Their Director, Ron Hoffman, will be retiring in June of next year; the search for his successor is underway. The new Director will arrive at a critical moment: last year the Institute lost Mellon funding for one of their two fellowships; and just recently, the NEH did not renew funding for the other fellowship. Fortunately, the Institute has an endowment, which can be used to cover one of the fellowships; and they do intend to reapply to the

NEH. If NEH funding is not restored, however, we worry that in a few years this will have a serious impact on the Institute's book publishing program—and therefore, on UNC Press.

Speaking of grants, Donald Waters, the program officer in charge of scholarly communications at the Mellon Foundation, will be visiting the Press in mid-June to talk informally about our grants for Publishing the Long Civil Rights Movement—topics will likely include future plans for the project, lessons learned, problems encountered, and so forth. The final phase of that grant ends on December 31. Between now and then we will be completing one or two more enhanced e-books under the grant and adding a few more titles to DocSouth Books, the grant's POD project with the UNC-Chapel Hill library. The Board will note that in the FY13 budget one of the three staff from the LCRM project (a digital production specialist) has transitioned from the grant to the Press payroll.

As occasionally happens, there is a scheduling need to present a couple of projects to the Board for approval between our May and July meetings. Please expect a mail ballot that will be sent to you and posted on BoardEffect on June 12; we ask for your response by June 20. (If you would like a hard copy mailed to you at a different address, please let me or Laura know by June 1—(I will remind you of this when we meet.) Many thanks, as always, for your help.

This is my final Director's Report to the Board, and next week's meeting will be my last. This is a proud and a poignant moment for me because I will certainly miss the regular occasions on which we see each other to discuss books and all manner of publishing developments. It has been a real privilege to work with this Board—and with your predecessors—as well as with the talented staff of UNC Press for over two decades. I am very confident about the future of this organization and about the Press's ability to respond to whatever unexpected curves lie in the road ahead.

I look forward to seeing you next week and to thanking you in person for all that you've done to help me position the Press so well for the next chapter in its distinguished history.

UNC Press FY13 Budget Highlights

- Net Sales (line 7) are projected to be \$5.6 million, a 5.6% increase over the FY12 \$5.3 million sales projection. Net sales are based on publishing 80 new titles in FY13, compared to 78 new titles published in FY12. In addition, the Press will publish 8 revised titles, 36 paperback reprints (of previously published cloth-only titles), and 1 distributed title in FY13. In FY12 the Press also published 5 revised titles, 17 paperback reprints, and 2 distributed titles.
- Cost of Sales (line 16), which includes manufacturing, inventory write-off, and royalties, is projected to total \$2.1 million, an increase of 114,495, or 5.8%, compared to the FY12 budget. The FY13 budget includes a shift in the reporting of digital file creation and conversion expenses from the IT department to cost of sales. These expenses are expected to cost \$60,200 in FY13.
- Gross Margin (line 18) is projected to total \$3.5 million, an increase of \$185,505, or 5.6%, over the FY12 budget.
- Operating expenses (line 29) are projected to total \$5.1 million, an increase of \$182,210, or 3.7%, compared to the FY12 budget. Increases in personnel expenses represent the majority of this increase, as noted below.
- Staff salaries include a pool based on 2% of current total for staff making under \$70,000 (salaries of 11 staff making over \$70,000 are not included). [As a reminder: furlough plan for all staff was discontinued as of February 1, 2011; staff making over \$70,000 returned to FY09 salaries as of January 1, 2012.] Those salaries not increased as of July 1, 2012 will be reviewed after January 1, 2013 as part of the mid-year budget review.
- Acquisitions staff salaries include a full-year of salary and benefits for the new editor hired December 1, 2011 (mid-FY12). Marketing staff salaries include making the sales assistant position full-time. GA staff salaries include a newly created part-time office manager position to be hired in FY13. GA salaries also include the digital production specialist, whose salaries and benefits were previously funded by the LCRM/Mellon project. The salary and benefits for the digital assets coordinator was moved from the IT department to GA.
- The contribution to the State Retirement Plan is projected to increase from 13.12% in FY12 to 14.31% in FY13 – an increase of 9%. The contribution to the State Health Plan is projected to increase from \$412.67/staff/month in FY12 to \$432.67/staff/month in FY13 – an increase of 4.85%.
- Staff salaries and benefits are projected to total \$3,176,220 in FY13, compared to \$2,987,295 in FY12. This is an increase of \$188,925, or 6.3%.
- Other than increases in staff salaries and benefits, most other departmental operational expenses are projected to remain constant in FY13.
- Support from State Academic Affairs and UNC-CH (line 43) is projected to remain constant at \$518,500. This is made up of \$432,500 from State funds (constant since 1994) and \$86,000 from UNC-Chapel Hill.

- The endowment spending policy allows us to draw up to 5% of the average of the last 12 quarterly balances. For FY13 the spending policy allows for a payout of \$645,000, which is equal to the FY12 payout.
- In order to break even, the FY 13 budget includes a draw in the amount of \$55,000 from the Press operating reserve fund. This compares to a budgeted draw of \$50,000 in FY12.

FY14 Budget Assumptions

- Net Sales are projected to increase 3.5% to \$5.8 million. Net sales are based on publishing 95 new titles in FY14 as outlined in the strategic plan.
- Cost of Sales are projected to increase 1.9% to \$2.13 million.
- Gross Margin is projected to increase 4.6% to \$3.67 million.
- Operating Expenses are projected to increase 2.8% to \$5.25million.
 - Staff salaries include a pool based on 2.5% of all current staff salaries.
 - The contribution to the State Retirement Plan is projected to increase from 14.31% to 15.02% in – an increase of 5%. The contribution to the State Health Plan is projected to increase from \$432.67/staff/month to \$454.30/staff/month – an increase of 5%.
 - Expenses for marketing and promotion are projected to increase 2.5%.
- Press Club gifts are projected to increase 14.3%, from \$70,000 in FY13 to \$80,000 in FY14.
- Support from State Academic Affairs and UNC-CH is projected to remain constant at \$518,500.
- For FY14 the endowment spending policy allows for a payout of \$680,000, which is an increase of 5.4%, or \$35,000.
- The FY14 budget yields a surplus of \$47,600.

FY15 Budget Assumptions

- Net Sales are projected to increase 3.5% to \$6 million. Net sales are based on publishing 105 new titles in FY15 as outlined in the strategic plan
- Cost of Sales are projected to increase 2.8% to \$2.18 million.
- Gross Margin is projected to increase 3.8% to \$3.8 million.
- Operating Expenses are projected to increase 3% to \$5.4million.
 - Staff salaries include a pool based on 2.5% of all current staff salaries.
 - The contribution to the State Retirement Plan is projected to increase 5%, from 15.02% to 15.77%. The contribution to the State Health Plan is projected to increase 5%, from \$454.30/staff/month to \$477.02/staff/month.
- Press Club gifts are projected to increase 12.5%, from \$80,000 to \$100,000.
- Support from State Academic Affairs and UNC-CH is projected to remain constant at \$518,500.
- For FY15 the endowment spending policy allows for a payout of \$700,000, which is an increase of 3%, or \$20,000.
- The FY15 budget yields a surplus of \$57,715.

Highlights to FY13 Budget Approved by Longleaf Board of Directors on May 2, 2012

- FY13 revenue to Longleaf is projected to be \$1,663,350, an increase of \$79,350, or 5%, compared to the FY12 projection. The increase in revenue is primarily due to an increase in projected net sales of 12.8% from the University of Nebraska Press (FY13 will be the first full year of sales for their two new distribution clients – Caxton Press and the Jewish Publication Society), and a 5.6% projected net sales increase from UNC Press.
- FY13 expenses are projected to total \$1,662,580 in FY13. This is an increase of \$60,540, or 3.8%, over the FY12 budget. The primary operating expense for Longleaf is the fee paid to Maple-Vail for warehousing and distribution activities. This expense, projected to be \$848,140 in FY13, represents 51% of total operating expenses.
- The FY13 budget includes no additional staffing. Longleaf continues to employ seven full-time staff and two part-time staff. We also employ two part-time work-study students. In addition, accounting and IT services are provided by the UNC Press accounting and IT departments, for which Longleaf is charged 30% of applicable salaries and benefits.
- Staff salaries include a pool based on 2% of current total for staff making under \$70,000. [As a reminder: furlough plan for all staff was discontinued as of February 1, 2011; staff making over \$70,000 returned to FY09 salaries as of January 1, 2012.] Those salaries not increased as of July 1, 2012 will be reviewed after January 1, 2013 as part of the mid-year budget review.
- The FY13 budget yields a break-even bottom-line.
- Lines 39-41 of the budget worksheet provide some analytical information. Line 39 reports the total net books sales of the Longleaf client publishers (the basis for the calculations on lines 40 & 41). Line 40 reports the percentage of total expenses divided by net book sales. The goal for Longleaf is to achieve an expense ratio of 10% or lower. The FY13 budget reflects 10.29%. The ratio on Line 41 reports the fees paid to Maple-Vail as a percentage of net book sales. The expectation is that fees to Maple-Vail should be under 5% of net book sales. The MV expense ratio budgeted for FY13 is 5.25%.