
Memorandum of Understanding
Academic Infrastructure Service Organization Proposal
The University Press of Florida

A. The name of the AISO
University Press of Florida

University presses were created to meet the needs of scholarly dissemination. Understanding that academic works were rarely commercially viable or even self-supporting, university presses were created as non-profit, subsidized publishers to meet the needs of the university, the academy, and the world of scholarship. Established in 1945, the University Press of Florida ranks within the top third of publishing houses in the Association of American University Presses (AAUP) and is the second largest university press in the Southeast in new titles published. With 1,478 titles currently in print, 110 titles in production, and 245 additional titles under contract, the Press has been an important element in enhancing the scholarly reputation and worldwide visibility of the State University System (SUS). The press is a member of the AAUP, the Association of American Publishers, and the Society for Scholarly Publishing.

The Press participates in the mission of the State University System through a publishing program that seeks to maintain the professional excellence of American university presses in general and to present the finest national and international scholarship in those academic areas in which it publishes. UPF produces scholarly books in the arts, humanities, and natural and social sciences-with critically acclaimed programs in dance, southern history, Latin American and Caribbean studies, literary criticism, Middle Eastern studies, archaeology, anthropology, natural history, horticulture, natural science, and space and technology. In recognition of the SUS's educational outreach and public role, UPF also publishes books of general interest and significance for our region and our state.

As a nonprofit publishing house, the Press operates as a Research Center in the SUS and as a publishing business. In its latter role, the Press recognizes the need to operate the business and financial dimensions of its publishing activities in a responsible manner so it may continue to generate increased revenues that help sustain our program and support its growth and development. However, the nature of scholarly publishing is such that true self-sufficiency is not possible on this small scale. To this end, UPF defines its programs to include vigorous and imaginative promotion, sales, and distribution, both domestically and internationally, in order to achieve maximum dissemination of the books.

B. The mission and goals of the AISO

Goals: Please see attachment A for more details on each goal

- I. To become, in five years, one of the top fifteen American university presses in terms of revenue and books published.
- II. To create a book division that will meet the special needs of each university for projects that are important but not necessarily contributions to scholarship and where the formal

review process is not needed. Examples would be a history of an SUS football team or a pictorial book on the FAMU Marching 100.

- III. To create a Center for Scholarly Communication that will feature
- a. A digital imprint that will employ the emerging technologies and paths to research that will provide peer review at all stages of creation. As outlined in the Ithaka Report, the peer review process can begin as early as the first data set or this first chapter of a thesis with the proper technology. By helping faculty control the process, unlike a listserv that is democratic but not necessarily discerning, UPF can maintain the level of quality and usefulness of such comments, maintaining known metrics of rejection and dissemination, making those early projects easier to include in tenure and promotion decisions.
 - b. A digital textbook imprint that will allow SUS faculty to craft their own instructional materials from existing sources and produce copies for sale in either print or digital form. In conjunction with The Orange Grove, the state's open access repository, this work can be made available to any student or faculty member in the SUS system with UPF's costs being recovered from the "print on demand" product.
 - c. A viable economic model for providing existing and future monographs in digital formats for distribution, sale, and download.

C. A five-year budget plan that projects the major sources of funding and expenditures

Please see attachment B at end of document for budget.

Please see attachment C at end of this document for a five-year strategic plan.

D. Identification of the host institution/fiscal agent and participating institutions/organizations

The University of Florida now serves as our host institution, and all accounting functions go through UF accounting. Our advisory board consists of one faculty member from each SUS university chaired by an active (versus interim) provost.

E. The governance and organizational structure of the AISO (including whether it will have an advisory board or will be a consortium with an executive committee, and criteria for appointments to the advisory board or executive committee, including terms, roles, authority, and number of members)

Advisory Board: The Press will have one advisory board with an effective and efficient mechanism to review manuscripts and other forms of research and creation following standard university press procedures. This board will further serve as the strategic and budgetary advisory council for the Press.

Organization: The Press will be organized with a director and staff for carrying out the work of the Press and an advisory board for determining whether proposed works are of sufficient merit for publication. Any additional imprints or divisions shall report directly to the Press director. An associate director will lead each new division.

- a. The advisory board will be chaired, on a rotating basis, by the provost of one of the constituent universities based on the chronological order of the founding of the institutions. Each provost's term as chair will be for two years. The provost, serving as chair of the advisory board, will also serve as the chancellor's designee. If an institution is in the process of a provost search when the chair rotates to them, the chair will move to the next university on the list, then return to the previous institution when a Provost has been hired.
- b. The advisory board will consist of 11 members, plus the chair. Each member institution may designate an alternate.
- c. The president or provost of each constituent university will appoint a representative to serve on the advisory board as his or her designee. Appointments will be for three-year staggered renewable terms.
- d. All works published by the Press must be approved by majority vote of the advisory board. The chair will vote only to break a tie.
- e. The Press shall have the authority and ability to create a separate entity, for tax purposes only that will allow the press to receive its own 501(3) c tax status for fundraising purposes.

F. Guidelines for appointing, funding, supervising, and evaluating the AISO leadership position(s)

Director: The director will be responsible to the President of the host university for the selection of staff and the overall management of the Press, including financial management. The director of the Press will be an employee of the host university and will report to the president of the host university or his/her designee. The director will be selected by the president of the host institution in consultation with the Council of Presidents, with the concurrence of the Chancellor, from a list of names recommended by the search committee. The search committee shall include representative members of the Press advisory board and the Press staff, the current chair of the advisory board, or his/her designee, and the provost, or his/her designee, of the host institution.

Under the director's guidance, the Press staff has the primary responsibility for acquiring manuscripts or digital works of merit. Works to be considered by the advisory board must have been reviewed and prepared by the staff. The Press staff will be responsible for seeking expert reader evaluations where there appears to be a reasonable expectation that the work could be financially viable and meets the standards of the advisory board as well as falling within the publishing program of the University Press of Florida. The director will present a list of submissions and dispositions of manuscripts at each meeting of the advisory board.

The director will prepare an annual report for the advisory board, the Council of Presidents, and for the president of the host institution. The director will also prepare an annual update of the Press's strategic plan and a mid-year financial report for the chair and members of the advisory

board and the Provost and President of the host institution. The annual report will be prepared in such a manner that it can serve as the report required by the chancellor for each AISO.

G. Expectations for administrative and logistical support for the AISO, including expectations regarding reimbursement to the host university for direct costs of administrative services rendered by the university to the AISO

Host university shall provide: Adequate office space with support services, including but not limited to utilities, insurance, physical plant maintenance, personnel services, and accounting services. All other operating expenses shall be the responsibility of the press. The exception shall be any one-time, non-recurring, start-up costs associated with a new division or imprint.

H. Procedures for recommending increases/decreases in the appropriation of State funds for the AISO

Increases/decreases should come from Legislative Budget Requests submitted directly to the BOG through the host institution and shall correspond with the five-year strategic plan submitted with this application.

I. Specifications for the processing of contracts and grants, if applicable, including the percentage of overhead funds to be returned to the AISO

This is not applicable to UPF as we are not a granting agency. For all publishing agreements we shall follow the procedures outlined by UF General Counsel's office. All grants now awarded to UPF are applied directly to book manufacturing costs.

J. Ongoing planning and operating expectations and criteria for the cyclic review of the AISO

Planning shall take place every year on a three-year rotating strategic plan. All operations will be included in the plan. Revenue growth expectations for book division will remain at 3 percent increase with no further increase in the number of titles (110) published until additional funding is available through the state subsidy. No further growth is possible without additional staff and space.

Growth expectations for a digital imprint will be monitored on a yearly basis, as this emerging delivery method is still searching for a sustainable economic model.

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Attachment A
Goals for the University Press of Florida

I. To become, in five years, one of the top fifteen American university presses in terms of revenue and books published.

UPF will need to increase the number of books published each year from 110 to 145 to reach this goal. To add an additional 35 books to our present operations will require recurring costs in the form of new personnel and increased office space. This proposal assumes that office space to house the entire staff will require rent, and hence, it will require a corresponding increase in the subsidy. Peer review and Advisory Board approval needed for all books bearing the UPF imprint.

Year 1: 1 acquisitions editor	\$60,000*
Year 2: office space	\$ 240,000
1 project editor	\$48,100
1 production assistant	\$45,500
1 sales manager	\$52,000
.5 marketing assistant	\$9,900
1 acquisitions assistant	\$39,000
1 IT networking specialist	\$58,500
1 warehouse clerk	\$32,500
Total	\$585,500

Contribution to revenue: Assuming 20 of the additional books are academic monographs, and 15 are of general interest, the average contribution to overhead for these additional books will be in the area of **\$535,000**.

II. To create a book division that will meet the special needs of each university for projects where peer review is not needed.

UPF would like to have a book division that can serve these needs for SUS institutions: projects that need a book publisher, that are important but not research oriented, or that help with a university's mission but do not advance scholarship. These would be professionally designed, edited, and produced books that can serve as fundraising tools, commemorative volumes, school histories, and oral histories. These can run through our usual systems and will not require additional personnel. No peer review or Advisory Board approval needed.

No additional funding required

III. To create a Center for Scholarly Communication that will feature

- a. A viable economic model for providing existing and future monographs in digital formats for distribution, sale, and download*
- b. A digital textbook imprint that will allow SUS faculty to craft their own instructional materials from existing sources and produce copies for sale in either print or digital form.*
- c. A digital imprint that will employ the emerging technologies and paths to research that will provide peer review deeper into the research process.*

a. This imprint can be created for new and existing books with the present staff. However, without a viable economic model, the initial conversion from all print to print/digital split editions of works for sales will require a subsidy to cover the initial loss of revenue. It should take us two full sales cycles/years to determine the cost savings we can apply to the revenue received from digital monographs and make digital monographs contribute the proper amount to our overhead costs. Present estimates of academic research library buying practices indicate approximately 50 percent of Academic Research libraries will purchase digital works if available. Since the expectation is that the press is “saving” money by not producing a print edition (only 25 percent of our overall costs are for paper), the digital copy will need to be priced slightly lower than the print version. As our overhead costs are the same whether producing digital or print editions, the difference in this loss of revenue will need to be subsidized and monitored. Peer review and Advisory Board approval needed.

Estimated loss in revenue from 80 print monographs to 80 print/digital copies:

\$203,000 loss in revenue that will need additional subsidy over three years for a **\$610,000 for three years.**

b. With two staff members coming from textbook companies, this division is the most exciting and potentially profitable division. The basic idea is to serve as a clearinghouse for material development, permissions, and basic design for instructional materials—specialized readers, study books, lab manuals, study questions, supplemental readings, primary source documents—that can be delivered digitally, on-line, or in an on-demand print edition. Additionally, by partnering with The Orange Grove, the SUS digital repository, UPF can make these works available for free to any student of faculty member who wishes a digital version. This imprint will be more than a copy shop, but not as profit driven as the traditional “custom” or “vanity” publishers. This division will reduce the costs of textbooks and supplemental materials to students, thereby reaching a segment of the higher education community we have not been able to reach before. Start up funding will be needed until the division reaches a viable costs-recovery model. If successful, the program can be expanded to meet the needs of four-year/community college campuses. No peer review or Advisory Board approval is required.

Example: 185 students in sophomore level course in animal biology. Prof creates his own lab manual consisting of exercises he has written with reference papers from journals.

Light edit on 45 pages of original material only: \$18/page=\$810

Permissions for 6 articles from various commercial journals: 6 x200=\$1200

Comb binding: 185 x \$2 = \$370

Paper/printing: \$1000

Total mfg: \$3340

Overhead of UPF=60% of MFG = \$2210

Total costs of book: \$5,550

Costs of book to student: \$30

Costs of commercially prepared lab manual: \$85.00

Savings per student is \$55.00 and the book is customized to prof's lab materials and student needs.

Year 1: 1 developmental editor	\$48,100
1 permissions assistant	\$38,900
1 production assistant	<u>\$45,500</u>
Total	\$132,500
Year 2:	\$132,500
Year 3:	<u>\$66,250</u>
Total Funding for Three years	\$331,250

c. Initial funding for this imprint will come from outside agencies such as Mellon Foundation and the William and Flora Hewlett Foundation. Our goal will be to obtain a grant that will allow us the opportunity to develop a procedure and metric for creating on-line digital content with multi-media hyperlinks. Once we have our Book 2.0 systems in place we can begin marketing and selling them to scholars and libraries as we would regular print editions. UPF had applied to Mellon Foundation for such a grant in archaeology. Along with seven other presses, we have been awarded a planning grant to determine the platform we will use, the procedures we will create, and the books that will be part of the program.

*All salary figures include Fringe/Benefit expenses.

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**Attachment B
Proposed Budget**

	BUDGETED FY 2008-2009	BUDGETED FY 2009-2010	BUDGETED FY 2010-2011	BUDGETED FY 2011-2012	BUDGETED FY 2012-2013
REVENUE:					
General Revenue**	\$1,181,991.00	\$556,991.00	\$556,991.00	\$556,991.00	\$556,991.00
Interest	\$25,000.00	\$49,000.00	\$49,000.00	\$49,000.00	\$49,000.00
Sales Proceeds	\$2,431,857.49	\$2,480,186.00	\$2,554,488.00	\$2,631,032.00	\$2,709,996.00
Postage Charged to Customers	\$30,000.00	\$32,892.00	\$35,000.00	\$34,886.00	\$35,102.00
Miscellaneous	\$49,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00
Total Revenue	\$3,717,848.49	\$3,204,069.00	\$3,280,479.00	\$3,356,909.00	\$3,436,089.00
EXPENSES:					
Salaries and Fringe Benefits	\$1,814,468.69	\$1,640,851.00	\$1,673,667.00	\$1,707,141.00	\$1,741,231.00
Regular OPS	\$25,006.95	\$8,000.00	\$8,000.00	\$12,000.00	\$12,000.00
Freelancers (design & editorial)	\$172,800.00	\$134,000.00	\$146,000.00	\$146,000.00	\$148,000.00
Operating Expenses	\$346,625.00	\$325,314.00	\$338,659.00	\$342,600.00	\$345,000.00
Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Marketing Budget	\$236,500.00	\$220,000.00	\$220,000.00	\$235,000.00	\$235,000.00
Book Manufacturing Expenses	\$776,590.60	\$531,100.00	\$550,547.00	\$566,321.00	\$566,713.00
Manuscript evaluation	\$35,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
Royalties & Agency Royalties	\$244,333.00	\$255,242.00	\$257,960.00	\$258,433.00	\$261,000.00
Computer Operations	\$39,000.00	\$54,960.00	\$52,000.00	\$52,344.00	\$55,000.00
Total Expenses	\$3,690,324.24	\$3,199,467.00	\$3,276,833.00	\$3,349,839.00	\$3,393,944.00
ANNUAL OPERATING SURPLUS/(DEFICIT)	27,524.25	4,602.00	3,646.00	7,070.00	\$42,145.00

**Revenue increase in 08-09 reflects the \$600,000 one-time bailout from SUS
Mfg and royalty decreases reflects reduction in total titles from 110 to 85.

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Attachment C
Five-Year Strategic Plan

Year One (2008-2009)

Submit proposal for AISO status
Increase the number of print books published from 96 to 110 with existing staff.
Apply for Mellon and Hewlett grants for digital book initiatives.
Submit 2009-2010 LBR for digital textbook and digital monograph funding.

Year Two (2009-2010) {Assumes LBR is approved}

Enroll editors into XML training sessions.
Begin work on web site for digital textbooks: create menu options, set prices for services, design templates, create permission clearance forms, sign contract with copyright Clearance Center. Begin advertising service in January 2009 for fall course adoption cycle.
Hire the developmental editor and permissions assistant for digital textbook.
Convert existing backlist books into PDF's for e-book distribution.
Create pricing model for single copy purchase of e-books.
Begin sales calls or book division to Development officers, fund-raisers, art museums, and research centers in the state.
Begin work on Mellon funded works for digital initiatives (if funded).

Year Three (2010-2011)

Launch web site for digital textbook submission and selection.
Hire Production assistant for textbook creation.
Place new PDF's of backlist monographs with distribution services such as Google book search, Net Library and Ebray.
Work with SUS libraries to purchase and host the new digital monograph library.
Purchase new database software to accommodate web integration with inventory and book selling software.
Roll out the first digital textbooks for sale to students.
Begin work on book division projects.
Continue work on Mellon funded books.

Year Four (2011-2012)

Track sale and distribution of digital textbooks for success and possible copyright infringement/piracy issues.
Load digital monograph library onto SUS library system servers.

Begin typesetting all new works in XML for easier digital repurposing.
Sign contract with Amazon Kindle to load digital version so selected books on site for download.

Double the number of digital textbooks produced.

Begin offering choice of digital or print version of monographs for purchase.

Assess success of Mellon books as original on-line digital initiatives. If accepted by scholars, begin integration of those systems and procedures into place for UPF.

Year Five (2012-2013)

Track and measure all divisions for success, failure, response, and efficiencies. Determine if each venture is worth pursuing further.