

ASOR Executive Director's Report
November 14, 2017

Last year in my report, I discussed my first 10 years as ASOR Executive Director. I reflected on where we had been over the past 10+ years... I basically described how ASOR had become stable, and that we were on a sound financial and membership footing. I opined that while we would experience change in 2019, we were poised to move to new levels. I offered some thoughts on where we might go next in directions that were consonant with our strategic plan.

We are still on solid ground. Yet, so much has changed since last year. We are now facing choices that will have a great impact on who we are and what we will do for the next decade and beyond. We need to decide whether or not we will stay in Boston. Our space needs have necessitated a conversation about which functions are absolutely necessary to do in-house, which functions are desirable to carry out on-site, and what we should do remotely or in partnership with another organization. Relatedly, we have not replaced a staff vacancy (Kaitlynn Anderson's position) because we have been uncertain about office space and the ability to fund this position if we have to pay rent in Boston.

Even though we face some huge decisions, I want to stress that we are still poised to carry out our mission and the goals articulated in the strategic plan like never before. This is important—we are in a position to think strategically, and we should not panic.

Thus, a brief summary of our stable position might be helpful:

- Membership: about 1,825 (an all-time high)
 - We were about 1,050 a decade ago
- Annual Meeting attendance = more than 1,100
 - The previous three years have hovered around 900
 - We were about 450 or 500 a decade ago
- Number of donors per year = ~400
 - Unlike a decade ago, we have a broader support base
- Unrestricted net assets available for operations = \$460,000 (our rainy day fund)
- Total unrestricted net assets = \$630,000
- Total net assets = \$2.4 million
- All endowed funds = ~\$1.8 million

ASOR Publications—Considering a Publication Partner

Before turning to a discussion of our office options, I want to briefly outline some possibilities for choosing a publishing partner. Indeed, such a choice could have significant implications on our choice of office space because we would need about 500 square feet less of office space than we currently require with our current publishing model.

Office space is not the only reason that we are investigating a publishing partner. There are three interrelated reasons that lead me to think that such a move may be a good option for ASOR at this time.

First, dissemination and online access. ASOR has made some strides in these areas, but our office staff does not have the capacity to carry out the type of marketing needed to increase the dissemination of our journals into more academic libraries. We also do not have the staff capacity to make large changes in our online reach or access. From the proposals that we received from publishing partners, I think that a partner can help us succeed in these areas.

Second, office space. Currently, one of our biggest needs in terms of office square footage is to have enough room to do fulfillment of ASOR's journals. We need space for desks for staff to work on institutional subscriptions. Most importantly, we need many book shelves to store journals for claims. We also need a large table for packing and the mailing facilities to process claims. We estimate that we might save up to 500 SF if we did not have to store journals, process claims, and take payments from institutional subscribers. From the proposals that we have received to date, it is clear that a publishing partner could handle these tasks for ASOR.

Third, revenues. We have noticed that institutional subscriptions have been dropping over the past few years. For example, in FY 2016, our revenue for institutional subscriptions was \$201,000. In FY 2017, our revenue for institutional subscriptions dropped to \$192,500. We have been slipping in institutional subscription revenue for about five years, but my impression is that last year was a larger drop than previous years. Unfortunately, it is a trend that we have not been successful in reversing (despite three or four subscription campaigns). The marketing efforts of JSTOR have not been successful either. We do not have the staff capacity to devote to marketing, and libraries are moving towards aggregators. Fortunately, our budget has not suffered unduly from the drop in subscription revenues because membership revenue has been increasing over the past five years. This was especially true last fiscal year (FY 2017), even though we reduced the prices for a number of memberships. In FY 2016, membership revenue was \$159,600. In FY 2017, membership revenue increased to \$172,000.

Summary: what we have learned from the proposals that we have received to date. ASOR received proposals and letters of interest from ten publishers. Some of the proposals are from university presses (e.g., University of Chicago, Penn State), and some of the proposals are from commercial presses (e.g., Wiley, Sage). The due date for the proposals was just last Friday (November 10th). I thus have not been able to review the proposals in detail. I can nevertheless say that the proposals are strong in accomplishing all three objections listed above. Of special note, the increased net revenue would be significant. Subject to verification of all of the fine print and details, going with a publishing partner would increase our net revenue for journals between \$10,000 and \$60,000 per year (there is a large range in the proposals). In addition, we would save the staff time that is currently allocated to journal sales, journal fulfillment and claims, and journal production.

The Publications Committee will be discussing the proposals at its meeting on Thursday. We will only proceed subject to a report from the Publications and an indication from the Board that we should continue to investigate the possibilities. If the Board decides that we should continue to pursue this path, we have asked potential publishers to submit more details to ASOR by early January so that the EC can discuss the proposal at the retreat in January. If we still want to proceed, I think that a vote would be possible by the April 2017, Board meeting in Tucson, Arizona.

ASOR's new home—where will we be located?

As Susan Ackerman outlined in her report, that past nine months have been filled with three or four surprises concerning our office location. Each of those surprises caused lots of work for the staff and volunteer officers. In particular, Susan Ackerman, Richard Coffman, and the New Office Committee were asked to donate days of time to help us evaluate our short-term and long-term options. Susan made more than a few trips to Boston on short notice to look at potential space, and she helped us review drawings of space and think creatively about how we could handle our short and long-term needs. Richard has reviewed legal documents, made phone calls about possible space, and helped us strategize.

Everyone in the office has been truly amazing, and I hope that you will thank them for everything that they have done in spite of living through a stressful situation. Not only did we move after 21 years at Boston University; we discarded three truck loads of unnecessary items—not including paper documents and files. Each of the staff used our document retention policy as a guide to sort through paper files in their possession. We shredded dozens of large boxes of bank statements and other files that could be discarded. We (or I should say the staff) also organized sales for books and journals so that we could reduce our footprint. They did all of this without an elevator from January through May, meaning they had to carry countless boxes down the stairs—and carry packing supplies up the five flights of stairs. In the end, our efforts were recognized by the new owners of the buildings that housed both our old offices at 656 Beacon and our temporary space next door. Not all of the other tenants vacated on time, and I think that our efforts played a role in the new owners extending our lease at 650 Beacon an extra six months, through June 2018.

Five possibilities for a new home

I hope that trustees will consider this entire section as “sensitive but not confidential.” I say this for two reasons. First, our staff and many members are anxious about our move and the consequences it may have for them. Second, much of the information here describes institutions where some of our members work and teach. We thus need to be sensitive to how this information is shared beyond the Board.

As Susan outlined in her President's report, the New Office Committee, Susan, Richard, and I have cast the net widely in an effort to find a new home. At this point, I encourage the New Office Committee and the Board to limit the discussion to those options that are either concrete or are located in Boston. We sent preliminary inquiries to more than a dozen schools, and we have had more extensive conversations with three schools that have not yet resulted in something vaguely concrete. Absent of a major gift (probably seven-figure) or a dramatic offer from another school, I think that the time has come to focus on the two schools that have made concrete offers, while we also consider staying in Boston without an institutional home.

I thus outline the possibilities for 1) The University of New Hampshire; 2) The George Washington University; 3) Renting in the Boston area; 4) Purchasing in the Boston area; and 5) continuing to see if any institutional affiliation materializes.

The University of New Hampshire option

UNH is our most concrete proposal. At present, their administration (i.e., dean and other leaders) and faculty are the only ones that have unequivocally stated that they are prepared to finalize a MOU and have ASOR move to their campus. The conversation began with one professor following up on a request for consideration from Susan Ackerman, and that interest grew into broad support from the faculty and the UNH Center for the Humanities.

It is helpful to rehearse some of the process. In an effort to demonstrate broad support for ASOR, several key faculty members solicited the support of colleagues in different departments that might benefit from an affiliation with ASOR. In just a week or two, 20 faculty members signed a letter to the dean of the College of Liberal Arts (Heidi Bostic). This letter urged UNH and the Center for the Humanities to affiliate with ASOR and to provide a home for ASOR. Following initial conversations with UNH carried out by Susan Ackerman, I visited the campus on October 4th, and I met with about ten faculty, the Director of the Center for Humanities (Burt Feintuch), the Dean of the College of Liberal Arts (Heidi Bostic), as well as with a VP for facilities (i.e., the “space guy”).

Following the meeting, Dean Bostic and Prof. Feintuch met with their legal team to make sure that they could make an offer, and they quickly (within a week) came back with a positive answer. They are ready to move forward with an attempt to finalize an agreement if the ASOR Board is willing to rank UNH first. I describe their readiness in this way because they do not want to go into the final round of negotiations about what UNH will pay for and what ASOR will pay for unless ASOR is ready to select UNH as the top choice pending the final negotiations. They are operating in good faith, and I find this reasonable.

I should start by explaining that nothing at UNH (or at GWU) is free. In the UNH system, everyone has to pay rent. It is possible that the Vice President for Sponsored Projects, or the Dean of the College of Liberal Arts, or the Director of the Center for the Humanities may provide funds to offset the rent; however, rent must be charged, and someone has to pay that rent. Of course ASOR might need pay that rent without a subsidy from a VP, director, or dean.

Office space option #1 at UNH: A dedicated building on Main Street in Durham, NH

There are at least two stand-alone buildings (27 Main Street and 31 Main Street) about two or three blocks from the UNH campus that would make excellent homes for ASOR (see photos posted for the Board separately for all the office options). These buildings are about 1,900 SF *plus* a basement area (about 750 SF) that could be used for storage or other purposes. These buildings are not finished—they are only a shell with insulation, and they would require build-out costs to be paid by someone. The cost for these buildings would be \$14 per square foot, triple net. The term triple net (NNN) basically means that the tenant pays all additional costs (taxes,

some shared maintenance, condo fees [if any], etc.). For these building, it seems that the NNN costs would be around \$6-8 PSF. Utilities, phone, and internet would be in addition to these costs. In rough numbers, this space would cost ASOR (not including utilities) somewhere between \$35,000 to \$43,000 per year (both buildings have been vacant for 18 months, so there seems to be room for negotiation). As stated above, it is possible that the VP for sponsored research could provide funds to subsidize this.

Another interesting option for either of these buildings would be to purchase one of them. Both buildings were constructed because the developer was required to build a certain amount of commercial space when building private student housing. That is: the developer built both buildings as a required by-product for the construction of condos that are rented to students. The realtor that showed me the properties thought the owners might be open to an offer to purchase or an offer to pay build-out costs in return for pre-paid rent at a lower cost than \$14 PSF NNN. It seems that the purchase price might be somewhere between \$550,000 and \$700,000 (I realize that's a large range). I am not sure if ASOR could avoid taxes if we owned the building even though we are a 501(c)(3). There is a lot that would need to be investigated if we moved forward with one of these buildings.

Office space option #2 at UNH: shared cubicle space in the Tech Drive Center Buildings

UNH has leased one large building that was formally called the Goss Building (the name of a tech firm). The University wants people to call this space the Tech Drive Center, and they provide frequent shuttle buses between the main campus and this building about 4-5 miles away. This building has the look and feel of a office buildings with cubicles and a few stand-alone offices with privacy (i.e., a door that can be closed). ASOR would need to share cubicles with other university staff because all of rooms with cubes contain between 20-30 cubicles. It would be possible for the executive director and maybe one other staff member to have an office with privacy. It is also possible that the executive director and one CHI staff member with academic training could have an office on the main campus. The office on the main campus might need to be shared between two ASOR members, but it might come with rent support from some office.

The costs at the Tech Drive Center are less than the Main Street properties. The rent is \$17 PSF, including internet, utilities, etc. The person in charge of space is checking to see if ASOR could have flexibility to choose to rent 1,250 SF or 2,000 SF. We discussed 2,000 SF, so the annual costs (including utilities) for that space would be \$34,000 per year. If were able to rent 1,500 SF, of course the rent would be lower. Again, it is possible to apply for what are called "RISE" fund to subsidize part or all of this space.

Other factors/benefits from an UNH affiliation

As I mentioned above, the faculty at UNH are united in their support of ASOR. At least twenty faculty members want to develop programs with ASOR that would have mutual benefits. The dean and the Director of the Humanities Center are fully committed to explore ways that we might apply for grants together. The university also is prepared to let ASOR retain all indirect from grants that we receive apart from a joint application. They also want to explore ways that ASOR might supplement their academic program, and that might result in a subsidy. Basically,

the more ways that ASOR supplements their academic program, the more subsidy funds that could be made available for the rent. If we did not provide benefits for the university, then the subsidy funds (if any) would be reduced or eliminated. It is also possible that we would need to provide a basic level of support without any subsidy.

In summary, UNH is ready to commit to ASOR and ready to begin final negotiations. We would have a strong collaboration with the faculty at UNH. The maximum rent would be around \$34,000 per year (including utilities), and I think that the cost would be less than that. I also think that we could approach UNH with a proposal contingent on a subsidy from RISE funds or from some other office at UNH.

The George Washington University option

The GWU option is very promising, but I would call it more “hopeful” than concrete. We started our conversations with GWU later in the game than UNH, so that is much of the reason for the developing nature of this option. The dean of the College of Arts and Sciences (Ben Vinson) is clearly supportive, but he still needs to “convince” the provost (his term).

As at UNH, we have strong faculty support at GWU. While there are not as many faculty currently on record, ASOR has four long-time members who are tenured faculty at GWU (Eric Cline, Elise Friedland, Christopher Rollston, and Andrew Smith). While all four have championed ASOR's move to GWU, Eric Cline (as the senior faculty member) has been our primary advocate in meetings with the dean and associate dean. It is my sense that the dean, associate dean, Eric Cline, and the faculty in the classics department want to make this happen. I think that it's helpful to provide a lengthy quote from Dean Ben Vinson that illustrates how supportive he and others are of a relationship with ASOR:

As I articulated in our meeting, I think that the relationship could be mutually enriching, and I am excited about potential shared directions. We do have the mechanics to consider. Step 1: your seeing VSTC [Virginia Science and Technology Campus] moves us closer. Step 2 now involves engaging our finance team and upper bureaucracy to figure out a path forward. We'll soon learn if there are other inhibitors. One of my aces, Evie Downie [the Associate Dean], is working hard on the case, so I'm sure that we'll put our best energies into seeing if we can make this happen...

While the office space would not be “free,” ASOR would not be required to pay rent. Rather, ASOR would be expected to “pay” for the space by making other contributions to GWU. Those contributions would include enhancing their academic programs (including providing jobs for graduate students), enhancing research programs, enhancing interdisciplinary programs, and provide indirect dollars to GWU by applying for external grants. GWU has an indirect rate of 59% for on-campus programs and a rate of 26% for off-campus programs. We would need to negotiate what percentage (if any) ASOR would retain for grants, and we would need to negotiate whether we could use the on-campus or off-campus rate. The reference to the “finance team” above refers to this negotiation about indirect rates and the amount of grants that ASOR would be expected to attract.

The location of the office space at GWU: Ashburn, Virginia

GWU is very tight on space at its campus in Foggy Bottom in Washington, DC. While there might be an option for one or two shared offices in the Rome Office Building on the classics floor (right in the heart of Foggy Bottom), the majority of ASOR's offices would be in what they are calling their Virginia Campus or the Virginia Science and Technology Campus (VSTC), located in Ashburn, Virginia.

The VSTC has literally several hundred thousand square feet of unoccupied space—yes, that's not a typo; they have about 200,000 SF of unoccupied space! This space is located on about 175 acres of office space in a suburb that is about two miles from Dulles Airport. GWU purchased some technology office buildings that were no longer being utilized, and the VSTC is where they plan to house many of their growth programs.

The advantage of the VSTC location is that ASOR could have truly amazing office space without paying any direct rent. The location near Dulles would also be attractive for holding workshops and meetings that would draw international participants. The location would make it easier to find administrative staff at a lower rate than would be required in downtown Washington, DC. In addition, all of the ASOR staff would be able to find housing near the office that would be much more affordable than Arlington, VA, or Washington, DC. There is a shuttle that goes between the VSTC and the Foggy Bottom campus a couple times a day. There is thus some connection with the downtown campus.

Other factors/benefits from a connection with GWU

GWU offers many academic and professional benefits for ASOR. As mentioned above, we have four members of ASOR on the faculty of GWU, and all four of these members have been very involved in ASOR. Two of them (Eric Cline and Chris Rollston) have previously served on our Board of Trustees. Two of them (Elise Friedland and Andrew Smith) previously served as co-chairs of the Programs Committee. Additionally, Eric and Chris are the current editors of *BASOR*. These faculty members would be ASOR's ambassadors for developing programs at GWU.

The dean is also clearly in our camp, and he sees a partnership with ASOR as playing a potentially critical role in developing interdisciplinary programs at GWU. Dean Vinson came to GWU from Johns Hopkins, and he took classes in archaeology and classics at Dartmouth. He (Ben Vinson) thus sees the advantages of the type of work that we do. He is "on board," but he needs to see if it make sense financially. Another benefit of being in the Washington area is that it would facilitate our work in cultural heritage and in advocacy. It would make it easier to work with the State Department and the NEH, and we could hopefully develop close relationships with federal and non-federal agencies in the Washington area.

In summary, GWU offers many exciting possibilities, and the potential may be even better than UNH. From a financial standpoint, ASOR would not be asked to pay rent, but there seems to be an expectation that we would attract grants for GWU, and ASOR would need to negotiate what percentage of the indirect we could utilize.

The Boston Office Space possibilities

There are three types of possibilities in Boston for office space: 1) renting office space; 2) buying office space; and 3) receiving complimentary or reduced rent at an academic institution located in Boston (there are still two possibilities, even if neither is particularly “concrete”).

As I have stated in several Board meetings and in one report, the staff is one of ASOR’s greatest assets. We have a dedicated team of 4+ staff members located in Boston who are much of the reason for our successes. They not only work hard and well, but they have been loyal to ASOR—quite a few of them have worked for us for more than five years, and Selma has been a loyal employee for 17 years. We should not underestimate how difficult it would be to replace our staff should we move to another location.

Renting Office Space in Boston

We have explored quite a few options for renting space in Boston. We have also explored reducing our square footage footprint by working with a publishing partner (see above), being able to share a conference room with a nearby university, and/or putting our archives at an off-site location (either off-site storage or donating the archives to another institution). If we carried out all of these space-saving measures (I’m not arguing that we should do them, but explaining the minimum SF if we carried them out), we would need somewhere between 1,250 and 1,500 SF. The cost for office space would be about \$40 PSF (not including utilities, phone, etc.). Thus, office space would cost between \$50,000 and \$60,000 per year. If we had to rent 2,000 to 2,500 SF, office space would cost between \$80,000 and \$100,000 per year.

Purchasing Office Space in Boston

While this may seem out of reach for us, it is actually feasible if we were to consider a 30-year mortgage. Without taking too much time to investigate possibilities that are admittedly something of a long-shot, I worked with the realtor who helped us find one of our current (temporary) offices spaces to see what the possibilities might be. Basically, buildings that might be appropriate for ASOR cost in the vicinity of \$1.5 million as long as those buildings are not in the downtown or Back Bay areas— buildings in those areas would be double that price. The primary way that a purchase opportunity could work for ASOR is if we purchased a building and rented out the space that we did not use. This would obviously require a significant outlay of capital for the down payment, and it would require ASOR to assume the role of a landlord. It should also be noted that the price of purchasing is 2-3x higher in the surrounding Boston area as compared with Ashburn, VA, or Durham, NH.

In an effort to give the Board something to consider, I went with our realtor to visit one property in Somerville that is immediately adjacent to the Tufts University campus. This property (10 Dearborn Street) is listed (by the owners) for \$1.6 million. The building consists of about 2,200 SF on the first and second floors, and about 2,000 SF of student rental space on the second and third floors. The gross income from the student rentals is currently \$5,000 per month (= \$60,000

per year). If ASOR were able to make a down payment of \$500,000, it is possible to have a net cost of about \$20,000 per year for this building—basically the taxes, internet, utilities, etc.).

There would be some initial build-out costs, but such a scenario would allow ASOR to remain in Boston and to build equity. It would also give us room for growth. The downsides are that such a scenario would mean that ASOR would have to hire a company to manage the rentals or to invest time and energy in those activities. Moreover, in order to undertake this type of purchase, ASOR would have to use *all* of its available unrestricted net assets for a down payment. We would also have to assume the related risks that would come with that commitment of our funds. I am not sure that this is possible, but I wanted to present all of the options to the Board.

Finding complimentary space at a school in Boston

We have two possibilities, but neither is “probable.” First, I have been in contact with Prof. Erik Goldstein of the Pardee School of Global Studies at Boston University. He is the former dean of the school, and he has been “nudging” the current dean of the Pardee School. Prof. Goldstein wrote to me just two days ago to report that his colleagues were not able to act quickly on a discussion about ASOR because they have had several searches that have occupied their time in the past two months. There are several other advocates at BU who are putting in a good word for ASOR, but nothing is likely. We are grateful that people are trying to act on our behalf, but it will likely be a few weeks if not longer before anything concrete develops (either positive or negative).

Second, we have a possibility at the FXB Center at the Harvard School of Public Health. This may sound surprising, but ASOR CHI has been working with the FXB Center on a report for the Lancet Commission on human well-being in Syria since the war broke out in 2011. Prof. Jennifer Leaning of the FXB Center is interested in ASOR working with them in a greater capacity, and there may be a possibility for some donated office space. We are still trying to facilitate honorary appointments for Michael Danti and me (Andy Vaughn), and this could result in a offer of office space at a later date. In this case, the attraction to the FXB Center is ASOR CHI, but it could be an interesting fit for ASOR as well.

Andy’s recommendations or “pros and cons”

Susan Ackerman has asked me to analyze our possibilities in terms of providing pros and cons. Neither she nor I want my thoughts presented below to determine what the Board ultimately decides. Yet, I hope my thoughts will be helpful to start the discussion.

- A. If possible, I think that it would be good for ASOR to remain in Boston, but I do not think that we can afford \$60,000 to \$80,000 per year for rent. As mentioned above, we have not replaced one staff position because of budgetary and space concerns, and I do not think that we could afford market rents in Boston absent large indirect revenue (that is not guaranteed). I also am not sure that the organization or the Board is ready to commit to purchasing a property, but that would be a possible way that we could remain

in Boston. The other way to remain in Boston is to see if either the Pardee School or the FXB Center were able to provide complimentary or reduced rent space.

- B. If we cannot remain in Boston, I think that we should consider whether or not the bird in the hand is better than a bird in the bush. It is my assessment that the possibilities in the Washington area are more attractive than at UNH. However, I do not think that we should wait long for the GWU process to play out. I am also concerned that the desire for GWU to receive substantial indirect payments from grants may not be sustainable in the long run, as we may just not have substantial indirects to contribute—indeed, ASOR did not receive large indirect revenue just three or four years ago.
- C. Summarizing my pros and cons: If we cannot stay in Boston, I am inclined to pursue an agreement with UNH with the understanding that the executive committee would be authorized to move to another direction if something did not work out. I would further suggest that we might continue to explore possibilities in Boston in case something could be arranged. If the Board would be comfortable purchasing a property and being a landlord, I think that the Somerville property near Tufts could be possible. Even though the possibilities at the Pardee School and the FXB Center are not likely, I think that we should keep them in mind if they become “concrete” in the next 4-8 weeks.

Circling back to where I began

I began my report by stating that I do not think that we should panic. I want to reemphasize that point. We are on solid ground, and we have \$630,000 in unrestricted net assets. We are not rich, nor do we have enough money to solve all of our problems by any means. At the same time, we have much to offer other institutions, and we are not desperate. I encourage us to look at the office possibilities in terms of which choice will help us advance the goals and priorities set forth in our strategic plan.

As Susan said in her report, we have some good options. It is a stressful time for the staff and me, and I suspect that it is stressful for many trustees. No matter where our discussions lead, I look forward to continuing to work with you all to advance ASOR in 2018—our 118th year.

Faithfully submitted,
Andy Vaughn