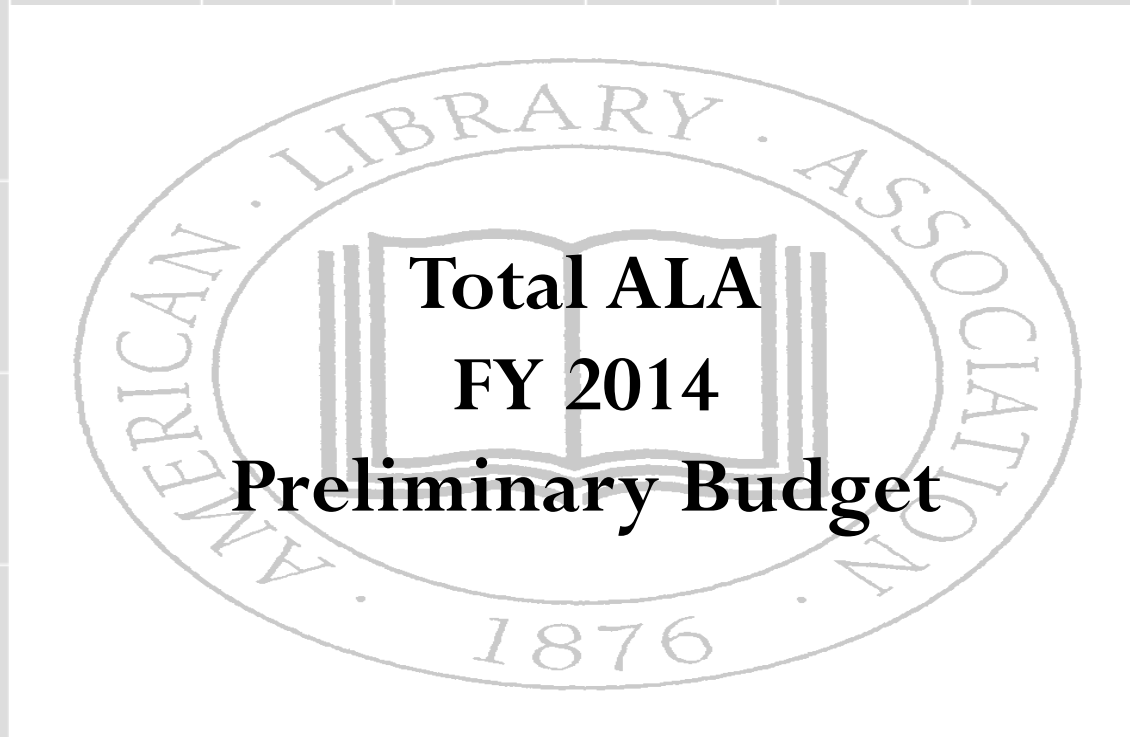


American Library Association



Presented by:

Keith Michael Fiels – Executive Director

Gregory L. Calloway – AED Finance

Executive Board
2012- 13 Spring Meeting
April 20, 2013

Mission of the ALA

“To provide leadership for the development, promotion, and improvement of library and information services and the profession of librarianship in order to enhance learning and ensure access to information for all.”

ALA Programmatic

Priorities — *Aligned with the FY 2014 Budget*

- Advocacy for Libraries and the Profession
- Diversity
- Equitable Access to Information and Library Services
- Education and Lifelong Learning
- Literacy
- Organizational Excellence
- Intellectual Freedom
- Transforming Libraries



Total ALA FY 2014 Budget Overview

Broad Institutional Strategies

- Promote ALA's Mission and Strategic Goals
- Anticipate and respond to environmental factors which present opportunities or threats to the organization and the profession
- Influence legislation and regulation and advocate the critical values of libraries and librarians
- Focus on member needs, satisfaction, retention and recruitment
- Continued to expand international product and service offerings
- Enhance member engagement both virtually and face-to-face

Broad Institutional Strategies (con't)

- Maintain member services at the highest possible level, in recognition of the increased stress on libraries due to the economy.
- Move forward on the strategic initiatives and the deployment of services that meet the needs of members and libraries.
- Continue to expand international product and service offerings
- Build on the Association's membership strength and financial health
- Develop and promote appropriate technical standards and guidelines which strengthen library services and the profession

Programmatic Initiatives and Highlights

- Annual Conference – Las Vegas, Midwinter Meeting – Philadelphia and national division conferences by AASL – Hartford and PLA - Indianapolis
- Support advocacy initiatives at the national, state and local levels and continued expansion of online advocacy training
- A national community engagement project in partnership with Harvard
- Library of Congress approved Online RDA

Programmatic Initiatives and Highlights (Con't)

- A virtual library conference and the digital capture of Annual Conference content
- Repositioning of Midwinter Meeting and reducing the number of face to face meetings
- APA Support Staff certification program –Year 5
- A digital archiving in conjunction with the University of Illinois
- Implementation of ALA e-commerce web site – dues, events, fundraising



Environmental Assessment

Economic Outlook and the Impact on ALA - and its Members

There are four indicators or flashpoints that could impact the macro economic outlook for libraries

- A deeper and longer slump for Europe
- Government funding will drop off
- Private philanthropy funding will pick up
- Sequestration is estimated to reduce GDP (0.6%)

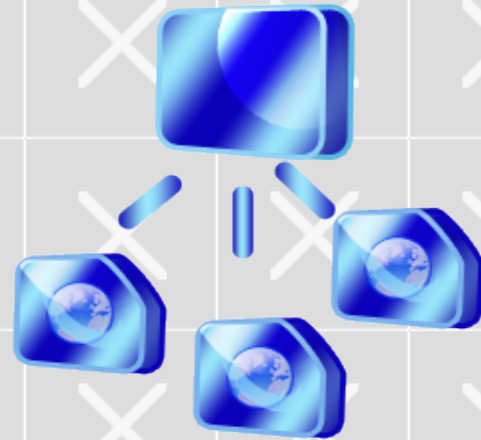
ALA's Financial Value Proposition

“To develop and deploy the financial resources that support the strategic plan and deliver programs that are responsive to member needs and the general improvement of library service and the profession.”

Key FY 2014 Budgetary Assumptions

- General Fund expenses reduced by 3.9% compared to 1/2% in FY13
- Dues income of \$5.8 million based on passage of dues adjustment proposal
- \$50,000 included for new business development opportunities as they arise
- Revenue is projected to be less in publishing and conferences at \$1.8 million and \$1.0 million respectively
- Adjusting health benefit rate to 33.0%
- \$2.1 million for capital expenditures for implementation of new technology and building improvements

Strategic Areas of Focus



Organizational/Operational Alignment

■ Unfunded positions

- General Fund increasing unfunded positions from 22.5 to 37.0
- Divisions increasing unfunded positions from 5.87 to 8.3

■ General Fund Expense Reductions

- Seeking further reductions of 3.9% (\$530,326)
- Will be looking for solutions that will maintain essential services, emphasizes innovation, maintaining staff moral, involving key stakeholder groups, indentifies less strategic programs and provides transparent communications to members

Key Areas of Focus – Business Development

- International

- Pilot training program in China
- Implement RDA product and RDA training
- International literacy opportunity with rotary
- Sharjah Book Fair program

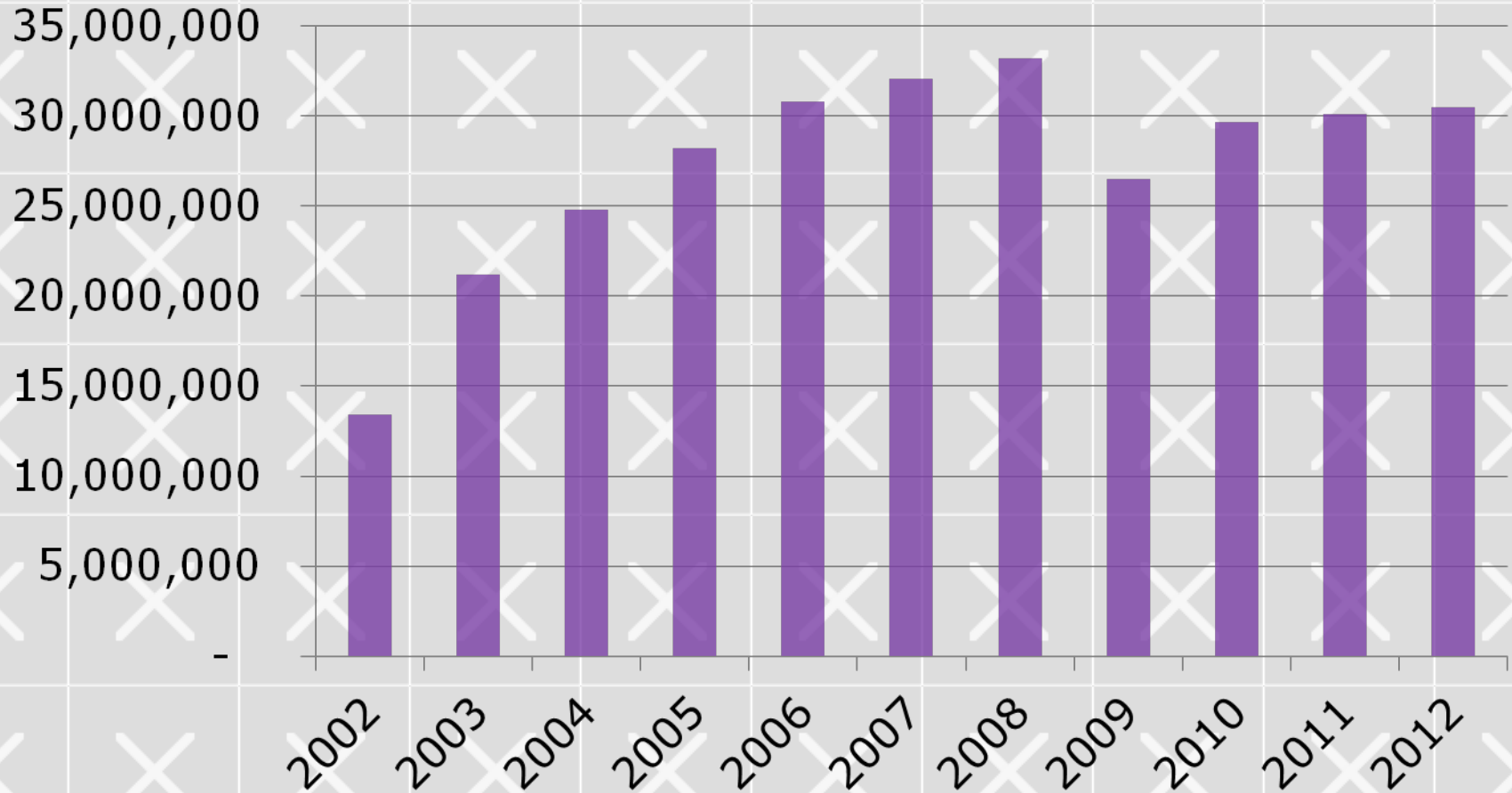
- Continuing Education

- Trend in Association provided CE is 80/20 between digital and face-to-face
- Diversify continuing education opportunities by exploring new topics and programs
- Increase support for other languages
- Exploring asynchronous learning opportunities i.e. streaming video tutorials, virtual symposiums and pre-conferences
- Increase section and interest group activity in identifying topics and program planners
- Expand on ALA's provider/publisher position
- CE value enhanced by a focus on curricula or coordinated streams

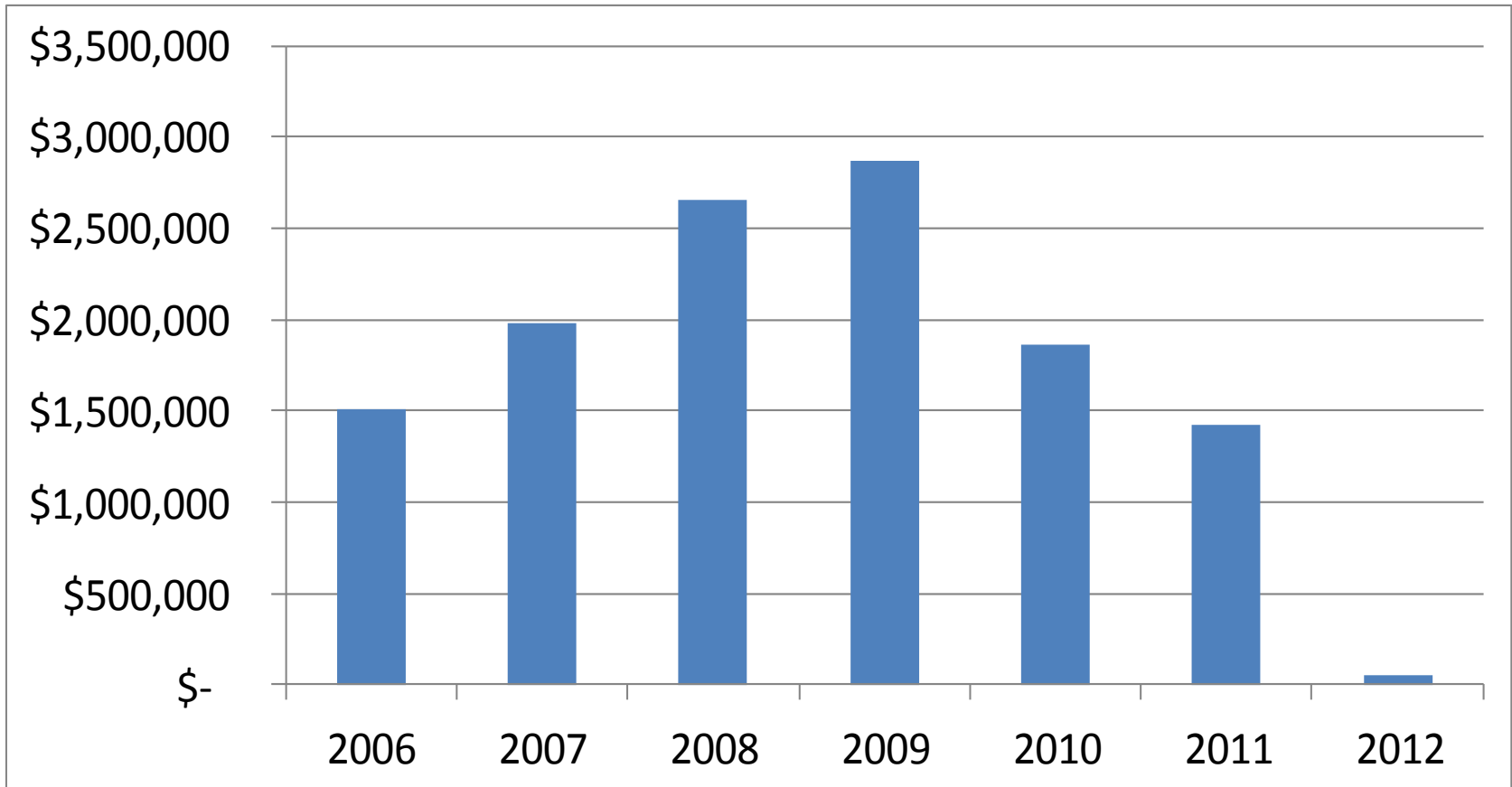
2014 Budget

Financial Stability = Balance Revenues and Expenses

Total ALA Net Asset Balance: 2002 - 2012



General Fund Net Asset Balance: 2006 - 2012



Total ALA FY 2014 Budgetary Ceiling

Net Assets

(Unexpended balance remaining from FY 2013)

+

Revenue

(Anticipated for FY 2014)

=

Budgetary Ceiling

FY 2014 Total Budget Revenues By Fund

\$49,934,549

TOTAL ALA OPERATIONS

OPERATING FUND \$44,494,770		PLANT FUND \$0		GRANTS & AWARDS \$4,290,881		LONG TERM INVESTMENTS \$1,148,898	
General Fund \$28,763,689		Headquarters Building		Exchange Trans (G)		Unrestricted	
Divisions \$15,357,061		Washington & Choice Offices Operating		Exchange Trans (NG)		Temporarily Restricted	
Round Tables \$374,020		Furniture & Equipment		Contributions (NG)		Permanently Restricted	
						Huron Plaza Property	

FY 2014 Total Budgetary Ceiling By Fund

\$63,230,524

TOTAL ALA OPERATIONS

OPERATING FUND \$57,790,745		PLANT FUND \$0		GRANTS & AWARDS \$4,290,881		LONG TERM INVESTMENTS \$1,148,898	
General Fund \$28,763,689		Headquarters Building		Exchange Trans (G)		Unrestricted	
Divisions \$27,367,687		Washington & Choice Offices Operating		Exchange Trans (NG)		Temporarily Restricted	
Round Tables \$1,659,369		Furniture & Equipment		Contributions (NG)		Permanently Restricted	
		Capital Budget \$2,084,354				Huron Plaza Property	

Total ALA Budgeted Revenues

2014 vs. 2013

		<u>2014 Budget</u>		<u>2013 Budget</u>		<u>Variance</u>	<u>% Change</u>
Dues	\$	8,646,803	\$	8,630,257	\$	16,546	0.2%
Sales - Net	\$	6,901,876	\$	8,871,963	\$	(1,970,087)	-22.2%
Sales Other	\$	2,230,830	\$	2,277,604	\$	(46,774)	-2.1%
Subscriptions	\$	4,914,461	\$	4,992,379	\$	(77,918)	-1.6%
Advertising	\$	5,217,479	\$	5,210,977	\$	6,502	0.1%
Meet & Conferences	\$	12,057,739	\$	11,178,006	\$	879,733	7.9%
Grants & Awards	\$	3,670,089	\$	5,418,352	\$	(1,748,263)	-32.3%
Miscellaneous	\$	<u>6,295,272</u>	\$	<u>6,139,700</u>	\$	<u>155,572</u>	<u>2.5%</u>
Total	\$	<u>49,934,549</u>	\$	<u>52,719,238</u>	\$	<u>(2,784,689)</u>	<u>-5.3%</u>

Total ALA Budgeted Expenses

2014 vs. 2013

	<u>2014 Budget</u>	<u>2013 Budget</u>	<u>Variance</u>	<u>% Change</u>
Payroll & Related	\$ 20,850,415	\$ 22,516,737	\$ (1,666,322)	(-7.4%)
Outside Services	\$ 6,500,204	\$ 6,918,653	\$ (418,449)	(-6.0%)
Travel & Related	\$ 2,222,449	\$ 2,142,587	\$ 79,862	3.7%
Meet & Conferences	\$ 6,813,772	\$ 6,974,019	\$ (160,247)	(-2.3%)
Publication Related	\$ 4,989,340	\$ 5,367,668	\$ (378,328)	(-7.0%)
Operating*	<u>\$ 9,054,154</u>	<u>\$ 10,347,894</u>	<u>\$ (1,293,740)</u>	<u>(-12.5%)</u>
Total	<u><u>\$ 50,430,334</u></u>	<u><u>\$ 54,267,558</u></u>	<u><u>\$ (3,837,224)</u></u>	<u><u>(-7.1%)</u></u>

*Includes depreciation from Technology Reserve Fund

General Fund Revenues/Expenses

2012 - 2014

	2012	2013	2013	2014
	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Proposed</u>
Revenues	\$ 27,245,834	\$ 31,640,176	\$ 29,055,015	\$ 28,763,689
Expenses	<u>\$ 28,618,064</u>	<u>\$ 31,348,405</u>	<u>\$ 29,055,015</u>	<u>\$ 28,763,689</u>
Net Revenues	<u>\$ (1,372,230)</u>	<u>\$ 291,771</u>	<u>\$ -</u>	<u>\$ -</u>

General Fund Budgeted Revenues

2014 vs. 2013

	<u>2014 Budget</u>	<u>2013 Budget</u>	<u>Variance</u>	<u>% Change</u>
Dues	\$ 5,802,981	\$ 5,807,988	\$ (5,007)	-0.1%
Sales - Net	\$ 6,184,365	\$ 8,116,481	\$ (1,932,116)	-23.8%
Sales Other	\$ 859,454	\$ 959,217	\$ (99,763)	-10.4%
Subscriptions	\$ 2,965,180	\$ 2,952,390	\$ 12,790	0.4%
Advertising	\$ 3,871,506	\$ 3,908,039	\$ (36,533)	-0.9%
Meet & Conferences	\$ 6,633,286	\$ 7,480,274	\$ (846,988)	-11.3%
Miscellaneous	\$ 2,446,917	\$ 2,415,787	\$ 31,130	1.3%
Total	\$ 28,763,689	\$ 31,640,176	\$ (2,876,487)	-9.1%

General Fund Budgeted Expenses

2014 vs. 2013

	<u>2014 Budget</u>	<u>2013 Budget</u>	<u>Variance</u>	<u>% Change</u>
Payroll & Related	\$ 14,125,797	\$ 15,045,197	\$ 919,400	6.1%
Outside Services	\$ 3,981,033	\$ 3,906,802	\$ (74,231)	(1.9%)
Travel & Related	\$ 1,147,207	\$ 1,061,250	\$ (85,957)	(8.1%)
Meet & Conferences	\$ 3,086,307	\$ 2,918,847	\$ (167,460)	(5.7%)
Publication Related	\$ 3,293,493	\$ 3,538,752	\$ 245,259	6.9%
Operating	\$ <u>3,129,852</u>	\$ <u>4,877,557</u>	\$ <u>1,747,705</u>	<u>35.8%</u>
Total	\$ <u>28,763,689</u>	\$ <u>31,348,405</u>	\$ <u>2,584,716</u>	<u>8.2%</u>

Revenue Producing Units

Net Revenue: 2012 – 2014

	2012	2013	2013	2014
	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Proposed</u>
Publishing	\$ (70,264)	\$ 1,413,819	\$ 583,303	\$ 941,672
Meetings & Conferences	<u>\$ 834,206</u>	<u>\$ 1,381,736</u>	<u>\$1,389,685</u>	<u>\$ 611,215</u>
Total Revenues	<u>\$ 763,942</u>	<u>\$ 2,795,555</u>	<u>\$1,972,988</u>	<u>\$ 1,552,887</u>



Thanks for your attention