American Library Association

Total ALA FY 2017 Preliminary Budget

Presented by:
Keith Michael Fiels – Executive Director
Mark Leon – Chief Financial Office

Executive Board
2015 - 16 Spring Meeting
April 16, 2016
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 2017 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 2017 Budget Overview

Focused on the Advances to Fulfill the Strategic Directions and Improving the Enabling Strategies
ALA Strategic Directions

• **Advocacy** — ALA shall advocate the public value of librarians, libraries and information services

• **Information Policy** — ALA, operating in the public interest, focuses at every level on a diverse set of policy areas that include; intellectual freedom, privacy, civil liberties, telecommunications, funding for education and research programs, funding for libraries, copyright and licensing, government information and literacy.

• **Professional and Leadership Development** - The professional and leadership development of librarians and library workers is essential to high-quality professional practice and the future of libraries and information services.
Enabling Strategies

- Member Involvement and Engagement
- Assessments and Evaluation
- Division Engagement
- Technology Infrastructure
- Publishing and Conferences
- Communications, PR and Marketing
- Staffing
- Partnerships
- Governance and Committee Structure
- Revenue Streams and fundraising
KEY PROGRAMMATIC INITIATIVES

- Advocacy
- Information Policy
- Professional and Leadership Development
Advocacy

- Libraries Transform – Public Awareness Office (PAO), Office for Library Advocacy (OLA), Chapter Relations Office (CRO)
- Advocacy Bootcamp – OLA and Office for intellectual Freedom (OIF)
- Advocacy Implementation Plan – PLA and UFL
- Libraries transform: The Expert in the Library – Executive Office and HRDR
- Trend identification - Center for the Future of Libraries
- School Library Advocacy & ESSA – AASL, OLA, PAO and WO
- Data Based Advocacy – OLA, PAO, ORS, PLA, ACRL
- Advocacy Journalism - American Libraries
Information Policy

- Federal Legislation for IMLS programs, preservation of fair use and copyright policies - OGR
- Presidential transition - OGR, OITP
- Digital Content – OITP
- Open Education Resources, Copyright Alliance, Net Neutrality – AASL, ACRL, LITA
- Research support – ORS, Library and Archives
Professional and Leadership Development

• Second year as certification course provider – ALA and ALA-APA
• Expand Accessibility Academy via online tutorials - ASCLA
• Library leadership and management competencies - LLAMA
• Educopia’s NEXUS II grant to develop leadership development opportunities - ACRL
• Digital badging - CFL partnering with ALCTS, LITA, HRDR, ODLOS
• Guidance, tools and training to increase e-rate funding - OITP
• 3rd ALA library conference at Sharjah - IRO
• 5th annual ALA Leadership Institute – Executive Office
Enabling Strategies

- Assessment and evaluation
- Governance and committee structure
- Staffing
- Communications, PR and marketing
- Revenue and fundraising
- Division engagement
- Technology infrastructure
- Publishing and conferences
- Member involvement & engagement
- Partnerships
Enabling Strategies

Assessment and Evaluation

• Strategic directions assessment framework
• Outcome based assessment – PLA, PPO, ACRL, ODLOS
Enabling Strategies

Governance and Committee Structure

• Turning outward – PPO and ALA units
• New structures – LLAMA, AASL, ODLOS, OITP
Enabling Strategies

Staffing

• 1% salary increase
• 1.5 FTE increase in ITTS
• Member Development/MACS merge
• Publishing
• PLA Gates legacy grant
• ACRL, ALSC, CFL, OLA project support
Enabling Strategies

Communications, PR and Marketing

• Libraries Transform as consistent framework for messaging
• Use of social media – PAO and ALA units
• New policy communication framework – OITP
• Daily news releases - AL
Enabling Strategies

Revenue and Fundraising

• Continuing education: eLearning, sponsored webinars, f2f events
• Endowment campaign – Development & units
• Annual Campaign – Development
• Membership development
Enabling Strategies

Division Engagement

• Ongoing conversations with division leadership and EDs

• Significant collaboration in Advocacy, Information Policy and Professional and Leadership development initiatives
Enabling Strategies

Technology Infrastructure

• Implementation of strategic roadmap and IT external review recommendations
• Responsive design
• Search function
• New ALA Connect
• eCommerce system: Dues, eLearning, publications and products
• System upgrades and cloud based services
Enabling Strategies

Publishing and Conferences

• Conferences: Midwinter in Atlanta, Annual in Chicago, ACRL in Baltimore
• Publishing: Increase in number of publications, online products, strong division publishing, unified eCommerce system
Enabling Strategies

Member Involvement & Engagement

- Making ALA more welcoming
- Member satisfaction survey, kitchen table conversations
- Engage ALA and Join ALA mini sites
- Work with divisions on new engagement paths
Enabling Strategies

Partnerships

- Advocacy plan implementation – OLA, UFL, PLA working with Gates, Aspen, OCLC, ULC, EveryLibrary, Library Strategies and others
- Policy revolution: strengthened collaborations – OITP, OGR
- German Library Association, Sharjah - IRO
2017 Budget
“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.”
Budget Operating Highlights

- Total operating revenues of $47,755,588 (down 5.4% from FY16)
- General Fund operating revenues of $29,074,444 (up 1.1% from FY16)

- A 1% compensation increase for staff, along with an additional organization incentive as a top priority for any positive year-end results
- Publishing revenue of $12,894,222 (flat)
- An increase of $291,220 in conferences contribution margin
- An increase of $166,000 in the ITTS operating budget
- A request of the Board for additional approval to use $400,000 in additional investment income in support of ITTS’ capital expenditures for enhancing the Technology Infrastructure enabling strategy

- An ACRL national conference in Baltimore, MD
Total ALA FY 2017 Budgetary Ceiling

Net Assets
(Unexpended balance remaining from FY 2016)

+ Revenue
(Anticipated for FY 2017)

= Budgetary Ceiling
FY 2017 Total Budget Revenues By Fund
$47,755,588

**TOTAL ALA OPERATIONS**

<table>
<thead>
<tr>
<th>OPERATING FUND</th>
<th>PLANT FUND</th>
<th>GRANTS &amp; AWARDS</th>
<th>LONG TERM INVESTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$43,127,471</td>
<td>$0</td>
<td>$3,413,210</td>
<td>$1,214,907</td>
</tr>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
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<tr>
<td>$29,074,333</td>
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<td></td>
</tr>
<tr>
<td>Divisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$13,611,230</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Round Tables</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>$441,908</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headquarters Building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington &amp; Choice Offices Operating</td>
<td></td>
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<tr>
<td>Furniture &amp; Equipment</td>
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<tr>
<td>Exchange Trans (G)</td>
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<tr>
<td>Exchange Trans (NG)</td>
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<tr>
<td>Contributions (NG)</td>
<td></td>
<td></td>
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<tr>
<td>Unrestricted</td>
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</tr>
<tr>
<td>Temporarily Restricted</td>
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<td></td>
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</tr>
<tr>
<td>Permanently Restricted</td>
<td></td>
<td></td>
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<tr>
<td>Huron Plaza Property</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
FY 2017 Total Budgetary Ceiling By Fund
$64,379,278

**TOTAL ALA OPERATIONS**

**OPERATING FUND**
$60,599,800
- General Fund
  $30,120,362
- Divisions
  $28,387,887
- Round Tables
  $2,091,551

**PLANT FUND**
$0
- Headquarters Building
- Washington & Choice Offices Operating
- Furniture & Equipment

**GRANTS & AWARDS**
$3,413,210
- Exchange Trans (G)
- Exchange Trans (NG)
- Contributions (NG)

**LONG TERM INVESTMENTS**
$366,268
- Unrestricted
- Temporarily Restricted
- Permanently Restricted
- Huron Plaza Property

**Capital Budget**
$2,087,894
# Fiscal 2017 Budgetary Ceiling

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Divisions</th>
<th>Round Tables</th>
<th>Grants &amp; Awards</th>
<th>Long-Term Investment</th>
<th>TOTAL ALL FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,120,362</td>
<td>$28,387,887</td>
<td>$2,091,551</td>
<td>$3,413,210</td>
<td>$366,268</td>
<td>$64,379,278</td>
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</tbody>
</table>

**A) Net Asset Balance (projected at end of FY 2016)**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>-</td>
<td>14,761,317</td>
<td>1,649,643</td>
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</table>

**FY 2017 Budgeted Revenues (before transfers)**

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<thead>
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<tbody>
<tr>
<td></td>
<td>29,074,333</td>
<td>13,611,230</td>
<td>441,908</td>
<td>3,413,210</td>
<td>1,214,907</td>
</tr>
</tbody>
</table>

**FY 2017 Budgeted Revenue Transfers**

<table>
<thead>
<tr>
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<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest &amp; dividend transfer to General Fund</td>
<td>981,029</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(981,029)</td>
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<tr>
<td>Spectrum interest &amp; dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>212,730</td>
</tr>
<tr>
<td>Life Member Dues</td>
<td>68,000</td>
<td>12,340</td>
<td>-</td>
<td>-</td>
<td>(80,340)</td>
</tr>
<tr>
<td>Continuing Members</td>
<td>(3,000)</td>
<td>3,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**B) Total Revenues (budgeted plus transfers)**

<table>
<thead>
<tr>
<th></th>
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<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30,120,362</td>
<td>13,626,570</td>
<td>441,908</td>
<td>3,413,210</td>
<td>366,268</td>
</tr>
</tbody>
</table>

**TOTAL ALA BUDGETARY CEILING**

<table>
<thead>
<tr>
<th></th>
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<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30,120,362</td>
<td>28,387,887</td>
<td>2,091,551</td>
<td>3,413,210</td>
<td>366,268</td>
</tr>
</tbody>
</table>
## General Fund Revenues/Expenses
### 2014 - 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Revenues</th>
<th>Actual Expenses</th>
<th>Budget Revenues</th>
<th>Proposed Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$28,266,173</td>
<td>$27,659,586</td>
<td>$29,024,423</td>
<td>$29,535,774</td>
</tr>
<tr>
<td>2015</td>
<td>$29,024,423</td>
<td>$28,745,048</td>
<td>$29,535,774</td>
<td>$30,055,362</td>
</tr>
<tr>
<td>2016</td>
<td>$29,535,774</td>
<td>$29,535,774</td>
<td>$30,055,362</td>
<td>$30,055,362</td>
</tr>
<tr>
<td>2017</td>
<td>$30,055,362</td>
<td>$30,055,362</td>
<td>$30,055,362</td>
<td>$30,055,362</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$606,587</td>
</tr>
<tr>
<td>2015</td>
<td>$279,375</td>
</tr>
<tr>
<td>2016</td>
<td>$0</td>
</tr>
<tr>
<td>2017</td>
<td>$0</td>
</tr>
</tbody>
</table>
# Membership and Dues Revenue

## 2014 - 2017

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Members – All</strong></td>
<td>Actual</td>
<td>Actual</td>
<td>Budget</td>
<td>Proposed</td>
</tr>
<tr>
<td>Types</td>
<td>54,166</td>
<td>55,583</td>
<td>59,507</td>
<td>59,250</td>
</tr>
<tr>
<td><strong>Dues Revenue</strong></td>
<td>$5,549,793</td>
<td>$5,415,745</td>
<td>$5,596,340</td>
<td>$5,538,000</td>
</tr>
</tbody>
</table>

- Continued efforts in several initiatives to maintain and grow
- Dues revenue lower in 2017 by 1%
Revenue Producing Units
Net Revenues/Total Contribution: 2014 – 2017

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Budget</td>
<td>Proposed</td>
</tr>
<tr>
<td>Publishing</td>
<td>$ 943,656</td>
<td>$ 630,005</td>
<td>$ 1,063,731</td>
<td>$ 1,507,653</td>
</tr>
<tr>
<td>Meetings &amp; Conferences</td>
<td>$ 946,174</td>
<td>$ 747,678</td>
<td>$ 598,021</td>
<td>$ 979,956</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>$ 1,889,830</td>
<td>$ 1,377,683</td>
<td>$ 1,661,752</td>
<td>$ 2,487,609</td>
</tr>
<tr>
<td>Overhead Contribution</td>
<td>$ 5,204,961</td>
<td>$ 5,575,198</td>
<td>$ 5,724,255</td>
<td>$ 5,369,008</td>
</tr>
<tr>
<td>Total Contribution</td>
<td>$ 6,882,649</td>
<td>$ 6,465,321</td>
<td>$ 6,907,051</td>
<td>$ 7,538,258</td>
</tr>
</tbody>
</table>

- Annual Conference – Chicago, Midwinter Meeting - Atlanta
- Conference revenue projected to increase by 4.4% from FY16
- Publishing revenue projected to be flat at $12.9 million, which expenses are lower by 3.7% at $11.4 million
## Revenue Producing Units
### Total Contribution: 2014 – 2017

<table>
<thead>
<tr>
<th></th>
<th>Publishing</th>
<th>Meetings &amp; Conferences</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$4,142,737</td>
<td>$2,952,054</td>
<td>$6,882,649</td>
</tr>
<tr>
<td>2015</td>
<td>$3,841,505</td>
<td>$3,111,376</td>
<td>$6,465,321</td>
</tr>
<tr>
<td>2016*</td>
<td>$4,404,663</td>
<td>$2,981,344</td>
<td>$6,907,051</td>
</tr>
<tr>
<td>2017*</td>
<td>$4,584,054</td>
<td>$3,272,563</td>
<td>$7,538,258</td>
</tr>
</tbody>
</table>

*Budget
## Long-Term Investments

### 2014 – 2017

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LTI Revenues</strong></td>
<td>$1,918,488</td>
<td>$911,406</td>
<td>$764,772</td>
<td>$1,214,907</td>
</tr>
<tr>
<td><strong>Interest/Dividends to be Transferred to GF</strong></td>
<td>$556,983</td>
<td>$783,568</td>
<td>$559,576</td>
<td>$981,029</td>
</tr>
</tbody>
</table>
# Grants & Awards
## 2014 – 2017

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant Revenues</strong></td>
<td>$4,954,945</td>
<td>$7,224,274</td>
<td>$4,861,264</td>
<td>$3,413,210</td>
</tr>
<tr>
<td><strong>Overhead Contribution</strong></td>
<td>$350,301</td>
<td>$410,825</td>
<td>$523,344</td>
<td>$523,344</td>
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Capital Expenditures
2014 - 2017

- Reflects ALA’s long-term investment in its infrastructure and building maintenance
- Prioritizes investment in e-commerce and other critical systems

<table>
<thead>
<tr>
<th>Year</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Budget</th>
<th>2017 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>$2,026,306</td>
<td>$1,530,974</td>
<td>$1,743,460</td>
<td>$2,087,894</td>
</tr>
</tbody>
</table>
## Division Revenues/Expenses

**2014 - 2017**

<table>
<thead>
<tr>
<th></th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Budget</th>
<th>2017 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$15,581,358</td>
<td>$14,308,910</td>
<td>$15,655,195</td>
<td>$13,611,230</td>
</tr>
<tr>
<td>Expenses</td>
<td>$14,196,747</td>
<td>$14,637,658</td>
<td>$16,497,456</td>
<td>$15,716,171</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>$1,384,611</td>
<td>$(328,748)</td>
<td>$(842,261)</td>
<td>$(2,104,941)</td>
</tr>
</tbody>
</table>
## Roundtables Revenues/Expenses
### 2014 - 2017

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actual</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>$358,257</td>
<td>$428,775</td>
<td>$389,887</td>
<td>$441,908</td>
</tr>
<tr>
<td>Expenses</td>
<td>$216,753</td>
<td>$263,737</td>
<td>$342,630</td>
<td>$416,808</td>
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<tr>
<td><strong>Proposed</strong></td>
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</tr>
<tr>
<td>Net Revenues</td>
<td>$141,504</td>
<td>$165,038</td>
<td>$47,257</td>
<td>$25,100</td>
</tr>
</tbody>
</table>
Total ALA Net Asset Balance: 2006 - 2015

- $(1,000,000)$
- $(500,000)$
- $-\quad-\quad500,000$
- $1,000,000$
- $1,500,000$
- $2,000,000$
- $2,500,000$
- $3,000,000$
- $3,500,000$

Finance and Audit Committee Recommendations

Motion: F&A recommends to the Executive Board that the preliminary FY 2017 budget proposal - EBD #14.7 be forwarded to the Budget Analysis and Review committee (BARC) for further analysis and review. The Board affirms the strategic direction of the budget and requests that BARC report back on its analysis at the 2016 Annual Conference in Orlando, FL.

Motion: F&A recommends to the ALA Executive Board approval to provide staff with a 1% increase in compensation, along with consideration for an additional one-time organizational incentive as a top priority based on any positive 2017 year-end results.
Thanks for your attention