

TO: ALA Executive Board
Budget Analysis and Review Committee (BARC)

ACTION REQUESTED:

Approval of the *Preliminary FY 2017 ALA Budget*

ACTION REQUESTED BY:

Keith Michael Fiels, Executive Director
Mark Leon, Associate Executive Director, Finance

DATE: April 11, 2016

DRAFT 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 directions of this budget and requests that BARC report back on its analysis at the 2016 Annual Conference in Orlando.

I. OVERVIEW:

The fiscal year 2017 budget proposal reflects the following:

- The ALA mission and programmatic priorities
- The ALA Strategic Directions: Advocacy, Information Policy and Professional and Leadership Development.
- The three implementation plans that outline goals and strategies for each of the strategic directions.
- The enabling strategies which support and advance the programmatic priorities and strategic directions.

The proposed budget was developed within the framework of the strategic directions, programmatic priorities, and enabling strategies.

Programmatic Priorities

The ALA Programmatic Priorities were approved by Council at the 2016 Midwinter Meeting, and are as follows:

- Advocacy for Libraries and the Profession

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

Strategic Directions

ALA's strategic directions are areas of intense focus which advance the mission of the association:

- **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 includes: intellectual freedom, privacy, civil liberties, telecommunications, 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:

A set of enabling strategies have also been identified which support a welcoming, inclusive, engaged and supportive organization that is focused on the three strategic directions:

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

Generally, the budget summary is focused on advances toward fulfillment of the Strategic Directions and improvement of the Enabling Strategies, with connections made to programmatic priorities.

II. 2017 BUDGET HIGHLIGHTS:

The 2017 budget has been developed within an overall national economy that continues to recover slowly following the great recession of 2008, with a low rate of inflation and library budgets that have also been increasing again, albeit slowly, following the significant cutbacks in 2008-2010. Within the overall recovery, situations vary considerably by sector (public, academic, school) and state.

Overall employment in the sector (individuals with advanced degrees working in libraries), which declined by approximately 15 per cent during the recession, is now projected to grow at a rate of 2 % over the coming decade. This is a lower rate than that for the economy as a whole. ALA membership has shown some increases following a period of decline during the recession, which was driven by the loss of employment in the sector as a whole. Statewide ALA/United for Libraries membership agreements for friends and trustee groups have resulted in an increase in organizational members by 2,800, and along with personal member increases, total ALA membership hit 60,000 in March.

In looking ahead to the 2017 budget, 2017 promised to be a very difficult year due to the cyclical timing of division conferences (one conference in 2017 versus two in 2016 and 2018, with a resulting \$500,000 decrease in division overhead contribution from 2016 to 2017). With most revenue sources (interest and grant overhead) expected to grow only slightly, increases in the contribution margin (overhead and net revenue) for publishing (\$180,932) and conference (\$291,220) made the 2017 budget essentially a “zero sum game” in relation to the 2016 budget. Within this framework, reductions in expenses not directly related to program delivery have been made in order to provide for a one per cent increase in staff salaries and an anticipated seven per cent increase in health care costs.

The 2017 budget does include as a priority a significant increase (approximately \$310,000) in funding for ITTS, in support of the Technology Infrastructure enabling strategy, as outlined in the Technology plan developed in 2015 and the recommendations of an external review conducted in the winter and spring of 2016.

About half of this increase (\$150,000) represents capital investments in the ecommerce and other systems, and is supported by an additional drawdown on investment income. The other half (\$160,000) is operational, and was made possible by an adjustment in the 2017 overhead contribution rate from 23.7 (preliminary projection) to 26.4 per cent. This is part of a two year modification, developed in consultation with the divisions, of the Operating Practice for calculating the indirect cost rate. (This two year modification will increase the overhead rate for all units slightly in 2017, and decrease a projected 2018 increase, resulting in a net savings for all Divisions contributing overhead under the Operating Practice, except ACRL, which will see a very small net increase.)

Budget highlights are as follows:

- Overall ALA operating budget revenues of \$47,755,588, a decrease of 5.4% from the 2016 budget. This is primarily due to the timing of divisional conferences.

- General Fund operating budget of \$29,074,333, an increase of 1.1% over the 2016 budget.
- Publishing revenues of \$12,894,222, which are flat from FY 2016, and an increase of \$180,932 in the publishing contribution margin (net revenues and overhead).
- An increase of \$291,220 in conference contribution margin driven by an annual Conference in Chicago and Midwinter Meeting in Atlanta.
- An ACRL Conference in Baltimore.
- A one per cent compensation increase for ALA staff.
- An increase of \$160,000 in the ITTS operating budget.
- Proposed approval by the Executive Board of again using additional investment income to support ITTS capital expenditures in support of the Technology Infrastructure enabling strategy (\$400,000 for 2017).

III. KEY PROGRAMMATIC INITIATIVES:

The 2017 budget, continue support for initiatives related to the Strategic Directions and Enabling Strategies that support them, including the realignment of resources and increased collaboration and focus across the Association on the strategic directions.

ALA's FY2017 budget is directed toward goals and objectives defined by its leadership and members – but it is built unit-by-unit across a complex organization. Achievement of the strategic initiatives is the work of many, brought together, and no strategic direction is advanced solely through one part of the Association. Rather, advancement requires the work of many, amplified through coordination of those efforts.

The lead responsibility for coordinating each strategic initiative is taken by a designated department, headed by an Associate Executive Director. That department is responsible for collaborating with other departments and units across the breadth of the Association to advance that strategic initiative:

- Advocacy – Advocacy and Member Relations
- Information Policy – ALA Washington Office, in close collaboration with the ALA Office for Intellectual Freedom
- Professional and Leadership Development – Member Programs and Services

The FY2017 summary below focuses on major investments and initiatives extended and strengthened by a wide array of activities to be undertaken by various ALA Offices and Divisions, as well as other ALA groups and, in many instances, external partners.

For a more expansive list of activities underlying the proposed FY2017 budget, see the departmental summaries and individual unit budgets.

Advocacy: ALA shall advocate the public value of librarians, libraries and information services.

Major investments and initiatives:

Advocacy and Member Relations Department (A&MR)

The Communications and Member Relations Department became the Advocacy and Member Relations Department (A&MR) in FY2016 and took on the leadership role for this strategic direction. The lineup of FY2017 initiatives demonstrates this focus.

- Libraries Transform: The **Public Awareness Office (PAO)**, working closely with the **Office for Library Advocacy (OLA)**, and other units and the divisions, will lead the second year of the Libraries Transform public awareness campaign. The campaign is designed to reach the public with the message that libraries are essential to personal opportunity and community progress. Campaign components include the use of social media, the systematic dissemination of campaign “Because” statements and other campaign videos, quizzes, and factoids, through the engagement of libraries in the campaign at the local level, and through use of interviews, op-eds and other traditional media to push out the campaign message. The goal is to change public perception and increase support for libraries of all types.), ALA President Julie Todaro’s theme “The expert in the library” will build on existing campaign messages (see below).
- Advocacy Bootcamp: The **Office for Library Advocacy (OLA)** and **Office for Intellectual Freedom (OIF)** are collaborating on a new advocacy training program geared to providing advocacy basics and intellectual freedom concepts. It will pilot on a small scale, with trainings occurring at chapter conferences. The format and direction will be refined based on evaluation of the pilots.
- ESSA:
 - The **Office for Library Advocacy (OLA)**, **Office for Government Relations (OGR)** and **American Association of School Librarians (AASL)** will hold a session at the 2016 Annual Conference to education AASL affiliates on how to prepare for ESSA, including networking with other statewide education groups, messaging and talking points, as well as overall planning.
 - **OLA** and **AASL** are exploring the concept of assisting school affiliates in creating statewide strategic plans, a goal of the Advocacy Implementation Plan. Ideas include using existing state plans as exemplars, correlating ESSA planning with the larger plan. Face-to-face programs and webinars are being considered.
- Libraries Transform at Chapters: **OLA** and the **Public Awareness Office (PAO)** are accepting invitations to conduct trainings and update sessions at chapter conferences on Libraries Transform and ALA’s advocacy plan.
- Advocacy Implementation Plan: **OLA**, the **Public Library Association (PLA)** and **United for Libraries** will be working with a larger group of stakeholders, including the Gates Foundation, Aspen Institute, OCLC, EveryLibrary, Urban Libraries Unite, Library Strategies, and others to explore ways to operationalize Strategy 5 of the Advocacy Implementation Plan: “to explore funding, organizational and governance structures and their impact on libraries of all types in order to ensure the sustainability and future of libraries.”

- Issues Briefs: **OLA** will work with the Committee on Library Advocacy and other groups to create Issues Briefs on negative trends facing libraries, including de-professionalization, the questioning of tax dollar expenditures for libraries, and the movement against independent library boards.

Washington Office (WO)

WO, coordinating with other departments, will strengthen the Association’s legislative advocacy impact through the following major changes, investments and collaborations.

- Coalitions: **The Office for Government Relations (OGR)** will assess Washington Office involvement with current coalitions, both formal and informal, and assess opportunities for new alliances. Specifically, OGR will target new coalitions, allies and outreach efforts on copyright, broadband, privacy and cybersecurity issues and increased funding for library-related programs.
- Public Policy Advocates: **The Office for Information Technology Policy (OITP)**, under the rubric of the Policy Revolution! Initiative and guided by the National Public Policy Agenda, will develop new advocacy coalitions.

Executive Office

- Libraries Transform: The Expert in the Library: Working with groups across the Association, **2016-2017 ALA President Julie Todaro** will build on the Libraries Transform campaign, particularly highlighting the importance of the skilled staff that create value in libraries.
- Center for the Future of Libraries: Increased support for the **Center for the Future of Libraries** will allow the Center to continue its work in identifying trends that will impact libraries of all types, to stimulate and support innovation in libraries, and to model new forms of member engagement in the work of the Center.

Member Programs and Services (MPS)

- School Library Advocacy: **The American Association of School Librarians (AASL)** will expand its work with the **ALA Office for Library Advocacy (OLA)** and the **Public Awareness Office (PAO)** to support school libraries and library-friendly state legislation and regulations, as well as helping school librarians advocate at the local level.
- Libraries Transform: **The Association of College and Research Libraries (ACRL)** will build on the Libraries Transform campaign through the efforts of its Libraries Transform Task Force, particularly the creation of new “Because...” statements.
- The Expert in the Library: **The ALA Office for Human Resource Development & Recruitment (HRDR)** will serve as a key support unit for 2016-2017 ALA President Julie Todaro’s initiative: “Libraries Transform: The Expert in the Library.”
- Intellectual Freedom Advocacy: **The ALA Office for Intellectual Freedom (OIF)** will develop a new series of publications to support library advocacy in the areas of First Amendment rights and privacy in a digital age.
- Data-Based Advocacy: **The Public Library Association (PLA)** will build on the early successes of Project Outcome to help public libraries understand and share the true impact of essential library services and programs with simple survey instruments and an easy-to-use process for measuring and analyzing outcomes. Project Outcome is intended to provide public libraries with the knowledge they need to apply their results and confidently advocate for their library.

- Collaboration: **United for Libraries (United)** will work closely with the ALA Office for Library Advocacy on educational programming and on the Library Advocacy Working Group – a critical link to the communities served by libraries.

ALA Publishing

- Advocacy Journalism: **American Libraries** will continue its “advocacy journalism,” keeping members up-to-date on advocacy issues and focusing on areas such as the “Referenda Roundup.”
- Promoting Public Awareness: **ALA Graphics** will partner with the **Public Awareness Office (PAO)** to provide materials for National Library Week, Library Card Sign-up Month, the State of America’s Libraries Report, Money Smart Week, Preservation Week, Día, School Library Month, GLBT Book Month, the American Dream project and others.

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

Major investments and initiatives:

ALA Washington Office (WO), working with other key stakeholders across the Association (e.g., ALA Office for Intellectual Freedom, ALA Divisions) will enhance the association-wide focus on information policy issues of critical importance to libraries and librarians of all types.

- Federal Legislation: **The Office for Government Relations (OGR)** will focus advocacy for federal legislation on the following areas:
 - LSTA, School Libraries and ESEA, USF and broadband service to all libraries and communities, support for LOC and GPO-FDLP;
 - Increased funding for all library-related programs;
 - IMLS programs;
 - Preservation of fair use and other copyright policies;
 - Ongoing support for open government and no-cost public access to government information;
 - Preservation of E-rate and promotion of new broadband strategies; and,
 - Library eligibility for and receipt of WIOA funds.
- Marrakesh Treaty for Visually Impaired: **OGR and the International Relations Office (IRO)** will work for ratification by Congress of the Marrakesh Treaty.
- Administration Transition: **The Office for Information Technology Policy (OITP)** will develop presidential transition policy documents for use in engaging the new Administration, and working with the ALA leadership, will convene meetings to promote ALA policy positions with regard to the new Administration in key focus areas such as international issues, funding and resources,
- Public Policy Advisory Council: **OITP** will establish the Public Policy Advisory Council to develop and strengthen relationships with non-library national policy entities. OITP will engage

the Council in several activities to educate them about libraries and policies issues of particular concern to libraries.

- Digital Content: **OITP** will continue work begun under the auspices of the Digital Content Working Group (DCWG) to improve library access to digital content and to advocate for more expansive licensing regimes for ebooks.

Member Programs and Services

- Open Educational Resources: **The American Association of School Librarians (AASL)** will focus attention on Open Educational Resources (OER), as well as student data privacy.
- Library Copyright Alliance: **The Association of College & Research Libraries (ACRL)** will continue its participation in the Library Copyright Alliance, including a financial commitment. ACRL is also a member of SPARC and the Open Access Working Group.
- National Coalition for Literacy: The **ALA Office for Diversity, Literacy and Outreach Services (ODLOS)** will represent ALA on the National Coalition for Literacy, through its Literacy Officer.
- Intellectual Freedom Issues: The **Intellectual Freedom Round Table (IFRT)** will launch a social media project to encourage wider discussion about intellectual freedom issues in the library world and beyond.
- Net Neutrality: The **Library and Information Technology Association (LITA)** will focus on net neutrality and access to broadband internet, and will promote those issues through continuing education, identification of “stand-by” experts, and communications.
- Literacy: The Literacies Task Force of the **Young Adult Library Services Association (YALSA)** will complete its work and release recommendations.

Advocacy & Member Relations (A &MR)

Research Support:

- The **ALA Library** will develop a WMS Discovery virtual collection, using Knowledge Base, to provide a roadmap to the statistical information that underpins both public policy development and advocacy.
- The **ALA Office for Research and Statistics (ORS)** will work with the Washington Office to provide and use statistics and research to inform policymakers.

ALA Publishing

- **American Libraries** will coordinate with the Washington Office and other Divisions and Offices to provide coverage for information policy-related events, products and services.
- **ALA Editions/Neal-Schuman** will have the capacity to package (create sets of) relevant books for special sale offers, as well as promoting digital access to such packages where possible through its iPubCentral resource.
- **ALA Graphics** will support information policy initiatives with related promotional materials.

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.

Major investments and initiatives:

The **ALA Member Programs and Services Department (MPS)** is creating a new open coordinating structure to increase the focus and impact of professional and leadership development activities which are created, managed and implemented by all parts of the Association. A shared position (MPS and A&MR) heads this project team, which will facilitate coordination across the Association:

- Courses for Certification: For the second year, \$54,000 in new funding will be made available through the **MPS SAED Office** for the development of three new online courses (through a contract with the **ALA-APA**) in FY2017. This supports an increased role for the **ALA** as a content provider for courses required for ALA-APA certification. Up till now, courses have largely been provided by third parties.
- Curriculum Development:
 - Results of the *Every Child Ready to Read* (ECRR) research grant will be released in FY2017. Based on results, it is anticipated that existing ECRR curriculum will be modified and/or new curriculum modules will be developed. ECRR is a partnership of the **Association for Library Service to Children (ALSC)** and the **Public Library Association (PLA)**.
 - **The Association for Specialized & Cooperative Library Agencies (ASCLA)** will expand its Accessibility Academy, offering online tutorials.
 - **Conference Services (MW)**, working with the **ALA Center for the Future of Libraries**, will expand the future-focused discussion at the 2017 Midwinter Meeting and provide increased clarity for potential attendees by integrating that content into a “symposium on the future of libraries” within the ALA Midwinter Meeting.
 - The Learning Opportunities and Knowledge Coordination Task Force of the **Reference and User Services Association (RUSA)** will report in late FY2016, with recommendations to impact FY2017.
- Leadership Development:
 - **The Library Leadership and Management Association (LLAMA)** will complete development of its library leadership and management competencies in FY2017. This will have a significant impact on professional development as LLAMA develops a focused and organized leadership and management curriculum for library leaders.
 - The **Association for College & Research Libraries (ACRL)** will participate in Educopia’s NEXUS II grant to develop leadership development opportunities that could be offered across the three cultural sectors: museums, libraries, archives.
 - The **ALA Office for Accreditation (OA)** will redesign training for external reviewers in accordance with the *2015 Standards for Accreditation*.
 - The **ALA Office for Intellectual Freedom (OIF)**, working with the Office for Library Advocacy, will focus on programs and products to build the next generation of intellectual freedom leadership (this includes the Boot Camp initiative).
- Micro-Credentialing: **The Center for the Future of Libraries** is partnering with the **Association for Library Collections and Technical Services (ALCTS)**, the **Library and Information Technology Association (LITA)** the **Office for Human Resource Development & Recruitment (HRDR)**, and the **Office for Diversity, Literacy and Outreach Services (ODLOS)** to pilot digital badging. **PLA** is also piloting at the 2016 PLA Conference.

- Infrastructure: **ALA Information Technology and Telecommunications Services (ITTS)**, working with a development group representing Divisions and Offices, will implement Phase 1 of the eLearning/eCommerce module in late FY2016/early FY2017.

ALA Publishing

- Resources for leadership and professional development are the primary focus of **ALA Editions**, **Neal-Schuman ALA TechSource**.
- **Booklist** supports professional development in the area of collection development.

ALA Washington Office (WO)

- Library Legislative Day: The new Grassroots Communications Specialist in the **Office for Government Relations (OGR)** will seek to increase participation in Library Legislative Day and to amplify that and other grassroots advocacy efforts, including potentially expanding grassroots lobbying efforts.
- E-Rate: **The Office for Information Technology Policy (OITP)** will provide guidance, tools and training to encourage and enable librarians to take advantage of increased E-rate funding available.

Advocacy and Member Relations (A&MR)

- International Education Events:
 - The **ALA International Relations Office (IRO)** will coordinate the 3rd ALA library conference at the Sharjah International Book Fair (SIBF) in November 2016, providing professional development for librarians in the Middle East region.
 - The **Chapter Relations Office (CRO)** and **IRO** will collaborate with IFLA on New Professional Series webinars.
- Chapters: **CRO** will offer a new webinar series for Chapters.
- Learning About ALA: ALA Membership will launch “MLIS Resource” (a course in a box) to provide students and educators with a professional module about the value of their professional association,

ALA Executive Office

- Leadership: The fifth annual *Leading to the Future* Leadership Institute will be offered in collaboration with LLAMA.

IV. ENABLING STRATEGY INVESTMENTS:

In its 2014 ALA Midwinter Meeting retreat, the ALA Executive Board defined a number of enabling strategies that support the strategic initiatives. These also require new investment, reallocation and change. While many investments in initiative areas above are also investments in enabling strategies, in some cases the investment being made is primarily to increase organizational capacity around a key enabling strategy.

Assessments and Evaluation

- Working with the **ALA Office for Research and Statistics (ORS)**, units involved in the **execution of advocacy, information policy and professional and leadership development** will design and implement an outcome assessment plan for each of the strategic directions.
 - An Assessment Framework has been developed which will be used in identifying metrics related to the strategic directions. These will include input, activity, output and outcome (impact) metrics. Data for benchmarking and ongoing assessment will be gathered by units, collected through member and public surveys, or garnered from existing research and external data sources.
- The **Association of College and Research Libraries (ACRL)** will update its action-oriented research agenda, including both progress since “Value of Academic Libraries: A Comprehensive Research Review and Report” and a look ahead at important areas where more work needs to be done.
- **The ALA Office for Human Resource Development & Recruitment (HRDR)** is preparing for reauthorization as an approved provider of continuing education units (CEUs) through the International Association for Continuing Education and Training (IACET); there will be an IACET site visit in fall 2016. The CEU registrar is working with ITTS to develop a transcript system as part of the (opt-in) member profile.
- **The ALA Office for Diversity, Literacy & Outreach Services ODLOS** will assess the impact of previous Dollar General Literacy projects (The American Dream projects).
- **The Public Library Association (PLA)** will craft and adopt standards for PLA itself to future program development includes measurement of impact on the field and a focus on professional value.
- **The ALA Public Programs Office (PPO)** will research the characteristics, outcomes, audiences and value of library public programs.
- **ALA Publishing** will increase use of digital analytics to identify trends, influence direction and create new products.
- **The ALA Washington Office (WO)** will analyze WO involvement in coalitions, including CEF, EdLINC, surveillance coalitions, and other formal and informal coalitions, to increase effectiveness and also assess opportunities for new allies.
- **The Young Adult Library Association (YALSA)** will evaluate CE delivery methods, to assess whether or not they are aligned with member needs,
- **YALSA** will gather baseline data to measure member progress toward skill-building in key areas related to YALSA’s 2014 report “The Future of Library Services for and with Teens: A Call to Action.”

Governance and Committee Structure

- ALA staff and member leaders are utilizing the aspirational, forward/outward-facing tools from the **Libraries Transforming Communities** project, supported by the Gates Foundation (FY2016) and coordinated by **ALA Public Programs Office (PPO)**, to change the way that committees and other groups work together. This work will continue in FY2017.
- **AASL** has restructured its Affiliate Assembly to improve connection with state affiliates.
- **LLAMA’s** FY2016-2017 reorganization will result in significant streamlining of the division, as well as new opportunities for member engagement.
- **ALA Membership** will assess ways to simplify dues and dues processing, including automatic renewal and payment plans, and using the new ecommerce system

- **ODLOS** will work with the newly-renamed ODLOS Advisory Committee to implement a new representative structure, designed to integrate the range of specific interests (diversity, literacy, outreach services) in a shared focus on equity, inclusion and social justice.
- **OITP** will review OITP-related governance structures (including committees and round tables) to identify changes needed for the collective achievement of strategic directions, This includes an evaluation of three OITP-related committees: OITP Advisory, Digital Content Working Group, and Policy Revolution! Library Advisory Committee, with the aim of rationalizing and streamlining work.

Staffing

- The FY2017 budget includes a **1% salary increase** for ALA staff.
- The **Center for the Future of Libraries** will have additional staffing to support its work.
- **ACRL's** proposed FY2017 budget includes funding for a senior manager position to continue ACRL's consulting program and a Visiting Program Office position to support implementation of the information literacy framework.
- **ALSC** will add a program coordinator position.
- **ITTS** will add a Data/Business Analyst to improve utilization of data needed for appropriate member engagement.
- **ITTS and ALA Publishing** will add an eStore project manager.
- Funding in the **Office for Library Advocacy (OLA)** has been reallocated to increase the time of the Grassroots Specialist from 60% to 80%.
- The ALA Library has been renamed the **ALA Library and Archives** to reflect its expanded role in managing print and digital archiving with the ALA Archives at the University of Illinois at Urbana-Champaign.
- Two offices relate to membership – **Membership Development** and the **Member and Customer Service Center (MACS)** were combined in FY2016; the combined office will support continued investment in FY2017 to improve recruitment, retention, and member engagement
- **ALA Publishing** lost 8 positions after the recession; as it rebuilds, based on progress toward goals, emphasis is being placed on command of relevant emerging skill sets.
- While **PLA's** proposed FY2017 budget does not include funding for new positions, it is anticipated that a major Gates Legacy Partner grant to be awarded toward the end of FY2016 will impact the FY2017 staff budget as well as adding approximately 2.5 positions during FY2017.
- **YALSA** will add a part-time Communications Assistant for its Literacies Projects.

Communications, PR and Marketing

- The Libraries Transform messaging will provide a consistent framework for all association communication and messaging.
- **OIF** will upgrade the Banned Books database, a key resource for public awareness and communication.
- **OITP** will develop a new communications mechanism to disseminate policy developments to ALA members and the library community.
- **PLA** will implement a new model for sales of advertising and sponsorships.
- Press releases will be posted daily on the **American Libraries** website.

- **ALA Publishing** will share its product release calendars with other Ala units, to facilitate coordinated coverage of common topics.
- **YALSA**, through its Emerging Leaders program (Group K) is developing a social media calendar.

Revenue Streams and Fundraising (see also Conferences and Publishing)

Continuing Education

- **ALA continuing education**, excluding the conferences, is a \$2.6 million business.
- Both ALA Divisions and ALA Publishing have major **eLearning** revenue budgets. While eLearning from ALA Offices is more scattered, eLearning development is increasing in HRDR, ODLIS and OIF.
 - **eLearning events fall into two primary categories: paid, online learning events and sponsored or streamed learning that is free to the participant.**
 - ALA Division and Office eLearning is processed through ALA Member and Customer Service (MACS). FY2015 actual revenue processed was \$546,365, for 217 eLearning events delivered to 5,491 individuals. Growth is budgeted in FY2017. Division eLearning returns overhead (at 50% of the current rate) to support the operations of the Association.
 - An additional 101 eLearning events, with 4,958 registrants, earning \$664,080 in revenues, came from **ALA Publishing**, including webinars, workshops and courses – processed through the ALA Store. Publishing eLearning returns overhead (at 100% of the current rate) to support the operations of the Association, as well as net revenues.
- Sponsored webinars have, to date, been offered through **Booklist (ALA Publishing)** and **Choice (ACRL)** and are free to registrants, deriving revenue from sponsorships. Looking at FY2015 revenue, **Choice** offered 32 sponsored webinars, attracting 13,058 individuals, earning \$155,500 in revenue. **ALA Publishing** hosted 53 events, including Booklist webinars and AL Live, generating \$342,500 and attracting 66,563 registrants.
- ALA units also offered a number of small, face-to-face events, typically hotel-based. In FY2015, there were 7 such events, with a total of over 2,111 registrants, earning \$899,856. FY2017 budgeted events include the following:
 - **AASL** is partnering with **Games and Gaming Round Table (GGRT)** in early FY2017 on GAME: Games as Meaningful Education, September 23-24, 2016, in Rochester, NY.
 - **ACRL** will hold its 58th annual **RBMS** (Rare Books and Manuscripts Section) Conference, Tell Me A Story, June 20-24, 2017, in Iowa City.
 - **ACRL's** Immersion Teaching with Technology program, a blended two-day face-to-face workshop followed by four weeks in an active online learning environment, will be held in conjunction with the 2017 ACRL Conference.
 - FY2017 is an **ALSC Institute** year. The biennial institute is currently scheduled in Charlotte, NC, September 15-17, 2016.
 - The **LITA Forum** (annual) is scheduled November 17-20, 2016, in Ft. Worth.

- **PLA** will host a new strategic planning workshop in October 2016. PLA will also host at least one major leadership/advocacy summit, to bring together library support organization leaders to discuss field-wide issues.
- **YALSA's YA Symposium**, now annual, will be held November 4-6 in Pittsburgh.

Fundraising

- The **ALA Development Office** will work with the ALA Executive Board, the ALA Endowment Trustees and member groups including the divisions to build on the 15X15 planned giving campaign to increase the Associations endowments through planned giving and an annual endowment appeal.
- **ALCTS** will launch a 60th Anniversary fundraising campaign.
- **LITA** is launching a fund-raising campaign with a focus on its 50th anniversary year.
- **ODLOS**, working with the **ALA Development Office**, will initiate an annual appeal for the Spectrum Scholarships.
- **OITP** will identify and cultivate new sources of funding and resources to advance information policy work.
- **ALA Publishing** will pursue grant funding for development of RDA content.
- The **Video Round Table (VRT)** is working with an external donor to develop a scholarship program for MLIS students who have completed one year and who will specialize in media librarianship.

Membership

- Based on the calendar year 2015 CPI of 0.4%, there will be no FY2017 dues adjustment.
- ALA enters FY2017 with a slight upward trajectory:
 - At the end of January 2016, ALA membership was 59,507 – 3,924 greater than the end of January 2015. The United for Libraries group memberships account for 3,363 of the increase.
 - 45% of MLS/MLIS degree holders join ALA.
 - The percentage of ALA memberships belonging to at least one Division increased slightly in FY2016 – from 60% to 62% -- primarily as a result of the new United for Libraries group membership.
 - There has also been a slight increase in the total number of Round Table memberships – now 13,897 memberships in 20 Round Tables, up from 13,726 at this point in FY2015.
- **ALA Membership** will undertake several recruitment and retention programs in FY2017:
 - Joint ALA and Division marketing
 - Activities to increase student membership
 - Recruitment of organizational members
 - The “I am ALA” web initiative
 - Enhanced online membership management services including the ability for members to access/print their membership card/receipts online (vs. email delivery), improving the process for Life and Continuing members who want to add/delete/change Divisions and/or Round Tables, and allowing members to pay via PayPal.

Other Revenue Streams

- **JobLIST (ACRL and American Libraries)** moved to an external platform in FY2016. Revenue is trending up and the full impact should be seen in FY2017.

Division Engagement

Ongoing discussions with the division executive directors and division leadership will continue to focus on how we can better work together to advance the strategic directions. Division engagement and collaboration in the advancement of the directions and enabling strategies has been reflected in every section of this overview, and division activities incorporated in all strategic direction areas and enabling strategies

Technology Infrastructure

ALA Information Technology & Telecommunications (ITTS) made significant changes in its strategic roadmap in mid-2015, in response to changes in the IT environment and member needs as expressed in survey responses and consultation with the division leadership. The FY2015-FY2016 shifts represent gains in operational efficiency, based on targeted use of internal resources, managed services, and local and remote hosting – based on the particular affordances of each option. In FY2016 an External IT Review engaged staff from across the Association and resulted in significant recommendation heading into FY2017. The FY2017 proposed budget includes several significant IT investments:

- Implementation of the ITTS Strategic Roadmap and the recommendations of the IT external review.
- In late FY2016, **ITTS** will implement a “responsive theme” on the ALA website, including significant home-page changes; this will be expanded to other pages in FY2017. New systems, e.g., the e-Commerce modules, have all specified responsive design.
- In late FY2016, **ITTS** worked with a consultant to improve search results on the ALA website, resulting in implementation of a Google Search Appliance in late FY2016. Improvements will continue in FY2017.
- In late FY2015, **ITTS**, working with a team representing various parts of the Association, will release an RFP to select new community software to replace ALA Connect; a system was selected and design work began in FY2016, working with the supplier to integrate those ALA-specific requirements necessary to accommodate ALA’s unique structure. Implementation of phase 1 is scheduled in early FY2017, with phase 2 in FY2018.
- In FY 2017, **ITTS** will migrate staff to Microsoft 365, a cloud-based service. This will facilitate remote access. This is the first of several moves to cloud-based services, with the aim of increasing staff efficiency, enabling remote access, and simplifying the internal environment.
- In late FY 2016-early FY2-17, **ITTS** will implement Disaster Recovery as a Service (DRaaS) using VMware. This will allow faster restoration of service in the event of an emergency.
- **ITTS**, work with staff from across the Association, is implementing a consolidated e-Commerce application. All e-Commerce applications will be on the same platform and share fundamental information, enabling – for the first time – a unified experience for members and other customers.
 - ITTS will implement the e-Commerce application for Dues and (phase 1) in late FY2017; phase 2 is scheduled for FY2017.

- ITTS will implement the e-Commerce application for eLearning (and small face-to-face events) in late FY2016/early FY2017; phase 2 is scheduled in FY2017.
 - The discovery phase for the e-Commerce application for publications and products (the ALA Store) began in FY2016, with implementation scheduled in
- In FY2016/FY2017, **ITTS** will investigate options for replacing the Moodle platform used for ALA e-courses with an externally-hosted software platform to increase support for leadership and professional development.
- Other FY2017 work in **ITTS** includes the improvements for ALA’s core association management system and database:
 - iMIS upgrade (from 20.1.13 to 20.2.24)
 - iMIS data cleanup with iMerge
- **ITTS** will replace ALA’s 16 year-old telephone system in FY2017.
- **ALA Conference Services** will work with the supplier and with ALA Divisions and Offices to streamline use of the conference management system.
- **American Libraries** will incorporate responsive design to facilitate mobile access.
- **RUSA’s** Web Services Task Force is recommending changes to increase uniformity across sections within RUSA’s website
- **ALA WO** will purchase and roll-out new computers to replace those that are over 4 years old.
- The **ALA Library** will continue establishment of WMS Discovery and implementation of ALAIR (ALA Institutional Repository), at the University of Illinois Urbana-Champaign.
- **ALA Publishing** has moved journals to an improved and less costly production system (OJS).

Publishing and Conferences

Conferences

- **The ALA Midwinter Meeting (Atlanta), January 20-25, 2017**, is budgeted to return \$703,540 in overhead to support the operations of the Association, as well as \$25,796 in net revenue. Exhibit hall square foot rates were increased \$.50/square foot. Advertising rates increased 4-5% on average. Registration rates are \$215 (regular members), \$105 (other members, e.g., student, retired) and \$315 (non-members), and include participation in the Symposium on the Future of Libraries.
- **The ALA Annual Conference (Chicago), June 22-28, 2017**, is budgeted to return \$1,589,067 in overhead to support the operations of the Association, as well as a \$125,000 direct allocation to support the SAED Office and a \$954,160 net revenue. ALA conference revenues are particularly important as all ALA conference revenues (for both Midwinter and Annual) – overhead, direct allocation and net revenue – are budgeted and expended by the Association in the same year in which they are earned. Because Annual occurs near the end of the fiscal year, this adds additional challenges as revenues have in effect already been expended.
 - **Conference Services (MW/AC)** will restructure the conference “bundle,” shifting from a one-time purchase to an AC discount coupon for individuals attending MW. This will preserve the discount for individuals attending both meetings but will eliminate some structural problems created by the current bundle system.
- **The ACRL National Conference (Baltimore), March 22-25, 2017**, is budgeted to return overhead to support the work of the ALA, as well as net revenue to ACRL. The 2015 ACRL Conference (Portland) generated more than \$610,000 in overhead for the ALA General Fund.
- FY2017 is a non-conference or “spend-down” year for both AASL and PLA.
 - The next AASL conference is scheduled in FY2018 in Phoenix, November 9-12, 2017.

- The next PLA conference is scheduled in FY2018 in Philadelphia, March 20-24, 2018.

Publishing

Publishing has been and continues to be an area of significant change.

- Many journals have shifted to electronic formats only and many to open access, with a range of embargo decisions. Divisions and Offices have seen revenue from journal publishing decline over the past decade.
- Book publishing varies widely among Divisions, both in quantity and business model.
 - **ALCTS** will publish 2 titles in FY2016 with ALA Editions; decisions on FY2017 publishing are pending.
 - **LITA** is currently contracted with Rowman and Littlefield, for ten books to be published in calendar 2016 and 2017.
 - **United for Libraries** will publish two books in FY2016 through ALA Editions.
- **ACRL** is working to expand its book publishing program to contribute monographs of particular interest to academic libraries, focusing on practical applications as well as some more research-oriented titles for its Publications in Librarianship series.
- **ACRL/Choice** is both changing and expanding, looking at three distinct but interrelated roles – an ACRL publisher, a discovery tool and a library toolset. *Choice* will build on FY2016 investments in the “back-end.”
- **ACRL/Choice** are exploring development of an Open Education Resources review service.
- **OIF’s** Newsletter on Intellectual Freedom has been reconceptualized and relaunched as *In Libris Libertas* – an electronic journal serving as the “journal of record” on challenges and court cases in the area of intellectual freedom.
- **ALA Publishing** produces both rich content to support advocacy, engagement and professional development, and net revenues to support the mission of the Association. Planned production for FY2017 is as follows:
 - **American Libraries**: 6 print issues, 7 digital issues, 5 special digital supplements (e.g., e-content, e-learning, State of America’s Libraries, American Dream literacy project)
 - **Booklist**: 22 print issues, 4 quarterly issues of Book Links, continuous online access (Booklist Online), Booklist Reader blog (which includes 7 sponsor-driven e-newsletters), programs at the ALA Midwinter Meeting and ALA Annual Conference
 - **ALA Professional** (including both **ALA Editions** and **ALA Neal-Schuman**): 50-70 new and revised books (professional, best practices, textbooks), in both print and e-book formats, as well as journals, webinars, e-courses, and RDA.
 - **ALA Graphics**: approximately 35 promotional products.

Member Involvement and Engagement

- The **Making ALA More Welcoming** group will continue to explore ways in which the member experience can be improved and enhanced. The group is using the findings of the Kitchen Table Conversations to “look outward” at member aspirations and obstacles.
- The **ALA Office for Research and Statistics** and **ALA Membership Development** will conduct a Member Satisfaction Survey.

- The 2016 Annual Conference Kitchen Table Conversations will be a “deeper dive” into member understanding behind the core narrative, specifically understanding was members mean when they talk about a “simpler” association. Results from those conversations will help inform strategies in FY2017. (**PPO, SAED MPS**).

Partnerships

- ALA is participating in a three-year partnership with the German Library Association (BID) to create stronger ties between the U.S. and German library communities. (**ALA IRO**).
- The **ALA/SAA/AAM Committee on Libraries, Archives, and Museums (CALM)**, supported by the ALA Library, will identify strategic partners in light of the OCLC/IMLS Coalition to Advance Learning in Archives (<http://coalitiontoadvancelearning.org>).
- **OLA, the Public Library Association (PLA) and United for Libraries** will be working with a larger group of stakeholders, including the Gates Foundation, Aspen Institute, OCLC, EveryLibrary, Urban Libraries Unite, Library Strategies, and others to explore ways to operationalize Strategy 5 of the Advocacy Implementation Plan: “to explore funding, organizational and governance structures and their impact on libraries of all types in order to ensure the sustainability and future of libraries.”
- The **ALA Office for Information Technology Policy (OITP)** develops and strengthens national collaborations as guided by the National Public Policy Agenda, under the rubric of the Policy Revolution! Initiative.
- The **ALA Office for Government Relations (OGR)** will analyze Washington Office involvement in coalitions – including CEF, EdLINC, surveillance coalitions, and other formal and informal coalitions – to increase effectiveness.
- **ALSC** will actively cultivate partnerships that increase its visibility among organizations with a national reach and vested interest in the areas of early literacy, media mentorship for families, and out-of-school time by positioning ALSC members as the content and context experts in these areas.
- **PLA** will undertake new networking and partnership efforts, positioning itself to support information policy efforts at the local, state and federal levels.

**American Library Association
Budget Narrative – Total ALA
FY 2017**

Executive Summary

The total **preliminary ALA FY 2017 budget is \$47,755,588**, which represents a 5.4% decrease from the final ALA FY 2016 budget of \$50,491,292. This budget is guided by and aligned with ALA’s Programmatic Priorities and Strategic Directions. The **FY 2017 budget** details the intended uses and sources of funding for the Association as a whole and by the following separate categories:

- General Fund;
- ALA Divisions;
- ALA Round Tables;
- Grants & Awards;
- Long-term Investment.

The **FY 2017 budgetary ceiling** details all available resources to the Association, which includes the Net Asset Balances of ALA’s Divisions and Round Tables, as well as the Revenues generated during the fiscal year. The **FY 2017 budgetary ceiling is \$64,379,278**, a 4.1% decrease from the FY 2016 budgetary ceiling.

This budget narrative presents a high level summary of the sources (revenues and inter-fund transfers) and uses (expenses and investments) by fund, highlighting trends and changes from prior year budgets which are directly tied to the strategic priorities and operational initiatives described earlier in the Overview. Due to the biennial nature of ALA’s largest Division conferences (ACRL in odd numbered fiscal years and PLA and AASL in even numbered), FY 2017 revenue is discussed in relative to FY 2015 for more accurate comparison.

Detail by Fund

General Fund

The General Fund is composed of three primary business areas (Advocacy & Member Relations, Member Program Services, and Publishing) and other member and Association-wide support departments (Executive Office, Washington DC Office, OITP, Development Office, and the other departments including Human Resources, Finance, and Information Technology.)

The **preliminary FY 2017 General Fund budget is \$30,120,362**, which is a 2.6% increase from FY 2016. Per ALA policy, the General Fund is budgeted to break-even, with expenses equaling revenues for the period.

Advocacy and Member Relations (Membership)

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
Members (total - all types)	54,166	55,583	59,507	59,250
Dues Revenue	\$ 5,459,793	\$ 5,415,745	\$ 5,596,340	\$ 5,538,000

While the Association continues to embark upon several key initiatives to maintain and grow its total membership base, the FY 2017 budget assumes a slight decrease of 1% in total members with a similar decline in dues revenue. Membership dues rates will not change in FY 2017.

Conferences

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
MW Revenues	\$ 2,674,882	\$ 2,687,032	\$ 3,006,550	\$ 2,988,525
AC Revenues	\$ 5,613,872	\$ 6,618,866	\$ 6,284,475	\$ 6,715,425
Net Revenues (AC/MW combined)	\$ 946,174	\$ 747,678	\$ 598,021	\$ 979,956

Conference revenues support the Members Program Services business area and generate overhead revenue to the General Fund. The ALA Midwinter conference will take place in January 2017 in Atlanta and the Annual Conference in June 2017 in Chicago. Total revenues from the two conferences are projected to increase by 4.4% from 2016 (with Midwinter Conference slightly below 2016.)

As mentioned earlier, contribution margin from these two major conferences will increase by \$290,221 over FY 2016.

Publishing

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
Publishing Revenues	\$ 13,219,338	\$ 12,645,125	\$ 12,899,351	\$ 12,894,222
Publishing Expense	\$ 12,275,605	\$ 12,015,117	\$ 11,835,620	\$ 11,386,569
Net Revenues	\$ 943,733	\$ 630,008	\$ 1,063,731	\$ 1,507,653

Revenues from publishing (which do not include revenues from Division publishing activities) are projected to be flat from FY 2016. Publishing related expenses however are projected to decrease by 3.7%, resulting in a 42% increase in net revenues. The three largest decreases in expense relative to FY 2016 are overhead expense (\$265k), amortization (\$186k), Expenses overall are lower primarily due to decreased depreciation and amortization expense and lower overhead expense.

Executive Office and General Administrative Expense

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
Executive Office Expense	\$ 4,327,553	\$ 4,611,982	\$ 4,710,466	\$ 4,710,104
General Administrative Expense	\$ 2,668,613	\$ 2,584,410	\$ 2,668,642	\$ 2,625,098

Total expenses related to the Executive Office and General Administration are flat from the FY 2016 budget. While the total amount has not changed, individual line items within each department were reduced or deferred in order to offset increases in others, primarily personnel expense. The primary areas of lower expense that offset increases in other line items include depreciation, professional services, and bank fees.

Divisions

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
ACRL Revenues	\$ 2,204,537	\$ 5,282,284	\$ 2,458,773	\$ 4,784,206
AASL Revenues	\$ 1,965,760	\$ 685,616	\$ 2,016,766	\$ 599,908
PLA Revenues	\$ 4,180,523	\$ 802,514	\$ 4,175,740	\$ 931,270
Choice	\$ 3,030,956	\$ 3,017,393	\$ 3,011,870	\$ 3,129,468
ALSC	\$ 1,566,190	\$ 1,551,694	\$ 1,201,261	\$ 1,367,170
ASCLA	\$ 98,857	\$ 72,159	\$ 108,065	\$ 123,440
ALCTS	\$ 490,917	\$ 521,964	\$ 549,365	\$ 541,725
LLAMA	\$ 268,266	\$ 280,401	\$ 258,800	\$ 239,195
RUSA	\$ 370,225	\$ 362,828	\$ 371,400	\$ 369,935
UFL	\$ 426,446	\$ 417,677	\$ 388,730	\$ 403,380
LITA	\$ 391,180	\$ 362,160	\$ 371,778	\$ 358,608
YALSA	\$ 587,602	\$ 952,217	\$ 742,647	\$ 762,925
Total Division Revenues	\$ 15,581,459	\$ 14,308,907	\$ 15,655,195	\$ 13,611,230

Total FY 2017 Division revenues are projected to decrease 4.9% from FY 2015 actuals. As discussed earlier, ACRL will hold its annual conference in Baltimore in FY 2017, an odd numbered year.

Round Tables

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
Total Roundtable Revenues	\$ 358,256	\$ 428,775	\$ 389,887	\$ 441,908
Total Roundtable Expense	\$ 216,755	\$ 263,740	\$ 342,630	\$ 416,808
Total Net Revenues	\$ 141,501	\$ 165,035	\$ 47,257	\$ 25,100

Grants & Awards

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
Total Grant Revenues	\$ 4,954,945	\$ 7,224,274	\$ 4,861,264	\$ 5,113,210
Overhead Contribution to GF from grants	\$ 350,301	\$ 410,825	\$ 523,344	\$ 523,344

The preliminary FY 2017 budget reflects \$3,413,210 of approved grants to date as well as \$1,700,000 of grants to awarded (Gates and IMLS.) Due to the ongoing nature of grant proposal and award activity, grant revenues and expenses will be adjusted throughout the fiscal year as grants are awarded. Total grant revenues will cover grant direct expenses as well as contribute overhead revenue to offset overhead expense from General Fund department support.

Long-term Investment

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
Total LTI Revenues	\$ 1,918,488	\$ 911,406	\$ 764,772	\$ 1,214,907
Interest & Dividend Transfer to GF	\$ 556,983	\$ 783,568	\$ 559,576	\$ 981,029

Long term investment revenues are composed of projected interest and dividend income from ALA's endowment that are transferred for General Fund and Division use. FY 2017 includes the amount available for operations and investment based on the 20 Quarter historical average, projected donations, and investment income approved by the Board.

Capital Expenditures

	FY 2014	FY 2015	FY 2016	FY 2017
	Actuals	Actuals	Budget	Budget
Capital Expenditures	\$ 2,026,306	\$ 1,530,974	\$ 1,743,460	\$ 1,928,894

FY 2017 capital expenditures reflect longer term investments in ALA infrastructure such as information technology and building maintenance. They are primarily reflected in the FY 2017 budget as depreciation expense for information technology and are recognized over the estimated useful life of the investment. Individual capital project details are presented separately. The FY

2017 increase in capital expenditures reflects increased investments in IT systems (ecommerce, CONNECT, eLearning, etc.).