

TO: ALA Council
FROM: Forward Together Fiscal Analysis Working Group
DATE: June 23, 2021
RE: Fiscal Analysis of Forward Together Resolutions at Annual Conference 2021

Introduction

The Forward Together Fiscal Analysis Working Group (FT-FAWG) was appointed in June of 2020 by then President Wand K. Brown and charged to “conduct a comprehensive fiscal analysis of the amended Forward Together recommendations.” We provided our first report to ALA Council at Midwinter Conference in January of 2021. That document, *Initial Report of the FTFAWG*, January 19, 2021, was Council Document #37. This report draws on some of the foundational analysis that was presented in the first report.

The members of the FT-FAWG are Tom Adamich, Victor Baeza, Ronald A. Dubberly, Susan Jennings, John A. Lehner (Chair), Brenda Pruitt-Annisette, Karen G. Schneider, and Carrie Willson.

The chair of FT-FAWG has regularly attended meetings of the Forward Together Resolutions Working Group to monitor the content of forthcoming resolutions. Victor Baeza, a member of the Resolutions Working Group and the Fiscal Analysis Working group, served as Liaison between the groups.

The activity of the Forward Together Resolutions Working Group continued into mid-June. Due to time constraints, there may be some resolutions that we are unable to fully assess for fiscal impacts.

A major issue affecting a fiscal analysis of changes to ALA’s governance structure is the cost of in-person versus online meetings. Our January 2021 report to Council included a section on the costs of face- to-face and online meetings. One of our findings was that, “Face-to-face governance, as it is currently conducted in ALA, is significantly more expensive than online governance.” Hybrid meetings, with some members present and some members participating virtually, also entail significant costs. Most of the resolutions being presented do not specify how the restructured governance entities will meet. This is a question that may need to be more thoroughly addressed in the implementation stage.

Throughout this report you will see reference to the fiscal implications of the complexity of ALA membership and organization. The current dues structure, both in costs and number of types, creates barriers to access for new and existing members; these costs for recruitment

and retention cannot be calculated but are undoubtedly affecting the health of, and engagement with, ALA. Those structures also result in significant and measurable expense in staff time and IT and infrastructure support to design membership materials, web sites and elections.

The Forward Together Resolutions Working Group divided itself into the following subgroups:

- ALA Core values
- ALA Executive Board
- ALA Committees
- Round Tables
- Council
- Leadership Assemblies

This report refers to these subgroups and their output.

ALA Core Values Resolution

The subgroup on ALA’s Core Values prepared this resolution.

Resolution Clause	Fiscal Impact
“Establishes a task force... to review the ALA Core Values and make recommendations at Annual 2022 regarding any necessary revisions.”	This will require some staff support, but the limited time frame limits the significance of any fiscal impacts.
“Imbues the task force with the following charges...” a. The establishment of a regular review process b. A plan to reduce the multiple locations where the ALA Core Values are listed to a single, easy-to-find location	To reduce the ongoing costs of this process, we suggest that the regular review process be the work of one of the newly proposed standing committees, or another existing committee.

Round Table Resolution

The following analysis of the proposed ALA Council Round Table Resolution describes the fiscal impact of this resolution on the association. An analysis of the impact of round table minimums provided by the ALA Member Relations and Services unit provides supporting data (see Appendix A, Analysis of Round Tables Resolution). There are three actionable items in the resolution: raising the Round Table minimum membership from 100 to 150

members, requiring a “common core” of Round Table bylaws, and requiring Round Tables to align with a common set of dues.

Resolution clause	Fiscal impact
<p>1. Affirms Round Tables are a vital part of the ALA structure.</p>	<p>Indirect impact, in the sense that affirming Round Tables as essential implies they should be part of ALA’s structure moving forward regardless of other structural changes or fiscal exigencies. The justification for why Round Tables are vital to ALA structure (versus, for example, Membership Initiative Groups or Connect groups) is not articulated in the resolution.</p>
<p>2. Requires Round Tables maintain a minimum of 150 members. A Round Table unable to meet the minimum membership within one year may become an Interest Group.</p>	<p>None of the current Round Tables would be affected by this minimum (see Appendix A for an analysis of current Round Table membership). Additionally, the current and proposed minimum membership are based on all types of personal members, including those who pay reduced dues. The fiscal impact of being organized as a Round Table versus an “Interest Group” (presumably this refers to an ALA Membership Initiative Group) is not addressed.</p> <p>This clause, if approved, also continues the practice of no correlation between the size of ALA membership and the thresholds for Round Table membership. In contrast, proposed models based on Round Table membership at 1%, .5% and .25% of the total ALA membership indicate that the smallest Round Tables would need to either maintain or grow their membership or seek alternative governance structures (see Appendix A for this fiscal modeling).</p>

	<p>The only current and proposed check on the cost implications of Round Tables is to limit their creation or vote for their dissolution, and in recent history Council has voted to approve every proposed Round Table and only one Round Table has been dissolved (ERT, at the initiative of its member leaders). In recent history, two Round Tables, Federal Librarians Round Table and the Armed Forces Librarians Round Table, merged into FALFRT, again at their own initiative. FALFRT merged into the former ASGCLA division in 2017/2018.</p> <p>There is a concern about the possibility of increasing numbers of Round Tables. Ten percent of Round Table dues are paid as overhead to ALA. This does not cover the cost of providing staff support to Round Tables. When Round Tables expand their activities without increasing regular paid membership, increased support is required but no additional overhead is paid beyond the 10% of dues.</p>
<p>3. Requires that all Round Tables adhere to a common template of core By-Laws while maintaining the flexibility of their own operating principles.</p>	<p>Common bylaws should have a positive downstream fiscal impact, given that the unique practices of any given unit contribute to the cost of staff support. It is unclear what is meant by “flexibility of their own operating principles” and the subsequent fiscal impact of this flexibility and the subsequent implications for what is meant by “common.”</p>
<p>4. Requires that all Round Tables align with nominal, annual membership dues to be set by the Round Table Leadership Assembly.</p>	<p>A common dues structure would have a positive fiscal impact on ALA, reducing the complexity of the dues structure and staff costs associated with implementation of complex pricing rules.</p>

	<p>The term “nominal” is not actionable in this clause as it simply suggests Round Table dues be kept low.</p> <p>It is unclear why it is recommended the dues structure be approved by the Leadership Assembly versus being recommended to the Executive Board (proposed to be renamed the Board of Directors), the member leaders who are fiscally responsible for ALA.</p>
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Resolution on Board of Directors

The subgroup on Executive Board prepared the resolution on the Board of Directors.

Resolution Clause	Fiscal Impact
1. Dissolve the current ALA Executive Board.	The costs of supporting the Executive Board would be eliminated. Our January report presented detailed data on the costs of the current Executive Board.
2. Create a new ALA Board of Directors, that guides the vision of the association, shapes association strategy and goals, has fiduciary responsibility for the association’s assets and investments, recruits and appoints and works with the association executive director, and oversees the association audit process	We believe this is similar to the role of the current Executive Board. Support for the Board of Directors will parallel the level of support required for the Executive Board.
3. The Board of Directors will have 18 members, including one ex officio member, the ALA Executive Director.	Moving to a Board of Directors with 17 volunteer members has significant fiscal implications. The report from the FTFAWG in January provided information on the per member cost of supporting the current Executive Board. Assuming the Board of Directors will require a level of support very similar to that needed by the Executive Board, we are able to provide some

	<p>estimates of the costs of the expanded Board of Directors.</p> <p>Looking at just the annual costs per member of transportation, lodging and food, the costs would increase as follows:</p> <ul style="list-style-type: none">● Expanding to a Board of 17 volunteer members would increase direct costs by approximately \$38,675 annually. This is the recommendation contained in the Forward Together October 2019 document from the Steering Committee on Organizational Effectiveness.● Further expansion of the Board of Directors will cost an estimated \$7,735 per person annually. <p>These costs do <u>not</u> include meeting room costs, wifi and A/V setup of rooms, and official board events. These costs will not necessarily increase proportionally to the number of new members added to the Board. However, these costs may likely increase with the expansion of the Board. With these costs included, the annual cost per member of the Executive Board is about \$16,000.</p> <p>These costs are calculated using the average of four years (2016 through 2019). An important caveat is that these costs are based on the new Board of Directors meeting in face to face meetings as frequently as the Executive Board did in the pre-pandemic era (four times per year, augmented by monthly Zoom meetings). If the work of the new Board of Directors is undertaken with fewer face-to-face meetings, these costs would be lower. Our</p>
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	<p>January report provided a detailed analysis of the costs of face to face meetings.</p> <p>We also note that we previously reported on the cost of Governance and Executive Office staff support for the Executive Board as \$228,000 per year. This is a cost of \$19,000 per year per member. We do not expect expansion of the number of Board members to cause a simple proportional expansion of costs for staff support. For example, adding 5 additional members will not necessarily result in an additional \$95,000 in annual costs (\$19,000 per person). However, we do expect that expansion of the Board could substantially increase the cost of providing staff support.</p>
<p>4. Require that the Board of Directors also serve as members of Council.</p>	<p>The resolutions on Council provide for a smaller entity than the existing Council. This provision, however, adds 17 members to the reimagined Council. These would be members whose transportation, lodging and meals are generally covered by ALA. It is unclear how this will change costs without better understanding meeting expectations and needs of staff support. Additional detail is provided in the Resolutions on Council.</p>

Resolutions on Council

The subgroup on Council prepared the resolution on Council.

Resolution to Reimagine Council

Resolution Clause	Fiscal Impact
<p>1. Ensures that all ALA members have the opportunity to bring forth resolutions to be considered by the board and any other entity within the new Governance model, regardless of council or board membership</p>	<p>We think this has negligible fiscal impact.</p>

<p>2. The resolution assigns to the Board of Directors all fiduciary and administrative oversight functions of the Association. The Board of Directors will delegate management of the day-to-day operation to the Association’s Executive Director per the current constitution.</p>	<p>This suggests that a newly constituted Board will need levels of support similar to the Executive Board. FTWG’s January report presented detailed data on the costs of the current Executive Board. The costs of the Board of Directors are discussed in the preceding section.</p>				
<p>3. Dissolves the current Council as it exists and replaces it with this new body focused on ALA policy.</p>	<p>Review of policy is an aspect of governance structure and does not have direct fiscal implications. However, retaining Council as the body responsible for new policy creates cost implications for the Association (see #4). Currently, the Executive Board has a policy role as well, per the ALA Constitution: “The Executive Board shall make recommendations to Council with respect to matters of policy” (Article VII., Section 3).</p> <p>Fiscal efficiencies could be realized if the ALA Board of Directors were responsible for new policy as well as governance.</p>				
<p>4. That Council’s new membership consists of five elected members from each Assembly (20), the Board of Directors (21), five members each from the Standing Association Policy, Public Policy and Advocacy and the Professional Values Committees (15), and 12 at-large positions, for a total of 68 members.</p>	<p>FT-FAWG worked with the Director of Governance to establish the costs of Council in greater detail. The best estimated costs of Council that we were able to develop in January 2021 is shown in the table below. The costs are calculated using the average of four years (2016 through 2019) of governance-related expenditures and the average of five years (2015 through 2019) of governance meeting expenditures.</p> <p>Annual Cost of Council</p> <table border="1" data-bbox="813 1587 1339 1780"> <tr> <td>Total Council Expenses (without Council room):</td> <td style="text-align: right;">\$216,011</td> </tr> <tr> <td>Estimated Governance/Executive Office Staff Costs:</td> <td style="text-align: right;">\$152,000</td> </tr> </table>	Total Council Expenses (without Council room):	\$216,011	Estimated Governance/Executive Office Staff Costs:	\$152,000
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	<table border="1"><tr><td data-bbox="799 306 1104 445">Total Costs:</td><td data-bbox="1104 306 1356 445">\$368,011</td></tr></table> <p>The cost of face-to-face Council at Annual and Midwinter Conference is shown without the cost of the required meeting rooms. We have presented the data this way because the cost of the meeting space for Council has historically been included in the larger agreement for meeting space and is usually “comped.” If the meeting rooms were not included in the overall contract and were priced separately, the cost of the meeting rooms is estimated at \$175,482 annually. Including this amount brings the cost of supporting Council face-to-face to \$543,493.</p> <p>The expenses that are attributed to Council, include professional services (captioner, parliamentarian), audio-visual equipment rental and labor, computer rental and internet connection, and ALA overhead. The estimated Governance/Executive Office staff costs represent the proportion of time devoted to Council work. This estimate is based on aggregate salaries and does not include benefit costs.</p> <p>The \$368,011 cost for Council would be reduced by having all virtual meetings: but if, as indicated in resolution #8, meetings were hybrid, that cost would not be reduced as significantly. Staff expenses would likely remain the same and may be impacted depending on the logistics of managing council representatives from the aggregate groups.</p>	Total Costs:	\$368,011
Total Costs:	\$368,011		

<p>5. Board, Assembly and Committee membership terms to Council will be concurrent with their terms as elected from their respective parts of the organization.</p>	<p>No fiscal implication.</p>
<p>6. That Council’s 12 at-large positions will be directly elected by membership. Terms for these at-large positions will be limited to two consecutive three-year terms with a mandatory three year break from service. Terms for the at-large positions begin July 1 following the spring election and Annual conference.</p>	<p>Elections have cost implications both in staff time and in cost of the vendor that administers elections. Having a smaller number of directly elected representatives to Council will decrease the time/effort from the Nominating Committee as well as staff.</p>
<p>7. That Council develops a schedule of in-depth reviews of ALA policies and governance structure so that all policies are reviewed at least once every 5 years.</p>	<p>In-depth reviews of ALA policies and governance structure will require the commitment of additional support.</p>
<p>8. That Council meet at least 4 times a year and that all Council meetings be conducted virtually, or provisions made for in-person meetings to have a virtual component. +-</p>	<p>Below are the costs for hybrid Council meetings. The transportation, lodging, and meals includes Board and staff for 1 day and 2 days. Costs are subject to change. For example, if Council is not meeting in conjunction with an ALA main event, there will most likely be costs for the Council room as well as meeting planner time. Meal function costs may decrease or increase depending on budget affordances.</p> <p>1 Day Council HYBRID Meeting Estimated Cost Professional Services \$ 1,350.00 Transportation \$10,540.00 Lodging & Meals \$10,778.00 Meal Functions \$5,000.00 Audio/Visual Equip Rental and Labor \$17,515.00 Council Room \$ --- Total \$45,183.00</p>

	<p>2 Day Council HYBRID Meeting Estimated Cost: Professional Services \$2,700.00 Transportation \$10,710.00 Lodging & Meals \$16,167.00 Meal Functions \$7,000.00 Audio/Visual Equip Rental and Labor \$28,280.00 Council Room \$ --- Total \$64,857.00</p> <p>If Council has three virtual meetings and one meeting (Annual Conference) is held in a hybrid format, staff estimate costs as follows:</p> <p>\$64,857 - One 2-day hybrid meeting (during Annual Conference) \$3,381 - 3 virtual meetings \$68,238 grand total, without the staff support cost figure included.</p> <p>If the current staff costs to support Council are included, the annual total cost of Council under this scenario (one hybrid, three virtual meetings annually) would be \$220,238 (without the Council room costs).</p> <p>If Council meets twice a year virtually and has two hybrid 2-day meetings annually, the cost would be \$284,013. The cost of the room for hybrid meetings may vary, depending on the number of members attending in person. The current annual cost of Council, is \$368,011 (without Council room costs).</p> <p>We suggest that some guidelines be developed addressing hybrid meetings. It is not fiscally responsible to host in-person meetings without knowing the number of</p>
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	people who plan to actually attend in person, or attend virtually.
9. That the requirement to attend in-person meetings of Council be eliminated.	This is a positive fiscal decision for members. Its fiscal impact on the Association is somewhat less clear.

Resolutions on Assemblies

The subgroup on Leadership Assemblies developed these resolutions.

Resolution to create ALA Assemblies

Resolution Clause	Fiscal Impact
1. creates four assemblies (Affiliate, Chapter, Division, and Round Table)	This adds an additional set of member bodies to ALA’s structure and will increase costs to support these new entities, depending on implementation. The resolution also doesn’t call for the dissolution of the certain groups that may be replaced by the new Assemblies, such as the Chapter Leaders Forum and the Round Table Coordinating Assembly.
2. requires membership to ALA and the Assembly’s corresponding divisions, roundtables, chapters or affiliates to participate	No fiscal impact
3. adopts standard governing documents for the four assemblies; and	Using standardized governing documents will help reduce the cost of supporting the Assemblies.
4. has each assembly elect representative(s) to fill 2-year terms on ALA’s Board of Directors.	The fiscal impact of the expanded Board of Directors is presented in our comments on the Board of Directors resolutions. Reducing Board terms from three years to two years increases election costs.

Resolution to establish structure of ALA Assemblies

Resolution Clause	Fiscal Impact
1. has each Assembly consist of a minimum of 15, with a maximum of 80 elected representatives from	This adds some complexity to ALA elections and will contribute to increased costs for elections. There will also be

corresponding ALA unit members to serve a 3-year term with the option to be re-elected after a 3-year break in service;	additional work in identifying and recruiting candidates.
2. Elects a leadership team (chair, vice-chair, secretary) elected from membership of each Assembly to serve a 3 year term with the option to be re-elected after a 3-year break in service;	This also increases the complexity and cost of conducting elections.
3. Requires that each assembly elect five members to serve on Council and be responsible for bringing their Assembly's policy-related resolutions to the body.	This also increases the complexity and cost of conducting elections.

ALA Standing Committees

This resolution was developed by the ALA Committees subgroup.

We are unable to make a sound fiscal analysis without further information about the scope and charge of these standing committees. The Forward Together Resolutions Overview document notes that considerable “effort has gone into mapping where current committees would fit within the proposed 6 standing committees.” However, to conduct a fiscal analysis, we will need greater clarity about the status of existing committees as the new committee structure is implemented. The separate resolutions establishing each of the standing committees include a whereas clause stating “existing Committees of the Association and Committees of Council are slated to be placed within the new structure.” Each of these resolutions then enumerates the existing committees of Board and Council that will be “reallocated.” We have concerns about whether these existing committees will be dissolved or become subcommittees to the newly established standing committees. We will need more time to fully understand the fiscal implications of the standing committees and the integration of existing committees into the new structure.

Two of the 6 standing committees present separate fiscal concerns:

- 1) The Leadership Development Committee is a new committee. It will require staff support. Depending on the scope and deliverables of this new committee, determining a committee budget may vary. Leadership Development related programs can range greatly, from \$5,000 up to \$100,000 or more.

2) The Nominating Committee will have an expanded scope under the proposed resolution. The current Nominating Committee prepares a slate for a total of 55 candidates (2 President-elect, 2 Treasurers, 51 Councilors at Large). At the time of implementation of these resolutions, the proposed new nominating committee will prepare a slate of approximately 150 candidates. The slate will include President-elect, Treasurer, Councilors at Large, ten elected members of each of the 6 Standing Committees of the Board, as well as the Board of Directors. Once staggered terms are established, the new Nominating Committee will still be responsible for developing a slate of approximately 84 candidates.

It is unclear whether the elections of the ALA Assemblies will be within the scope of the Nominating Committee. Assuming that the Assemblies will have their own nominating committees, their elections will not impact the Nominating Committee. We are concerned, however, with the increase in size and complexity of ALA elections resulting from the Forward Together resolutions.

Appendix A, Analysis of Round Tables Resolution:

Proposed Resolution:

Requires Round Tables maintain a minimum of 150 members. A Round Table unable to meet the minimum membership within one year may become an Interest Group.

Current Bylaws ([Article VII. Section 1.a.](#))

The Council may authorize the organization as a round table of any group of not less than 100 members of the Association who are interested in the same field of librarianship not within the scope of any division, upon petition of such group which shall include a statement of purpose.

Impact Analysis:

A 3-year average was calculated using the total member counts for ALA and the Round Tables as of August 31st for years 2018-2020. Based on this analysis, there would be no Round Tables impacted by this proposed resolution.

I have noted the impact of the threshold of 1%, .5% and .25% of the total ALA member numbers. The Round Tables with the red dot are at risk under the corresponding threshold.

	ALA	EMIERT	FMRT	GAMERT	GNCRT	GODORT	IFRT	IRRT	LEARNRT	LHRT
2018	57,866	918	591	753		551	1254	1698	382	405
2019	56,049	954	664	745	788	544	1250	1582	417	431
2020	54,169	979	684	770	1047	539	1155	1404	431	450
3-year average	56,028	950	646	756	918	545	1220	1561	410	429
.25% of 3-year trend	140	810	506	616	778	405	1080	1421	270	289
.5% of 3-year trend	280	670	366	476	638	265	940	1281	130	149
1% of 3-year trend	560	390	86	196	358	-15	660	1001	-150	-131

	LIRT	LRRT	LSSIRT	MAGIRT	NMRT	RMRT	RRT	SRRT	SORT	SUSTRT
2018	1769	1354	419	268	1487	295	1414	1809	180	900
2019	1784	1311	418	266	1426	321	1457	1872	188	1141
2020	1684	1186	411	268	1270	322	1407	1897	209	1280
3-year average	1746	1284	416	267	1394	313	1426	1859	192	1107
.25% of 3-year trend	1606	1144	276	127	1254	173	1286	1719	52	967
.5% of 3-year trend	1466	1004	136	-13	1114	33	1146	1579	-88	827
1% of 3-year trend	1186	724	-144	-293	834	-247	866	1299	-368	547

Assumptions:

- This includes all personal, organization and corporate members.
- The 3-year average is applied to both ALA member counts and round table member counts.
- The membership counts will be captured as of August 31st in alignment with our bylaws (Article IV. Section 2.d.):

“...For the purposes of this section, the Personal Membership of each round table and the Personal Membership of ALA shall be fixed as of August 31st of each year.”

