

TO: ALA Executive Board

FROM: Mark Leon, Chief Financial Officer  
Brad Geene, Director Budgeting & Planning

DATE: June 11, 2019

RE: **FY 2020 Revised Budget (changes since Spring meetings)**

**Introduction**

At the Washington, DC Annual Conference, on Friday, June 21st, the Executive Board will be asked to take action to approve the FY 2020 Revised ALA Budget. On Monday, June 24th, Susan Hildreth, ALA Treasurer, will present the FY 2020 annual estimates of income for Council’s approval. The revised budget schedules can be found in *EBD #3.22/ BARC #3.22*.

**Adjustments to the FY 2020 Preliminary Budget**

As is customary between the Spring BARC meeting and the Annual Conference, ALA Unit Managers, in conjunction with Finance Office staff, continued to review their FY20 preliminary budgets and have made revenue and expense adjustments reflecting the most current information and decisions. Material changes are summarized in the table below. In aggregate, an additional \$415,000 of expense has been added since Spring.

**General Fund**

ALA's General Fund: FY 2020 Revised Budget, (\$,000)	
Spring Preliminary Budget =	(2,444)

Expense savings, net	
Office of Intellectual Freedom	43
Office of Accreditation	7
Information Technology (ITTS)	19
Overhead	90
<b>Total</b>	<b>159</b>

Expense additions, net	
Executive Office	(67)
Communications & Marketing Office	(89)
Human Resources	(46)
ALA Editions	(13)
Midwinter Conference (Philadelphia)	(172)
Annual Conference (Chicago)	(189)
<b>Total</b>	<b>(576)</b>

*All other nonmaterial changes, net* 2

Revised Budget (as shown on Budget Schedule EBD/BARC #3.22) =	<b>(2,859)</b>
---	----------------

### **Expense savings**

The Office of Intellectual Freedom's (OIF) net savings represent a reworking of the FY20 budget considering the unit's staffing transition. A search is currently in progress for a new OIF Director.

The Office of Accreditation's savings is driven by the cancellation of the JURA accreditation management software monthly subscription fee.

ITTS's net savings reflects shifts in the planned timing of capital projects and professional services needs. A detailed presentation of IT planned strategic investments, by fiscal year, can be referenced in *EBD #3.21/ BARC #3.21*.

Changes in Overhead contribution, which offsets general administrative expense, comes materially from 2 new grants.

1. The Public Programs Office's "Holocaust Museum Traveling Exhibition" grant contributes an additional \$44,000 in administrative expense relief to the General Fund.
2. Public Library Association's program "DigitalLead: Rural Libraries Creating New Possibilities" is funded by Microsoft Philanthropies and contributes an additional \$29,000 in overhead.

### **Expense additions**

Executive Office changes reflect the addition of a Communications Specialist and other less material net changes.

Communications & Marketing Office (CMO) expense reflects a planned new full-time position tasked with managing the "i-lovelibraries.org" program.

Human Resources expense reflects additional expense related to the search for a new ALA Executive Director, including funds for candidate assessments. Additionally, increases to the HR budget include existing HR staff salary increases, in addition to the budgeted ALA-wide two percent salary increase.

In Publishing, ALA Editions had an additional expense related to web operating and mail lists.

Lastly, and the largest driver of the change in this revised budget, audio visual expense has been increased in both FY20 Conferences, Midwinter (Philadelphia) and Annual Conference (Chicago), to reflect historical spending realities.

### **Revised FY20 Budget Schedules**

Additional fund and unit level detail for all revenue and expense budgets can be found in "**Fiscal Year 2020 Budget Schedules**" (**EDB #3.22 BARC # 3.22**).