

To: ALA Executive Board and ALA Council

Re: Operating Agreement Work Group Update

ACTION REQUESTED/INFORMATION/REPORT: This report provides an update on the activities of the Operating Agreement Work Group to the Executive Board and ALA Council.

CONTACT PERSON:

Maggie Farrell, maggie.farrell@unlv.edu, ALA Treasurer; Operating Agreement Work Group Co-Chair
Andrew Pace, andrewkpace@gmail.com, Operating Agreement Work Group Co-Chair

DRAFT OF MOTION: none

DATE: March 28, 2022

BACKGROUND:

<https://operatingagreement.ala.org/>

The Operating Agreement Work Group was proposed during ALA Midwinter 2020 with a final charge and appointments in June 2020. The OAWG has met throughout the year and meeting materials are available on our ALA website. The OAWG appreciates the time extension for our work through June 2022.

The OAWG is focused on two activities – rewriting the relationship document and examining the financial practice of applying the overhead rate.

Rewriting

The Operating Agreement Policy (A.4.3.4.1) requires a complete revision. The Policy is not only dated, but the language does not reflect the current values and aspirations of ALA. The goal of the relationship between ALA and Divisions is to advance the entire membership and values that all members hold. This sentiment needs to guide the tone and language of a revised policy. The OAWG wants to clearly outline support systems that include accountability, efficiency, and quality while also strengthening communication and excellence throughout ALA.

Overhead Rate

The OAOAWG will recommend elimination of the overhead rate between ALA and the Divisions. This might be considered for Roundtables although Roundtables have a different financial structure of 10% of their membership dues. Roundtables are a bit more complicated due to the variety of Roundtable activities including awards/seal sales that require additional staff support.

The following questions are being examined and would benefit from Executive Board member insights:

- What would a new budget process look like that accounts for the joint support needs or core operations?
- How would we ensure that member value operations are well funded to achieve ALA goals?
- How would a new budget structure manage Division surpluses and deficits?

There would be transition issues as well in moving to a new budget structure. Specifically, the question of Net Asset Balances needs to be addressed. While there is not fully cash behind NABs, the ALA Finance Office still track the ongoing surpluses. Should those NABs be honored? Eliminated? Or an agreement about partial funding? This will be a critical discussion for the implementation of any Board-approved recommendations coming from the Working Group.

Conversations

The OAWG had productive discussions with EB, BARC, F&A, PBA, and Division Leadership during the January meetings. Individual Division meetings are ongoing this spring.

Next steps for the OAWG

The OAWG will touch base with appropriate governance committees to ensure the policy proposal process is clearly understood.

The OAWG will continue drafting and meeting to meet the June final report due date.

The OAWG will work with the ALA Finance Office to discuss financial and process implications.

Operating Agreement Work Group members:

	Name	Home Institution
Co-Chair	Maggie Farrell	UNLV
Co-Chair & SCOE Rep	Andrew Pace	University System of Maryland (USMAI)
Division Member	Clara Bohrer	Retired Director, West Bloomfield Township Public Library
Division Member	Diane Chen	Stratford STEM Magnet School Library
Roundtable Member	Sophia Sotilleo	Lincoln University (PA)
Membership Member	Miranda Bennett	University of South Carolina
Publishing Committee	Christine Dulaney	Library of Congress
Member	Clara Harmon	Calumet City Public Library (IL)
Executive Board Member	Wanda Brown	ALA Past President
BARC Chair	Peter Hepburn	College of the Canyons
Division Staff	Tammy Dillard Steels	YALSA Executive Director
Division Staff	Kara Malenfant	ACRL Interim Executive Director
Division Staff	Kerry Ward	Core (previously LLAMA Executive Director)
Roundtable Staff	Lorelle Swader	Associate Executive Director, HR
Finance Staff	Denise Moritz	Director of Financial Reporting & Compliance
General Fund Staff	Melissa Walling	Associate Executive Director, AOMR
General Fund Staff	Kathi Kromer	Associate Executive Director, PPA

ALA Personnel Supporting/Contributing to the OAWG:

Keith Brown
 Marsha Burgess
 Holly Robison

ACTIONS: None