

ALA Fall 2022 Executive Board Meeting

Session I: Friday, October 21, 2022

All of session I was in closed session which consisted of board retreat, ED performance review, and a legal update.

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Session II: Saturday, October 22, 2022

ALA President Lessa Pelayo-Lozada called the meeting to order at 9:00 am CT. The board went into closed session to discuss a human resources update and campaigning discussion.

Executive Director Report, EBD #12.1

Executive Director Hall welcomed the following new ALA staff leaders:

- Rebecca Headrick, Chief Information Technology Officer
- Payal Patel, Interim Director of Communications & Marketing Office
- Julie Reese, Interim Executive Director Core
- Alena Rivers, Executive Director ALSC

ED Hall provided the following updates:

- 150th anniversary planning will begin soon and will be discussed in closed session
- The pivot strategy is on track to increase our revenue and to maintain the increase of our revenue over expenses
- Shared a progress chart of FY goals:
 - Membership is moving from having a transaction membership based on short term value like conference to long-term engagement through Divisions, Round Tables, and other areas
 - Conference Services:
 - LibLearnX in January will be the first in-person iteration of the event
 - Annual conference: working toward making this a curated public experience
 - Publishing is making significant progress, especially in international markets
 - Continuing Education has been centralized and driving membership engagement
 - Contributing Revenue has increased corporate giving and foundation giving, while continuing to work on individual donor giving
 - Data, Research and Design will plan to fully launch in the spring

Office For Accreditation Report, EBD #12.1

Karen O'Brien, Director of Accreditation, and Athena Salaba, Committee on Accreditation (COA) Chair, provided the following updates:

- COA is working on updates to Accreditation standards, process, policies and procedures manual, specifically in addressing EDI
- The standards have adopted the definitions of EDI from the Office of Diversity, Literacy and Services glossary added statements for all 5 standards
- In addition, COA is working on a template for self-study that is more explicit on the presentation of data they should be including when they are submitting their self-study
- Engaging with ALISE throughout this process
- A comprehensive accreditation review for programs is every seven years, but they provide biannual progress reports

Financial Update

Treasurer Peter Hepburn and CFO Dina Tsourdinis made the following updates:

FY22 3rd Quarter Financial Results, EBD #3.1-3.1a

- Surplus revenue of \$32.9 million; in comparison to FY21, revenues are greater by \$4.5 million.
- Overall net revenue is \$4.5 million ahead of the end of 3rd Quarter FY21.
- In comparison to FY20, net revenue ahead by \$0.6 million while expenses are down by \$8 million
- Current net revenue of \$8.6 million better than 3rd Quarter FY20
- Divisions' revenue is below projection by \$750,000 but expenses closely monitored, for a net surplus of \$1.5 million
- Round Tables realized both revenues and expenses under budget, with net surplus of \$273,000
- Schedule of loans and transfers as of August 31, 2022:
 - Current aggregate balance of \$7.1 million represents \$1.5 million decrease from one year prior
 - ALA received forgiveness of paycheck protection loans totaling \$6.2 million
- Finance staff implemented an accelerated process to catch up on reporting, and currently Finance is closing the 1st Quarter of FY23
- The audit will begin on November 14

FY23 Final Budget, EBD #3.2-3.2a

Budget assumptions:

- 3% staff salary increase as of January 1, 2023
- No furlough dates for staff
- Overhead rate of 26.5%
- Freeze of net asset balances to the endowment
- Approved Pending 5% endowment payout for all units and divisions with endowments

Adjustments from the budget version presented at Annual Conference:

- Net revenues from operations total \$50,000
- Additional \$130,000 in revenue from interest income and other sources offset by \$121,000 in personnel costs and additional positions. The resulting net surplus is \$59,000.
- Net assets projected for the end of FY22 at \$65.2 million and FY23 budgeted revenues is \$50.2 million, for an annual estimates of income of \$115,388,000
- Overall, the final FY23 budget results in revenues of \$49.5 million and expenses of \$49.4 million
- Capital budget totals \$2.65 million

Treasurer Hepburn moved, on the recommendation of BARC and F&A, approval of the ALA Final FY23 budget and annual estimates of income of \$115,388,000 as presented in EBD #3.2.

APPROVED ALA Final FY23 budget and annual estimates of income of \$115,388,000 as presented in EBD #3.2.

ALA Five-Year Financial Plan, EBD #3.3

Assumptions:

- Ongoing 3% staff salary increase
- Planned deficits of \$763,000 in FY24 and \$600,000 in FY25, with projected surpluses in FY26 and FY27
- Additional net revenue derived from the revenue campaigns in later years
- Illustrates the shift in revenue streams according to pivot plan over the next few years

FY24 preliminary budget assumptions:

- Overhead rate will remain at 26.5% and grant rate will be 27.73%
- Endowment spending rate will be 5%, pending approval
- Salary increase as of January 1, 2024 will be 3%

The Board discussed the 5-Year plan, emphasizing the need for realistic planning.

CFO Tsourdinis noted that ALA is eligible for the Economic Recovery Credit (ERC), one of the federal packages for all for-profits and non-profit organizations. Our benefits were calculated between \$2.8 million and \$3 million, which ALA should receive after completing the required paperwork.

ALA Retirement Audit Plan, EBD #3.6

Director of Financial Reporting & Compliance, Denise Moritz noted that an unmodified opinion was issued by the auditor and there were no findings. The report was presented and accepted by BARC and F&A.

Treasurer Peter Hepburn moved that, on the recommendation of F&A, the Executive Board accepts the retirement plan audit as issued by P.K.F. Mueller, EBD #3.6

APPROVED acceptance of the retirement plan audit as issued by P.K.F. Mueller, EBD #3.6

Joint Budget Analysis & Review Committee (BARC) and Finance & Audit (F&A) Subcommittee Report, EBD #3.8

Karen Schneider, BARC Chair, provided the following updates:

- Successful orientation in September
- Join meeting held on Monday, October 17; discussed a number of items already presented in the report
- BARC liaison model will be put on pause, and Divisions and Round Tables would go first to their Executive Board liaisons with questions and concerns about ALA finances. Treasurer and BARC Chair will submit quarterly financial updates to be provided through regular board updates
- BARC will discuss and follow-up with recommendation on Council Document #59, regarding virtual membership meetings, which was referred to BARC at Annual Conference

Endowment Trustee Report, EBD #13.0

Senior Endowment Trustee Mario Gonzalez providing the following updates:

- As of August 31, 2022, market value at \$55.9 million and book value at \$11.2 million
- Environmental, Social & Government (ESG) and Diversity funds now reflect 60% of the endowment portfolio, with due diligence to avoid funds that “green-washed,” which means funds are labeling themselves ESG/Diversity but are not in practice
- July provided a better market than beginning of the calendar year, but market is going down again, reflecting turbulence since last February
- Strong U.S. labor market with only 3.2% percent unemployment is likely preventing a recession
- Challenges:
 - War in Ukraine continues to dampen our global growth both in food and gas shortages
 - Inflation is expected to continue
 - The Fed raised interest rates twice and expecting another 0.75% increase in an effort to aggressively reduce inflation
 - While still expensive, oil and gasoline prices have dropped, and U.S. is faring much better than Europe
 - Uncertainty of the outcome of the mid-term elections, which could impact markets

- Major Indices: S&P is about 20% lower, and all indices are lower. ALA endowment continues to fare better than the average major indices
- Trustee activities:
 - Reviewed proposals for financial advisor, as part of due diligence, and will interview four prospects at the November in-person meeting
 - Provided an orientation to Treasurer Hepburn
 - Revising the Investment Policy Statement

Membership Committee Report, EBD #10.1 & #12.1

Miranda Bennett, Chair, and Melissa Walling, AED Offices & Member Relations provided the following updates:

Committee activities:

- Engaged Avenue M, an association consulting firm that ALA has worked with in the past, for additional work on the membership model and updated survey since the last survey in 2018
- In November, a survey will go out to all current and recently lapsed members of ALA about the value of membership and ALA products and services. Results will help finalize the membership model work and serve as a tool for others throughout the association
- Extended the timeline for the membership model work and plan to bring a proposal to ALA Council this January with an FY25 implementation date of September 1, 2024
- Changed threshold to be eligible for the non-salaried membership rate raised to \$45,000
- Round Table Dues Standardization Task force worked this summer to determine a standardized dues rate for Round Tables, and brought forward suggested scenarios that the Membership Committees discussed and will make final recommendations during its November meeting
- Developing some ideas for a peer-to-peer member recruitment program

Membership Office updates:

- Focus on recruitment as we head into FY23
- Regular schedule of reaching out to lapsed members established
- Board endorsed a reduction in the price of international membership, which is a great talking point to approach potential international members
- Working to build an automated campaign to engage e-learning non-members
- Looking at ways to optimize promotion for membership in divisions and round tables.
- For LibLearnX, working with the Louisiana Chapter on recruitment
- Students remain the strongest pipeline into membership; currently at 18,000 students. Membership has worked with Chapter Relations on efforts at student retention after graduation
- Code of Conduct Committee only in its second year, which will be instrumental for policies and procedures around upholding the code of ethics. The committee will also assess its composition and needs in the coming year

The Board discussed the report, particularly ways that Board Members can support recruitment and engagement efforts and engaging members at Division, Round Table, Chapter, and LIS program levels.

Publishing & Media Report, EBD #12.1

Mary Mackay, AED Publishing provided the following updates:

- FY22 wrap up:
 - As of end of April, 2% below budget and estimate ending FY22 with revenues 1.6% below budget but expenses also under budget to offset; Anticipate net improvement of \$135,000 over the original budget
 - Revenue standouts in FY22:
 - ALA JobList, with 73% more revenue than FY21

- Great deal of custom content
 - Product and content licensing
 - Rally in book sales
 - Digital sales licensing billed \$1.6 million
- Areas of concern:
 - Subscription models everywhere under stress
 - Enormous increase in costs of paper and postage
 - Inflation and impact on library budgets
- Making progress on diversifying the staff and restaffing generally in coming months
- FY23 opportunities:
 - Tying revenue to membership
 - Work in EDISJ content
 - Working with publishers and book vendors around censorship and book banning
 - LIS curriculum and accreditation report as it relates to textbooks
 - Return to in-person conferences and events
 - Advertising collaborations with new Ad Sales Representative
 - Licensing opportunities and repackaging content
 - ASAE membership for ALA will help with important benchmarking.
 - Public based opportunities outside the U.S.
 - *Booklist Reader*: digital for a year now and moving into print
 - Source Books journals
 - ALA Graphics shop provides an online store without having to keep inventory
 - Translation agreements through RDA
- Publishing Committee
 - Once a month, send an email to the Executive Board and a handful of other member leaders highlighting what has come out that month
 - Working on a new proposed charge and composition

The Board moved into closed session.

The Board reconvened in open session.

Conference Committee & Services Report, EBD #12.1

Jennifer Ferriss, Conference Committee Chair, & Earla Jones, Conference Services Director, provided the following updates:

- Working on the launch of the first in-person LibLearnX and upcoming Annual Conference in June 2023 in Chicago
- LibLearnX:
 - Plan to launch registration on Wednesday, October 26
 - Goal of 2,000 paid registrants, with 1800 in person and 200 virtual
 - Established a local rate for anyone within 150 miles of Louisiana, member or non-member
 - Health and safety protocols: recommend having registrants agree to a statement at time of registration. ALA conference committee members approved the recommendation of the following statement. This language is an adaptation of the Core conference statement, which was run through legal:
Registrant agree to follow all health and safety guidelines announced by ALA and/or the facility prior to and during the event. Registrant acknowledges and agrees that they are attending LLX voluntarily at their own risk and release any claim they might have against ALA and its officers, directors, employees, and agents for any and all

liability or responsibility for any illness, damages, or injury whatsoever that they may incur in connection with their attendance at LLX, including, without limitation, as a result of exposure to COVID 19 or the manner in which LLX is conducted.

- LLX subcommittee evaluated 212 submissions for education sessions, with a 51% acceptance rate. There are 123 planned educational sessions during LLX, including submissions and curated slots for opening and closing main stage, curated leadership sessions and the Youth Media Awards (YMAS)
- Community service initiative with 826 New Orleans, a non-profit organization that cultivates and supports the voices of young writers, ages 6-18 through creative collaborations through schools and communities. This is a national organization, so there is potential for future collaborations at other sites
- Working with CMO on marketing efforts, as well as Chapters, Round Tables, and other units
- Reaching out to board members and leaders about convening round table sessions, rather than a career placement center

The Board discussed the registrant statement, as well as messaging regarding masks. The Board noted its approval of the statement, as well as language that masks are strongly recommended.

Annual Conference 2023 skeleton schedule, EBD #12.2

Some minor adjustments governance meetings, but no significant changes to schedule since last iteration

President-elect Drabinski moved that the Executive Board approves the 2023 Annual Conference skeleton schedule, with the final council meeting extended by 30 minutes, EBD #12.2

APPROVED 2023 annual conference skeleton schedule, with the final council meeting extended by 30 minutes, EBD #12.2

Site Selection Criteria, EBD #12.5

In the summer, Conference Services asked the Executive Board for guidance on site selection to better understand how ALA should prioritize our values and locations around the country. The document provides draft criteria for conference site selection that could potentially be adopted across ALA.

The Board discussed the document and concurred that ALA should move toward a set of criteria, as outlined in the document.

Development Office & Contributed Revenue Report, EBD #12.1

Nancy Davenport, Philanthropy Advisory Group (PAG) Chair, ED Hall & Anne Manley, Assistant Director of Corporate & Foundation Relations provided the following updates:

- PAG focusing on three projects:
 - Campaign focused on Right to Read and countering book bans
 - A vendor event at Annual Conference
 - Suggestions from board members for PAG vacancies
- Development Office updates:
 - Projected revenue of \$4.5 million goal in FY23, and within 4-5 years, reach \$30 million
 - Add a new Director of Strategic Advancement & Partnerships, which is in the next rounds of hiring

- Adding partnerships
- Supporting PAG
- Complete feasibility study to support 150th anniversary program
- Challenges:
 - Inflation
 - War in Ukraine
- Planning stewardship thank you event for donors prior to Giving Tuesday campaign
- Working with Alford Group, a woman and minority owned and led firm with a track record of raising funds, for a multi-year campaign. An ideation group has been formed to advance this work
- Planning Giving Tuesday and End of Year Campaigns, which includes traditional mailing that goes out to between 6,000-10,000 individuals
- Added a donate button as part of main ALA page
- Review 1876 Club and Legacy Society to make them more robust
- Encourage Board Members to send prospects and identify potential institutional advancement and partnership leaders

The Board discussed the report, noting that a calendar of fundraising events and projects would be beneficial.

Continuing Education Report, EBD #12.1

Dan Freeman, Director of Continuing Education, provided the following report:

- New streams of content in development for FY23, which is the core of revenue generation:
 - Full YA partnership to combine forces and dramatically expand the volume of continuing education targeted at the YA audience
 - Core competencies for library staff is a bundled product aimed at workers new to LIS work
 - Anti-racist library services course
 - Looking at prominent member leaders and experts to do a master class series
 - Expanding management crash course to readers' advisory and programming, as well as possibly reference.
 - Core competencies and Practices for Sustainability is a new partnership with the Sustainable Libraries Initiative
- Developing Prison Library standards in collaboration with grant funded content already discussed in today's meeting
- Continually working on branding and marketing
- Establish a set of standards for free events across the association
- Work across units to increase and facilitate bulk and institutional purchasing
- Work to develop an ALA wide approach to certification and credentialing

The Board discussed the report, including the creating and leadership of the Prison Library Standards Work Group.

President Pelayo-Lozada adjourned the meeting.

Intellectual Freedom/Social Justice Update

A subcommittee of the Board was charged with looking at the final report from the Intellectual Freedom and Social Justice Working Group to determine how to implement their recommendations.

- Working group recommendations:
 - Advance and fully implement equity, diversity, inclusion, social justice, and belonging in hiring, mentoring, supporting, and promoting library staff and advocate for equity, diversity, inclusion, justice and belonging in relationships with library vendors
 - To promote equitable access to information and providing more assistance to those who need it most
 - Provide diversity of perspectives in our collections and resources, highlighting communities that have historically been underrepresented or excluded
 - Listen actively to recommendations of individuals from marginalized groups
 - Ensure and advance equity in providing access to facilities, resources and services.
 - Educate ourselves and our users about the critical evaluation of information and structures created and champion social justice
 - Taking action to combat discrimination and systemic racism
- In conversation, the subcommittee came up with four suggestions for board response:
 - Many recommendations are already happening across the association
 - Potentially implementing an ALA connect space to support ongoing conversations
 - Develop professional development programming and resources for members
 - Draft a statement to clarify as an Executive Board, we do have a position on one of these frames, but we have a commitment to the value of ALA as a space for convening these difficult conversations and providing tools and resources for members.

The Board agreed to review a proposed statement drafted by President-elect Drabinski at the November Board meeting. President-elect Drabinski will also work with the subcommittee to identify action items regarding setting up a Connect space, as well as a hotline and follow-up mechanism, to present at the November meeting.

The Board moved into closed session.

The Board reconvened in opening session.

Office for Diversity Literacy & Outreach (ODLOS) Report, EBD #12.1

Suzan Alteri & Jennifer Shimada, ODLOS Advisory Committee Co-chairs & Kevin Strowder, ODLOS Director, provided the following updates:

- ODLOS Advisory Committee activities:
 - Council approved the addition of a committee co-chair and three additional members at Annual Conference. A call for volunteers was posted in the summer, and all additional members have been appointed.
 - Goal for this year is to update the ODLOS Advisory Committee handbook
 - Host 4 EDI assembly meetings; the first one is this Thursday
 - Select a speaker for the Gene Coleman lecture
 - Select poster for diversity fair at ALA annual
 - Strengthen the structures of the EDI assembly
 - Formalize the representation structure and creating a rubric for additional permanent members

- Review ODLOS Web site
- Committee on Diversity update: having initial discussions about the proposal to adopt the Anti-White Supremacy & Fascism Working Group as a subcommittee and how that mission might dovetail with other efforts like the joint ALA/ARL Task Force for Cultural Proficiencies for Racial Equity Framework
- Board should encourage groups and individuals to join the EDI assembly and advise on the future of the ODLOS Advisory Committee
- ODLOS Unit updates:
 - Coretta Scott King Book Awards launched as a new Round Table in September, which required significant work to transition from EMIERT in terms of governance, finance, and member engagement
 - Development of the 2023 edition of the Standards for Library Services for the Incarcerated and Detained. A review committee has already begun work.
 - Committed to a contract with the Library of Congress to update the 2017 standards for the Blind and Physically Handicapped
 - Spectrum programs:
 - Welcome orientation happy hour this week led by Advisory Committee members
 - Applications are currently open as of September 1 for the 2023/2024 cohort, with an information session held later this winter
 - Spectrum Doctoral Fellowship will have its first institute at LLX 2023
 - Literacy has been a conversation within ODLOS in terms of what EDI looks like on a literacy spectrum. A major goal of the office is to support literacy work in a more strategic way. The Committee on Literacy is doing good work around social justice and literacy for incarcerated people
 - An offer was extended to an Accessibility Program Manager, which was accepted. That person should be onboarded in the next few weeks.
 - LTC Accessibility toolkit: providing the disability inclusion institute opportunity to members
 - EDI cross-functional team is looking at options for the next all-staff training

The Board discussed the report, including concerns about creation and leadership of the Standards of Library Practices for the incarcerated. It will be investigated and reported back to the board.

Public Policy & Advocacy Report, EBD #12.1

Ed Garcia, Committee on Legislation Chair, & Alan Inouye, Interim AED Public Policy & Advocacy Office provided the following updates:

- COL is supporting PPA efforts in the following:
 - Senate appropriations bill for FY23 added \$20 million for public library facilities, and COL is helping PPA to get that in the House bill
 - Introduction of the Right to Read Act, the first bill focusing on school libraries in decades and designed to ensure all students, including low income and minority students, children with disabilities and emotional language learners, have access to an effective school library staffed by a certified school librarian. PPA staff and AASL provided substantial input on this bill, which will likely be introduced next year after the lame duck session
 - Introduction of the Digital Equity Foundation Act; ALA is also a founding partner in the coalition advocating for this

- Tribal Connect Act introduced, which would make it easier for tribes to secure high speed access for native owned libraries
- ALA has continued support for Gigi Sowen to be confirmed on the Federal Communications Commission
- Libraries have lost some critical champions in Congress
- ALA will be lobbying for library facilities funding as mentioned in passage of a Digital Equity Foundation Act
- Ramping up for introductory activities for the new Congress
- After the election, will identify new friends and champions in Congress
- Introduction of Stop the Sexualization of Children Act introduced, which shows increasingly serious threats that could target librarians. The bill is unlikely to get traction but could if control of Congress shifts in the election
- PPA activities:
 - Digital books advocacy: in the past year, eight states have introduced such legislation, and ALA works with state chapters on state legislation. ALA recently completed a report with guidance for state advocates
 - ALA sent a delegation to New York City to meet with several of the large publishers and some other entities
 - Bill of Business initiative, which is to promote entrepreneurship and small business in public libraries
 - United Against Book Bans campaign: PPA's role is working state and local advocacy and to help the Office for Intellectual Freedom
 - Parental Bill of Rights Act introduced but without traction; that could change after the election
 - Another major effort is broadband:
 - Funds going to the NTIA and Department of Commerce to support broadband access
 - Report coming out soon based on a June workshop funded by the Mellon Foundation
 - Chapter conferences are back in person
 - Efforts on disaster relief continue both for Ukraine and hurricane Ian
 - CLE retreat coming up in November
 - Policy Corps trainer workshop will be in November
 - Monitoring mid-term elections closely
 - As board members, please encourage chapters to join the United Against Book Bans campaign, help bolster our engagement with the state and municipal organizations, push out alerts and information through your networks, and help identify people for committees, policy corps, and other projects.

The Board discussed the report and additional ways to support PPA work. Director Inouye and Chair Garcia, along with Committee on Library Advocacy Chair Steven Yates, will work together to establish an upcoming town hall or seminar on ALA's advocacy efforts.

The Board moved into closed session.