

**Fall Executive Committee Meeting  
 November 5, 2016, Pittsburgh, PA**

**Topic:** FY17 Budget Deep Dive

**Background:** In its emerging role as serving a fiscal oversight role for YALSA, the Executive Committee will want to familiarize itself with the FY17 budget and discuss strategies for addressing budget pressures that arose after the budget was finalized. The Committee will also want to explore how best to facilitate future fiscal discussions with the full board as part of an overall effort to have the resources YALSA needs to continue to provide services and support to members. Beth Yoke has provided the following information for the Committee’s consideration.

**Action Required:** Discussion

Additional materials will be provided on site

**Trend Data: Net Revenue**

**KEY:**  
 Green = mainly growing  
 Yellow = fluctuating  
 Red = mainly in decline  
 Blue = mainly flat

Revenue Stream	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Award seals	36,876	63,151	46,442	46,204	44,838	54,047	259,117	71,633
Dues	216,082	207,366	209,044	220,194	236,718	232,956	234,044	234,966
E-courses	18,427	4,123	6,068	5,609	3,162	4,543	9,812	22,805
Webinars	N/A	500	8,161	11,755	5,339	3,076	(937)	771
Curriculum Kits	N/A	N/A	N/A	N/A	(3,012)	6,651	1,254	656
Licensed Institutes	9,500	12,000	8,774	5,041	3,926	6,688	6,568	0
Periodicals	(24,540)	(12,337)	22,069	(19,623)	11,035	(6,709)	20,222	(22,609)
Books	1,676	19,654	9,225	8,199	6,360	985	8,450	3,952
TRW & TTW	9,464	8,000	20,796	23,669	18,176	24,216	40,430	51,488
Events at ALA	32,289	13,300	29,334	11,648	38,652	30,445	18,908	17,738
Symposium	24,241	N/A	40,059	N/A	32,503	N/A	24,901	38,211
Donations	6,340	12,156	17,422	15,040	16,880	18,394	16,177	16,345
Interest	24,236	21,508	19,400	22,917	22,258	25,325	54,383	54,023
Grants	5,000	5,000	85,954	144,000	268,937	276,680	122,657	225,098*

\*includes 1/3 of YALSA's 3 year IMLS grant

## Factors Impacting YALSA Finances in FY17

### Changes

- Two new budget projects were created to support organizational plan work: Leadership and Advocacy.
- The curriculum kits are being phased out, so the project for them was merged with non-serial publications
- The webinar project was expanded to “e-learning” to accommodate digital badges, YALSA Academy, snack breaks, etc.
- Salaries, wages and benefits have now been assigned to specific projects, in order to better track actual program costs

**Ads:** we've been offering ads on our app, but have yet to sell any. Our ad rep was going to offer a free app ad to a recent sponsor in order to drum up some interest

**Continuing Education:** Two weeks prior to the start of the fiscal year, unit managers were informed that units were going to be charged for access to ALA's e-learning platform beginning in FY17. At a minimum, it's estimated to be an additional \$2,160 per year for YALSA that has not been budgeted for. Ensuing discussions led to the possibility of this being retracted, but as of Nov. 1, no final decision has been made. CE is a big focus in YALSA's organizational plan; however, its ability to generate significant revenue is doubtful, due to the glut of online learning options, especially free ones

**Grants:** we received another round of Dollar General funding, and have applied for a small grant from ASAE as well as a grant from IMLS, that we're waiting to hear the status of. We're in year 1 of our 3 year IMLS funded project, “Future Ready with the Library.”

**Endowments:** Per ALA, there was opportunity to transfer funds from operating budgets into endowments in FY17, but since there was not a surplus in the operating budget, this was not an action that the Board took.

**Overhead to ALA:** For FY17 overhead is calculated at 26.4% (as opposed to 25.9 in FY16, 25.4 in FY15, and 24.2, in FY14). When the budgets were built in Feb., we were told the rate would be 23.7%; however, in April it was changed to 26.4% after ALA incurred a major increase in Post-Retirement Benefit obligation that they had not anticipated.

**Publications:** YALSA is scaling back in this area, due to the long-term trend data showing shrinking revenues in this area; however, we will have one new publication out in mid-FY17, and are experimenting with a digital publication that's a remix of journal and blog content.

**Seals:** continues to be an uncertain revenue stream, as there isn't much of a predictable pattern to go on to plan for expenses. Printz and Nonfiction seals are the biggest sellers. On the revenue side, the digital licensing payments are spotty.

**Symposium:** Notification of the increase in overhead came at the end of April, after YALSA had opened up symposium registration. So, it was too late to adjust registration fees to off-set this additional expense. Additionally, we had increased registration rates last year for the first time since 2008, so a back to back increase may not have been well received by attendees. As a result of the late change in overhead, YALSA will need to provide ALA with an estimated \$3,821 over what was originally budgeted.

**Teen Tech Week™**

For the past two years Best Buy sponsored TTW at the \$60,000 level; however, due to a decreased sponsor budget, their contribution this year is \$30,000. In order to provide mini grants, YALSA needs to find another funding stream

**Fees & Spending Rates**

CATEGORY	FY 2017 ASSUMPTION	COMMENT
<b>NON-PERSONNEL:</b>		
Indirect Cost Overhead Rate (full)	26.4%	Based on FY 2015 audited results
Indirect Cost Overhead Rate (half)	13.2%	Web CE, subscriptions, ads, product sales
Grant Rate (Preliminary)	19.42%	
Endowment Spending Rate	5.0%	
Bank Service Fees	2.85%	GL Line (5122) Bank S/C
Mileage reimbursement rate	54 cents per mile	Calendar Year 2016 IRS Rule
MACS registration fee	\$6.89 per registrant	For symposium & e-courses
Subscription Processing (IUT)	\$6.25 & \$6.50 RDA	GL Line (5903-4)
<b>PERSONNEL:</b>		
Salary	1%	
Employee Benefits	33%	GL Line (5000)
Employee Benefits – Temps & OT	15%	GL Lines (5001-2)
Attrition %	4.5%	GL Line (5005)

**Total projected budget shortfall**

<b>Expense</b>	<b>Amount</b>
1% raise to salaries/wages	\$3,348
Overhead increase	\$6,665
e-Learning platform	\$2,160
Reduced TTW sponsorship	\$30,000
<b>TOTAL</b>	<b>\$42,173</b>

## Opportunities for Addressing Budget Pressures

### Products/Sales

Strategy	Persons Responsible	Dates	Background
YALS subscription drive	Letitia, Anna	Nov. 2016	e-blast all ALA members who work with youth but who aren't YALSA members and encourage them to subscribe to YALS
Marketing licensed institutes & eCourses	Linda, Anna	Throughout FY17	Three institutes are on the calendar so far, with gross revenue totaling \$13,500, which exceeds our projection of \$10,000
New book length publications	Anna, Publications Advisory Board, Resource Retreat or short term volunteer group	Spring 2017	Review 2016 content from the blogs and journals and cherry pick content to create "best of" digital publications organized by theme
	Shannon Peterson, Linda, Anna	Spring	New book that unpacks the recommendations in the Futures Report and provides specific strategies for library staff to implement them in their library
Finding new advertisers & sponsors	Beth	Nov. 2016	Update sponsor guide & distribute, and talk to ALSC about Lego
	Standing board committee on fund & partner development (Sandra)	?	Look at other organization exhibitors like ISTE, Beyond School Hours & NSLA to compile list of potential new ones for YALSA
Other:			
Other:			
Other:			

### Recruitment/Dues

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<b>Strategy</b>	<b>Persons Responsible</b>	<b>Dates</b>	<b>Background</b>
ALA affiliates	Letitia, Beth, Nichole	Oct. 2016	Cohost a member happy hour w/ an ethnic affiliate at Midwinter
GSLIS faculty outreach (especially in schools that have a diverse student body)	Letitia, with support from Sandra	Nov. 2016	Goal is to contact YALSA members & others who are faculty and encourage them to encourage students to join YALSA
Advocates outreach	Letitia	Feb. 2017	Goal is to rent mailing list from non-library or advocates venues, such as Every Library, I Love Libraries, DML and Ready by 21
	Standing committee on advocacy (Diane)	?	Research what other associations offer advocates & adapt for YALSA
Corporate members	Letitia	Dec. 2016	Goal is to send a recruitment message to all ALA corporate members who are not also YALSA corporate members
Local meet-ups	Beth, Anna	Sept. 2016	Beth updated the How to Host a Local Meet-Up document and Anna will market it
Symposium recruitment	Nichole, Letitia	Nov. 2016	All non-members attending will get a member brochure & a message saying that if they join on-site they'll get a free gift. All members will get a form asking them to write down the name & email of a potential member that YALSA could recruit
State recruitment	Letitia, Beth	Sept. 2016 forward	Be more intentional about recruitment at state conferences. Beth created a template and some tips
Other:			
Other:			
Other:			

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**Additional Resources**

- Data Shows Non-Dues Revenue Key to Association Sustainability, <http://ow.ly/D2Zfp>
- YALSA Budget Crunch, <http://tinyurl.com/hukv9b5> (work done by the Fund & Partner Development Standing Board Committee)
- YALSA Business Plan, <http://ow.ly/D3sVp> (.pdf)
- YALSA Organizational Plan, [www.ala.org/yalsa/aboutyalsa/strategicplan](http://www.ala.org/yalsa/aboutyalsa/strategicplan)

