

MINUTES

ALA Executive Board

**2010-2011 Executive Board
2011 Spring Meeting**

**April 8 – 10, 2011
Chicago, Illinois**

American Library Association

Volume 11

AMERICAN LIBRARY ASSOCIATION

**Executive Board Meeting
2011 Spring Meeting**

**American Library Association
Carnegie Room – ALA Headquarters
Chicago, Illinois**

The ALA Executive Board met in the Carnegie Room of ALA Headquarters in Chicago, Illinois on April 8-10, 2011.

PRESENT: President Roberta Stevens; President-elect Molly Raphael; Treasurer James Neal; Immediate Past President Camila Alire; Executive Director Keith Michael Fiels; Executive Board members: Diane Chen, Joseph Eagan, Patricia Hogan, Em Claire Knowles, Stephen Matthews, Kevin Reynolds, Linda Williams and Courtney Young.

Session One

The Board convened at 1:30 PM on Friday, April 8, 2011 with President Roberta Stevens presiding.

Washington Office Report – EBD #12.31 (Exhibit 1)

Emily Sheketoff, Associate Executive Director, ALA Washington Office provided an update on activities:

- Re-authorization of the Elementary and Secondary Education Act, which is the new “No Child Left Behind.” Two Republican and two Democratic senators are involved in drafting this bill. There may be a literacy component of the bill and libraries would be placed there.
- Three sections of the PATRIOT Act are up for re-authorization. Senator Leahy, chair of the Judiciary Committee, has a bill which addresses these three sections, including the library section.
- “Traditional Cultural Expression,” is an issue regarding materials and information that is generated by indigenous peoples. There is now an international treaty at World Intellectual Property Organization (WIPO) which would be looking at traditional cultural expression. The treaty is broader than what we consider to be traditional cultural expression; therefore, ALA is currently opposing it. It would have a negative impact on free expression and the ability to build on the work of others. The treaty would place materials outside of copyright; such as materials that are currently in the public domain, materials that do not meet the prerequisites for copyright protection, words, signs and names that have never been protected by copyright law. The treaty would have a negative impact on those conducting research in the areas involved in traditional cultural expression. The ALA Washington Office staff and consultants met

with the U.S. delegation to WIPO to go over the treaty and focused on how to narrow things to make it more appealing for the information community in the U.S.

National Library Legislative Day is May 9th and 10th, 2011. Many of the Divisions will be represented.

Federal Funding for Libraries

Emily Sheketoff led the discussion and began by describing the Office of Management and Budget (OMB) Federal Budget review process and the approval process through Congress. The target is to get the budget bill passed by the start of the fiscal year, which is October 1. This doesn't always happen, so there are continuing resolutions to keep the government operating until a budget is passed.

The fiscal 2011 budget was put on hold until after the November 2010 elections. Those elections resulted in a new Republican House and stronger Republican representation in the Senate. As a result, the budget has not yet passed and there is the risk of a government shut down.

Sheketoff explained that if the government did shut down, any money that had already been allocated would still be available on a week-by-week basis. Any grant money that had not yet been issued would not be issued until the government reopens.

She reported that there had been no cuts for the Library Services and Technology Act (LSTA) for fiscal 2011. It is unclear as to whether there is funding for Improving Literacy Through School Libraries.

The President's fiscal 2012 budget request does have an 8.8% cut in LSTA, and zeroed out Improving Literacy. Secretary of Education Arne Duncan is consolidating 30 programs together and reducing the overall amount of money that will be going to those programs. There is no guarantee of a separate funding stream for school libraries. The Washington Office has advised the group that is writing the Elementary and Secondary Education Act (ESEA) that ALA would support the program consolidation if ESEA passes with a separate section for school libraries with a guaranteed funding track for school libraries.

Sheketoff noted that there are additional cuts taking place in a number of agencies which affected either libraries or library users. If approved, the fiscal 2012 budget will go into effect October 1, 2011.

Google Book Settlement

Sheketoff reported that on March 4, 2011, Judge Chin rejected the settlement among the parties on the lawsuit, stating that while the digitization of books and the creation of a universal digital library would benefit many, the amended settlement agreement would go too far. It would permit the class action, which was brought against defendant Google Inc., to challenge its scanning of books and display of snippets for online searching, and grant Google significant rights to exploit entire books without the permission of the copyright owners. The Author's Guild and the publishers have expressed interest in renegotiating the settlement. It is

unclear at this time whether Congress will get involved in this dispute. Library Copyright Alliance consultant Jonathan Band will continue to monitor the issue.

As to next steps, Sheketoff advised that the major concern is with regard to orphan works – copyrighted works whose owners cannot be located. The concern is that the “content community” – the motion picture industry, recording industry, etc. -- will force legislation to extend the time of copyright. This would mean that it would become very difficult to use orphan works in other works, so this will be closely monitored by the Washington office.

The ALA Presidential Task Force to Study the Google Digitization Project will sunset at the 2011 Annual Conference. Many of the issues brought up by the Google settlement tie in with the ALA Presidential Task Force on Equal Access to Electronic Content. There is also an OITP subcommittee on ebooks. The US District Court will hold a status conference April 25 for the parties of the lawsuit to tell the judge what they plan to do. ALA will determine what further action needs to be taken following the April 25 meeting.

Presidential Taskforce on Equitable Access to Electronic Content (EQUACC)

Michael Porter, incoming Executive Board member and co-chair of (EQUACC), and Emily Sheketoff commented on equitable access. President Roberta Stevens appointed a Presidential Taskforce on Equitable Access to Electronic Content, which met on March 7 and 8. The taskforce made significant progress towards identifying challenges and solutions for improved electronic access, use, distribution and preservation and also focused on long-term strategic issues. The taskforce agreed to five issues: 1) an environmental scan, 2) licensing, 3) accessibility, 4) public relations and 5) a website where librarians can share information about new developments. Porter asked the Board members to do whatever they can to get representatives from the ethnic caucuses on the taskforce.

The taskforce is planning a program at the 2011 Annual Conference and will present a report to the Executive Board and Council at Annual.

Discussion of issues related to social media and protocols for responding

Keith Fiels, Executive Director, addressed the question of how ALA should respond to various items posted via social media outlets. ALA has had various internal discussions regarding reacting to blogs and the media. Fiels shared the ALA guidelines for social media and the social media handbook for ALA units. He also shared an example of how the US Air Force responds to such items. Further discussion will take place at the 2011 Annual Conference.

The meeting adjourned at 5:00 p.m.

Session Two

The Board convened at 9:00 AM on Saturday, April 9, 2011 with President Roberta Stevens presiding.

PRESENT: President Roberta Stevens; President-elect Molly Raphael; Treasurer James Neal; Immediate Past President Camila Alire; Executive Director Keith Michael Fiels; Executive Board members: Diane Chen, Joseph Eagan, Patricia Hogan, Em Claire Knowles, Stephen Matthews, Kevin Reynolds, Linda Williams and Courtney Young.

The agenda (EBD #9.3.3 revised) is attached as Exhibit 2. The vote tally (EBD #1.5) is attached as Exhibit 4.

President Stevens introduced newly elected Executive Board members Dora Ho, Sylvia Norton and Michael Porter who were attending the meeting as observers.

Procedural/Consent Items

The Executive Board approved the following items:

By consent, approved the agenda for the 2011 Spring ALA Executive Board Meeting (2010-2011 EBD #9.3.3 revised, Exhibit 2). *Consent*

By consent, accepted the following reports: Executive Director's Report, (2010-2011 EBD #12.23, Exhibit 5); Advocacy Report, (2010-2011 EBD #12.24, Exhibit 6); Campaign for America's Libraries Report, (2010-2011 EBD #12.25, Exhibit 7); and Media Relations Report, (2010-2011 EBD #12.26, Exhibit 8). *Consent Agenda*

By consent, approved the 2011 ALA Executive Board Midwinter Meeting minutes, and the corresponding Vote Tally (2010-2011 EBD #2.2, Exhibit 3) and 2010-2011 EBD #1.5, Exhibit 4). *Consent*

Voted that the 2011 Midwinter Meeting minutes be approved and vote tally as amended. EBD #2.2, EBD #1.5

Report out of Board Executive Session

President Roberta Stevens reported on the January 11, 2011, Executive Session that took place at the Midwinter Meeting. During that session the Board members discussed the proposed ALA and Council committee appointments, the reappointment of Robert Walton as endowment trustee, IFLA section nominees and the AASL recommendation for the ALA NCATE Board of Examiners.

Informational Reports

- President's Report – EBD #7.5 – President Roberta Stevens emphasized the importance of having some very high profile local individual do op eds, people speaking out for libraries and she reported that an online fundraising toolkit, created by one of her initiatives groups, has been released and is available on the ALA website.
- President-elect's Report – EBD #7.6 – President-elect Molly Raphael commented on the ALA and Council committee appointments process.
- Office of Research and Statistics – EBD #12.27 – Immediate Past President Camila Alire raised some questions regarding the ALA demographic studies and suggested adding a breakdown of ethnic affiliation of ALA members.

Finance and Audit Committee (F&A) Report – EBD #4.8 (Exhibit 9)

ALA Treasurer Jim Neal presented highlights from the Finance and Audit report which included the Indirect Cost Study. For FY2011, the rate applied per the operating agreement was 25.5%, declining from FY2010 by 2.3%. Neal noted a change in financial practice in integrating the overhead rate into the budget work of the units of the Association. Rather than recalculating the rate in April, after the budget process has been completed, this year's rate will apply to two years of budgets. In future years, one rate will be set based on data from two year's previously.

Neal also presented highlights of the FY2011 budget status. ALA is experiencing shortfalls in some key areas of the budget; specifically in organizational memberships, subscription categories, and also in the projections for the 2011 Annual Conference. Through the projected declines in revenue in these categories and a projected significant increase in health insurance costs for next year, ALA is looking at approximately \$667,000 shortfall in the FY2011 budget. While much of this will be covered by expense reductions, use of reserves may be necessary.

Neal reported that F&A discussed the final proposal for a change to policy 8.5.1, Long-Term Investment Funds: Association's Use/Withdrawal and Repayment. Details of the change will be discussed later in this agenda, but as a result of this policy change, ALA will have an additional \$270,000 for those units that have endowments to spend, in terms of advancing the goals of the Association.

Neal gave highlights from the controller's report which included the implementation of the new financial management system for the Association. The goal is to provide ALA with better tools for analysis and management for our financial resources. There have also been concerns over the last several years about the liquidity ratio as it applies to our ability to work with the banks and to manage any needs for long-term debt (Washington Office choice). ALA's liquidity ratio has improved over the last year.

FY2012 Budget Presentation – EBD #14.9 (Exhibit10)

ALA Executive Director Keith Michael Fiels and ALA Associate Executive Director of Finance Greg Calloway gave an overview of the FY2012 Budget. Fiels emphasized the development and deployment of financial resources as the critical components of the budget. The programmatic priorities, as approved by Council, now include the new goal area of Transforming Libraries. Following the market crash of October 2008, stimulus funds were made available that helped libraries for two years; however, those funds are beginning to run out. What had originally been a federal issue, has now increasingly become a state issue.

Fiels noted that it will take a few more years for library funding to stabilize and begin to demonstrate some growth.

Fiels also commented on the key budgetary assumption which includes a 2% compensation increase for ALA staff. The cost of this on the general fund side is going to be \$220,000. That will also include increased funding on the Division side.

Fiels reported that ALA is facing a potential \$650,000 increase in health insurance costs. The plan to manage this increase is threefold: 1) \$240,000 of it is included in the budget; 2) there will be a small increase in the employee contribution to health insurance; and 3) overall costs will be reduced by negotiating less expensive options within plans such as 100% pharmacy by mail.

There are revenue increases anticipated in both publishing and conference. Conference has increased as the result of decreasing in some of the heavy discounts that were being offered off of the conference rate and through an increase in the square footage rate for exhibitors. In publishing, ALA has a great deal of strength in RDA in that it creates a strong new international role for ALA. ALA is continuing to invest in some new business ideas and revenue sources. The Association is looking at opportunities in publishing, online CE and in the international arena. Cost cutting efforts continue. There is \$650,000 included in the capital expenditure budget and \$50,000 is included specifically for new business development. There are programmatic increases in both technology and advocacy to support member engagement and ALA's advocacy goals. There will also be a strategic use of the 2015 funds that were approved by the ALA Executive Board at the 2010 Annual Conference.

Calloway presented the total ALA preliminary FY2012 Budget.

On a motion by Jim Neal, seconded by Em Claire Knowles, the Executive Board

Voted, on the recommendation of Finance and Audit, referral of the FY 2012 preliminary budget to BARC for their further review and analysis. EBD #14.9

Endowment Trustees' Report – EBD #13.2 (Exhibit 11)

Daniel Bradbury, Senior Endowment Trustee joined the meeting via conference call to provide the most recent position of ALA's portfolio. He reviewed the current "Market Flashpoints," which are the forces driving the economy and affecting ALA's financial returns.

Highlights of the Endowment Trustees' report included:

- Federal Reserve is on schedule to end its 600 billion buyback program of U.S. Treasuries.
- Federal deficits continue to be a major issue.
- Market results continue to be impacted by numerous uncontrollable events, earthquakes, tsunami and nuclear meltdown.
- ALA's portfolio is doing well.

Bradbury reviewed a proposed change to the distribution formula in ALA policy 8.5.1 and on a motion by Jim Neal, seconded by Em Claire Knowles, the Executive Board

Voted to amend the distribution formula in ALA policy 8.5.1 as follows:

1. To revise the annual distribution/spending/payout policy to a range of 3%-5% of the trailing five year quarterly (20) rolling average of each funds calendar year-end net asset balance.
2. The initial rate will be 4% and will be applied to the FY 2013 budget.
3. The distribution/spending/payout rate will be subject to an annual review by the Endowment Trustees and the Finance and Audit committee of the ALA Executive Board.

Development Office Report – EBD #6.2 (Exhibit 12)

Kim Olsen-Clark Director of the ALA Development Office provided an update on activities of the Development Office since the January, 2011 Midwinter Meeting.

- The Spectrum Presidential Initiative has raised to \$611,000, which is 106% of ALA's goal coming in from membership.
- The Gates Foundation has submitted ALA's proposal to the next level within their organization for approval and it looks very positive. The expected amount would be \$200,000 for one year. Gates is also proposing a \$100,000 matching challenge grant that would go through June 2013.
- Proquest has gotten involved by making telephone calls on behalf of the Spectrum Presidential Initiative.
- Keith Fiels and Roberta Stevens have arranged a meeting with Jay Jordan of OCLC to discuss OCLC's potential role in the Spectrum Presidential Initiative.
- ALA will continue to look towards planned giving.
- The Development Office is presenting three programs at the 2011 Annual Conference related to Roberta Stevens' front line fundraising initiative.
- The Library Champions program has seen some recent growth.

Olsen-Clark outlined the details of the proposed Fundraising Advisory Committee. This is a two phase plan that would start with a task force for planned gifts. Jim Neal proposed this idea to the Development office, suggesting a \$100,000 campaign launch.

The task force would ultimately transition into a standing committee that would develop a strategic plan for planned giving as well as an ALA gift acceptance policy. The committee would also help identify donors and would work with the ALA units and divisions.

Resolution from the AASL Board of Directors – EBD #12.32 (Exhibit 13)

Sylvia Norton, AASL Division Councilor, and incoming ALA Executive Board member, reported on a recommendation from the AASL (American Association of School Librarians) Board of Directors that the ALA Nominating Committee present a slate for president-elect that would rotate among school libraries, academic libraries, public libraries, etc. This recommendation arose out of concern that certain career-focuses had not been represented as ALA presidents. After much discussion, no motion was brought on this topic.

2011 Annual Conference Skeleton Schedule – EBD #12.28 (Exhibit 14)

JoAnne Kempf, Director, Office of ALA Governance, explained that for the sake of efficiency, the Board was being asked to amend the skeleton schedule for the 2011 Annual Conference so that the ALA-APA Board of Directors meeting would occur on Friday morning rather than Monday afternoon.

On a motion by Courtney Young, seconded by Stephen Matthews, the Executive Board

Voted to approve revision to the 2011 Annual Conference Skeleton Schedule moving the ALA-APA Board of Directors meeting from Monday, June 27 to Friday, June 24. EBD #12.28

The Board adjourned to move into Executive Session.

The meeting adjourned at 3:00 p.m.

Session Three

The Board convened at 9:00 AM on Sunday, April 10, 2011 with President Roberta Stevens presiding.

PRESENT: President Roberta Stevens; President-elect Molly Raphael; Treasurer James Neal; Immediate Past President Camila Alire; Executive Director Keith Michael Fiels; Executive Board members: Diane Chen, Joseph Eagan, Patricia Hogan, Em Claire Knowles, Stephen Matthews, Kevin Reynolds; Linda Williams and Courtney Young.

The agenda (EBD #9.3.3 revised) is attached as Exhibit 15.

Report out of Executive Session

President Roberta Stevens reported on the April 9 and 10, 2011, Executive Sessions. During those sessions the Board members discussed the UNESCO nominations, AAAS nomination of an ALA representative, IFLA president, new business development ideas, the review of legal counsel and the legal update.

Board Effectiveness Session

Paul Meyer of Tecker Consulting led the Board through a discussion of the “Transforming Libraries” strategic goal.

The meeting adjourned at 1:00 p.m.