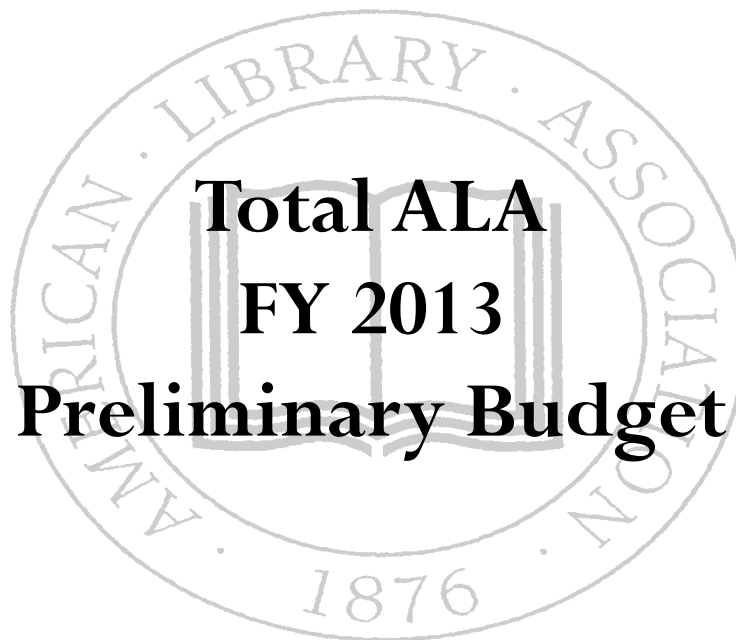


American Library Association



Presented by:

Keith Michael Fiels – Executive Director

Gregory L. Calloway – AED Finance

**Executive Board
2011- 12 Spring Meeting
April 21st, 2012**

Mission of the ALA

“To provide leadership for the development, promotion, and improvement of library and information services and the profession of librarianship in order to enhance learning and ensure access to information for all.”

ALA Programmatic

Priorities — *Aligned with the FY 2013 Budget*

- Advocacy for Libraries and the Profession
- Diversity
- Equitable Access to Information and Library Services
- Education and Lifelong Learning
- Literacy
- Organizational Excellence
- Intellectual Freedom
- Transforming Libraries

Total ALA FY 2013 Budget Overview

Broad Institutional Strategies

- Promote ALA's Mission and Strategic Goals
- Anticipate and respond to environmental factors which present opportunities or threats to the organization and the profession
- Influence legislation and regulation and advocate the critical values of libraries and librarians
- Focus on member needs, satisfaction, retention and recruitment
- Continued growth in online CE provided by divisions and offices, with an emphasis on international markets

Broad Institutional Strategies (con't)

- Maintain member services at the highest possible level, in recognition of the increased stress on libraries due to the economy.
- Move forward on the strategic initiatives and the deployment of services that meet the needs of members and libraries.
- Enhance member engagement both virtually and face-to-face
- Continue to expand international product and service offerings
- Build on the Association's membership strength and financial health
- Develop and promote appropriate technical standards and guidelines which strengthen library services and the profession

Programmatic Initiatives and Highlights

- Annual Conference - Chicago, Midwinter Meeting – Seattle and national division conference by ACRL - Indianapolis
- Support advocacy initiatives at the national, state and local levels to expand online advocacy training – Capwiz software
- Increased support for electronic participation by members
- Online RDA fully operational and available for maximum marketing & sales
- A virtual library conference
- APA Support Staff certification program –Year 4

Environmental Assessment

Economic Outlook and the Impact on ALA - and its Members

There are five
macro economic
indicators to
watch

- Policy Provisions
- Central Bank Actions
in Europe and Asia
- Federal and State
Budgets
- Corporate Profits
- Job Growth

Economic Outlook and the Impact on ALA – and its Members (con't)

- The expiration of certain policy provisions, if they are not extended during 2013, will have significant consequences
 - Current tax cuts expire at year end
 - Payroll tax holiday ends at year end
 - Extended jobless benefits end
 - Mandated budget cuts could go into effect
- Federal Reserve balance sheet expansion has not resulted in inflation
- As expected economic and equity results in the US and Asia are performing better than Europe
 - European Union Central bank and the European Union will likely stand by its troubled members (Spain, Portugal, Italy and Greece)
- The pace of US job creation slowed sharply in March, reviving doubts about the strength of the recovery

Economic Outlook and the Impact on ALA – and its Members (con't)

- State and local government's continue their efforts to address budget deficits — cutting staff, reducing services, more fee for service and reduced pension benefit liabilities
- Payroll growth low, home prices stagnate and trend growth less than 3%
- School librarian positions seem to be at high risk
 - Must work to make this a “core” position/proposition
- The availability of resources for members to work on committees and take appointments continues to shrink i.e. shrinking institutional support
- State funding cuts affecting library agencies and library cooperatives
- The MLS workforce is expected to remain flat
- Library funding increasingly dependent on dollars raised by friends groups and library foundations

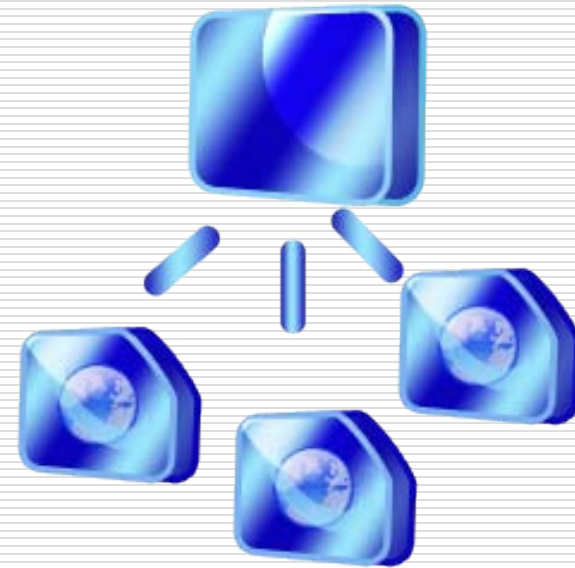
ALA's Financial Value Proposition

“To develop and deploy the financial resources that support the strategic plan and deliver programs that are responsive to member needs and the general improvement of library service and the profession.”

Key FY 2013 Budgetary Assumptions

- A 1% compensation increase for staff, including benefits and pending on end of year budget targets a 1% end of year compensation adjustment - \$295,000
- \$50,000 included for new business development opportunities as they arise
- Maintaining fringe benefit rate at 30.0%
- Expected revenue increases in Publishing and Conferences based on the sales of RDA, the addition of the Neal-Schuman acquisition and new pricing strategies
- General Fund units reduced expenses by 1/2%
- Budget will add \$100,000 to General Fund net asset balance reserves¹³

Strategic Areas of Focus



Operational Repositioning

- Publishing Marketing Manager transitioned to Director of ALA Marketing
 - Identify new business ideas and promotional opportunities, as well as, market changes
 - Will provide an integrated promotional/communication plan
 - Advisory role for areas lacking a marketing function
 - Will work extensively with IRO, HRDR and Conference Services
- Moving Election Process to Governance Office
 - The election process has been moved to governance and an operational review for efficiency and alternative options is underway
- Accounting Reorganization
 - A review of all accounting staff, functions and responsibilities has been completed
 - Financial system functionality requires the need for a Director of Financial Reporting and a Senior Staff Accountant

Key Areas of Focus – Business Development

- Neal-Schuman Publishers

- Continue to merge into ALA general Publishing
- Exploit NS rich content and many author experts
- Offer a broader range of online and face-to-face meetings
- Enrich ALA Editions growing list of e-books

- International

- Capitalizing on emerging markets
- Working group developing strategy for international presence
- Articulate geographic opportunities through attribution studies

- Continuing Education

- Enhance Division capabilities to expand product offerings
 - Expand on ALA's provider/publisher position
 - CE value enhanced by a focus on curricula or coordinated streams
-

2015 Strategic Plan

Business Development Opportunities

Advocacy

- A national school library campaign will continue efforts to increase public awareness of the vital importance of school libraries and the need for federal legislation
- OLOS will develop three outreach toolkits
 - Adult Literacy
 - Poor
 - Homeless
- Working with ORS to develop a database driven access to research documenting the positive impacts of all types of libraries in a way that can be used by advocates
 - PIO
- Target audiences with ALA's key messages by PIO

Business Development Opportunities (Con't)

Building the Profession

- OFD will provide additional Spectrum scholarships
 - Supported by Spectrum Presidential Initiative
- Offer professional development workshops and online learning opportunities that are inclusive of diverse demographics and thematic
 - PPO
- HRDR will relaunch the redesigned libraryCareers.Org site
- OFD will update and revise the Diversity Counts report and issue a report on the Spectrum Scholarship
- OA will release a web survey (5/13) to gather feedback during the 4th year of the Standards for Accreditation review

Business Development Opportunities (Con't)

Transforming Libraries

- ACRL will refine its consulting service to assist libraries undergoing self-studies or preparation for accreditation
- Conference Services will work with the Conference Committee in order to build a thematic focus on innovation and transformation
- Integrate the @Your Library brand and messages into new projects and support new campaign partnerships that target families, kids, seniors and multi-cultural audiences
- AASL will implement year 5 of “Learning4Life” to ensure the adoption of learning standards and its vision for school library programs
- An initiative for increasing community engagement for libraries – OITP and PLA will participate in a technology benchmarking
- Relaunch ProgrammingLibrarian.org with redesign and new features

Business Development Opportunities (Con't)

Member Engagement

- New Monthly E-Newsletter – ALA International Direct
 - Will transition from bi-monthly to monthly
- Develop a member engagement/message mapping strategy to ensure more integrated member communications across the Association
 - Membership Development
- ITTS will implement MyALA – a landing page to provide members with a more convenient and personalized way to explore the ALA website
- ALSC will continue efforts for increased member interaction via online social media platforms
 - ALA Connect
 - ALSC Blog
 - ALSC Facebook
 - Quarterly Community Forums

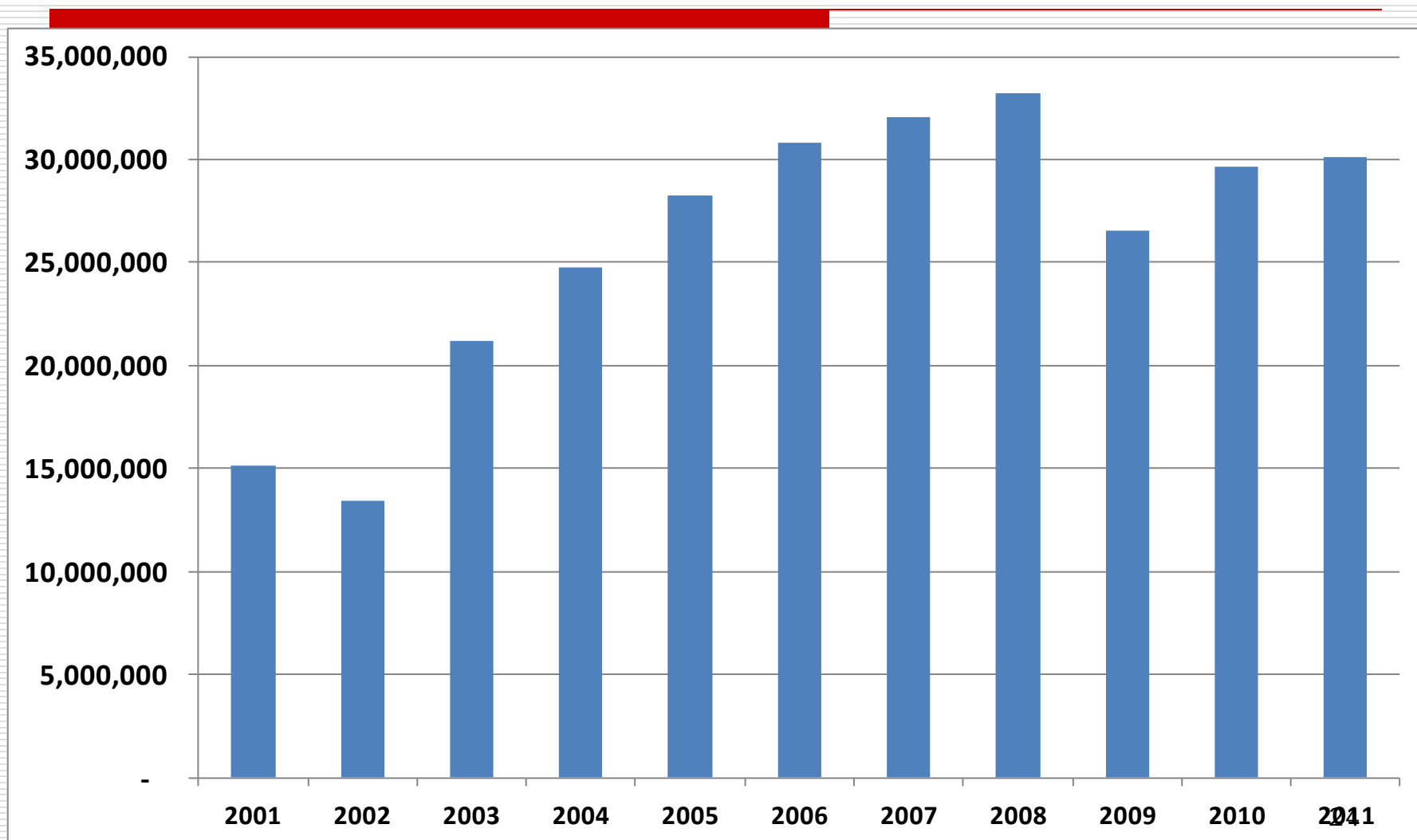
Business Development Opportunities (Con't)

Organizational Excellence

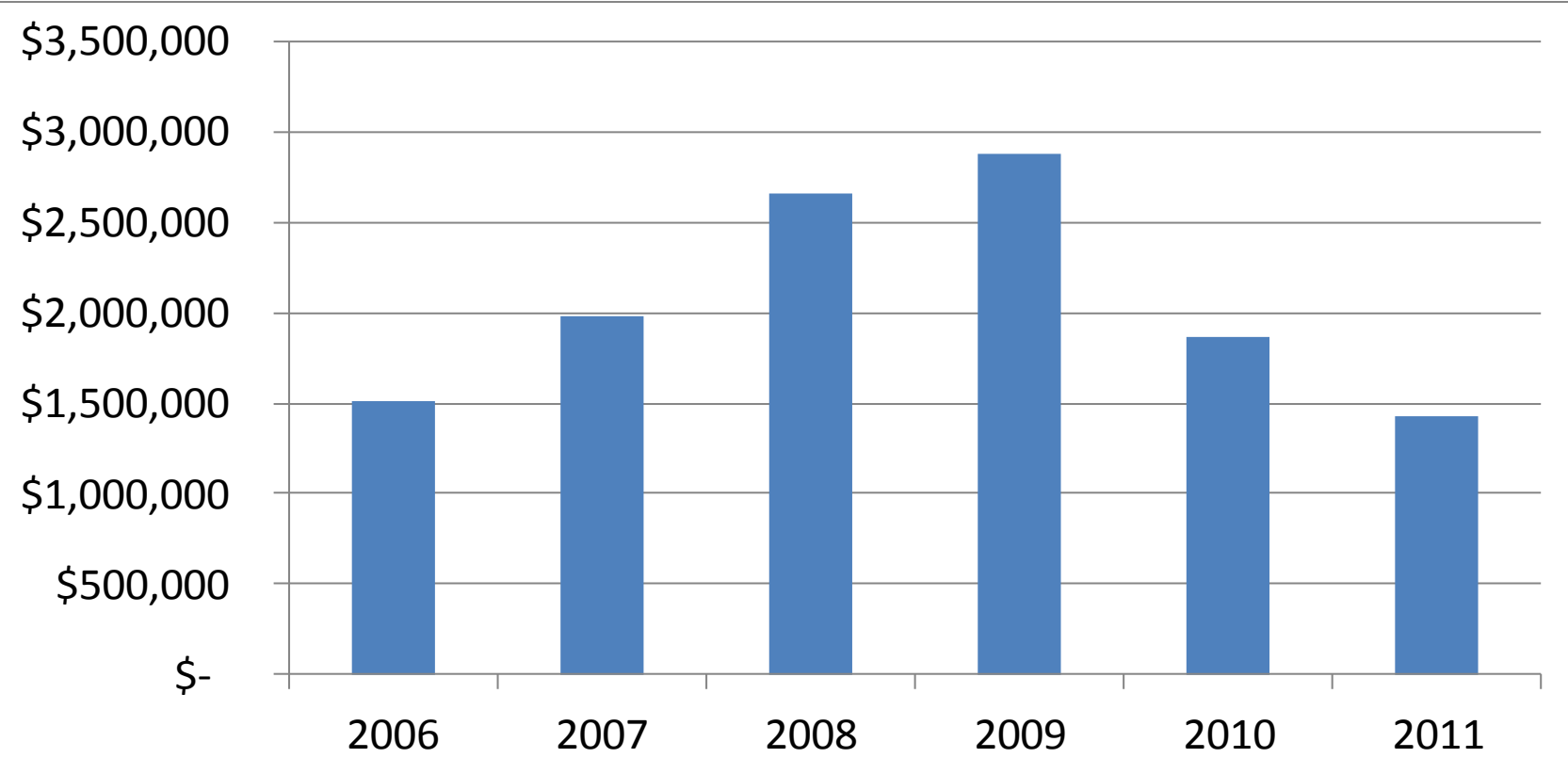
- Leverage existing staff and outside consultants to maximize research activities of ALA ORS and ALA-APA, in collaboration with units and divisions, regarding the annual salary research and related publications
 - Secure research funding for national level research
- Analyze student and 1st year member retention to identify and act upon problem “hotspots” and maximize what is already working
 - Membership Development
- Lay foundation for effective electronic archiving process (Library)
- ACRL/Choice will plan and complete one or more special editions for CR03
 - A personal edition
 - A subject specific edition
- ALA-APA will hold its first fundraiser – Networking Reception – at the 2013 Midwinter Meeting

2013 Budget

Total ALA Net Asset Balance: 2001 - 2011



General Fund Net Asset Balance: 2006 - 2011



Total ALA FY 2013 Budgetary Ceiling

Net Assets

(Unexpended balance remaining from FY 2012)

+

Revenue

(Anticipated for FY 2013)

=

Budgetary Ceiling

FY 2013 Total Budget Revenues By Fund

\$50,382,457

TOTAL ALA OPERATIONS

TOTAL ALA OPERATIONS			
OPERATING FUND \$45,499,832	PLANT FUND \$0	GRANTS & AWARDS \$3,945,909	LONGTERM INVESTMENTS \$936,716
General Fund \$31,640,176	Headquarters Building	Exchange Trans (G)	Unrestricted
Divisions \$13,464,992	Washington & Choice Offices Operating	Exchange Trans (NG)	Temporarily Restricted
Round Tables \$394,664	Furniture & Equipment	Contributions (NG)	Permanently Restricted
			Huron Plaza Property

FY 2013 Total Budgetary Ceiling By Fund

\$64,196,615

TOTAL ALA OPERATIONS

<div style="border: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div>			
OPERATING FUND \$59,313,990	PLANT FUND \$0	GRANTS & AWARDS \$3,945,909	LONGTERM INVESTMENTS \$936,716
General Fund \$31,640,176	Headquarters Building	Exchange Trans (G)	Unrestricted
Divisions \$26,107,055	Washington & Choice Offices Operating	Exchange Trans (NG)	Temporarily Restricted
Round Tables \$1,566,759	Furniture & Equipment	Contributions (NG)	Permanently Restricted
	Capital Budget \$2,223,342		Huron Plaza Property

Total ALA Budgeted Revenues

2013 vs. 2012

	<u>2013 Budget</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>% Change</u>
Dues	\$ 8,640,955	\$ 8,668,925	\$ (27,970)	-0.3%
Sales - Net	\$ 8,858,223	\$ 5,211,798	\$ 3,646,425	70.0%
Sales Other	\$ 2,263,804	\$ 2,430,851	\$ (167,047)	-6.9%
Subscriptions	\$ 5,000,037	\$ 4,578,814	\$ 421,223	9.2%
Advertising Meet & Conferences	\$ 5,240,884	\$ 5,299,097	\$ (58,213)	-1.1%
Grants & Awards	\$ 11,182,537	\$ 13,083,674	\$ (1,901,137)	-14.5%
Miscellaneous	\$ 6,073,944	\$ 6,547,441	\$ (473,497)	-7.2%
Total	<u>\$ 50,382,457</u>	<u>\$ 50,085,476</u>	<u>\$ 296,981</u>	<u>0.6%</u>

Total ALA Budgeted Expenses 2013 vs. 2012

	<u>2013 Budget</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>% Change</u>
Payroll & Related	\$ 22,048,661	\$ 21,756,275	\$ (292,386)	-1.3%
Outside Services	\$ 6,121,921	\$ 6,772,867	\$ 650,946	9.6%
Travel & Related	\$ 1,994,297	\$ 2,361,715	\$ 367,418	15.6%
Meet & Conferences	\$ 6,274,503	\$ 6,458,093	\$ 183,590	2.8%
Publication Related	\$ 5,261,658	\$ 4,481,087	\$ (780,571)	-17.4%
Operating*	<u>\$ 10,091,483</u>	<u>\$ 8,280,420</u>	<u>\$ (1,811,063)</u>	<u>-21.9%</u>
Total	<u>\$ 51,792,523</u>	<u>\$ 50,110,457</u>	<u>\$ (1,982,066)</u>	<u>-3.4%</u>

*Includes depreciation from Technology Reserve Fund

General Fund Revenues/Expenses

2011 - 2013

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Projected</u>	<u>2013</u> <u>Proposed</u>
Revenues	\$26,047,168	\$27,072,978	\$27,908,743	\$31,640,176
Expenses	\$26,484,235	\$27,072,978	\$28,310,078	\$31,540,176
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Net Revenue	(\$437,067)	\$ 0	(\$401,335)	\$ 100,000

General Fund Budgeted Revenues

2013 vs. 2012

	<u>2013 Budget</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>% Change</u>
Dues	\$ 5,807,988	\$ 5,754,291	\$ 53,697	0.9%
Sales - Net	\$ 8,116,481	\$ 4,308,740	\$ 3,807,741	88.4%
Sales Other	\$ 959,217	\$ 915,668	\$ 43,549	4.8%
Subscriptions	\$ 2,952,390	\$ 2,370,142	\$ 582,248	24.6%
Advertising	\$ 3,908,039	\$ 3,866,211	\$ 41,828	1.1%
Meet & Conferences	\$ 7,480,274	\$ 7,157,539	\$ 322,735	4.5%
Miscellaneous	\$ 2,415,787	\$ 2,700,387	\$ (284,600)	-10.5%
Total	<u>\$ 31,640,176</u>	<u>\$ 27,072,978</u>	<u>\$ 4,567,198</u>	<u>16.9%</u>

General Fund Budgeted Expenses 2013 vs. 2012

	<u>2013 Budget</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>% Change</u>
Payroll & Related	\$ 14,991,639	\$ 14,268,552	\$ (723,087)	(5.1%)
Outside Services	\$ 3,926,404	\$ 3,714,365	\$ (212,039)	(5.7%)
Travel & Related	\$ 1,061,250	\$ 1,115,417	\$ 54,167	4.9%
Meet & Conferences	\$ 2,918,847	\$ 2,888,131	\$ (30,716)	(1.1%)
Publication Related	\$ 3,538,752	\$ 2,619,973	\$ (918,779)	(35.1%)
Operating	<u>\$ 5,103,284</u>	<u>\$ 2,466,540</u>	<u>\$ (2,636,744)</u>	<u>(106.9%)</u>
Total	<u>\$ 31,540,176</u>	<u>\$ 27,072,978</u>	<u>\$ (4,467,198)</u>	<u>(16.5%)</u>

Revenue Producing Units

Net Revenue: 2011 - 2013

	<u>2011</u>	<u>2012 Budget</u>	<u>2012 Projected</u>	<u>2013 Proposed</u>
Publishing	\$831,309	\$1,292,976	\$1,294,563	\$1,338,277
Meetings & Conferences	\$889,356	\$1,239,095	\$ 863,910	\$1,384,236
Total Revenues	\$1,720,665	\$2,532,071	\$2,158,473	\$2,722,513

Division Revenues/Expenses

2011 - 2013

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Projected</u>	<u>2013</u> <u>Proposed</u>
Revenues	\$13,680,235	\$16,348,510	\$15,142,398	\$13,464,992
Expenses	\$13,648,279	\$16,435,834	\$15,122,778	\$14,902,550
- - - - -				
Net Revenue	\$ 31,956	(\$ 87,324)	\$ 19,620	(\$ 1,437,558)
Net Assets	\$12,761,367	\$ 12,642,064	\$12,749,008	\$11,204,505

Roundtables Revenues/Expenses 2011 - 2013

	2011 <u>Actual</u>	2012 <u>Budget</u>	2013 <u>Proposed</u>
Revenues	\$ 350,139	\$ 430,639	\$ 394,664
Expenses	\$ 224,750	\$ 351,373	\$ 316,125

Net Revenue	\$ 125,389	\$ 79,266	\$ 78,539
Net Assets	\$1,092,829	\$1,172,095	\$ 1,250,634

Grants and Awards

	<u>Total</u>	<u>Overhead</u>
FY 2013**	\$ 3,945,909	\$ 349,747
FY 2012*	\$ 5,319,332	\$ 577,636
FY 2011	\$ 5,371,130	\$ 519,935
FY 2010	\$ 8,458,805	\$ 860,967
FY 2009	\$ 11,833,718	\$1,002,949
FY 2008	\$ 11,529,220	\$1,140,488

FY 2013 Capital Request

	<u>Purchase Price</u>	<u>Depreciation Year 1</u>	<u>Depreciation Year 2</u>
Computer & Related - GF	\$1,025,945	\$102,595	\$205,189
ITTS - ALA wide Technology - GF	\$ 68,150	\$ 6,865	\$ 13,730
Computer Related- Divisions	\$ 154,960	\$ 17,160	\$ 34,320
General Furniture & Equipment	\$ 158,287	\$ 15,829	\$ 31,658
Building Improvements	\$ 227,000	\$ 11,350	\$ 22,700
Technology Reserve Fund	\$ 0	\$ 0	\$ 0
Publishing Development Costs	\$ 489,000	\$ 48,900	\$ 97,800
Contingency	<u>\$ 100,000</u>	<u>\$ 16,667</u>	<u>\$ 33,333</u>
Total Capital Requests	\$2,223,342	\$ 219,366	\$438,730

Are there any other
questions or discussion?

Thanks for your attention