

American Library Association
2008 Annual Conference
Anaheim, CA

FY 2009 Budget Presentation
(Annual Estimate of Income & Budgetary Ceiling)

Presented By:
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Anaheim Convention Center,
Ballroom B/C
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ALA's Financial Value Proposition

"To develop and deploy the financial resources that support the strategic plan and delivery of programs that are responsive to member needs and the improvement of library service."



Key Messages

- ALA needs \$600,000 to \$750,000 in new revenue each year just to stay even
- ALA has a de-facto two year budget cycle
- 2009 is the last year of the dues increase
- ALA must continually develop new sources of revenue



Environmental and Financial Landscape

- Economic slowdown may affect:
 - state and local budgets and library funding;
 - travel to ALA conferences and meetings;
 - purchases of ALA products and services;
 - less advertising revenue
- Lower rates of return will likely result in less investment income that may challenge funding some operations and scholarships



Environmental and Financial Landscape (Con't)

- The "Graying" of the profession will challenge membership retention and growth
- Use of technology continues to expand and costs are substantial
- Increased cost of healthcare benefits for ALA employees



ALA 2010 Financial Plan (Revised) *Five Strategic Pillars*

- I. Continue to seek efficiencies in existing operations in make resources available for strategic priorities.
- II. Increase collaboration between ALA units to reduce redundancy and increase impact of programs and services.
- III. Invest in and develop new revenue generating products, publications and services in response to library needs.
- IV. Seek additional financial support from outside organizations that share ALA's mission and vision.
- V. Utilize increased dues revenue to support strategic priorities and initiatives.



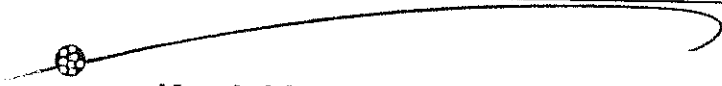
Fiscal Year 2009 Budget Overview

- Maintain existing programs and new FY 2008 initiatives such as Office for Library Advocacy.
- Hold operating expenses flat; no new General Fund staff.
- Continue investment in new online products and services (JobList Online, Booklists Online, RDA, Choice Online and Guide to Reference Works).
- Fund a 3% compensation increase for ALA staff
- Minimal increases in funding for new technology initiatives.



PRIMARY FOCUS FOR FY 2009

- ❖ Key Initiatives and Investments
- ❖ Realignment of Resources
- ❖ Collaboration and Partnering
- ❖ Online Opportunities
- ❖ International Opportunities



Key Initiatives and Investments

- Three Major Meetings and Conferences:
 - Annual Conference – Chicago
 - Midwinter Meeting – Denver
 - ACRL National Conference – Seattle
- Fund research and development for new products and services, including the development of new online publications.
- \$1,607,585 in Capital investments for technology, building & improvements.



Key Initiatives and Investments (con't)

- Expand continuing education opportunities in multiple formats.
- Purchase office space in Middletown, Connecticut for Choice magazine, lowering long term operating costs.
- Establish a new division through the merger of ALTA and FOLUSA.



Realignment Strategies

- Completion of departmental staff reorganizations in Finance/Accounting/Staff Support, Publishing and PIO; Publishing reorganization emphasizes online product development and cross marketing with other ALA units.
- Office of Library Advocacy and Conference Services will be bundling an advocacy institute with conference registration.
- PLA realigning its committee structure.
- Outsourcing Midwinter Meeting and Annual Conference registration processing.
- Presidential initiatives support ALA 2.0 member initiatives.



Online Opportunities

- AL Direct online has been a major success.
- Print publications now also offer online versions: Choice and Booklist Online.
- Print publications migrating to online: Resources for College Libraries, Guide to Reference Sources and RDA.
- Electronic newsletters replacing printed newsletters for PLA, LAMA, YALSA.



Online Opportunities (Cont)

- Membership Development has launched a new AL Student Direct online newsletter.
- Online Continuing Education and Training continues to grow, successful models are being replicated across the Association.
- Online Conference Content Archive (wiki) makes conference presentations, handouts available.



Collaboration and Partnering

- Membership and Divisions collaborating to provide organizational members with expanded access to continuing education offerings.
- Career Day in conjunction with President, HRDR and Membership Development.
- PIO will promote ALA's message to multicultural populations through media partnerships and corporate sponsorships.
- Campaign for America's Libraries will continue working with *Women's Day* and the Baseball Hall of Fame.
- Chapter Relations Office will partner with Washington Office and state chapters on Capwiz legislative advocacy Network.



International Opportunities and Challenges

- ✓ RUSA and other units have seen an increase in international participation in online continuing education programs.
- ✓ ALCTS and divisions and units are actively planning online newsletters.
- ✓ ALA and IFLA are promoting the Campaign for the World's Libraries.
- ✓ The International Relations Office will promote ALA membership and online continuing education at IFLA Congress.
- ✓ Membership Development will use social networking sites to serve international members; Division online newsletters can more easily reach international members.



Important Issues to Address

- Continued investment in online technology and longer lead time to break even.
- Investment in space reallocation and renovation.
- Functional capacity constraints.
- Short-term/long-term impact of slowing economy on library industry.
- De Facto 2 year budget cycle.



Total ALA FY 2009 Budgetary Ceiling

Net Assets

(Projected unexpended balance remaining from FY 2008)

+

Revenue

(Anticipated for FY 2009)

=

Budgetary Ceiling

See Article IX, page 29 of ALA Handbook



GENERAL FUND REVENUE PROJECTIONS

\$30,483,643



General Fund Annual Estimate of Income

Budgeted FY 2009 Revenues

Dues	\$5,986,258
Material Sales	6,127,384
Subscriptions	3,001,348
Advertising	4,447,457
Meet/Conferences	8,263,825
Miscellaneous	<u>2,657,371</u>
 Total Budgetary Ceiling	 \$30,483,643



Division Annual Estimate of Income

Estimated Beginning -	
Net Asset Balance	\$10,841,621
(Ending FY08 Projection)	
Budgeted FY 2009 Revenue	13,814,036
Other Revenue Transfers*	<u>25,050</u>
 Total Budgetary Ceiling	 \$24,680,707

*Life and Continuing Member Dues

Round Tables Annual
Estimate of Income

Estimated Beginning -		
Net Asset Balance	(Ending FY08 Projection)	\$730,131
Budgeted FY 2009 Revenue		<u>\$380,144</u>
Total Budgetary Ceiling		\$1,110,275

Grants and Awards Annual
Estimate of Income

Non-Government	\$5,783,459
Governments	5,064,869
Total Budgetary Ceiling	\$10,848,328



Long-Term Investment Annual Estimate of Income

Budgeted FY 2009 Revenue	\$ 869,590
Interest/Dividend Transfer*	-228,073
Spectrum Interest/Dividends	124,797
Spectrum Capital Gain	166,396
Life Member Dues	<u>-71,385</u>
 Total Budgetary Ceiling	 \$861,325

*Per policy 8.5.1



Total FY 2009 ALA Budgetary Ceilings

General Fund	\$30,483,643
Divisions	24,680,707
Round Tables	1,110,275
Grants & Awards	10,848,328
Long Term Investments	<u>861,325</u>
 Total ALA FY 2009 Budgetary Ceiling	 \$67,984,278

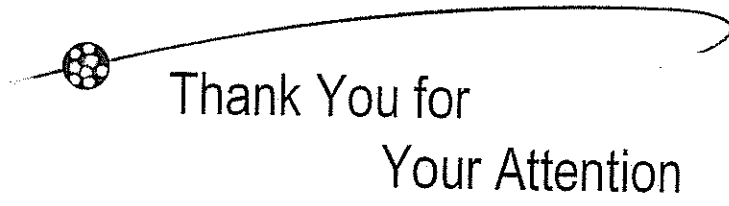


COUNCIL ACTION
TO BE TAKEN



REQUEST COUNCIL APPROVAL

FY 2009
Budgetary Ceiling of
\$67,984,278



Thank You for
Your Attention