

TO: Budget Analysis and Review Committee

FROM: L. Denise Moritz, Director of Financial Reporting and Compliance  
Keith Michael Fiels, Executive Director

DATE: January 15, 2015

RE: **FY 2016 Budgeted Small Division Support from the General Fund**

The preliminary estimate of the total small division support from the General Fund of \$83,577 for the FY 2016 budget is lower than the FY 2015 budget amount of \$98,160 by \$14,583. This preliminary estimated support consists of \$41,577 for ASCLA and \$42,000 for United for Libraries. Consistent with the overall General Fund guideline, the preliminary FY 2016 budget was developed by applying a 1.3% general inflation rate over FY 2015 budgeted expenses with a 2% increase in salaries over the FY 2015 budget. Based on this guideline, the budgeted revenue and expense level of ASCLA and United for Libraries meet the 50% funding level test since the dues and other revenues are at or more than 50% of the costs of supporting staff and basic service. A summary and description of the support calculation is attached.

Some of the FY 2016 preliminary budget highlights are:

#### **ASCLA**

In the FY 2016 preliminary budget, ASCLA proposed to continue share staffing with RUSA with a total of 1.25 approved FTE. Of the 1.25 approved FTE, .25 FTE will be filled by an independent contractor. ASCLA projected dues revenue to be \$46,500 and donations and other revenue to be \$2,838. The FY 2016 proposed basic services revenue for ASCLA is \$49,338. The preliminary FY 2016 ASCLA budgeted support is \$41,577 per management recommendation.

#### **UNITED FOR LIBRARIES**

In the FY 2016 preliminary budget, United for Libraries proposed to retain the approved 3.0 FTE.

Based on United's successful budget growth and in conjunction with the request for Executive Board approval for the integration of the United for Libraries group member services into the ALA membership dues structure, a phase-out plan for the Small Division Support for United for Libraries is recommended as follows:

FY 2016 75% of current level:	\$42,000
FY 2017 50% of current level:	\$28,000
FY 2018 25% of current level:	\$14,000

American Library Association  
FY 2016 Budget

ASCLA

General fund support calculation:

Dues and other revenues not subject to overhead to support basic services	49,338
Costs of providing staff & basic services	91,867
Meeting the 50% required funding level	54%
Net basic services expenses	42,529
Allowable subsidy	41,577

<u>ASCLA</u>	<u>FY 2016</u>
<u>Revenues</u>	<u>Basic Service Budget</u>
Dues and other revenues not subject to overhead to support basic services	\$ 49,338
<u>Basic Service Expenses</u>	
Salaries & benefits	55,206
Operating expenses	15,263
Governance & committee support	6,162
Membership promotion	10,783
Conference program	-
Professional Relations/ Advisory Services	-
Newsletter/Journal	760
Awards	3,693
Total basic service expenses	<u>91,867</u>
Net basic service expenses (Small Division Support)	<u>\$ 42,529</u>
Number of members as of 8/31/14	<u>773</u>
Basic service cost per member	<u>\$ 119</u>
Number of approved FTEs	<u>1.25</u>

**NOTE:** Staffing adjustment made to better reflect level of effort required to generate revenue.

Total salaries & benefits expense	\$ 73,608
Estimated % of effort dedicated to basic services revenue	<u>75%</u>
	<u>\$ 55,206</u>

Other operating expenses, except membership promotion, allocated in accordance with salaries and benefits.