

**American Library Association
Midwinter Meeting 2017
Atlanta**

RUSA Budget and Finance Committee - Meeting Notes

Sunday, 1/22/2017

11:30-1:00

Attendance: Greg Fleming, Cecilia Ross, Beth Boatright, Micquel Little, Chris LeBeau (chair), Susan Hornung, Rebecca Jackson, Daniel Mack, Barry Trott, Kendra Skellen, Chellammal Vaidyanathan, Joseph Yue, Alesia McManus, Anne Houston, Amber Prentiss

Action Items:

- Susan: Share Bill McHugh's report on student outreach
- Alesia: Add to RUSA Leadership training: when to make a funding request to Board versus submitting to the Vendor Relations coordinator, Celia Ross.
- Funding requests should be centralized and prioritized.
- Barry: Will prepare a formal proposal on taking RUSQ to Open Access and present to RUSA Board at Annual 2017. Report will include impact on the RUSA budget.
- All: Review and send questions to Susan regarding revisions to Chapter 3 of RUSA Guidelines and Procedures

Approval of December 16, 2017 Budget & Finance Committee Minutes

Update Vendor Relations (Cecilia Ross)

- RUSA Social was funded by vendors (Leighann sends invoices and handles the budget for the Social) - \$4000 donated.
- RUSA Champion Fund (little different from extra money) place for sponsorships to accumulate funds. Not clear where this is reported to membership in budget documents.
- RUSA Executive Committee needs to establish fundraising priorities for Celia.
- Currently trying to find money for ETS/RSS Social, ETS Achievement Awards, RSS Achievement Awards.
- Focus on showing what being a sponsor means
- Celia needs information about the purpose for the money to be raised. (e.g. coffee service or breakfast meeting to add member value)
 - RUSA office needs to supply a list of Section and RUSA level events.
- Discussion of communication channels and visualizations of connections (after reorganization)
- **ACTION:** Add to RUSA Leadership training: when to make a funding request to Board versus submitting to the Vendor Relations coordinator, Celia Ross. B&F will look at the budget lines individually for potential sponsors
- RUSA used to have a sponsor brochure. Currently we have an online presence only. That may be fine.
- Budget requests fall into various line items; it is hard to track particular expenses in this style of performance budget. Expenses get buried in larger totals representing broad areas. Budget requests fall into various lines such as research projects, dinners, A/V, etc.

2017 Fiscal year Budget

- Expenses are falling short of revenues; RUSA is still operating in a deficit.
 - Revenues, under projection by 26%
 - Expenses, under projection by 29%
- Reserves are now below the Board imposed threshold of \$400,000 (set in 2013).
The Board with the help of the RUSA office needs to take more aggressive action regarding spending in light of declining membership.
Other information about required reserves:
ALA advises 4 months of operating expenses which for RUSA would be \$140,451.
RUSA's official reserve policy uses a formula of 50% of average expenditures over last 3 years which would be 045. (average expenditure: \$428090; 50%=\$214,045)

- Dues are behind by 3% compared to this time last year
- The executive Director explained that the budget is expected to come under the projected deficit by roughly \$20,000 (\$60,000 rather than \$80,000).
- It is costing RUSA \$153/member to operate; RUSA has revenues of only \$127/member.
- RUSA office made \$30,000 worth of cuts but employee salaries have increased.
- We may realize some salary savings between executive directors, however a one year part-time staffer will be hired which may absorb any salary savings. (We'll miss you, Susan!)
- Currently the Executive Director thinks that the deficit can be reduced in two years despite declining membership. Trying to find the balance between risk and conservative actions that will counterbalance or reverse membership trends.
- Membership did not drop at the last dues increase (2005), however memberships are down in ALA overall as people find free alternatives. This wasn't the case in 2005.
- At the last Budget and Finance meeting the committee ran scenarios looking at \$5 or \$8 increases in dues. A dues increase will only provide marginal increases in revenues, not enough to clear the deficit.
- ALCTS may be instituting a dues increase also. ALA is looking at a dues increase for 2019. It would be good to avoid a planned increase that year.
- One committee member suggested actively engaging with students more, and reach out to certain academic disciplines such as history. A proposal went from Bill McHugh for such a program. **ACTION:** Susan will share the report.
- There is no indication about the impact of ALA's conference remodel proposal on RUSA budget

CE Discussion

- Jennifer Cross, the webmaster, did an audit of online programs and found that contracts had not been signed and W9s were not on file, classes had fallen through the cracks that had been approved. Jennifer is only supposed to spend 25% of her time on Online Continuing Education but is spending 65%. The Executive Director says the office needs an Online Continuing Education assistant. This was approved and advertised. (part-time 12 month position (no benefits) to get program up and running). The projection is that RUSA can get \$100,000 in revenues if program is strong and marketing is good. Entire program is on hold for 6-8 weeks to tweak the program.
- Discussion about vendor sponsored webinars and its pros and cons. Vendor sponsored webinars normally don't generate revenue.

RUSQ Discussion

- Subscriptions of RUSQ are 19% above projections (mostly institutional rather than individual)
- Discussion of impact of Open Access (OA) of RUSQ. RUSQ Board and Editor (Barry) feel we should move to OA. RUSQ costs the organization \$15,000/year.
- We may be able to get more advertising in an OA model; we need to look at the layout. There could be some savings from new hosting, it's uncertain. We pay ALA Production and the cost has stayed the same. ALA Production does copyediting and layout.
- RUSQ is not self-sustaining; moving to OA would negatively impact the budget even more.
- There have been problems finding advertisers.
- The editor has a goal in last volume to clean up the online version.
- It is possible to move to an institutional repository site, but that takes volunteer work. The RUSA office does not have the capacity to do this.
- Going OA might not be a good move at the same time we do a dues increase. Members may perceive it as a lost benefit of membership.
- Ethical issue: ALA strongly supports OA initiatives. We need to practice what we preach. We need to phrase OA move as member value proposition.
- From an association point of view, OA usually doesn't increase membership.
- OA would have bigger impact on member retention than member recruitment. Need a decision/vote for new volume. Should know by Annual if a dues increase is happening and that could impact the OA decision.
- **ACTION:** Bring by annual 2017 a formal proposal to RUSA board. (Barry)

End of year 2016

- The \$100,000 projected deficit came to only \$82,000 deficit mostly due to Carnegie money being deposited in our account.
- Revenues 9% under and expenses under 12%.
- New asset reserve which brought over to this year was the \$382,111.

RUSA Reorganization

- The reorganization calls for sunseting the Budget and Finance Committee as it is constituted currently. The work would fall to the RUSA Board.
- The RUSQ editor expressed concern about a lack of voice and vote in budget matters. The matter was not resolved, but will be considered in the larger discussions revolving around reorganization.
- The B&F committee finds it valuable to meet face-to-face to discuss the budget.
- There will be changes in the number of RUSA meetings. We will need to think about how to fit in budget meetings to the new conference.
- The Executive Director expressed concern over having 50 people weigh in on the budget. The B&F Chair agrees. Suggestion: It is standard in associations to have smaller budget committees of 5-7 people.

Chapter 3 - Guide to Policy and Procedures

- Susan provided an update. The update primarily notes that the executive director creates the budget.

ACTION: The committee should read the new chapter and forward any questions to the B&F Chair.