**TO:** PLA Board of Directors

**RE:** FY20 Budget for Final Approval

**DATE:** August 23, 2019

**ACTION REQUESTED/INFORMATION/REPORT:**

ACTION

**ACTION REQUESTED BY:** N/A

**DRAFT OF MOTION:**

That the PLA Board of Directors approve the FY20 budget as presented.

FY20 Budget Overview

In accordance with ALA’s budgeting deadlines, PLA has completed a third draft of its FY2020 budget (September 1, 2019-August 31, 2020). This version includes changes determined at the 2019 Annual Conference PLA board meeting. A summary by project as well as a summary of the general fund (non-grant) budget by line are attached to this report.

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| --- | --- | --- | --- | --- |
| **Projects** | **Revenue** | **Expenses** | **Overhead** | **Net** |
| General Fund | $1,006,250 | $1,769,532 | $66,613 | ($829,895) |
| Conference | $3,712,365 | $1,895,476 | $874,730 | $942,159 |
| Grants | $1,934,813 | $1,879,091 | $55,722 | $0 |
| **TOTALS** | **$6,653,428** | **$5,544,099** | **$997,065** | **$112,264** |

As noted in the June board meeting materials, the net loss in our general fund projects (about $830,000) is higher than previous years due to investments in new and expanded projects. Conference net revenue ($942,000) is in line with previous years, so PLA will end the year with positive net revenue as usual for a conference year, but the predicted amount ($112,000) is atypically low.

PLA will spend about $1.9 million in grants. This is lower than the three previous fiscal years ($3 million in FY17, $2.6 million in FY18, and $2.3 million budgeted in FY19), as some of PLA’s largest grants have ended (specifically, the Gates Foundation support for Project Outcome and African leadership training).

Changes Since Last Budget Review

Revisions since the PLA board met in June, other than a few minor adjustments and corrections, include the following.

* All of the amounts budgeted as spend down investments approved by the PLA board were increased (typically doubled). These funds will support growth of equity and leadership training; communications support to help libraries promote themselves; and a speaker/facilitator training initiative; and the sustainability consultant. This increased expenses in PLA’s Administrative project line approximately $110,000, to $967,000.
* Funds budgeted for the Family Engagement project were roughly doubled, to $100,000, to support consulting and other costs to bring a continuing education product online in FY20. This will likely be partially offset by revenue, however timing and amounts are yet to be determined, so no revenue has been budgeted.
* About $45,000 in expenses was added to the PLA 2020 Conference budget for additional promotion and related expenses, reducing Conference net revenue slightly to $942,000.
* Grants confirmed in August 2019 were incorporated. As with all grants, these increased PLA’s total FY20 budget, but they are budget neutral, with revenue equaling expenses. They typically benefit PLA’s bottom line, however, by shifting certain personnel costs from the general fund or other grants. For instance, the grants below contribute to a reduction of about $111,000 in spending down of the Gates General Operating grant, which helps extend the life of that unrestricted grant. Many grants also generate revenue for other PLA projects, for instance by underwriting ad space in *Public Libraries* magazine. They may also benefit ALA through additional overhead.
  + A fourth cycle of the Inclusive Internship Initiative, funded by IMLS. This added $308,000 (including $6,000 in ALA overhead) in grant revenue and expenses to FY20, and shifted 5-30% of calendar year 2020 salaries for six positions to the PLA cost share for the Initiative. It will also impact FY21 because PLA will spend an additional $140,000 of its operating reserve for the required cost share to pay for activity occurring in the fall of 2020.
  + A second cycle of the Libraries Connecting You to Coverage insurance enrollment project, funded by Community Catalyst and the Robert Wood Johnson Foundation. This added $115,000 (including $7,000 in ALA overhead) in grant revenue and expenses to FY20, and shifted about $24,000 in personnel costs from the Gates General Operating Grant to this project.
  + In addition, expenses in the Gates General Operating grant were further reduced since the last draft budget, based on elimination of two vacant positions. The Program Officer, Project Outcome (PO) position became vacant with the internal promotion of Samantha Lopez to Manager, Membership and Marketing, and given PLA’s goal to better integrate PO into core PLA activity and reduce dedicated effort to PO since its grant funding ended, the position is not being refilled. In addition, PLA has no current plans to fill an intern position in FY20, so the approximately $13,000 budgeted for that position was removed.