**Summary of the ALA Planning and Budget Assembly**

**June 27, 2021**

**Highlights of special interest to our round table**

The round tables as a category have the best budget results of any budget category within ALA.

Current plans don’t include making round tables part of the revise Operating Agreement. It appears as if their contribution to ALA overhead will remain 10% of their revenue from dues.

**Patty Wong, ALA President-Elect**

Her initiatives will focus on the many ways in which libraries connect. She is looking at new ways of doing things as will be apparent from the initiatives to be discussed later in this report.

**Peter Hepburn, BARC Chair**

ALA will start providing quarterly budget reports instead of monthly reports to save the significant staff time in preparing these documents. This reporting schedule is in keeping with how corporate American handles such reports.

Overall, the six-month February 2021 budget report showed that ALA was doing better than expected by having net revenue of $610,722 instead of a projected deficit of $814,697. As a group, the round tables were doing especially well with net revenue of $253,464 instead of the budgeted $132,751 for a positive variance of $120,713.

In answer to my question about fund balances, units will be told this amount once the required audit of ALA finances is completed.

Membership has declined but less than expected, but much more on this topic later in the meeting.

**Maggie Farrell, ALA Treasurer**

She has four main goals for the FY 2022 budget:

1. Aiming for a balanced budget
2. Establishing a contingency fund
3. More realistic budget projections for the two major conferences
4. Aligning expenditures with revenue

Round tables as a category are projected to have a profit in the next budget year.

She expects to reduce travel expenses and funding for the executive office to help balance the budget.

**Denise Moritz, Director of Financial Report and Compliance**

One of the main goals of the Five Year Plan is to reduce silos by looking at ALA as a whole rather than as a conglomeration of discrete units. One major goal is to increase donations since ALA is not doing all that well in this area. The endowment should also be larger to be available as support in difficult times. It is well below the rule of thumb for an organization such as ours. Efforts are needed to stop the decline in membership. The discussion agreed that not enough effort had been expended in this area. I brought up the issue that many ALA members like us don’t work currently in libraries. As a quick aside, I was pleased to learn that my column on this issue had been distributed to the Membership Committee. Overall, the discussion during this part of the meeting was excellent with many comments from those in attendance. I felt as if all the presenters were actively listening to what was said.

**Maggie Farrell, ALA Treasurer, Operating Agreement Work Group Update & Discussion**

The group has a one-year extension because of COVID to produce its report. The focus has been on the divisions with no plans to change the 10% dues contribution by the round tables. In response to a question, it was stated that this 10% doesn’t accurately reflect what it costs central ALA to support the round tables. One telling comment was that ALA members don’t really want to understand the Operating Agreement. Another was that division members and leaders are sometimes concerned that they get varying levels of service from central ALA with those getting less wanting to pay less. One possibility under discussion is to not charge overhead to ALA units. I was disturbed by this possibility because these real costs for services such as IT, personnel, budgeting, etc. must be paid from somewhere. Some mention was made of charging for individual services as they occur, but my opinion is that such a budgeting strategy would be cumbersome to implement in comparison with today’s flat rate.

**One Last Comment**

Having been an ALA member since 1973 including serving as a division leader and fifteen years on Council, I have observed that ALA often takes on valid initiatives without considering sufficiently their continuing costs. At some point, ALA may need to pay more attention to focusing on core goals even if doing so disturbs those members with interests in more peripheral activities no matter how important they may be to some.