ACRL MW18 B&F Doc 1.0

ACRL Budget & Finance Committee Meeting
ALA Annual Conference
Sunday, June 25, 2017
Chicago Hilton

Present: John Lehner, Chair; Fannie Cox; Brian Doherty; Georgie Lynn Donovan; Alexia Hudson-Ward; Kevin Merriman; Joan Roca; Judy Russell; E.C. Schroeder; Theresa Stanley; Mary Ellen Davis (ACRL); Cheryl Middleton (ACRL President-elect); Allison Payne (ACRL Staff); Rickey Best, recorder.

Guests: Tara Baillargeon; Maggie Farrell; Mary Jane Petrowski (ACRL); Lauren Pressley; Brian Rennick.

1.0 – Welcome and Introductions
The Chair called the meeting to order and asked the members of the committee to introduce themselves.

2.0 – Meeting and Recorder Assignments
Lehner asked for volunteers to serve as recorders. Best volunteered to serve Sunday; Merriman to do part 1 on Monday and Stanley to do part 2.

3.0 – Adoption of the Agenda/Confirm meeting outcomes
Lehner asked for approval of the agenda and meeting outcomes. Approval moved by Hudson-Ward, seconded by Roca. Approved by voice vote.

4.0 – Approval of the 2017 Midwinter Meeting Minutes
Lehner next asked for approval of the 2017 Midwinter meeting minutes. Roca moved approval of the minutes, seconded by Hudson-Ward. The minutes were approved by voice vote.

5.0 – Endowments
A review of the endowments funding took place. The Leab Endowment has met the $50,000 minimum to be fully funded. The Atkinson Endowment is fully funded. The Oberly Award is having difficulty in meeting the $50,000 minimum to be established as an endowment. Although time is still remaining, ACRL staff are investigating options should the amount fail to reach the $50,000 thresh-hold. The ALA attorney is concerned about the legality of absorbing the Oberly into an existing ACRL endowment or Long Term Investment. The committee noted that in Connecticut, an appeal can be made to the state Attorney General to allow the dissolution and/or absorption of a fund. An ultimate determination regarding the Oberly will await continuing developments.

6.0 – BARC Report
Farrell next gave a report from the Budget Analysis and Review Committee (BARC). Farrell extended congratulations to ACRL for a successful conference. She reported that the ALA Treasurer has updated the dollar bill graphic logo. BARC is engaged in planning for the FY ’18
budget, noting that ALA memberships are down and the organization has flat to declining revenue streams. Publishing is a concern for the association.

Farrell reported that the overhead rate for FY ’18 will be 26.4%. In FY ’19, retirement benefits will not be calculated in determining the overhead rate, which for that budget year will be 26.5%. Work on the overhead rates and calculations will continue.

On the afternoon agenda for BARC will be a discussion of endowments and conference plans. Davis asked if endowments with less than $50,000 will be retained due to attorney opinions. This is still being considered.

Regarding conferences, there is consideration regarding the possibility of reducing the number from 2 to 1. The members of the Budget & Finance Committee expressed concern that the difficulties of ACRL members being able to afford to attend 2 meetings a year is a growing problem. Most of the committee work in ACRL can be done online. It was noted that the Instruction section is pulling out of having members attend the annual and mid-winter conventions. The committee noted that the long-term plans of the association are for large conferences, and if we continue to see declining attendance this will increase liabilities for the association. Farrell will take the issues and concerns raised to BARC.

7.1 – Student Membership Dues
Petrowski reported that discounting the student membership rate for ACRL would not have a big fiscal impact. In fact, student memberships could be discounted 100%. Donovan moved for that a recommendation for a $5.00 student rate be forwarded to the Board. Roca seconded the motion. Discussion ensued regarding marketing the student rate, having a 3 year window to measure the impact, involving the Membership Committee in developing a marketing plan for this proposal. Lehner asked the ACRL staff to draft a plan and to communicate with the Membership Committee regarding the new rate. Following discussion, the motion was approved with one dissenting vote. The proposal will be taken to the Board.

7.2 – Regular Membership Dues
Petrowski stated that HEPI will no longer do projections. The 2016 HEPI projections would allow for a $1.00 increase on the ACRL dues rate. Lehner asked for a motion to take the proposed increase to the Board. Roca moved that a recommendation be made to the Board to increase the dues at the HEPI adjusted rate ($1.00). Merriman seconded. Discussion ensued regarding whether to approve the motion. The committee noted that community college librarians do not earn as much as the colleagues at 4-year institutions. The committee felt that given the net assets balance of the organization, a year could be skipped without increasing the dues rate. Hudson-Ward moved to close discussion, Merriman seconded. The motion passed. The motion to recommend the dues rate was then voted on and approved, with 2 dissenting votes.

8.0 – Section Funding Model
Dues for the sections were changed in 2014 to a flat model. A request has been made to return to the previous funding model ($1,000 as a base allocation, plus $0.75 for each member over 400). Middleton asked if sections were going up or down in terms of membership. It was felt
that there wouldn’t be a huge change from current enrollment. Roca asked if the sections were asking for more funds. Petrowski reported no, that funds not spent in 2016 were contributed back to the ACRL Scholarship fund. Lehner felt it did not make sense to maintain the freeze. Merriman moved to vote to reinstate the previous funding model. Roca seconded motion. Approved unanimously.

9.0 Review FY 17 YTD budget
Davis reported a positive conference outcome. Financially, publishing is down and the conference is no longer the membership driver that it once was. Institutions are not paying for ACRL memberships for individuals to get the lower conference rate. Individuals are signing up for the conference at the non-member rate in order to get reimbursed. As of May 31, 2017, endowment funding stands at $3.8 million; $168,952 for the Atkinson, $50,676 for the Leab, and $32,165 for the Oberly.

10.0 – FY 18 Budget
Lehner reported that in the FY ’18 budget, plans are for $100,000 for membership promotion, retention and recruitment activities; and $75,000 for completion of digitization of journal back files. Plans are to spend down the net asset balance by focusing on projects and programs. A discussion ensued as to what the appropriate amount of the net asset balance should be? A working group consisting of Donovan, Merriman and Best was put together to recommend high and low bases for the balance. Davis noted that by ALA policy the goal is 25% of a 5 year rolling average.

11.0 – ACRL Development
Petrowski updated the Committee on results of the of 2017 fund raising campaign. Lehner thanked the committee members for their generosity in funding scholarships for the conference and for donations to several other ACRL funds.

12.0 – Consider strategic uses of ACRL’s net asset balance (This item was deferred because of time.)

13.0 – Review of next steps and Monday agenda
The Chair provided a brief review and described reminded the group that on Monday’s agenda we would finalize the budget recommendation to the Board of Directors.

There being no further business, the meeting was adjourned.

RB
14.0 Welcome – The Chair welcomed the group and confirmed the recorders for the meeting.

15.0 CHOICE budget – Mark Cummings reviewed the year to date budget for FY17. He then presented an overview of the proposed FY18 budget for CHOICE. There was a discussion of the plan to move CHOICE’s LTI to ACRL. The objective is to take funds that ACRL had planned to add to its LTI and instead use them to support CHOICE’s new product development work. This swap of funds was approved in the spring Board of Director’s virtual meeting. There was discussion of the CHOICE Open Education Resources project.

16.0 FY18 Budget recommendation – The group reviewed the changes that had been made to the proposed FY18 budget since the Midwinter Conference. A motion to recommend the FY18 budget as presented in the draft Board of Directors Action Form, agenda document 7.1 and detailed in document 9.0.

17.0 Dashboard Metrics Review –

19.0 ALA Indirect Cost Rate – Mary Ellen Davis reminded us that this topic came up yesterday in our discussion with Margie Farrell, our BARC representative (agenda item #6 6/25/17). ALA looking to keep indirect costs more stable. Our indirect costs will only go up 0.1% for FY 19. Also, ALA will provide the indirect cost to the divisions a year in advance to assist the divisions in developing their budget. There was discussion on some of the benefits ACRL receives from ALA.

20.0 B & F Annual Work Plan – The Chair led the committee through Division Level Work Plan and Division-level Committee Year-end Report and Work Plan documents. Lehner will complete work on the reports.

21.0 Midwinter 2018 meeting w board – It was discussed to ask Mark Leon (ALA CFO) and Susan Hildreth (ALA treasurer) to attend the Midwinter joint meeting of ACRL Budget and Finance Committee and the Board of Directors. The group thought it would be helpful to update the board on ALA indirect costs and other future financial issues with ALA; there was suggestion to craft questions prior to the meeting. Discussion on current ACRL budget with one-time large expenditures, which is a shift in how it was done in the past. Also, Mary Ellen Davis explained that because ACRL has been conservative in how we spent money, that we now have additional financial resources for our members.

22.0 Unfinished business/new business –

22.1 – Fall Budget & Finance Committee New Member Orientation: possible dates (late Sept/early Oct) 9/29, 10/6, time undecided though nothing before 11:00 am as Lauren
and Theresa are west coast. Allison will send out a doodle poll.

22.2 FY19 Budget Assumptions draft #17.0, #18.0: budget assumptions draft: increase scholarship amounts (to cover more expenses and an additional spectrum scholar); CCETF may also have expenditure suggestion

22.3 FY17 Annual report (due late October 2017): annual report –Lehner will prepare; in the version he prepared last fall, he shortened the format and provided links to detailed spreadsheets in the online version of C&RL News.

22.4 nothing was added

23.0 Recognition of outgoing B & F members –The Committee recognized Judith Russell who was awarded 2017 James Bennett Childs Award from GODORT. The Committee also recognized four members who are completing their commitment to the committee: Carolyn Henderson Allen, Brian J. Doherty, Judith C. Russell, and Edwin C. Schroeder.

24.0 Adjournment – The meeting was adjourned.

Recorders: Kevin Merriman
Theresa C. Stanley
This page intentionally left blank to accommodate double sided printing.