



FY2025 Budget Proposal

March 2024

Introduction & Overview

The proposed FY 2025 operating budget as proposed is a transition budget, designed to empower a smooth leadership transition as the Center recruits a new President. The organizational transformations begun in 2019 end in 2024, and new CRL leadership will lead the organization into its next phase, building on a revitalized organization poised for the future. This budget proposal calls for a surplus budget, while noting that this surplus is intended to empower incoming leadership to make strategic investments in service to the CRL membership, particularly as the organization revitalizes its core collection development activities with a growing team of professional librarians.

From 2019 – 2024, CRL leadership began a series of organizational transformations deemed essential for CRL’s long term ability to execute on its core mission – the ability to build shared collections at the network level to allow member libraries to save costs on building and maintaining local collections. Most of these transformative changes were realized through aggressive cost cutting, including through staff reductions, outsourcing functional areas in accounting and human resources, and ending resource intensive partnerships deemed peripheral to CRL’s core value proposition. This aggressive cost-reduction was strategic – not defensive – as leadership identified the remaking of organizational culture, design, staff expertise, and a rationalization of its suite of partnerships and programs as essential for CRL’s viability, both short and long term. This aggressive cost-cutting resulted in operating surplus budgets of, on average, \$1.4M per year from FY21 to FY24 with an operating surplus of \$857,598 continuing into YTD January FY24. The major exception to these cost cutting measures was the suite of major capital improvements that CRL deemed as mission critical for organizational viability. With the FY25 proposed budget, we see a continued return to more regular operations, reflected in a planned hiring/rebuilding of staff in line with organizational recalibration of CRL’ global collections building activities as well as a return to a reduced level of capital expenditures.

For FY2025, there are three areas deserving community attention:

Continued Reinvesting in staff: CRL has at present a skilled and engaged workforce deployed in a healthy organizational culture which incentivizes continuous learning, growth, and high performance. This is a result of leadership’s recent focus to improve CRL’s organizational culture, staff productivity and performance, and organizational design, as evidenced in the results of an organizational climate survey conducted in 2023 and presented at the 2023 Council of Voting Members meeting. The FY2025 budget proposes a Personnel budget of \$4,111,543 with allocation to cover salary, fringe, and related benefits to hire a new CRL President, an Executive Assistant to support the incoming President, and an additional

communications/member engagement position. The FY2025 budget also allows for three full-time professional positions to support CRL Global Collections, at the discretion of our newly hired Director of Global Collections and in line with the organization's major recalibration and reinvestment in its core global collections operations.

- **Refocusing on Core Collection Development Programs:** With new leadership in CRL Global Collections, the hiring of a new team of Global Collection staff, and a new CRL Collections Services and Policy Committee Collection Development Policy coming online in FY25, we aim to ramp up CRL's collection development activity. The FY2025 budget asks for \$898,896 to be made available to CRL collections staff to revitalize and recommit to core collection development activities in line with priorities identified in partnership with CRL's Collections Services and Policy Committee.
- **Normalized Cadence of Capital Improvements:** Since 2020, CRL leadership has aggressively addressed high levels of deferred maintenance, which had accumulated to the point where it was interfering with core business functions. In FY2023, CRL leadership took advantage of forgiven CARES Act loans to complete a suite of capital improvements, including an overdue roof replacement and a major window installation project. In FY2024, the focus on capital improvements continued, through a major project to modernize CRL's communications infrastructure and an overdue sealing treatment of CRL's concrete façade. Together, these capital improvements are mission critical to maintaining an adequate preservation environment for CRL's analog collections and a modern office telecommunication and working environment for CRL staff. With FY2025, the major focus on capital improvements ends, with a decrease from \$1.2m in FY2024 to \$175,000 in FY2025. In FY2025, CRL enters a period of more regular, annual capital improvements.

The budget overview below applies to CRL Operating Funds only.

Revenue

Operating revenue is generally expected to increase by 7.6% this year to \$7,644,529. Membership Revenue is projected to be 5.6% more than the FY 2024 level, with little change in the number of members. Looking ahead, CRL leadership believes the current membership model is financially sound and has room for growth, particularly as we rationalize the benefits of core CRL membership, disambiguate it from the membership and dues of CRL's numerous global programs, and begin to execute on core mission – the cooperative collection building upon which the CRL community depends.

Key assumption for FY25 Revenue:

- Revenue
 - (1) Continued stability and modest fluctuation in membership revenue, with membership losses off-set by membership gains during FY25

- (2) Evaluation and possible recalibration of NERL membership and/or business model with potential increase in CRL revenue
- (3) Continued revenue from collections storage pilot with Newberry Library

Expenses

The overall proposed operating expenditure decreased by 5.56 % to \$7,556,426

Change in Net Assets

We propose a surplus operating budget of \$88,103 for FY2025. This is a transition budget, allowing current CRL leadership to wind down a series of strategic investments in capital improvements, and continue to grow strategically important staff, particularly in its global collection development operations.

Capital Improvements

Updated Fire System	\$ 125,000.00
Repave Parking Lot	\$ 50,000.00
	Total \$ 175,000.00