AGENDA ITEM\_\_D-i\_\_



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| **MEMORANDUM**  TO: BOARD OF DIRECTORS  FROM: VIADO / KELLER  SUBJ: **DUES INCREASE RECOMMENDATION – BUDGET COMMITTEE REPORT**  DATE: June 1, 2011 |
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The Budget Committee met on May 10th and reviewed the materials attached, as well as the Section reports and budget related materials from the 2012 retreat. The Committee is recommending adoption of a flat $20 dues increase effective January 2013, with invoicing at end of 2012. The Budget Committee also recommends developing two detailed CalPlanner articles later this year, and development of an inaugural Chapter Annual Report at the end of the 2012. All documents would be shared as resources to the Sections and membership.

The following reasons were cited by the Budget Committee:

* The $20 flat fee was the most reasonable dues increase that addressed the current deficit and provided some level of additional funds to pay back reserves and to cover future economic contingencies.
* The alternative of 40% or 45% tied to National dues would result in significant increases in dues for higher-income members, and potentially hit private sector agencies hard -- agencies which pay the dues for many higher-income members and that are also asked to contribute to APA in other ways.
* Realistically, the Board will likely not raise fees again for a number of years, it is important that any dues increase provide a long-term solution. The last APA California dues increase was seven years ago, the $20 flat fee should be easier to justify to members regardless of their salary range.
* The recommendation to have the dues increase take effect in January 2013 is to address the concerns of providing members with information explaining the dues increase, inform them of the option to pay National dues monthly rather than in one lump sum, as well as provide an annual report describing all of the Chapter benefits.
* Student members are not impacted by any chapter dues increase. The increase applies to full members only.

**Recommendation: Board Vote to Adopt Committee Recommendation**

Attachments:

1) Budget Change History report - The Budget Committee requested the preparation of a Budget Change History report outlining the steps the Chapter has taken since 2009 to reduce operating expenses. Report is attached.

2) Dues Increase Charts – outlines financial impact of adopting flat rate dues increases of $15, $20, and $25 upon the current $85 section dues, or switching to a percentage of national dues at 35%, 40%, or 45%.

3) National Chapter Dues Change Form

4) Section Dues Increase Feedback Summary

5) National Chapter Dues Timing Chart – shows when dues are invoiced, due, and when Chapter and Sections would receive revenue.