

JAPANESE AMERICAN CITIZENS LEAGUE

**Executive Summary
Biennial Budget 2017-2018**

March 29, 2016

General Approach

The Budget Committee's (the Committee) approach in preparing the 2017-2018 biennial budget was to base our estimated revenue and expenditures on actuals from prior years. Regarding revenue, the Committee's approach was conservative in nature, as we had the prudence to include only those revenues that we were reasonably assured to receive. Regarding expenses, we anticipated similar expenses to be incurred as in prior years, unless specific expense reduction measures were planned. These measures are explained further in detail below. The Committee's goal was to balance the biennial budget, which began with a budget deficit of over \$200k in both 2017 and 2018.

Budget Details

The Committee first focused on revenue. Specific highlights are as follows:

- Membership – Membership revenue for both 2017 and 2018 is based on a linear regression model, which forecasted membership revenue and number of memberships using past 10 years worth of data. Membership revenue rate decline is 5.5% and 5.8% in 2017 and 2018, respectively.
- Endowment – The endowment income is based on a trailing 24 month moving average, of which 60%, of 5% of the average is budgeted as income.
- Fundraising – Fundraising is forecasted with conservative estimates and includes only funding sources that are known and are reasonably assured to receive. Although generating additional revenue is currently in progress for the biennium, if not reasonably assured to receive, it is not included. These types of unconfirmed revenue items include funding from Wal-Mart and Coulter.
- Grants – \$173k in NEH grant revenue is included within the 2018 budget. The NEH program manager confirmed this level of support.
- Other – Opportunities were identified to standardize the leases for existing tenants at HQ and to address open, unutilized office space in the building. Two specific measures are accounted for in the 2017 and 2018 budget: 1) Incremental increase in lease revenue for existing tenant in an effort to align with market rates. This results in an additional \$10k in 2017 and \$15k in 2018. 2) Solicit additional tenants to occupy office space in the HQ building. An estimated increase of \$30k in 2017 and \$45k in 2018 is included within the other revenue line. (Each floor of HQ building is approximately 1500 sq./ft. and has a market rate is \$40-60/sq. ft. The estimated \$30k is a



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conservative estimate (50%) of the total for renting out one entire floor at \$40/sq. ft.)

The Committee then focused on expenses to close the remaining budget deficit.

Details are as follows:

- Contract services – NEH expenses is included within the 2018 budget and Coulter expenses is not present, as the voter registration campaign is not yet confirmed for 2017 and 2018. The budget includes additional contract service expenses (approximately \$10k in 2017) due to reduction of FTE equivalents.
- Refunds and rebates – Coulter expense of \$100k is not included within the budget in 2017, relative to 2016. \$86k expense is included in the 2018 budget due to confirmation of funding from the program manager. In addition, \$30k is included for additional district stipends, if necessary.
- Meetings and conferences – Meetings and conference expense decrease is primarily driven by lowering convention costs, yr. over yr.
- Travel – National committee travel will be reduced, including IPC and any others. Staff travel is only permitted for district conferences and isolated to funded programming.
- National board travel – Budget accounts for two (vs. three) national board meetings (excluding meetings at National Convention).
- Occupancy – Decrease in occupancy expense due to elimination parking for both JACL and PC office locations. Reduction amounts to \$12,600 for parking in 2017 and 2108.
- Personnel – Includes reduction of two non-PC FTE equivalents in 2017 and 2018.

Expense items to note specific to the PC are as follows:

- Personnel expense – Budget includes one FTE equivalent reduction.
- Composition & presswork – Includes a 20% reduction based on efforts to move to digital. Estimate provided by PC staff and aligned with the Finance and Budget Committees.
- Circulation & mailing – Includes a 20% reduction based on efforts to move to digital. Estimate provided by PC staff and aligned with the Finance and Budget Committees.
- Occupancy costs – Removes occupancy cost for 2017 and 2018, based on moving the operations from LA to HQ building in San Francisco. This results in an approximate \$18k cost save each year.