

Proposed Increase in Wisconsin Balance of State Continuum of Care Membership Dues

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SLIDE 1

Hello Everyone. I'm Kathleen Christenson Fisher the Treasurer of the Wisconsin Balance of State and today I will be sharing information about the Membership Dues. There is quite a bit of information packed into this presentation so Carrie, Lisa, and I will be happy to take questions at the end.

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The Board of Directors has made a recommendation to increase Membership Dues to help support the increased operating expenses to continue our mission of ending homelessness in the WI Balance of State Region.

Since 2011, when the organization incorporated, the budget has grown from \$200,000 to \$2,363,000 annually.

Historically, the agency has had three sources of revenue to cover expenses unrelated to grants:

- Grant Administration
- Quarterly Meetings
- Membership Dues

Through 2019, the organization leveraged these revenue streams to cover the operating expenses. Sadly, due to COVID-19, the BOS had to cancel quarterly meetings and, as a result, lost about \$20,000 annually in revenue. In fact, the agency's 2020 financial statements reflect a loss of about \$3,000 in net assets without donor restrictions.

Some adjustments have been made to increase revenue such as hosting various trainings, but they are not sustainable.

In 2020, the Board of Directors recommended the Finance & Audit committee review options for membership dues to help offset the increased operating expenses unrelated to direct cost for staff and travel.

The committee reviewed various options and presented a report to the Board of Directors on July 6, 2021.

Here is some financial information to help understand the proposed Membership Dues options.

SLIDE 3 - Financial Information

The agency has grown significantly over the last ten years. The COC Award alone increased from almost \$7 million to just shy of \$10 million in 2020. This includes all grants awarded through the competition, including the Permanent Supportive and Rapid Rehousing projects, DV Bonus Projects, and Supportive Services Only Coordinated Entry programs.

The increase in revenue triggered a single audit and additional services to help manage the organization's finances. While the grants cover agency staff-related expenses, other expenses such as single audit, Financial Services, Website hosting, and Insurance are not 100% grant eligible expenses. The biggest increase in expenses is the single audit and financial services. In 2021, Other WIBOS expenses totaled \$48,330.

Membership dues have always been used to cover these operating expenses. Each year, the total amount collected from Membership Dues is \$5,250, this is less than .05% of the total COC grants received (almost \$10 Million) and only 11% of the BOS other expenses (about \$50,000).

Currently, membership dues are assessed as an annual flat rate of \$250 for each coalition. This rate has not increased since the organization was incorporated.

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After a review of the options, the Finance Committee and Board of Directors made a few recommendations.

1. A Base membership Dues of \$250 will be assessed for every coalition.
2. Use the COC Competition Grants awarded to each coalition as the base value for fees.
3. Total Membership Dues collected annually will cover 50% of WIBOS Other Expenses. The bylaws require Membership to approve the Operating budget and dues annually.
4. Present two dues options for consideration:
 - a. Flat Rate option that sets a fixed rate chart based on the total amount of Local Coalition grant awards. or
 - b. Percent of Grants option that uses a sliding fee schedule based on the percent of total Local Coalition grants to Other Expenses.

The Board of Directors recommends the Flat Rate option by majority vote. However, Membership makes the ultimate decision.

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The Flat Rate Schedule will use a chart that sets ranges of grant award amounts with set rate amounts. This option presents a few challenges requiring annual Finance Committee review and approval by the Board of Directors. It also places a greater burden on coalitions that receive less grant money.

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The percent to Grants Schedule requires a bit of math but is easier to calculate once you get the formulas set. It also will require less review from finance and the board because the Membership drives the fees by approving the annual budget each year. Additionally, this schedule places the burden of expenses on the coalitions that receive the greatest amount of funding.

1. Calculate the WIBOS Other Expense Balance.
Total Other WIBOS Expenses - Base Membership Dues = **Other Expense Balance**
2. Calculate % of Total Grants
Total Local Coalition Grant Award / Total COC Grant Award = **% of Total Grants**
3. Calculate % to Grants Fee
% of Total grants x Other Expense Balance = **% to Grant Fees**
4. Calculate Membership Dues
% to Grant Fees + Base Membership = **Annual Membership Dues.**

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Here is a chart that gives you an idea of how much local coalition dues would be depending on what % of Other Expenses the dues would cover.

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Here is a comparison of dues by the local coalition.

There are three decisions to make.

1. Should the agency raise Membership Dues?
2. If yes, then should we use a flat rate or % to grants schedule?
3. How much of BOS Other Expenses will be covered by Membership Dues?

I'd like to be clear that the Membership, through their Local Delegate, has the power to vote.

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By now, you may be wondering what benefits a member of the WIBOS receives. Here is a whole list of benefits, and the list continues to grow. As I mentioned earlier, the WIBOS has changed significantly over the years and continues to move forward positively. Our most recent success includes :
Increasing the ARD this year we submitted a Youth Demonstration Grant that corralled 19 coalitions to come together for the mission of ending youth homelessness, advocacy for increased funding in HAP and Housing Navigation with DHS, 3 yr pilot Outreach Project, and EHV Voucher coordinated access.

This organization has come a long way and is only possible by all of us coming together as a united front with one mission of ending homelessness in the Balance of State region.

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So what is next? Per the organization's bylaws, members vote on the annual budget and dues assessment annually. The WIBOS Board of Directors recommends that each Local Coalition review the Membership Dues schedule with their local coalition and be prepared to vote at the November 12, 2021 meeting.

If a decision is made to increase Membership dues, each coalition will need to discuss and decide how their coalition will cover the dues expense.

Considering the need for more time to gather the financial resources together, the Board has voted to change the dues payment deadline to June 30th annually, with an option for local coalitions to request an extension if needed.

If the decision is made not to increase Dues, then the burden of fiduciary responsibility will revert to the Board of Directors who will need to examine alternative ways to increase revenue to cover the WIBOS operating expenses.

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Please reach out to Carrie Poser or myself if you have any questions or concerns. Thank you for your time and consideration. I'll hand it back over to Lisa...