

PROPOSED LWVO/EF BUDGET FOR FISCAL YEARS ENDING 2018 & 2019

Budget Narrative

Delegates to Council may discuss, debate, amend, and will ultimately adopt only the LWVO budget for Fiscal Year 2018 (July 1, 2017 to June 30, 2018) and Fiscal Year 2019 (July 1, 2018 to June 30, 2019). However, the biennial budgets for both the League of Women Voters of Ohio (LWVO) and the League of Women Voters of Ohio Education Fund (LWVOEF) are presented here to help delegates and visitors understand the relationship between the two organizations and the full cost of administering both. Also included here for comparison are the actual results for the six months ended December 31, 2016 (halfway through FY 2017). Only delegates to the LWVO Convention (May 5-7, 2017) will vote on the proposed LWVO biennial budget. The bylaws provide for the adoption of the LWVOEF budget by the LWVOEF Board of Trustees.

The Budget Committee is composed of LWVO Budget Chair Nena Hankins of LWV-Kent and LWVO Budget Committee Member Mary Kaul of LWV-Metro Columbus, with LWVO Treasurer Janet Kershaw, LWVO Board Co-President Alison Ricker, Co-President Mary Kirtz Van Nortwick, and LWVO Executive Director Carrie Davis serving ex officio.

BUDGET HIGHLIGHTS

The LWVO Board developed the biennial FY2018-FY2019 budget reflecting the increased commitment to advocacy campaigns and the INSPIRE sustainability campaign. The budget also reflects the fifth year of the LWVO Strategic Plan with continued emphasis on financial development, membership growth and development, and increased advocacy development. We believe the proposed two-year budget supports this work without raising the Per Member Payment (PMP).

Primary revenue assumptions include: continued support from the Joyce Foundation (with an increased amount in FY 2018 that has already been awarded and the potential for a reduced amount in FY 2019); grants for the Fair Districts campaign, Public Advocacy and Voter Protection, Women's Voices: Training the Next Generation of Women Leaders; other grants; the INSPIRE! Sustainability Campaign building to the League's 100th anniversary; continuing member contributions, pledges and donations from campaigns, fundraisers and a new "monthly giving" program that reaches out to millennials and others where donations of smaller dollar amounts cover a longer period of time. The goal of the INSPIRE! Campaign is to grow the state League's capacity and rebuild our reserves.

The budget also reflects our expectation that the heightened interest in the political process as the result of the recent elections will provide an influx of grant funds as well as expenses for voter protection, information on running for office, and voter service for future local, state and national elections. The LWVO will continue to absorb the cost of Vote411 coverage for statewide, US Congressional and state legislative races for the calendar years 2017 and 2018. In addition, new this year is a paid internship position, something the League has long been hoping to add.

However, like the past few years' budgets, this budget contemplates a significant withdrawal mostly from LWVO reserves. Due to the restrictive nature of the Education Fund reserves, withdrawals from LWVO may be used to cover LWVOEF shortfalls as well as LWVO shortfalls. It should be noted that in the past years, LWVO has not needed the full amount of the withdrawal requested. The Board and Staff will continue working aggressively to increase our revenue stream in order to reduce any budgeted withdrawal as much as possible. It is hoped that that the INSPIRE! Sustainability Campaign and membership growth efforts will result in an influx of funds to mitigate the need for large savings withdrawals in this budget or thereafter.

Helping also to lessen costs are in-house printing, restructuring and streamlining staff responsibilities, and, the tremendous in-kind support of the League members themselves. It is they who contribute their time and their expenses to do the work of the League of Women Voters, year after year. These volunteers lobby, they are on League boards, on committees, at voter registration drives, at meetings. They are the sine qua non of the League's existence in Ohio as well as across the nation.

REVENUE OVERVIEW

Member Support: PMP remains at \$25 per member. The 5% discount for payment in full by September 30 will continue. Overall membership remains about the same, though with the past election and with the Membership and Leadership Development program, we are seeing an increase in interest in activism and membership growth.

Investments, Member Events, Publications: Our LWVO and LWVOEF investments with the Columbus Foundation and Merrill Lynch contribute a small amount to our overall revenue, although they have been yielding better returns in the last two fiscal years. For Statehouse Day and the biennial State Convention, registration fees typically just barely cover costs or are slightly under cost, which is why we try to raise some additional revenue through event sponsorships or round-up gifts. Monthly all-member conference calls continue to be toll-free. We hope to incorporate some joint LL-LWVO fundraising opportunities and expect them to contribute a modest \$1,000 in operating resources. We do anticipate more publications revenue in the next two years when the new edition of our *Know Your Ohio Government* (KYOG) book is published in print and e-book formats.

Restricted Revenue/Designated Gifts: This category encompasses two types of restricted revenue—gifts that are designated for a specific purpose and grants that are restricted to specific projects. Except for the advocacy campaign, the restricted revenue and designated gifts are listed under the Ed Fund budget. The Joyce Foundation Grant funds our work on voter rights and election administration, redistricting, and related democracy issues; new for 2017-2018 it also includes an increase to support LWVO's participation with LWVUS in long-term League sustainability planning. The Joyce grant was awarded for two years, calendar years 2017 and 2018, at \$80,000; and we anticipate the following year we will be invited to apply once again at the \$60,000 level. We are delighted that the Women's Fund of Central Ohio renewed our grant for \$15,000 to support the "Women's Voices: Training the Next Generation of Women Leaders" program as it enters its second year. We anticipate additional opportunities to apply for pass-thru grants from LWVUS's Public Advocacy for Voter Protection (PAVP)

project for voter education, pass-thru grants from State Voices for coalition work around civic engagement, and a category labeled “other grants” for additional grant-funding opportunities we anticipate will come our way in-state or via LWVUS.

Delegates may note a new line item labeled “Advocacy Campaigns” under the LWVO column which is in both the revenue and the expense categories. In 2015, LWVO added a line item for the Issue 1 redistricting ballot issue, so that we could track revenue and expenses for campaign finance reporting. After we won Issue 1, we kept that line item in our budget for continuing work toward passing Fair Districts for Congress too. Rather than continually renaming that line item for each new ballot issue name and number, we instead captioned it as “Advocacy Campaigns” to encompass any ballot issues the LWVO Board votes to work on. We anticipate significant revenue and expenses for the Fair Districts Campaign over the next biennium. While most funds will go through the official campaign, there will also be funders who choose to donate to LWVO to support work by the League on Fair Districts, such as nonpartisan educational materials.

Unrestricted Revenue: The state League conducts three major fundraisers each year designed for unrestricted revenue. These are Women’s Equality Day in August, the End-of-Year Fundraiser in November and December, and the Annual Campaign in February and March. In addition, delegates will note the continuation of the multi-year INSPIRE! Sustainability Campaign, which has a goal of raising \$50,000 in 2017-18 and \$100,000 in 2018-19. The revenue received from this campaign will be divided between funding growth of current operations (such as offering state office support to local Leagues with the CRM membership database) and strengthening our long-term financial sustainability (by replenishing reserves). Another new line item is the monthly giving program that provides the opportunity to donate to LWVO in smaller, sustained amounts over a longer period of time – an option particularly favored by younger generations. In addition, we have the added value of Board contributions, other general donations, and the in-kind contributions of our many League volunteers, without whose help our budget would be strained beyond our capacity to fund it.

As in past years, the staff will continue to focus aggressively on revenue diversification and on increasing revenue in order to reduce any anticipated shortfall as much as possible.

OPERATING EXPENSES OVERVIEW

Salaries and Services: As in the past, personnel costs comprise the major portion of expenses. Listed in the first lines of the expenses portion of the budget are the salaries, taxes and benefits of the full-time Executive Director, full-time Membership and Project Manager, part-time Office and Program Associate, and a new Development Campaign Director. New this year is the addition of a paid internship, which will offer a \$1000 stipend, one for fall semester and one for spring semester. Additional funds for other part-time contract work may come from grant-funded projects.

Office/General Expenses: We are investigating new office space, as we no longer have access to a free conference/meeting room in our current building, which has led to increased costs for board meetings and other small group events. We are looking for a larger office with a conference room, which will consequently mean higher rent but will be offset by lower costs for board and committee meetings.

We anticipate the office move will happen in the summer or early fall of 2017. Staff continues to work hard to reduce costs for office supplies, phone, printing, postage, and other office necessities that are not included in grant allocations. Much of our publication and website design is done in-house which helps contain costs for the *Voter*, *League Leader Update*, event programs and other communications. We may have some modest increase in postage due to growth in membership and fundraising efforts. Software expenses are included in the line item Website/Communications. IT maintenance and improvements, equipment repairs and maintenance (e.g., copy machine and postage meter) are anticipated to increase slightly over the past two years. Directors and Officers insurance and office insurance are monetary items that remain in the budget yearly, as are various fees, staff support/training and other general expenses.

Board Expenses: The Board's expenses include Board meetings, an annual board retreat, conference calls, the 2018 LWVUS Convention in Chicago, and the 2019 LWVUS Council. Many Board members do not claim expenses, choosing to contribute their time as well as money to the League.

Program Expenses: Program expenses cover four different areas:

Membership Events and Services: Members may have noticed in the last issue of the *Voter* that the newsletter is "going green" by offering subscribers the option of receiving the newsletter electronically instead of in print, which we hope will yield some cost savings in addition to reducing our environmental impact. Expenses for printing the *Voter* are thereby being reduced almost in half. It is expected that as more people opt for digital copies, the expenses will decline further. As noted above, Statehouse Day and State Convention registration fees are "in and out" that cover slightly less than our total expenses and then we pursue event sponsorships and round-up donations to cover any additional event expenses and hopefully yield a modest amount of unrestricted revenue to support our program work.

Membership Leader Development (MLD) expense is primarily the annual training. ED/Staff meals and travel expenses comprise the remaining portion of this area and include such things as sending staff to speak at local League events.

Grant Expenses: All expenses in this area are out of the Education Fund Budget and are restricted by the terms of the grant award letters. To the extent permitted, grants cover a portion of staff salaries/taxes, office expenses, print and electronic communications, and creation of materials/publications. The Women's Voices grant includes pass-thru grants to local Leagues, and local League presidents are encouraged to contact LWVO to apply. The development of the new edition of the KYOG was fully-funded in previous fiscal years, and those restricted funds have been paid out as expenses as the project progresses.

Advocacy Expenses: Expenses in this area come primarily from the LWVO side of the budget. We will continue to subscribe to the invaluable Hannah News Service which is used by our all-volunteer Lobby Corps to track legislation at the Statehouse. The Lobby Corps deserve our enormous gratitude for their tremendous, unending work. Not only do they spend many hours at the Statehouse waiting to testify, they continue to donate the majority of their expenses, year after year.

As noted above in the revenue section, there is a new line item called "Advocacy Issue Campaigns" for our work on the Congressional redistricting reform campaign. We anticipate both significant revenue and expenses in this area for the upcoming biennium, as we work to get this issue on the ballot. While there is a possibility of collecting enough petition signatures to file by July 5 for the 2017 ballot, we believe it is prudent to budget for the possibility that signature collection will continue during the summer of 2017 and be filed later in the year for the 2018 ballot. The expense line is less than the revenue line in FY2018 and the opposite in FY2019 because we anticipate raising revenue in 2017 and early 2018 that will carry over into fall 2018 for use leading up to the fall election. The majority of the funds (75%) are under LWVO for express advocacy in support of the issue, with a lesser amount (25%) under LWVOEF to conduct educational efforts and research on redistricting.

Other Program Expenses: The state League will continue to offer Vote411 coverage. The \$3000 listed for FY2018 includes \$500 to cover statewide ballot issues (if any) in fall 2017 and \$2500 to cover federal and state races for calendar year 2018, including the primary election.

Development Expenses: Fundraising expenses include printing and postage for direct mail appeals, PayPal fees for processing electronic donations, and travel expenses for development staff.

Conclusion: The LWVO Board recognizes that the implementation of the 2013-2018 Strategic Plan, now in its fifth and sixth years, will encompass two more import years of transition. The Board has brought the League to a position of financial and membership growth and now in this budget adds greater emphasis on advocacy while continuing its focus on financial, membership, exemplary voter service and educational goals. Planning for sustainability is both appropriate and necessary in order to further these objectives. The Board does not taking dipping into reserves lightly, but we are determined, as in past years, to find a way to fund our growth without increasing the PMP. The total if needed reserve withdrawal over the next two years balances the Proposed LWVO and LWVOEF Budgets for the FYE 2017-2019.