

MSSNY Budget 2022 – Key Notes

Summary: Overall, we expect but a challenging but potentially manageable 2022 Budget for MSSNY, with an overall potential deficit of approximately (\$23,000), which is less than the deficit projected in last year’s budget (\$118,000).

- **Income.** Overall income is budgeted to be similar to last year. We budgeted for an expectation that our PPP loan will turn into a grant of over \$700,000. We also budget an increase HOD sponsorship revenue. We further plan to increase grant income, but did not budget that increase yet, as we want to see some proven track record. The PPP and HOD sponsorship funds will help offset losses in Empire Foundation administrative services funds and the end of particular grant income. We budgeted for slightly lower dues revenue, although we expect to decrease the rate of the decades long slide in dues revenue.
- **Expenses.** Overall expenses for 2022 are likewise similar to those budgeted for 2021. Key expense increases include resumption of in-person meetings for the HOD and AMA, and a 4% cost-of-living adjustment for certain staff (most have not had a raise in three years). In addition, we budgeted amortized one-time expenses including needed upgrades to our member database and website, and moving the Albany office. There are expected expense savings from a lower Albany office rent and on such items as equipment and supplies. However, the additional expenses more than offset the savings.

Notes:

Income

- **Dues.** Of course, we have major plans to reverse the slide in membership numbers as well as dues. We expect 2022 to be a year largely devoted to laying the groundwork for that reversal. Details of our membership proposal are outlined in our “Goals and Measures” presented to Council, including our new member database, standardizing dues structure, refining our value proposition and a targeted sales and marketing campaign. We are targeting a slight reduction in dues for 2022, and but at far less than the decades long slide in membership dues.
- **PPP Grant.** Our expectation is that the \$713,000 PPP loan will be turned into a grant. Our application is underway.
- **Investment Earnings.** The \$300,000 reflects only a conservative estimate of our interest and dividend earnings on both our General Fund and Building Fund used for operating expenses (\$20M x 1.5%). Significantly, this does not

include or reflect any realized or unrealized gains to the Building Fund (\approx \$16M), for which realized gains of interest and dividends are expected to be in excess of \$300,000.

- Note that in prior years, both realized and unrealized gains were included in the budget, although not used to fund operating expenses.
- **Empire Foundation Services.** At this time, the Empire Foundation has indicated that support for our Administrative Services Agreement (ASA) will be reduced by \$150,000 (from \$250,000 to \$100,000). This reflects the fact that the Foundation has indicated it will not hire the MSSNY EVP as Foundation Director, and that it no longer uses Brian for IT assistance. The Foundation may make a grant to MESF for \$150,000. Of course, this will not directly replace the lost income to MSSNY under the ASA.
- **Grant Income.** This is an area of potential significant growth in income, as outlined in the "Goals and Measures" presented to Council. We have had challenges with funding from the Empire Foundation for a grant writer. We did not include additional grant funds in the 2022 Budget, as receipt of new grants are still uncertain. Our goal is to raise at least \$250,000, in part to offset certain anticipated expenses such as our strategic planning and diversity/equity work.
- **HOD Sponsorships.** We hope to raise \$100,000 in sponsorships, as well as through a raffle and ad book, to help offset the cost of the in-person event.

Expenses

- **Salary and Benefits.** This amount is a lower increase than budgeted for in 2021, but it is an increase from 2021 actual expenses. The 2022 budgeted increase largely reflects a 4% cost of living adjustment (COLA) for many of the staff to account for both inflation and the fact that there has been no COLA for at the past three years. Current CPI has increased over 5% in the past year. We are losing staff to the State and other associations.
- **Rent.** Significant savings for Albany and LI rent (approximately 20%) resulting from 5 months of lower Albany rent – assuming August 1 move date – and the space "give back" on the LI office. Total savings for 2022 will be over \$136,000 from the 2021 budgeted amount.
 - Future year savings will be even more. The Albany rent will be reduced from approximately \$265,000 to under \$100,000. And we hope to downsize dramatically in Westbury in 2022 or 2023, depending on market conditions.

- **Office Equipment and Supplies.** Budget decrease largely reflects the efforts being made to reduce unnecessary expenses by renegotiating some contracts (e.g., postage machine, phone) and eliminating unused or underused equipment and supplies (e.g., copiers).
- **Software Packages.** The increase is largely due to the additional start-up costs for our new membership database (\approx \$118,000) and website (\approx \$55,000).
- **Meetings: AMA Delegation.** This expense largely reflects the costs of in-person attendance at the AMA conferences in Chicago and Hawaii (\approx \$100,000 each).
- **Meetings:** Council and BOT. This includes the costs for one in-person Council meeting, which run around \$35,000 each. We did not include the Council meeting in-person at our March Lobby Day event, and have successfully negotiated to have the \$5,600 cancellation fee at the Renaissance Hotel in Albany from last year deferred again to next year.
- **HOD.** Of course, the cost of the in-person HOD will be significant. Current estimates are approximately \$200,000. As noted above, fundraising of \$100,000 will help offset the costs if successful.