



MEMORANDUM

TO: American Planning Association (APA) California Chapter Board

FROM: Juan Borrelli, AICP, California Planning Foundation (CPF) President

DATE: January 21, 2020

SUBJECT: **APA California Annual Conference Budget Line Item Re-Allocation Request**

Action Item:

CPF humbly requests that APA California amend its annual conference budget to show existing budgeted expense funds used to annually pay for costs associated with a CPF online auction and gala reception held at the annual conference (budget line item 6420.8) in the amount of \$20,000 as an annual Chapter Conference expense. While this line item is currently estimated at \$14,200 for the 2020 conference and has ranged from 22,000 to 32,000 in years past, the intent of this request is to provide this funding directly to students, instead of paying the conference venue in the hopes of CPF fundraising a similar amount.

Background:

CPF has spent the last few years looking at refining our funding strategy to ensure future scholarship disbursement is sustainable. In 2019, we attempted a new approach the combined our silent and live auctions into an online format coupled with a gala reception, which proved moderately successful. The new auction generated approximately \$12,000 for CPF, however there was a significant cost to the Chapter/Section of approximately \$23,000. While this new format was very fun and well-received (garnering more bid participation than previous events), hosting the event takes a significant amount of effort from our volunteer board members and incurs undue risk to CPF, the Chapter, and host Section if fundraising falls short (which has occurred over the past 3 years).

With this proposal, CPF would still conduct fundraising throughout the conference through raffle ticket sales, direct registration donations, direct donations for named endowment funds (i.e. Stan Hoffman Scholarship or CPF Diversity Scholarship), and possibly, a smaller-scale silent auction (on table-tops and without a gala reception, as in past years). We are also not proposing any changes to the CPF Student Awards and Professional Networking Luncheon hosted on the student day of the conference. Given how much we have relied on the annual (live, now online) CPF auction and the many generous donors (of items for auction and bidding), the significant decreases over the past few years indicate that this model is not sustainable and will not allow us to meet our mission.

Over the past five years, CPF has focused on several process and policy improvements to ensure the financial success of its scholarship program, including:

- The scholarship application process has been streamlined, which has resulted in an increase in the number of applications received and awarded. Since 2016, scholarship disbursements have increased from \$51,000 to \$62,000.

- CPF scholarship disbursement has expanded to non-accredited planning programs, which has increased our program's reach to parts of the state and universities that are receiving recognition within the planning profession.
- In 2018, the CPF board increased the scholarship amounts for some of our long-standing awards. This increase is intended to make these awards more meaningful to students as the cost of education has increased significantly in the last decade. This increase also triggered additional support from several sections.
- The CPF board has taken several actions to minimize our internal costs, which include placing limitations on administrative costs (10% of annual fundraising amounts), which are rarely incurred as most of our board members volunteer to donate any expenses incurred as contributions to the organization. We have also expanded our use of electronic/conference calls and minimized in-person meetings to once a year at our annual board retreat (which is scheduled this year on Saturday, February 15, 2020).
- We have seen many Sections transition away from activities like the "Auction Section Challenge" to direct donations to CPF. At the same time, many Sections have generously and creatively assisted CPF and held their own fundraising efforts and even created their own endowment.

With all of these changes focused on cost cutting, new fundraising efforts, and streamlining processes, we find that our fundraising efforts of the past do not align with our mission and vision for the future.

Conclusion:

In 2017, the APA California board very generously made a one-time \$10,000 matching donation, from the prior year conference profits, to help CPF fund a new scholarship endowment in honor of Frank Wein. While that funding came out of conference profits, we are looking to create an expense line item within the annual conference budget that is not dependent on conference profits. Our rationale for this request is as follows:

- Previously, the Chapter and Host Section incurred expenses in support of CPF that did not contribute to the students' education. This request would change that.
- Year after year, potential sponsors are fought over amongst the Chapter, Sections, CPF, and even National APA. This request would reduce some of that friction.
- Conflicts in years past between Consultant parties and the Auction have occurred, which would be eliminated by this proposal.
- Use of this option ensures that costs associated with CPF support on an annual basis will remain constant and not fluctuate based on location and conference characteristics.

CPF's primary purpose is to support the professional practice of planning in California by providing scholarships to students in financial need. With the growing cost of education, CPF recognizes that we need your help to "work smarter, not harder". We were created by the Chapter in 1970 and our board is committed to serving our primary purpose to the best of our ability. During these past few years of strategic thinking and planning, we have recognized that we need help from one of our original partners now more than ever. On behalf of the entire CPF board, I humbly ask that you approve this budget re-allocation request to dedicate as a Chapter conference (pre-profit) expense, an amount of \$20,000 to CPF, in lieu of funding the existing budgeted annual CPF auction and gala reception event at the conference.