

Background

This proposal presents the 2007 Proposed Budget B and follows the 2007 Proposed Budget that failed to be approved by the GNC. For information on that proposal, see Proposal 254 in the voting queue archives.

Discussions of the budget have been a valuable source of suggestions and the resulting changes made to produce this budget are detailed below. It is obviously vital that participation in the budget process be increased. Invitations to join the Finance and Fundraising Committees, early posting of an explanation of the budget process, and wide circulation of posts requesting budget requests from committees didn't energize enough participation. Suggestions for how to further open up the process and energize people to take advantage of it will be most welcome.

The Finance and Fundraising Committees have discussed the problems inherent in budgeting for the entire year in these unpredictable times and have agreed to address this problem by scheduling quarterly joint budget meetings. Though it will take time to implement some of the suggestions for the budget, the quarterly reviews will enable us to make more frequent adjustments needed as the fiscal landscape changes. These meetings will be used as a forum for input and feedback as the budget is reviewed and will produce a report to the GNC as well as a proposal for an amended budget if appropriate.

First of all and in accordance with well-established wisdom for getting out of debt, GPUS must stop debting - we must stop incurring new debt. To achieve this goal the estimated amount for each month's state sharing in 2007 will be transferred to the reserve account at the end of that month.

GPUS must also repay 2006 state sharing. To achieve this goal the budgeted amount has been increased to \$25,000 and income that exceeds that necessary for paying basic bills and adding the estimated amount for state sharing to the reserve account will be used to repay state sharing.

This budget includes the FinCom recommendation that beginning 1 January 2007 state sharing be done on a net revenue basis with an overhead cost for materials and staff time subtracted from the gross amounts contributed and the resulting net amount divided evenly between GPUS and the state.

This change will bring the state sharing process into conformance with the Fiscal Policy in GPUS Rules and Procedures in which sharing is to be done on a net revenue basis. For 2007 this average overhead cost is estimated to be 20%, resulting in 40% gain for the state and 40% gain for GPUS, a change from the previous 50% gain for the state that left a 30% gain for GPUS after the 20% overhead costs paid by GPUS.

While there are some who question the validity of an average 20% overhead expense, FinCom believes 20% is an accurate assessment of overall overhead costs, taking into account that overhead varies from one program to the next and staff time and expense must also be factored in. This in turn equates to a split between state and national so that each is responsible for half of the 20% overhead costs.

And GPUS must build an adequate financial reserve. Although the amount budgeted for reserves remains at \$10,000, the quarterly joint budget meetings will have as a priority raising this amount as soon as possible.

GPUS must also increase spending on Electoral Programs. This, too, will be a focus for the quarterly joint budget meetings.

On the income side, planned giving has been reduced from \$12,000 to \$2,000 to reflect that this is a relatively unexplored source of income – and that it needs to be developed. With two additional fundraising assistants hired in January 2007 and with our increasing use of the internet for fundraising efforts, we can reasonably expect fundraising income to increase. Therefore \$2,000 has been added to Sustainer Contributions and \$3,000 to General Contributions.

On the expenditures side the positions held by Brent McMillan as Fundraising Director and Political Director, and by Emily Citkowski as Operations Director and Online Fundraising Director reflect a 5% pay cut. We are making these cuts with great reluctance and only because of our serious financial difficulties. We are appreciative of the acceptance by Brent and Emily of this necessity as another example of their worth to our organization. These cuts, including the cuts in payrolls taxes and fees total \$5,360.

Under Support & Services and in addition to the 5% cut for the Operations Director, cuts have been made in Travel - \$1625, Lodging - \$600, Food - \$175 (\$500 of this total cut is for costs to send our accountant Doug Malkan to the Annual National Meeting), Supplies - \$400, Dues - \$300, Magazine subscriptions - \$30, and Equipment expense - \$500 for a total of \$2,750.

Under Organizing & Outreach cuts have been made in Diversity Committee ANM Waivers - \$375 (\$75 rather than \$100 for each of the minimum 15 participants), Media Assistant - \$3000 (leaving two months' compensation as an adjustment period to making this a volunteer position), Outreach Committee - \$500 (leaving only the funds for printing Democracy is Coming that is sold to at least recover costs), and Women's Caucus - \$500 (previous funding for committee and caucus administrative costs) for a total of \$4,675.

Under Governance cuts have been made in Steering Committee Phone - \$500, Travel - \$500, Lodging - \$300, Food - \$300, and Supplies - \$400. An additional \$150 has been added to Miscellaneous to cover requests for phone and supply reimbursement. The total is a reduction of \$1,850.

Under Electoral Politics and in addition to the 5% cut for the Political Director, cuts have been made in Platform printing - \$500 and in the Presidential Campaign Support Committee - \$100 (previous funding for committee and caucus administrative costs).

Under Fundraising Programs and in addition to the 5% cut for the Fundraising director and for the Online Fundraising Director, cuts have been made in Advertising - \$700, Green Party Card Printing - \$700, Merchandise Holiday Insert - \$830, and State Sharing 2007 - \$5,130 (to reflect sharing on a net rather than gross basis) for a total of \$8,060.