On April 26, a meeting of the Ad Hoc Assessment Committee appointed by SAYMA co-clerks Daryl Berquist and Margaret Farmer to review the SAYMA assessment process was held via Zoom. The committee consists of Connie Hill from the Birmingham Meeting, Diane McCluskey from the Chattanooga Meeting and Paul Mangelsdorf from the Atlanta Meeting.

The committee has been tasked with the following:

> **Evaluate the process that MM's currently use to determine their annual assessment, consider whether this process adequately addresses SAYMA finances and annual expenses, and propose a continuation or new practice, preferably by YM 2024.**

**Background Information**

The last assessment increase was approved in 2017 increasing from $60 to $65 in 2017 to $70 in 2018 and $75 in 2019. The prior assessment rate was in place at least since 2006. The impetus for the 2017 change was the same as the impetus for this evaluation, a significant shortfall in SAYMA's operating revenue relative to operating expense. Since the effective date of the last increase of the assessment to $75, there has been approximately a 24% increase in the Chained-CPI (U-CPI-U). That would imply that a current assessment rate of $93 would be required to have kept pace with inflation.

**Our Discussions**

We first discussed what the elements of a good assessment system would be. These are:

- Transparency – The Methodology must be clear about what is expected and that all meetings are treated in the same manner.
- Simplicity – The assessment methodology must be easy to understand and to calculate
- Contains a mechanism for adjusting for inflation – To eliminate our prior pattern of holding steady over long periods of time until we reach significant financial difficulties and then having to significantly increase the assessment. The assessment methodology should either include a direct adjustment for inflation or be self-adjusting for inflation.

We discussed using the current assessment methodology and simply adjusting it for inflation each year based on the prior year's inflation. We were concerned that this would continue the existing method of calculating the number of active members and attenders at each meeting, which we believe is neither as simple as it sounds, nor is it transparent.

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We discussed how Chattanooga meeting simply gives 10% of their prior year's contribution income to SAYMA each year. We reviewed what that would do to Atlanta and

Birmingham's assessment to SAYMA and it would increase the amount of money going to SAYMA.

The advantage of a system based on a percentage of the previous year's contribution revenue is that it would be simple and transparent. Everyone would know what the SAYMA percentage is, and each meeting would simply inform SAYMA of their contribution income at the end of their fiscal year. Although this assessment would not be directly adjusted for inflation, we believe that in general contribution income would rise with inflation over time.

We discussed that, for the purposes of the percentage-based assessment, we should only consider general contribution income excluding all special-purpose donations, capital campaigns, and bequests.

As a next step we will need to obtain the general contribution income amounts from each of the individual meetings (preferably at least the three most recent years). Then the SAYMA Finance Committee would determine if 10% was sufficient to balance SAYMA's operating budget. Based on our back-of-the-envelope assessment, it may be sufficient or it may require a marginally higher rate. Once that rate is approved ,the meetings simply need to inform SAYMA of their general contribution level at the end of their respective fiscal year's and then pay the required percent of that contribution level as their assessment in their new fiscal year.

We discussed that the percentage to be set would be at a level which balances SAYMA's operating budget. We do not envision the assessment to be for replenishing the reserves that have recently been used. We believe that there should either be a special assessment to replenish reserves or preferably, a fund-raising appeal to individuals and SAYMA monthly meetings with the specific goal of raising sufficient funds to replenish the reserves.

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On June 12, Diane and Connie met again to review the information provided by Monthly Meetings. Using reports given to Diane by the treasurers of Monthly Meetings, we determined that the proposal of 10% would **not** increase the revenue for SAYMA. Some Meeting assessments are higher than this percentage, particularly those without facilities to maintain.

Given this finding, we return to the practice of using the Meeting census to determine the assessment amount. We were unable to obtain accurate census information from each of the Monthly Meetings. Without census data, we are unable to calculate the revenue that our proposal will produce.

We recognize that a move to the $93 per person mentioned in our previous meeting would be difficult to do in one year. Instead, we propose a gradual increase of the assessment over the next four years. This would be an increase of $7 the first year and $6 each year for the following three years. At the end of four years, the assessment would be $100 per person.

We are not proposing a recommendation for a methodology to increase the assessment after that but would like SAYMA to consider an annual inflation adjustment after the four-year period ends.

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On June 17, Diane and Paul communicated via email messages and agreed on further refinement of the two options, that is – not an either/or method but using both methods depending on the situation of the monthly meeting.

We recommend an assessment that results in the greatest contribution to SAYMA:

1) An amount of 12.5% of the MM previous year contributions income
   Or
2) Paying $85/member-attender in 2025 using the current counting method. This rate would rise to $93/person in 2026, then $100/person in 2027, followed by an annual increase based on a measurement such as CPI.

While this additional income to SAYMA would not resolve the need to replenish special funds, it would help close the gap in annual budgets.

Diane will be at the annual sessions this week, Connie and Paul will not be attending.