

Final Report of the ACSP Fiscal Strategies Committee

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The ACSP Fiscal Strategies Committee was constituted following the Oxford conference in 1991 to advise the Executive Committee on ways to make ACSP financially secure over the long run. Our charge has been to examine ACSP's fiscal policies, its sources of revenue, and its expenditure practices. We are to make recommendations intended to facilitate an even more effective pursuit of the organization's key objectives.

The Committee met at length in Columbus at the 1992 ACSP conference. Also at Columbus, we presented our tentative recommendations to the Executive Committee. After obtaining feedback from various sources, we have refined our analysis and recommendations. This report contains our final recommendations.

ACSP's Mission and Its Fiscal Implications

One way of stating ACSP's mission is that it seeks to link knowledge with action in a planning context. There is a vital pedagogic and scholarly basis in what ACSP pursues. The implication of this mission is that as ACSP explores new sources of revenue, it should not lose sight of its central purposes. For example, our perception is that increasing membership among reflective practitioners is consistent with ACSP's mission, but pursuing very broad practitioner memberships probably is not. Likewise, we think that seeking affiliate members among social science and engineering departments with faculty who share an interest in ACSP's mission is a good idea, but altering the organization significantly to increase its appeal is not.

Closer to home, ACSP is the primary means for idea exchange and general communication among planning schools in North America. With university budgets in severe stress, we are concerned that ACSP not become sufficiently expensive to diminish the ability of schools to remain a part of it. On the other hand, ACSP must constantly explore new ways to advance planning education and research. Possible new initiatives have budgetary requirements, so ACSP needs to consider what its

longer-term fiscal circumstances might be and how to make them as positive as possible.

Fiscal Issues in Recent Years

Between 1986 and 1990, dues provided about 80 percent of ACSP's revenues; other funds were derived from such revenue-generating activities as conferences. During these years, ACSP averaged about \$3,700 in surpluses and the available balance grew to about \$49,000 in 1990.

In Fiscal Year 1991 (FY 91), expenditures significantly exceeded revenues. Adjusting for deferred revenues and debits, an operating deficit of approximately \$28,000 resulted that year. A major part of this deficit was extensive committee support. This support was nearly \$31,000 in FY 91, up from an average of less than \$2,000 per year from 1986 to 1990. ACSP's bank balance as of July 1, 1992, was \$33,160. While this was a moderately comfortable reserve, it is not adequate to support very many years of deficit spending.

Dues structure

Effective in FY 92, ACSP's dues structure was adjusted such that member schools have higher dues which include a base fee plus a mandatory fee for each faculty member who holds a 50 percent or greater appointment in the planning program. Base fees for corresponding and affiliate schools have not been changed, but they now must pay additional fees for a "publication package" consisting of JPER and Update. This new dues structure is summarized in the following table.

ACSP dues structure (effective FY 92) Dues/fees*

FY 92 FY 93 FY 94 FY 95

Member schools \$ 225/15 \$ 250/20 \$ 275/25 \$300/30

Corresponding schools 50/15 50/20 50/25 50/30

Affiliate schools 100/15 100/20 100/25 100/30

Individual members 30 30 30 30

*First number is base dues; second number is mandatory fee per faculty member (member school), or fee per publication package ordered (corresponding and affiliate schools).

Prior to revising the dues structure, ACSP assessed dues of \$200 per year plus \$10 per faculty member for member schools. This dues structure had been in place since 1977-78. The dues for individual members (\$30) were set in 1985 when this

category was created, and they have not changed. The marginal cost of serving individual members is about \$15 per year.

The new dues schedule is more fair and likely to produce a growth in revenue of about \$5,200 per year through FY 95. That means that in nominal dollars (not adjusting for inflation), over \$20,000 per year in additional revenue will be forthcoming in FY 95, compared with FY 91. It is the case, though, that ACSP cannot go to this well again in the next few years; revenues probably cannot be augmented by further increases in dues for member schools.

Conferences

Between 1986 and 1990, ACSP made a profit of about \$3,450 per year from its annual conferences. In the absence of a clear policy, the amount of profit varied quite widely from year to year, ranging from \$435 to \$9,119. The Oxford Conference in 1991 produced a profit of \$8,500, derived through a \$25 increment added to the conference registration fees of all ACSP registrants.

In its July 1991 meeting, the Executive Committee established a policy that annual conferences should produce at least a modest profit. If, for example, an increment of \$20 were added to conference fees, a profit of about \$8,000 per year would be assured. A modest amount of additional income would be possible from book exhibits and sales as well as services related to the conference. Yet some ACSP faculty are concerned that conference fees often must be paid by faculty themselves, and they feel that ACSP should not impose an additional burden on these faculty.

Journal of Planning Education and Research

Along with putting on the annual conference, providing a journal is the most important service ACSP provides. The net cost of JPER to ACSP is commonly misunderstood. Even with four issues per year planned for FY 94, the entire dollar outlay from ACSP is defrayed through the \$30 per faculty member publication assessment. Other than the \$21,500 derived from these faculty assessments, \$12,300 in institutional and individual subscriptions, \$500 in advertisements, and a subsidy of \$17,000 from Florida State University contribute to the total proposed FY 94 JPER budget of \$51,300. It is worth emphasizing that none of the \$250 per year member school dues (FY 93 level) actually is devoted to support for JPER.

Committees

For FY 93 a total of \$5,000 has been appropriated for committee operations. This includes \$2,000 for general committee expenses, \$1,600 for the ACSP data base, and \$1,400 for the Global Planning Commission. This figure (\$5,000) is well less than the \$31,000 of FY 91 and slightly higher than the \$3,700 average of 1986–1990.

Regarding committees, three central issues exist:

- How great a financial commitment should ACSP make to committees working to improve various aspects of planning education?
- What types of cost sharing should the schools of participating faculty be asked to garner? What types of expenses should be allowed?
- How should priorities be established among competing requests for committee support?

Revenue enhancement

Along with helping to rationalize the process of making budget decisions, the primary objective of the Fiscal Strategies Committee is to explore ways by which ACSP's income can be enhanced. There are four general ways this could be done:

- Increase dues, including the price of JPER to programs as part of the per capita assessment.
- Build a profit margin into ACSP conference fees, along with book sales and other minor elements.
- Increase membership in the individual, affiliate, and corresponding categories.
- More aggressively seek advertising revenue by selling space in JPER and Update.

Increasing dues to ACSP member schools

As discussed previously, dues have been increased and will continue to rise through FY 95 when they will be \$300 plus \$30 for each faculty member with a 50 percent or greater appointment in planning. Explicit in this increase was the mandatory nature of the faculty dues increment. Revenue should increase by slightly more than \$5,000 per year as dues climb during the four-year period.

Tying dues more closely to program size was a good idea, one that will raise additional revenue and improve equity. It also places JPER in the hands of more planning faculty. Because the demand for ACSP membership cannot be assumed to be completely inelastic and because undue fiscal burdens on constituent programs need to be avoided, further dues increases for five or so years after FY 95 should not be counted on.

Conference fees

The Conference Committee chaired by Amy Glasmeier explored the practices of other, comparable organizations. Essentially, all rely substantially on conference dues to generate operating income. The Association of American Geographers

(AAG), for example, relies on its annual meeting registration fees more than any other source of funds to support its operations. The advantage of conference registration fees as a source of revenue is that the levy per person can be quite low and yet the total revenue generated will be significant.

Conference registration fees are the single most promising source of sustained revenue for ACSP beyond the annual assessment to member schools. They also are simple to collect. ACSP should develop a simple guide to assist conference chairs in setting registration fees (and planning the conference generally). This would remove much of the uncertainty that has contributed to highly variable conference revenues in past years.

We recommend that a 20 percent indirect cost rate be built into conference registration fees, except those charged to students. Schools donate substantial resources when they host ACSP conferences. The fact that host schools donate these services does not reduce the validity of ACSP charging for them. A 20 percent indirect cost recovery rate would equate to about \$20 per registrant at today's rates. If 400 people register for a given conference, \$20 per registrant would generate \$8,000. While this figure is not as great as the costs typically absorbed by host schools, it is a fair and predictable source of revenue for ACSP.

Increasing membership

Additional revenue could be derived if ACSP were to (1) increase the number of members in the corresponding, affiliate, and individual membership categories and (2) price these categories to generate revenue greater than marginal cost but low enough to have appeal.

Affiliate members. ACSP has ten affiliate members at present. About 70 schools listed in the Undergraduate Guide are not affiliate members, but perhaps many of these could be recruited. A question, however, exists as to whether the current fee of \$100 per year is so high as to discourage membership. It must be remembered that these programs could subscribe to JPER for \$60 per year (the current U.S. institutional rate) and derive many of the benefits membership would bring. How valuable Update and conference information are to these programs is unclear. It very well may be that ACSP would maximize its revenue from affiliate member dues by setting these dues at a lower figure, perhaps \$75 per year. We recommend a \$75 rate for affiliate schools.

A marketing campaign directed toward potential affiliate members should be initiated. ACSP could mention the reduction in membership dues and stress a commitment to meeting the needs of its affiliate members. This could include applicable notices in Update, a more active role in annual meetings, and publication opportunities in JPER (which already exist). The point is, if ACSP is viewed as an inward-oriented organization, its appeal to geography, regional science, urban studies, civil engineering, and other academic departments will not be great. ACSP

must be thought of as addressing problems of common interest to those concerned about urban and regional issues and preparing students to address them. To help attract new affiliate members, we propose a very low \$35 annual rate for the first two years. This figure is about \$15 over marginal cost.

Corresponding members. Currently, ACSP has 20 corresponding member schools (planning schools outside the U.S.), of which 13 are Canadian. Conducting joint conferences with AESOP every five years (a proposal exists for a joint conference in Toronto in 1996) would help stimulate interest in ACSP. So would greater attendance by ACSP faculty at AESOP annual conferences in the intervening years.

Simply stated, if ACSP seriously wishes to increase its corresponding memberships, it must do more to stimulate interest on the part of our European colleagues. Soliciting more JPER articles by European authors has been a good step. So also would increased efforts to involve AESOP faculty in ACSP annual conferences.

For corresponding members, we recommend an increase from \$50 to \$75 per year. It makes no sense for these schools to pay less than affiliate members, particularly in light of the higher postage costs of serving them. The same \$35 introductory rate for the first two years of membership should be offered to new corresponding members.

Individual members. Individual membership in ACSP is a comparatively new category, having been initiated in 1985. At present, only about 30 individual members exist, a far cry from the potential number. The current dues level is \$30; it amounts to \$10 above the \$20 individual subscription rate for JPER in place until recently.

We recommend no dues increase for individual members. These rates are identical to the annual individual subscription rates for JPER that we recommend. Two benefits would result from setting both individual membership rates and individual subscriptions to JPER at \$30:

- Individual subscriptions to JPER would be equal to the \$30 faculty fee that is part of member schools' dues. Currently, there is an incentive to under-report faculty and purchase individual journal subscriptions for \$10 less.
- Those interested in JPER would be encouraged to partake of ACSP's offerings more fully as individual members.

Several workable strategies exist for increasing the number of individual members. Keeping in mind the discussion at the beginning of this report, we recommend that the following groups be targeted for mailings describing the benefits of individual ACSP memberships:

- Members of AICP who list research as the top category of their work. These are researchers in applied settings.

- Members of several relevant associations, including:

Urban Affairs Association

Association of American Geographers

American Society of Civil Engineers

Association of Public Policy and Management

Environmental Design Research Association

Urban and Regional Information Systems Association

American Public Health Association

- Ph.D. program alumni who are not faculty at planning schools.

Additionally, regional mailings to appropriate persons and organizations could be used to announce ACSP conferences. Literature describing ACSP should stress the "union of science and practice."

In marketing individual membership in ACSP, we recommend against targeting planning practitioners not involved in research or education. By working with applied researchers, adjunct faculty, and others with serious interests in planning education and research, ACSP can remain true to its mission. It also can enhance its sphere of the planning profession and improve its revenue circumstances in the process.

JPER subscription rates

In addition to raising JPER's individual subscription rates from \$20 to \$30 per year, the journal's institutional rates should be set at \$60 to U.S. subscribers and \$65 to foreign institutions. It is worth noting that corresponding schools would pay only \$10 more for an ACSP membership than a subscription of JPER would cost them. The revised JPER subscription rate schedule would increase revenue by almost \$2,000 per year.

Advertising revenue

ACSP could retain the services of an ad broker who would solicit appropriate advertisements to be published in JPER and Update. While it is difficult to forecast the amount of revenue that could be generated through these advertisements, it is

likely to exceed costs by several thousand dollars per year. The key issue is whether ACSP wants to change the character of its journal with advertisements. A limited number of advertisements are found in the Journal of the American Planning Association (JAPA), but many other journals eschew all forms of advertisements. An alternative would be to seek advertisements only for Update.

Setting Expenditure Priorities

ACSP still has a relatively simple budget. Its expenditure categories include JPER, administration, and committee activities. We discussed JPER previously and now focus on administration and committee activities.

Administration

To a large extent, ACSP's administrative functions have been carried out on a voluntary basis. The organization's officers, its conference organizers, and others with significant roles to play have relied on staff support provided by their respective universities. As ACSP grows in size and complexity, questions are arising as to whether internal staff support is needed and feasible.

At the Columbus conference, several models for providing staff were informally discussed by the Executive Committee. Since then, the officers have contemplated several alternative staffing concepts and the president has asked our committee to address the staffing issue.

We do not believe that sufficient resources are likely to exist in the immediate future for ACSP to establish a full-fledged office with an executive director. Cost estimates for such an office are in the range of \$25,000 to \$30,000 per year. This cost range is based on a half-time secretary and an executive director who would devote something less than half-time to his or her duties.

An alternative approach would be to hire a temporary half-time administrative secretary to assist the ACSP president. The person would be provided office space by the president's university and would hold the position for a two-year period to coincide with the president's term. The administrative secretary would assist the president in routine correspondence, provide clerical support for committees, maintain ACSP's school database, and maintain the organization's key records.

It is worth noting that the ACSP school database is currently maintained by the JPER editors. ACSP commits \$800 per year to maintain the database, and about \$1,000 is generated annually through sales of mailing labels. The \$800 could help defray the cost of the administrative secretary, as could the revenue generated by sales of labels.

We estimate that a half-time administrative secretary with appropriate fringe benefits would cost ACSP about \$15,000 per year, minus any revenue that might be

generated by his or her efforts. Several important reasons exist for moving forward on this position. First, faculty lacking extensive departmental staff support could run for president, a situation that does not exist now. Second, ACSP's records could be maintained in a better organized, more consistent manner. Third, with this level of support, the president could focus less on administrative concerns and more on guiding ACSP. We recommend that ACSP budget \$15,000 per year for an administrative secretary.

Committees

Special projects are highly important to ACSP's mission. Collaborative work on pedagogic, organizational, and intellectual subjects is a significant aspect of what draws planning faculty to ACSP. It also produces products of real value to the community of planning schools. We recommend that an appropriate fraction of ACSP's annual budget be set aside for committees.

One approach to budgeting for committee activities that our committee finds attractive is to establish a cash reserve of, say, \$60,000. Each year, activities could be programmed such that in the end, this cash reserve would not be drawn down. It would remain as a budgetary cushion to protect the organization from unforeseen difficulties, such as an unsuccessful conference.

Additionally, we recommend that committee chairs, officers, and members of the Executive Committee more aggressively pursue outside funding for these activities. We think that at least some such projects are likely to be of real interest to various agencies, foundations, and other groups.

Finally, we suggest that requests for financial resources by committees be evaluated prior to Executive Committee meetings. The "happy hour" appropriations actions late in the day that were commonplace a few years ago are not conducive to good planning. One possibility is to form a standing budget review committee chaired by the secretary/treasurer and comprised of three regional representatives appointed by the president. This committee could receive budget requests in advance of Executive Committee meetings and guide discussions at these meetings. Among its other benefits, this approach would enable committee chairs to receive feedback and modify their askings prior to the Executive Committee meeting when action is to be taken.

Summary

ACSP has a steady and predictable funding base: dues paid by its member schools. Attendance at its annual conferences is steadily increasing, and its journal is growing in demand and stature. To accommodate ACSP's continued development, the Fiscal Strategies Committee has explored a series of strategies and actions. None of our recommendations is particularly radical, but collectively we think they would help place the organization on a stronger financial footing.