



# **AREA 07**

# **2025 SPENDING PLAN: INFO AND OPTIONS**

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Area Committee Meeting

September 21, 2024

Treasurer & Finance Committee

# Outline

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- **August 12**
  - Area purpose
  - Spending plan: what is it, what principles inform it and what is the process?
  - Typical and recent spending of surplus
  - The group conscience on how to trim (decrease spending) +/- increase revenue
- **September 21**
  - What have we learned about our values and how to trim: summary of feedback
  - Next steps or options for balancing the 'budget'
  - How is this connected or translated into the spending plan?
  - What next steps are suggested for us by servants and HP(s)?

# Purpose: Why do we have an Area?

## *AA Service Manual & Area 7 Service Material Book*

- To have the Delegate represent the Area's conscience at the annual General Service Conference (GSC).
- To provide decision-making structure for groups and districts and serve as a resource.
- To help carry out Twelfth Step work via service activities (e.g., accessibility, communication, literature, CPC/PI, translation).
- To facilitate a collaborative, cohesive culture with unity and full participation.
- To develop and utilize best forms of communication to districts, groups, and members, including equal opportunities to fully participate through translation & interpretation.
- To share service experience, strength and hope, serve as a guide for trusted servants to grow, and maintain our Archives.

# Principles for the 2025 spending plan

## ***Approach***

- Transparency, integrity, discipline, responsibility, service.
- 7<sup>th</sup> tradition group conscience with inventory at all levels.
- Make best decisions – even if difficult – for each \$ spent.
- Prudence: what service is essential and what is not?

## ***Business and logistics***

- Simplify, specify and use pertinent 3-year averages.
- Follow federal trends on expenditures (e.g., mileage), if feasible.
- Balance the Plan in terms of expenses & revenue.
- Ensure input and communicate with DCMs, GSRs and groups.

# Spending plan trends and history

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- 2021: underspent.
- 2022: spent more than usual (GSC funding, translation added) = spent about  $\frac{1}{4}$  of the surplus.
- 2023: new normal with GSC, translation & one-time technology = spent about  $\frac{1}{2}$  of the surplus.
- 2024: new normal (as in 2023) with more conferences & one-time technology = spent about  $\frac{1}{4}$  of the surplus.
- 2025: new normal (as in 2024) with \$25,000+ deficit or gap *and* likely Archives rent increase of \$6,000.

# How to close the gap?

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- Step A, move cost of translation into assembly registration: affects all of us.
- Step B, reduce PRAASA, Forum and special conferences (affects officers & chairs and our connection with other areas and General Service Office/Board).
- Step C, reduce mileage reimbursement: affects officers and chairs.
- Step D, reduce cost of Accents: affects all of us.
- Step E, declare need for increased contributions: affects all of us.

# Summary of input & group conscience from ACM, emails & workshops

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- Workshop information.
- The big picture ... what is taking shape?
  - Breaking even – there is interest in Accessibilities – and adjust the Prudent Reserve?
- Shares with specific feedback on the steps proposed so far to ‘balance the budget.’
- Variables that we don’t control.
- Other shares, discussion items and input.

# Steps to break even with Spending Plan

ITEM	AREA SAVINGS	IMPACT
Transfer cost of Assembly interpretation to Groups via Assembly registration cost increase	\$4,000	Costs per Assembly registrant estimated \$5/each one
Reduce conferences –PRAASA, Forum, Special Conferences	\$8,200	Fewer Area servants attending events or attending online
Reduce from \$2,800 to \$1,700 –Hispanic Conference Contribution (\$800 to \$500) –Liaison Travel (\$1,000 to \$500) –Local Forum Liaison (\$1,000 to \$500)	\$1,100	Fewer attending events (although some of these might also establish hybrid options)
Reduce mileage: –from IRS rate of \$.67 to \$.60/mile	\$3,400	Increased burden on Area positions, could inhibit some from serving
Reduce printing/mailing of Accents	\$8,300	Some without computers or smart phones may lose access to information
	TOTAL=\$25,000	
Uncertainty: Hybrid Assemblies, Other?	Unclear	Hybrid Assemblies may cost Area a little more but reduce costs for Groups and Districts?



# Options for breaking even and *increasing Archives rent to \$725/mo*

- *Option 1 Break Even*
  - +\$2,000 contributions increase.
- *Option 2 Increase Archives Rent*
  - +\$6,000 contributions increase and costs of...
  - -\$6,000 by increasing Archives rent.
  - (May have to trim another \$2,000 somewhere since going up here by \$4,000).

# What about new things coming into play?

## Archives

- Assembly voted to increase Archives rent at Post-Conference Assembly with the information they had at the time.
- The Area Treasurer and Finance Committee worry that the amounts being considered are unsustainable.

## Accessibilities

- Workgroup gaining momentum.
- Likely motion for Chair at Mini-PRAASA.

## Hybrid assemblies: expense or revenue?

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# Next steps...this is only *the beginning of the conversation!*

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- Input today and revise handouts → to Area website this week.
- Area servants, DCMs, GSRs, Groups: re-review the materials and provide input at next Spending Plan workshops (see new flyer).
  - Thursday, September 26<sup>th</sup> 715pm.
  - Wednesday, October 2<sup>nd</sup> 600pm.
  - Tuesday, October 8<sup>th</sup> 700pm.
- Prioritize services that most closely align with Area Purpose.
- Strive to ensure unity, accessibility & fellowship at the Area level.
- Come to Fall Assembly prepared to voice group conscience.



**Thank you!**

**Questions?**

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**Suggestions?**