



AREA 07

2025 SPENDING PLAN: OPTIONS AND INPUT

Mini-PRAASA

October 11, 2024

Treasurer & Finance Committee

Outline

- Area purpose.
- Spending plan: what is it and what is the process?
- Typical and recent spending of surplus.
- Where we are now: time to reflect and trim.
- Next steps or options for balancing the ‘budget’: increase revenue and/or decrease spending?
- Start the ongoing conversation of group conscience and input.

Purpose: Why do we have an Area?

AA Service Manual

- To elect a delegate to represent the area's conscience at the annual General Service Conference (GSC).
- To form a local decision-making structure so groups can collectively decide on matters that affect their area.
- To carry out Twelfth Step work that may not be practical for groups, districts or intergroups to take on by themselves. Examples include, but are not limited to: accessibility/treatment/corrections, communication (e.g., bulletin, website), literature, CPC/PI, translation.

Purpose: Why do we have an Area?

Area 7 Additions (Service Material Book) (paraphrased)

- Create a collaborative and cohesive culture at all levels of service – for full participation in GSC process – with unity experienced through meetings, special events & fellowship.
- Develop and utilize best forms of communication to districts, groups, and members, including equal opportunities to fully participate through translation & interpretation.
- Serve as resource for districts on BTG, CPC/PI, and other 12th step opportunities – by sharing service experience and serve as a guide for trusted servants to grow – and maintaining our Archives.

What is a spending plan?

- We do a spending plan each year.
- A spending plan is a living example of principles of recovery – overseen by the Steps, Traditions and Concepts.
- An opportunity to look at our Area missions and our values, take a brief inventory and affirm things in line and adjust to slightly new realities.
- We HAVE \$ - we GET to spend to help others.
- Group consciences are key in Area, Districts, Groups & Members.

Principles for the 2025 spending plan

Approach

- Transparency, integrity, discipline, responsibility, service.
- Use group conscience and inventory for unity and finances.
- Be aware of those that 7th tradition occurs at group, district and area level and informed by group conscience.
- Be prepared that some decisions will be difficult and consider what is the best value of each dollar spent.
- Prudence: what service is essential and what is not?

Principles for the 2025 spending plan

Business and logistics

- Where is there redundancy?
- Use a 3-year average to estimate expenses & adjust to current officers/chairs.
- Follow federal trends on expenditures (e.g., mileage cents/mile), if feasible.
- Clarify ongoing vs. new, one-time vs. regular expenditures, edits vs. additions.
- Balance the Plan in terms of expenses & revenue.
- Provide DCMs, GSRs and groups practical information for input.

Where are we usually and after COVID?

- Bank: \$10,000-\$15,000 and a spending plan of \$65,000.
-

- How 2020-24 surplus funds of \$34,000 were spent.
 - Translation/interpretation (\$12,300).
 - AV equipment and translation processors (\$7,000).
 - Increased Prudent Reserve (\$5,000 to \$15,000).
 - Created sinking fund for non-annual special conferences (\$3,300).
 - Increased General Service Conference contribution for delegate from \$1,800 to \$5,000 (\$6,400).

Our assessment of where we are

- *Nov-Dec:* considered Archives rent increase and Alternate Archivist going to national conference.
- *Jan-Febr:* new Officer team, Winter Assembly & less \$ in bank.
- *March-April:* 5-year analysis and surplus spent mentioned in Accents and Pre-Conference Assembly.
- *May-June:* passed motion to raise Archives rent, re-iterated surplus spent, lowering \$ in bank, & face cuts in 2025.

Our assessment of where we are

- *July*: overview of spending plan 2024 vs. 2025; expenses about \$15,000-\$20,000 over revenue and likely increase Archives \$235 rent to \$1,000.
- *August-September*: ongoing group conscience.
 - Website materials and emailed to DCMs.
 - ACM discussions.
 - Bilingual online workshops.
 - Visited District meetings.
 - Contact past servants & review of 10-15 years' data.

Spending plan trends updated

- 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 +\$6,000 = \$31,000.

1 How to close the gap?



- Step A, move cost of translation into assembly registration: affects all of us, raise registration \$5/assembly.
 - Group Conscience (GC) & Finance Committee (FC): full support for this suggestion.
- Step B, reduce PRAASA, Forum and special conferences.
 - Forum: GC & FC full support delegate *only* going.
 - International Conference (delegate only): GC & FC full support to not continue.

2 How to close the gap?



- Step B, PRAASA and special conferences BTG, Technology, GV/LV and Archives (1 attendee):
 - GC: maintain conferences but not PRAASA same year
 - FC: *maintain* special conferences and PRAASA, but reduce to \$800 each.
 - Rationale and process: reached out to former officers and servants and reviewed data over 15 years.
 - Analysis: PRAASA is a vital step in servants finding their path, engaging with others, and ‘seeing’ new options; while this is important work and enjoyable, it is not *just* fun.

3 How to close the gap?



- Step B, Hispanic special conferences: initial suggestion to trim from \$2,800 to \$1,700 – not happening.
 - GC: concerns >> support.
 - FC: continue for now, though suggest → be self-sufficient, soon; liaison reimbursement reduced to \$800.
- Step C, reduce mileage reimbursement from \$0.67/mi to \$0.60/mi – not happening.
 - GC: concerns >> support.
 - FC: suggest keep at \$0.67/mi.

4 How to close the gap?



- Step D, reduce cost of Accents.
 - GC and FC: full support; already done; motion needed?
- Step E, need for increased contributions.
 - GC: many support and some adamant.
 - FC: strongly suggested and put \$4,000 in spending plan
 - Area service needs to continue to grow.
 - Contributions steady, but not increasing > 10 years.
 - Archives/space rent and other costs increasing.

5 How to close the gap?



- Step E, need for increased contributions: is it feasible?
 - FC cannot demand this – it is based on member, group and district consciences.
 - 30%-40% of US groups and districts contribute to the Area and GSO/B?
 - With a spending plan of \$79,000, member contributions divided equally among 800 groups = \$100 each OR 40 districts = \$200 each (or a combination thereof).
 - OR to raise \$4,000 this year divided equally is \$5 increase/group OR \$10 increase/district?

6 How to close the gap?



- Other miscellaneous 2025 cuts: GC and FC supported
 - Mileage: less miles in 2025 = -\$3,500.
 - Agenda workshop mileage -\$1,400.
 - ASL interpretation -\$3,000 (leaves \$1,000 if needed).
 - Technology costs -\$1,700.
 - Other officer expenses -\$1,400.
 - GSC funding for delegate: reduce -\$1,400 (correction); leaves \$3,600 (twice the minimum).
- Summary total of all cuts above: -\$30,000 or so.

Uncertainty: other things in play?

- **Assemblies:** some raise money over the last 15 years: it is variable; we ensure districts do not lose money.
 - FC suggests budgeting up to +\$5,900/year.
- **Accessibilities:** workgroup gaining momentum and may have suggestions.
- **Hybrid assemblies:** expense or revenue?
- **Conference attendance:** sometimes, not all can attend due to life, work for family.
- The spending plan is a **plan – imperfect data.**



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	Assembly registrant estimated \$5/each one
Reduce conferences: Forum, Int'l Conf, and limit \$800 reimbursement	-\$6,000	Fewer Area servants attending events
Reduce printing/mailing of Accents Miscellaneous reductions	-\$9,000	Basically, already doing
--Less mileage to meetings	-\$3,500	None
--Reduce workshop mileage	-\$1,400	Small but monitor and re-evaluate
--Reduce ASL interpretation	-\$3,000	Not used
--Technology costs	-\$1,700	Good AV and technology foundation now
--Reduce other officer expenses	-\$1,400	Monitor and re-evaluate
--Reduce GSC funding for delegate	-\$1,400	Re-evaluate next year
	TOTAL = \$30,000	
Contributions	TOTAL = +9,900?	
--Contributions	+4,000	Key step in growth
--Assemblies, Other?	+5,900?	Hybrid assemblies unclear



Thank you!

Questions?

Suggestions?