



Questions from the Governing Council to the Executive Director Mid-Year Meeting June 2022

Annual Meeting

1. Will there be a virtual option if Covid or any other disease that may arise presents a need?
2. There seem to be so many ways APHA meeting could be more accessible and how to make sure students have more options for participating virtually; I expect there will be other conferences since there are few options for our students when the cost of the conference and travel to conference is so high; also for disabled persons, the COVID threat continues and there should be more options for those persons to participate; they are a disparity population; are there other ways we can get partners to APHA to improve participation equity among our members
3. The Annual Meeting costs are frequently raised by members as prohibitive and several members - including GC representatives - have indicated an inability to continue. Today we are officially in a Bear market. Can you share an overview of the process / construct of any value analyses that demonstrates the pricing rationale regarding the member costs associated with membership and annual meeting fees that shows the price point(s) at which the number attending is maximized with the organization's needs met?

The association made the decision to have both an in person meeting and a recorded virtual option for those people that could not attend the in-person meeting. This decision was informed by last year's APHA annual meeting as well as the experience of other association's that have national meetings. We believe that people are eager to return to the in-person format but recognize for a variety of reasons people may not be able to attend. These include concerns about COVID-19, costs, work commitments as well as family issues, just to name a few. We think the future and value of virtual meetings is still evolving but one thing is clear – Hybrid meetings are very expensive to conduct. We pay a lot of attention to ways to make the meeting more affordable every year for in person attendees. The value of the meeting in terms of content is indeed a best buy and in line with the costs for other meetings in the field.

4. I understand that the meeting is in person, but will there be any measures put into place to ensure the safety of the attendees such as masking, social distancing, etc.?

APHA takes our leadership role in addressing the COVID-19 pandemic very seriously and understands the need to provide attendees of our Annual Meeting & Expo with the safest experience possible.



Vaccination Requirements at APHA 2022

APHA is requiring all in-person attendees to be up to date with their COVID-19 vaccination against the SARS-Cov-2 virus as defined by the U.S. Centers for Disease Control & Prevention.

Up to date is defined as a completed full primary series (two shots of the Pfizer and Moderna COVID vaccine or one shot of the Johnson and Johnson product; or a comparably approved vaccine if you are an international attendee) plus at least one booster. We remind you that it can take up to six weeks to complete the full schedule for COVID vaccines that require two doses to achieve full efficacy. You will be required to show proof of vaccination during event check-in. By registering for the event, you agree to be fully vaccinated against the COVID-19 virus by Oct. 20, 2022.

We also encourage you to get your annual flu shot at least 14 days before the meeting, so it can have its full effect. For those traveling from outside the United States, please be aware of restrictions placed on your country of origin, as travelers from some countries are required to quarantine for two weeks.

Masking Requirements at APHA 2022

All APHA 2022 in-person attendees, exhibitors, speakers, staff and volunteers will be required to wear masks at indoor activities.

We recognize that some meeting participants may be coming from areas in the U.S. or internationally where masking would be required, even if not required in Boston this November. Consequently, providing attendees of our Annual Meeting with the safest experience possible means setting requirements for all meeting attendees that exceed those currently (as of August 12, 2022) recommended by the U.S. Centers for Disease Control and Prevention.

Organizational Administration

5. I hope membership dues will not increase. They are already costly and may be prohibitive for people to maintain.

Dues are one of the four renew streams for the association along with the annual meeting, publications, and grants/contracts. Like all organizations the cost to provide services to our members grows annually with inflation. The association strives to live within its means and goes through an exhaustive process each year to create an



affordable budget to provide these services. That process includes looking for efficiencies and ways to cut costs. Dues increases are required to keep the organization vibrant and maintain the capacity to serve our members. A comprehensive plan was constructed and approved by the Governing Council in 2016 to provide for a rational process to balance the need to raise dues with the financial concerns of members. This plan gave the Executive Board the authority to raise dues on individual memberships every other year effective January 2018 using the 10-year consumer price index (rounded to the nearest \$5/\$10. However, due to the pandemic, APHA did not raise dues because of the impact this would have on our membership. A motion for the next 5 years of authority under this plan will be presented at this year's meeting.

5. What will we do to stem the loss of members and revenue?

Membership dues are an essential revenue stream for the association and is one of the few flexible dollars that are available to support the overall membership experience. While we know there are some individuals that feel they cannot afford to be a paid member of APHA there is no evidence that we are losing members on a wholesale basis because of the cost of dues. We have created reduced dues options over the years as an attempt to address this. There is a point of diminishing returns on these discounts that we continue to be concerned about because they do reduce revenue. APHA staff also continues to identify ways to increase revenue outside of membership dues.

Event Operations – The Annual Meeting now provides 40% of the association's revenue. It drives member and new member interest and is a catalyst for member recruitment, fundraising and partnership development. It is a major source of scientific education, as well as member and nonmember engagement. This year we are trying a new delayed broadcast virtual option as a way to provide an educational experience people who cannot attend the annual meeting in person. It is also a more affordable option for people who are more price sensitive. We continue to monitor the events and meetings industry for new state of the art mechanisms that will allow for more affordable ,high quality, hybrid meetings and will implement them when feasible. The association also continues to build out other event options for engagement of our members such as the National Policy Action Institute, National Public Health Week's forums, many webinars, and targeted virtual activities.

Publications – The members of the Publications Board adopted a strategic plan several years ago which we continue to follow. Because of this plan, APHA has many books in the pipeline. We continue to publish best-selling titles like Standard Methods for the Examination of Water and Wastewater, and the Control of Communicable Diseases Manual, which was expanded to include two additional books, the Control of Communicable Diseases, Laboratory Practice and Control of Communicable Diseases



Clinical Practice. These texts provide a venue for academic scholarship for people in our field and the cost of books are a solid benefit at the discounted member rate. In addition, the AJPH is the fields leading journal and is an important member benefit. The association is rapidly moving to online delivery of these publications to both reduce our carbon footprint and reduce our overall costs.

Grants and Contracts – We continue to see growth in our grants and contracts. Most of those dollars go to programmatic work as directed by the funder. We do receive overhead funding from these grants/contracts that provide some core funding for the association’s infrastructure. This is a continued area of growth for program expansion and as a revenue stream.

These are just some of the things done to ensure adequate financial resources to support the association’s efforts.

6. When will the moratorium be lifted?

The are no plans to lift the moratorium currently. The moratorium is in place because of the growing requests for specialized groups and the associations inability to adequately service them. The association provides a high-quality member experience. Unrestrained growth does not serve the association well, does not bring in new members and can’t be well supported without adequate resources. In addition, their growth undermines the ability to provide quality support to existing units. This is a growth concern that we do not believe we can resolve soon. There is also a philosophical concern about the continued internal fractionization without a demonstratable understanding of what, if any, inefficiencies it brings to the association as a whole and what value it brings to individual members that they cannot get from the current organizational structures. Staff continues to implement the APHA Your Way plan developed by our consultants at Brighter Strategies and monitored closely by the APHA Executive Board. The launch of APHA LEAD, our new online member community has been successful and brings enhanced capacity for the association’s members to engage one another which is one of the goals of people seeking new membership units. We continue to look for ways to enhance the member engagement experience. There is a recommendation to review the internal organizational structures, but it is on hold because of sentiment amongst some members to not address this currently. This will need to be revisited after we have a better understanding of evolving member needs.

Succession Planning of Executive Director

7. Is there a retirement and succession plan? If so, I believe we need to know about it
8. Are you considering succession planning in your role (not that we want you to leave - but do think the board needs to be thinking of this given your years of tenure)?



Yes, I, in consultation with the Executive Board, have developed a succession plan. The plan resides with APHA's Director of Human Resources and will be put into action at the appropriate time.

Budget Questions from the Governing Council to the APHA Treasurer

Mid-Year Meeting June 2022

Budgeting & Deficit Spending

1. Why does APHA keep approving budgets that are not based on revenue. Any other organization would cut down on expenses or take drastic measures. It feels like we just keep doing the same thing when nothing is changing. We need to cut cost.

A budget is a fiscal plan and as a matter of fiscal budgeting we craft budgets that are within the projected revenues annually with rare exceptions. However, the past few years have fallen into those rare exceptions because of the COVID-19 pandemic that taxed organizations and businesses in many financial ways. And like other organizations APHA was ultimately impacted in several major revenue streams. So, our approach to creating budgets on the expense side was to start with zero based budgeting and tally up what we think it will cost to do the business of the Association every year. On the revenue side we have been less certain because of the pandemic, so we just budgeted what we were most confident in. What that deliberate approach led to was budgets with large deficits, but, but, but in each year we that we took this approach, we ended the year far better than we projected at the beginning of the year because we ended up with far more revenue than we could confidently project before the year started. So, while the budget might have looked very concerning with the large deficits that was only half of the story. You have to go back and look at how the year ended to see that we weren't carrying those large deficits at the end of the year. Sure, many other organizations took the approach of cutting their budgets, but we didn't need to do that for two reasons:

- a. At the end of every year where we budgeted a deficit, we far exceeded our revenue goals and significantly reduced our deficits.*
- b. We have plenty of reserves to cover our deficit.*

For those two reasons, the Finance Committee and the Board made the deliberate decisions not to make drastic cuts. As the executive board and management reviewed the association's needs, we chose to approve using some of our reserves as a buffer for anticipated costs and to use some reserves to evaluate the needs of members and provide resources for a one-time investment for the 150th celebration. We also reduced spending in several areas related to travel, in-person meetings and keeping some staff positions vacant.



2. Why are we kicking the ball down the field on making difficult choices? Start now and reduce impact.

We do need to make difficult choices, but those difficult choices are about how our Association's business model evolves post-pandemic. We cannot rely on the annual meeting as the sole driver of the largest part of our revenue anymore because we are unsure how soon or if we are going to return to pre-pandemic levels of attendance.

3. The Treasurer seemed unconcerned about our deficit spending, and I couldn't quite follow his explanation. More about that at the AM!

In addition to my response above, I'm not so concerned about the large deficits we have experienced as a result of the pandemic for two reasons

- a. *1. In every year that we budgeted a deficit we didn't end up with that large deficit at the end of the year. The last year is a case in point. We budgeted for a very large deficit, but when all was said and done, we actually ended up with a surplus rather than a deficit. The association ended the FY2022 with a surplus of revenues from operations of \$297,618 and therefore did not need to use the full increased spending authority. Part of that success was due to the successful conversion of the federal PPP loan to a grant, increased revenue from a major new grant fundraising effort and continued sound fiscal management. I continue to repeat to the Board and Governing Council: That we budget for worse case scenarios given the uncertainty brought forth by the COVID-19 Pandemic but that isn't where we will end up at the end of the year.*
 - b. *APHA has been responsible stewards of the associations resources and has been successful at achieving balanced budgets with revenue surpluses for many years. These surpluses go to our reserves which we only use for significant fiscal challenges and for investments in major association enhancements. Because of this long-term success, the association has been able to put aside substantial reserves for times that may be fiscally challenging. Like the ones we are going through now.*
4. What is our fiscal path forward? Are we always planning to run a deficit for the near future?

As I mentioned during the mid-year call, I think we are going to continue to plan for budget deficits for a few years to come. However, these deficits are going to get smaller and smaller every year as we ease out of the effects of the current financial realities. But again, remember that just because we budget a deficit at the beginning of the year, that doesn't mean that we'll end up with a deficit at the end of the year (just like happened last year). The upcoming FY2023 Budget was constructed with an understanding that the fiscal environment remains challenging, that further but reduced deficit budgets may be required over the next couple of years, that further significant reductions in core infrastructure would be detrimental to the association's long-term prosperity and that we have the reserves that we



can responsibly use. This is an assessment we review on an ongoing basis.

5. What is needed to ensure that we stay out of the red; that looks like a number that we can avoid.

I think we need to continue our conservative budgeting practices and continue to work on new sources of revenue like our grants and contracts. This has been one of the main drivers in erasing our deficits at the end of each of the previous fiscal years.

6. There must be better ways to get more people to participate and still get revenue, even at a lower rate; many will be excited to come in person to the meeting, but there should be optional ,a place for hybrid, virtual and other ways to participate that would also increase revenue, especially among those who do not have a choice about attending in person.

This is a hard question that we're going to have to continue to work on because even hybrid or all virtual meetings have costs associated with it that don't always have the revenue to match it.

7. How will we recalibrate APHA operations to live within available revenue?

See above answers.

8. How will the PPP help offset the deficit? How was the reserve built up over the past few years before it was drawn down for a couple of budget cycles?

APHA has been responsible stewards of the associations resources and has been successful at achieving balanced budgets with revenue surpluses for many years. These surpluses go to our reserves which we only use for significant fiscal challenges and for investments in major association enhancements. Because of this long-term success, the association has been able to put aside substantial reserves for times that may be fiscally challenging like the ones we are going through now. The conversion of the PPP loan helped us last fiscal year go from a deficit to a surplus. We will not have that in future years, but again we expect to have smaller budgeted deficits every year going forward.

9. Thank you for leading this huge area of governance. Can you please provide real numbers, as in several monthly income and expenditure statements (with general categories), with adjacent columns from prior years for comparison, when annual full report not yet available? Those reports run automatically on almost all accounting software and are necessary for governance decisions.

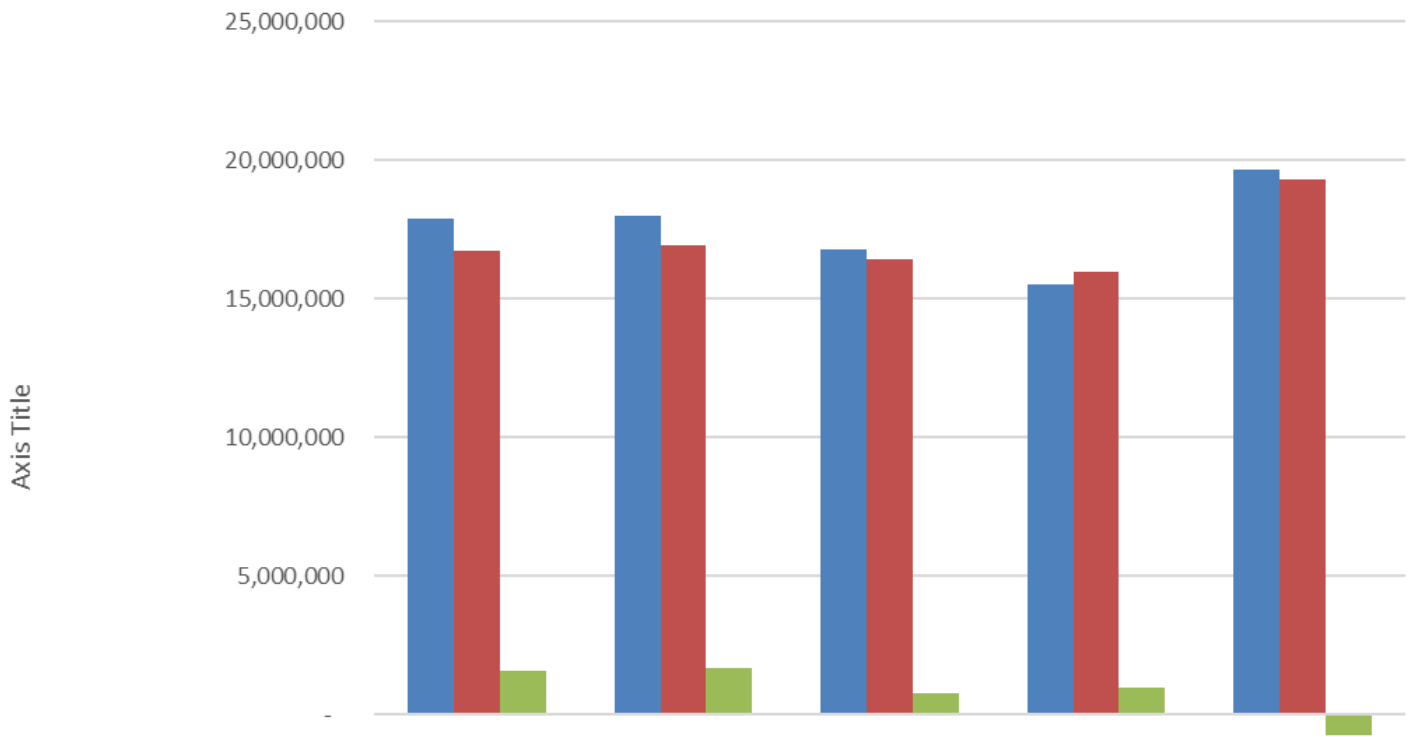
See attached revenue vs expenditure and revenue by revenue stream charts for the last 5 years.



10. Please share five-year plan and FY2023 budget along with Financial Strategic Plan overview with updated Treasurer Report.

The association budgets annually using zero base budgeting. Five-year projections are not done and are not reliable for our purposes.

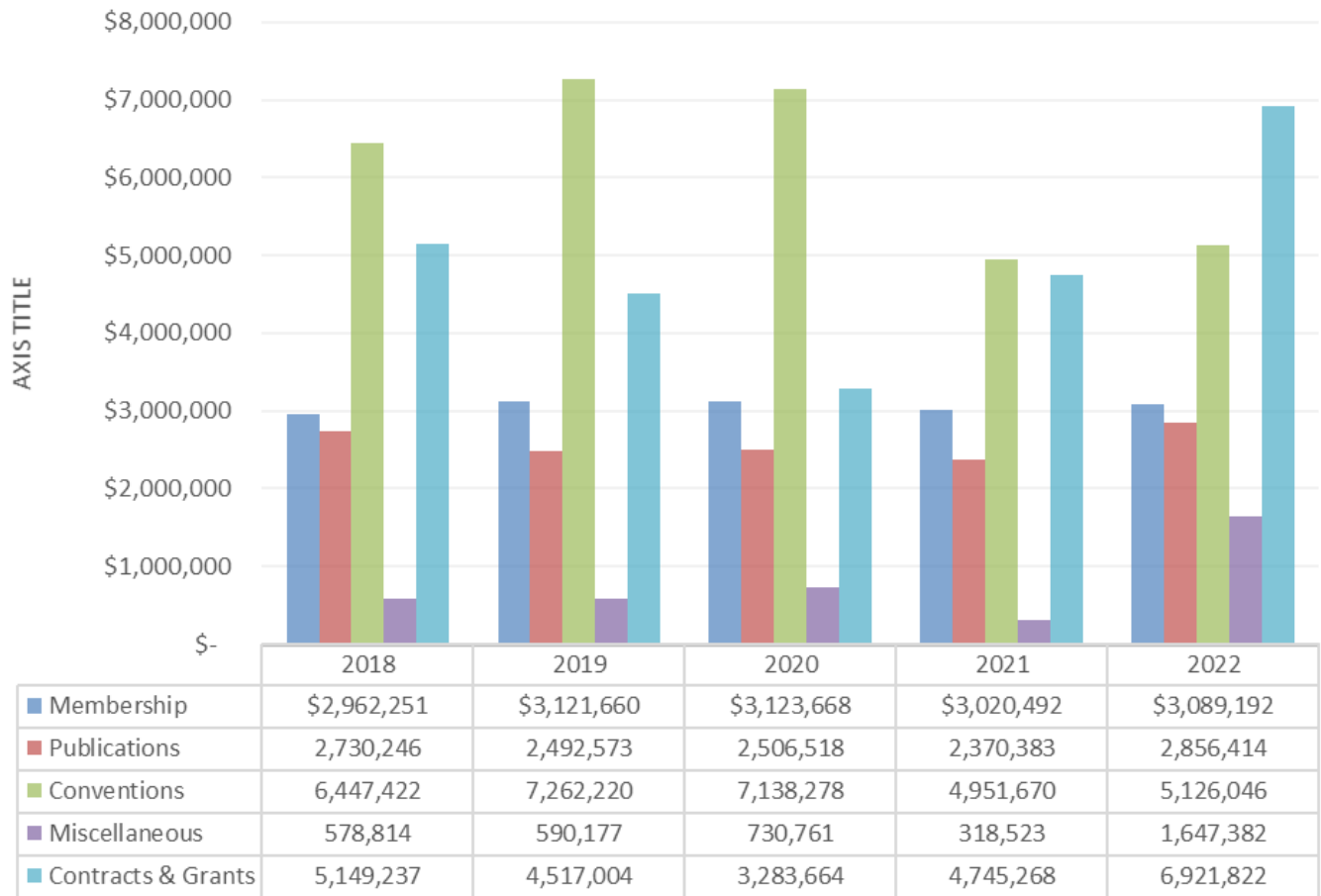
APHA Five-Year Revenue-Expense with Investment 2018 - 2022



(5,000,000)

	2018	2019	2020	2021	2022 (Pre-audit)
Revenue	17,867,971	17,983,634	16,782,889	15,506,337	19,640,856
All Expenses	16,725,278	16,928,281	16,441,927	15,966,012	19,321,925
Income with investment (loss)	1,567,664	1,695,921	764,735	983,796	(750,942)

APHA Five-Year Revenue Streams 2018 to 2022



Note: miscellaneous revenue includes donations, rental payments, miscellaneous reimbursements, etc.