



BOY SCOUTS OF AMERICA®

PACIFIC HARBORS COUNCIL

November 29, 2023

Dear Pacific Harbors Council BSA Charter Organizations, Units, Supporters, Volunteers, and Scouting families,

I was at a scout meeting earlier a few nights ago, and once again got to enjoy seeing little bolts of scouting development bounce from the loyal volunteers teaching merit badges, tracking advancement, and keeping the unit budget balanced to scouts practicing leadership, showing friendship, and willingly digging into a merit badge they probably never thought about before, but fit with their fall activities. Seeing you all in action is the best part of my volunteer role in membership.

The next best part, I am delighted to share with you, is what I shared at our last several Council board meetings - there are more of us this year than last, or the year before - a little more than 3,100 youth and about 1,200 adult volunteers! Our Pacific Harbors Council has been re-gaining lost ground in youth membership at a noticeably faster clip than the national average and most of our peer councils, and it is a credit to your cheerful participation and service.

One of the other frequent topics in our Council Board meetings is how to stretch our annual \$1.5M operating budget to meet today's obligations at the same time as we plan to become prepared for the next 3-5 years. Each month program volunteers work on scheduling a calendar of helpful trainings and multi-unit events so everyone can stress less and scout on; our paid executives work at minimum staffing levels to support safe and accredited scout programs; and facilities volunteers anticipate what physical assets need maintenance and upkeep to assure space for scouting to happen in.

All this and more are necessary for keeping scouting growing and as local as we can sustain – but our past and current funding from outside grants, business benefactors, Friends of Scouting donors, investment interest and alumni has not kept up. In fact, it is about 18% behind. Folks have pitched in and covered for gaps as we run lean, and we've had a couple of unexpected large gifts at just the right times, but this fall it became clear that to achieve a predictable and balanced Operating Budget for future PHC financial obligations, our \$21 Council Program fee needed to be increased after the end of 2023.

After workshopping across several committees, and input from the Council Board, Resolution 11-2023-01 was approved in November. For new registrations and renewals that take place after 12-31-2023*, an incremental fee increase will go into effect.

- January 1, 2024: \$30.00 for youth members, \$30 for adult volunteers.
- January 1, 2025: \$40.00 for youth members, \$30 for adult volunteers.
- January 1, 2026: \$50.00 for youth members, \$30 for adult volunteers.

In the first year, the increase moves the fee from about 5.6% of the PHC budget to 8%, with about 2% more in each of 2025 and 2026. Adult volunteer fees are not intended to increase after 2024 in recognition of the irreplaceable value that volunteers bring to scouting.

If you are doing mental math while reading this, you are right, the fee increase alone does not balance the budget. As Council volunteers and staff, we are still seeking increased donations to offset the costs of scouting as much as possible so that youth and volunteers in any financial situation can participate. Thanks to a past benefactor, there is a Growing Leaders fund that units can discretely use to backfill situations where needed. More details about this are in the attached FAQ sheet.

Thank you for your attention to this long letter, and your service to Scouting.

* Before closing, I do want to remind folks that recharterers paid by 12-31-2023 stay at the \$21 rate. Next year, in 2024, the fee goes up.

Rebecca Vader
VP Membership
Pacific Harbors Council

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**Pacific Harbors Council (PHC), BSA
Executive Board Resolution
Resolution Number 11-2023-01**

RESOLUTION TITLE: Annual Council Program Fees Setting 2024-2026

WHEREAS: The PHC Executive Board, as stewards of Council assets, and seeking a predictable and balanced Operating Budget to meet financial obligations, has reviewed current Council Program Fees.

WHEREAS: The PHC Executive Board is acting to provide approximately 8% of the annual expenses required to operate the functions of the Council through Council Program Fees.

WHEREAS: PHC is below BSA National allowance (up to \$80.00 annually) and has maintained programs and services while operating with a structural deficit of approximately 18% in recent years.

WHEREAS: PHC continues raising funds from outside supporters and fundraising events and has fallen short in subsidizing fees.

WHEREAS: PHC expects this pattern to persist over at least the next few years.

WHEREAS: PHC values the volunteer service of adult scouters and seeks to minimize the expenses of volunteering.

WHEREAS: PHC seeks to provide advance notice to units and Scout families of future budget and fee increases.

WHEREAS: The Growing Leaders Fund can be used to provide financial support where necessary.

RESOLVED: PHC is setting Council Program Fees for the next three years.

RESOLVED FURTHER: The council program fee for registered youth will be \$30.00, \$40.00, and \$50.00 annually in 2024, 2025, and 2026 respectively. Adult fees will increase to \$30.00 annually.

RESOLVED FURTHER: The Council Program Fee will take effect on January 1st of the respective year and shall be collected at the time of initial registration or upon renewal of membership.

APPROVED: November 16, 2023

SIGNED: _____

Council President

Date

11/16/23

SIGNED: _____

Scout Executive

Date

11/16/23

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Council Program Fee FAQ Sheet

Q: How much is the Council Program Fee and what increases are expected?

A: The current annual fee is \$21 for youth members and adult volunteers. The Council Executive Board has approved incremental fee increases over the next 3 years.

- On January 1, 2024: \$30.00 for youth members, \$30 for adult volunteers.
- On January 1, 2025: \$40.00 for youth members, \$30 for adult volunteers.
- On January 1, 2026: \$50.00 for youth members, \$30 for adult volunteers.

The Council program fee will be in addition to the annual 12-month National BSA youth membership fee, currently \$80.00 and the \$50.00 adult leader fee. Youth new to Scouting still have a one-time joining fee of \$25.00.

NOTE: The new fee will apply to any annual recharterers submitted and/or paid for after December 31, 2023. The annual charter renewal system opened October 1, 2023, and charters were due on November 15th, 2023.

Q: Why is the Pacific Harbors Council (PHC) increasing the annual Council Program Fee?

A: A committee of volunteers along with council staff support, looked at past, current and future budgets, both revenues and anticipated expenses to keep up our accreditation with BSA (insurance & more); to stay in compliance with the WA State rules for employers and non-profits; to avoid increasing long-term costs from neglecting the operating, maintenance and repair of our physical assets; and to support the many volunteers that are interacting with scouts.

At our current fee rate, a balanced operating budget has been more of a happy accident than a predictable achievement, and we have been showing about an 18% shortfall. We need to do a better job of intentionally preparing to meet our obligations.

PHC volunteers and staff are continually exploring alternate funding models, including a Council Program Fee, to make our council more financially sustainable and to serve Scouting families better. The updated fee structure will enable PHC to better budget, plan, and support members through quality programs. As a result, Council staff and district volunteers will be able to spend more time on unit service, program delivery, membership recruitment and leadership development.

Q: How did the Pacific Harbors Council arrive at the amount of fees?

Making up the budget gap was assigned a little less than half to fee-payers and the rest to traditional fundraising. To reduce the immediate impact to units and families, and allow time to plan for unit fundraising, the increase is incremental.

Q: Will the Council Program Fee cover all the anticipated budget gap?

A: No, the current Council Program Fee covers about 5.6% of the annual budget while

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the increase for 2024 will cover about 8%. The youth fee will continue to increase about 3% a year, and Development volunteers, staff, and District and Council volunteers are working to increase other sources of revenue to subsidize council-level scouting costs, which accumulate to about \$500 per scout.

Q: I already pay fees for district and council events, why do I need to pay an additional program fee?

A: Event fees cover the direct cost of running the event for things like program supplies, food, patches, bank fees and event insurance. The Council Program Fee helps cover indirect costs of program support like year-round service centers, utilities, licenses and permits, paid staff, outside financial audits, recruitment materials, and more.

Q: Why is the fee structure changing? The old system seemed to work for me.

A: Our financial support system has changed dramatically over the last few years. Two major areas are that traditional donations declined over the last few years, and interest payments from our invested endowments are less than half of what it was before paying our portion of the BSA bankruptcy survivor fund. Over the last few years, operating with a deficit has reduced our ability to provide full services and programs. This deficit is no longer financially sustainable.

The Council Program Fee helps ensure PHC camps and programs have the resources needed to administer an organization supporting the 3,000+ scouts and 1,500+ volunteers with program resources, outreach, leadership development and unit service.

Q: Why are we paying unit dues, Council Program Fee, and National Membership Fees separately?

A: Units, Pacific Harbors Council and National BSA budgets are determined based on separate financial requirements and each level must raise the funding independently. Listing these fees separately gives transparency to what the funds support.

The Boy Scouts of America National Council is the governing body of the scouting program that set policy, offer national awards, organize national jamborees, maintain national high-adventure camps, and define the scouting program. Services include registration and membership support, program and literature development, liability insurance, advancement support, and maintaining program consistency across the country.

Councils are chartered by the BSA for that purpose and deal with personnel issues, budgets, properties, and more. The council guides and supports its districts for the achievement of the movement's purpose. The council is the corporate legal entity and can be considered a small or sometimes large nonprofit business. Major council decisions are made by the council executive board. The council Key 3 consists of the council president (volunteer) council commissioner (volunteer), and council Scout executive (professional advisor).

Each unit is operated by a "chartered organization" — a community organization, school, or religious institution. For example, your local church might choose to

establish a Cub Scout Pack and a Scouts BSA Troop. Units establish their budgets and unit dues in concert with their chartered organization to support their program.

Q: Could a Council Program Fee discourage enrollment or make Scouting unaffordable for families?

A: We recognize that any change in pricing structure may influence a family's decision to enroll in Scouting, but at an average of \$10-\$12 a month for BSA Membership and Council Program fees, BSA programs are a significant value above other youth activities. The Council Program Fee will also help keep district or council event fees at reasonable costs.

There are many ways units earn funds to support their program, and the council provides opportunities to units and families to “earn their way” through product sales. When that is not enough, the council maintains a Growing Leaders Fund for families requiring assistance. Scholarships will be available to Scouts and families based on financial need.

Q: Are other Councils charging a program fee or charging less?

A: Yes, however every council is unique and sets its own budget. There is a \$80 maximum fee cap allowed by Nationals. Our research benchmarks the PHC 2023 rate on the lower end and our phased-in 2026 fee is the high side of middle for our service territory.

We believe that the inclusion of insurance, district events, camping at council properties, volunteer training, recruitment materials, maintaining council properties and staff support for membership, program and leadership development make the Council program fee an excellent value. We choose to make as many services as possible available at no additional cost. By setting the next 3 years of fees at this point, we aim to provide planning time and predictability, and avoid surprising adjustments.

Q: Is there a family discount rate?

A: Currently, neither the BSA nor the Pacific Harbors Council has a family membership rate. Consequently, the registration software is not able to accept this kind of input currently. However, this option may be implementable in the future if the software updates.

Q: When and how will fees be collected?

A: The Council Program Fee will be collected upon joining Scouting or during the annual membership renewal of the individual on their anniversary month. There are no prorated fees. While the council does not have an installment option, units can opt to pay the fee and families pay in installments to the unit if approved by their committee, and unit finances support the option.

Q: Will units still charge dues above and beyond the BSA and Pacific Council fees?

A: Units still may charge dues but should consider why and how much. Since the BSA Membership Fee and the Council Program Fee cover many of the unit costs previously

covered, units should carefully consider council-sponsored fundraisers like Popcorn to further reduce the need for unit dues.

Q: How often will the Council Program Fee increase?

A: The Council Executive Board voted to phase increases over the next three years, so that fee increases are incremental and more predictable than they have been in the past. The Council does have an annual obligation to set a budget so will review the fee every fall to determine if additional adjustments are needed.

Q: How will the money be spent?

A: Council program fees will remain local and be used by the Pacific Harbors Council in adherence to the adopted Operating budget. Generally, this is labor to support local programs, camps & scholarships, training, and unit service; Administrative costs; and Physical asset maintenance costs.

Q: Who do I contact if I have further questions or need additional assistance?

A: Units should initially reach out to their Unit or District Commissioners. Information on recharter is also available at www.pacificharbors.org/resources/recharter, or by contacting their District Executive or the Council Office at (253) 682-2217.

Thanks for all that you do to support Scouting.