

2024 Budget Narrative

Preamble

Pursuant to the NCA Bylaws and NCA's policies and procedures, the National Office prepared the 2024 Budget and this summary of specific budgeted items. In constructing this budget, several basic principles were followed. First, the 2024 budget and summary (as with the 2023 budget and summary) reflect realistic and informed projections of both revenue and expenses for the coming year. Secondly, the 2024 budget adheres to very conservative assumptions regarding likely revenues for the association while also working to adjust expenses to accurately reflect anticipated needs and expectations. Third, this budget was constructed to reflect the association's actual, material operating revenues and expenses, and removes from operating projections items and/or funds that do not factor into the operations, such as investment income, and investment fees. This is consistent with prior year's budgeting. Finally, the 2024 budget shows our Investment Reserve Funding needed to fund the 2024 budget.

In 2023 the National Office has efforts underway on the revenue side of the budget that informed our assumptions for the 2024 budget. This includes reinstating our charitable registrations, hiring an entrepreneurial Convention Director and a dedicated Membership Director and engaging a consulting firm to bring in more exhibitors, advertisers, and sponsors to support the convention; expanding the products and services to benefit our members and other convention attendees. The new membership department, staffed by the director and the membership associate, in partnership with a proposed membership task force, will focus on recruiting, retaining, and engaging our members.

Revenue

The 2024 budget projects total operating revenue of \$3,546,625; more than the \$3,190,050 projected in 2023 (~ 10% increase).

First, NCA's revenue projections for 2024 do not include investment income. Investment income is not part of our operations and should not be counted on year to year to sustain operations. Instead, we have taken the approach to balance the budget with the funding needed to pull from our investments to sustain operations and achieve strategic planning priorities. The Investment Reserve Funding needed for Strategic Planning Priorities is \$300,000 and to sustain Operations Funding is \$940,940. Operating Funding is ~ \$200,000 higher than projected needs in 2023 which was \$740,940.

Second, a large source of NCA's operating revenue comes from **membership dues**. A significant factor that typically influences membership levels is the location of NCA's annual convention, and NCA's budgets have usually forecasted quite conservatively to account for location-specific attributes and historical patterns. For 2024, NCA has projected dues income of \$810,000, a conservative estimate based on prior years budgeted amount. From 2017-2022 (five fiscal years), NCA averaged ~\$685,000 in membership dues revenue. 2020 is excluded from this projection since a 50% discount was applied to all membership levels due to the pandemic. This was in hopes to retain NCA member during this difficult time. The National Office conservatively budgeted

NCA membership dues revenue for 2024 at \$810,000. This assumes the retention of the current active members and factoring a 4% increase in membership, please note our membership increased 8% last fiscal year. We are also budgeting for a modest ~7% increase in membership dues fees which is in line with the consumer price index (CPI) increase at the end of 2022 for goods and services.

Third, NCA generates income from our **student organizations** through membership fees, chapter renewals, and merchandise sales. The 2024 budget forecasts revenue of \$195,000, a decrease of \$81,000 compared to the 2023 projected budget. This projected decrease is factoring in the decline in LPH and SCH membership fees revenue seen in 2022 and 2023.

Fourth, the 2024 budget assumes an increase in miscellaneous revenue. Specifically, for **career advertisements** (e.g., the NCA Career Center, CRTNET, and *Spectra*), revenue has been increasing since the end of 2021, and we are projecting to earn \$174,750 in 2023 therefore the anticipated budget for 2024 has been increased to \$174,750 from the 2023 budget of \$144,000. We have also increased our Contributions budget in 2024 from \$5,000 in 2023 to \$75,000 as we will have reinstated our charitable giving registrations with the states and plan to push fundraising efforts for donations in 2024. Also, for 2024, we expect to earn a similar amount as in 2023 in the Program Revenue, Subscriptions Sales, Contributions, and Extra Unit Affiliation factoring in minor adjustments to the budget.

Fifth, much of NCA's **convention revenue** comes from registration fees. The 2022 convention was hosted in New Orleans; the National Office used the 2022 convention attendance as a base to come up with our convention registration attendance number for 2024 as it is held in the same location. We increased the 2022 attendance by 3% and convention registration costs by 10% to assist in recouping rising convention-related costs. In 2023 we hired an entrepreneurial Convention Director, and engaged a consulting firm to bring more exhibitors, advertisers, and sponsors to support the convention and to expand the products and services to benefit our members and other convention attendees. The 2024 budget projection is \$1,142,375 in convention revenue, a 17% increase from 2023.

Sixth, the majority of NCA's revenue related to **publications** comes from journal royalties from Taylor & Francis and from EBSCO. In 2024 NCA will be receiving additional royalties for a new journal being published and our budget reflects a conservative estimate in expected revenue from that. In addition, NCA receives considerable support from Taylor & Francis for its editor stipends; roughly 80 percent of the editor stipends are supported by T&F. In all, NCA projects revenue from publications for 2024 to be \$1,105,000.

Revenue Category	2023 Budget	2024 Budget
Membership Dues	\$688,750	\$810,000
Student Organizations	\$276,000	\$195,000
Convention	\$945,800	\$1,142,375
Publications	\$1,077,000	\$1,105,000
Miscellaneous Revenue	\$202,500	\$294,250
Total	\$3,190,050	\$3,546,625

Expenses

The 2024 budget projects total operating expenses of \$4,787,565; approximately a 10 percent increase from 2023 projection of \$4,330,990. Notably, this increase is predominantly due to the addition of two new senior-level positions for the Director of Membership and the Director of IDEA not previously budgeted for at a full year and a full-time Senior Director, Strategic Communications. We have also seen an increase in insurance premiums for our benefits of 15%. These are accounted for in the Salaries & Benefits line item. We offset most of the costs for the Convention specifically related to engaging a consulting firm to bring more exhibitors, advertisers, and sponsors to support the convention and to expand the products and services to benefit our members and other convention attendees. The National Office has also shifted organizational to add a Membership Department to better serve the membership base. Adding new costs for member recognition, student programming, additional member communication and outreach, and budgeting for additional technology enhancements for our association management system.

Salaries & Benefits

As is the case for most service-oriented organizations (e.g., membership associations, learned societies), NCA's largest expense in this category is **compensation, benefits, and taxes**. Compensation includes salaries for 13 full-time staff members and a part-time Executive Assistant. The 2024 budget includes a salary increase pool for the staff consistent with cost-of-living adjustment as specified in NCA's policies and potentially for a modest merit-based increase or bonus. Some benefits, including retirement contributions and FICA, are tied directly to salaries.

Other benefits cost the same amount for everyone or differ across individuals based on variables other than salary. These include health, dental, and life insurances. NCA is projecting 2024 **Salaries & Benefit** expenses of \$2,070,500 for compensation, benefits, and taxes: in 2023, NCA projected expenses of \$1,796,100 in this category (~13 percent increase). This increase is predominately due to the addition of the Director of Membership and the Director of IDEA positions and budgeting for a full-time Senior Director of Strategic Communications which was formerly a part-time position. We also had increases in benefit rates of 15% which is also accounted for in our projections.

Please note that Salaries & Benefits are spread amongst all the departments based on level of effort in each functional area (G&A, Executive Office, Convention, Research, Membership and Communications). While the Executive Director's time is spread amongst all functional areas, some staff are budgeted to their home department as most of their time is spent there. For example, all employees assist with the Convention.

General & Administrative Expenses

NCA is projecting 2024 general and administrative expenses to be \$1,169,809. Expenses in this category for 2023 were projected at \$1,179,459 (~1 percent decrease).

General and administrative expenses include building maintenance (e.g., utilities, janitorial services, alarm monitoring), technology (e.g., phone, internet, technical maintenance fees, computer supplies), real estate taxes, credit card and other professional fees, legal, accounting, human resources and design services, organizational insurance, training, and general office expenses. Though the expenses are capitalized and reflected in our depreciation budget, we have budgeted for building renovations and a new website as major investments in NCA's future in 2024.

Executive Office Expenses

NCA is projecting 2024 executive office expenses to be \$456,520. Expenses in this category for 2023 were projected at \$397,436 (~13 percent increase).

The major categories of expenses in this area are for **meetings and events** and **governance/National Office travel**. In 2024, NCA plans to have the February Leadership Retreat and August Executive Committee meetings and all planned National Office Travel. To support both governance meetings and events as well as National Office and governance travel, NCA is projecting expenses for 2024 to be \$152,500, an increase from \$137,500 budgeted for 2023. This increase is primarily due to the 2024 Leadership Retreat funding additional committees and working group to attend and participate.

Other **governance** expenses include dues for partner advocacy organizations and sponsorships of other meetings and events, officer initiative funds, interest group funding, national awards, and organizational dues. These expenses are projected to be \$186,495 for 2024.

Research

NCA is projecting 2024 Research expenses to be \$884,241. Expenses in this category for 2023 were projected at \$825,550 (~7 percent increase).

NCA's largest expense for Research is from **grant-making**, including grants for the annual NCA Doctoral Honors Seminar, the NCA Institute for Faculty Development (the "Hope" conference), Student Caucus Travel Grants, Advancing the Discipline Grants, Research Cultivation Grants, Chairs Summer Institute, and the Alta Argumentation conference. For 2023, the budget projected \$259,000 for grant-making; for 2024, the budget projects \$232,000 (~10 percent decrease). This decrease is accounted for by the \$20,000 grant for the Chairs Summer Institute which takes place every other year and not factored into the 2024 budget.

Another large portion of the Research budget are expenses for our **editor stipends** for the twelve journals totaling \$184,000 and most of this expense is covered by Taylor and Francis per our royalty agreement.

Academic & Professional Resources expenses include the career center ad expenses, archives, travel for staff members, CIDD expenses, subscription costs for printing of journals, and public programs which will be held virtually moving forward.

Membership

NCA is projecting 2024 Membership expenses to be \$462,985. Expenses in this category for 2023 were projected at \$280,000 (~40 percent increase).

In prior years NCA did not have a dedicated Membership Department. Moving forward the National Office has re-established the Membership Department with a Director of Membership to better serve the membership base. Adding new costs for member recognition, student programming, additional member communication and outreach, and budgeting for additional technology enhancements for our association management system totaling \$111,000.

Convention

NCA is projecting 2024 annual convention expenses to be \$1,308,150. Expenses in this category for 2023 were projected at \$1,148,681 (~12 percent increase).

The largest **convention** expense is for AV services which is included in the site charges. Food and beverage is used for several events including, among others, the welcome reception, the convention planners' meetings, the International Scholars' Reception, and the Diversity Council reception. Professional services expenses include a meeting planning consultant, a photographer, sign language interpreters, temporary personnel, movers, webinar services, keynote speaker & on-site IT support. The budget increase from 2023 to 2024 is mostly due to engaging a consulting firm who works on commission to bring more exhibitors, advertisers, and sponsors to support the

convention and to expand the products and services to benefit our members and other convention attendees.

Communications

NCA is projecting 2024 communication expenses to be \$505,860. Expenses in this category for 2023 were projected at \$499,864 (~1 percent increase).

Communications incurs production and distribution costs for membership communication and outreach, and media subscriptions (the cost of providing members with access to journals, both electronic and print). Expenses of **video production** are also included in this category.

Expense Category	2023 Budget	2024 Budget
General & Administrative Expense (e.g., compensation; office expenses; professional fees and services)	\$1,179,459	\$1,169,809
Executive Office (e.g., governance; meetings & events; travel)	\$397,436	\$456,520
Research (e.g., program grants; student organizations; public programs, editor stipends)	\$825,550	\$884,241
Membership	\$280,000	\$462,985
Convention	\$1,148,681	\$1,308,150
Communications (e.g., <i>Spectra</i> ; video production)	\$499,864	\$505,860
Total	\$4,330,990	\$4,787,565