Finance Committee Report
Hilary Crosby, Committee Chair & Controller, CDP

Increasing the financial stability of the California Democratic Party has been a focus for Chairman John Burton and me for the past two years. We pledged to expand the universe of donors while constantly striving to cut or eliminate costs in order to lessen our dependence on large institutional givers.

Our staff has cut expenses to the bone by reducing costs a full 25%. Now, it’s our turn – the volunteers and activists - to find new revenue and savings outside of what they have done with their expenses.

To make this happen, we launched the small monthly sustainer program in July, 2009. We asked our eboard members and other volunteers to “Donate Every Month”, in our DEM2010 program.

At the July, 2010 Executive Board Finance Committee meeting, I brought forward increasing our other revenue streams and examining ways to reduce the costs of activist activities.

At the November 2010, Executive Board, the finance committee formed a subcommittee on Financial Sustainability, to plan a state-wide listening tour to engage our activist base in the discussion of how to find additional sources of funding, and consider ways to reduce our expenditures.

In December of 2010, the Sustainability Subcommittee of the CDP Finance Committee planned our four stop listening tour. Our Subcommittee members, Al Austin II, Eric Bradley, Paul Cohen, Peter Kreysa, Sandra Lowe and I, tried to locate the meetings in cities where the State Party does not typically go for Conventions and Executive Board meetings. Our meetings included:

January 29, 2011: CSU Fresno campus, in Fresno
February 5, 2011: South Bay Central Labor Council in San Jose
March 12, 2011: IBEW Local 440 hall in Riverside, and
March 26, 2011: CSU Chico in Chico

Special thanks to task force member Dr. Peter Kreysa, immediate past treasurer of the California Faculty Association, Santa Clara Chair Steve Preminger, and Elle Kurpiewski for arranging the four venues.

The entire state committee as well as many other activists were invited to participate in every meeting, or to send in comments and ideas by email if they couldn't attend. Additionally, the last meeting in Chico was available online as an interactive webinar. Robert Jordan provided extensive, excellent logistical and planning support throughout the entire process.

Many innovative ideas were brought up and the subcommittee reviewed their feasibility as well as potential for impact to the State Party. The following report is summary of the suggestions that we synthesized from this entire process.
Recommendations of the Finance Sub-Committee on Financial Sustainability
Total Savings and New Revenue in a Two Year Cycle: Combined $705,400 to $735,400

Executive Board Vote
Membership dues
Membership dues have not been raised in 25 years. Increase membership dues to $85 and index to inflation going forward. Increase $20 in 2012 to $65. Increase $20 in 2013 to $85. COLA in 2014 and beyond. There is some concern that this will be a financial burden for members with limited income. We would retain the sliding scale for those members who self-identify as unable to cover the increase. In addition, we plan to phase the increase in over a couple of years.

Revenue increase: Once we catch up to current day cola in a few years, this will be a $165,000 increase in federal dollars for GOTV.

Administration Sets Change
1. Caucuses Operating Costs
   Caucuses use staff time with no charge. Charge the caucuses a per capita fee of $5 for general bookkeeping and reporting.

   Revenue increase: Increase of approximately $13,000 revenue to CDP to pay for operations if based off the 2010 membership numbers.

2. Caucuses Meeting Rooms
   Caucuses use meeting rooms at no charge. Charge the caucuses for rooms used. At convention and Eboard, the caucuses should be charged $250 for a large meeting room and $150 for small meeting room. (The bylaws do not state that CDP must supply rooms for the caucuses to meet)

   Revenue increase: Revenue will depend on usage of rooms.

3. Executive Board Meetings
   E-boards cost between $16,000 and $20,000 and are free. Charge an Eboard fee of $40 or one sign up of DEM2012.

   Revenue increase: A minimum of $9,600 per Exec board estimating 80% attendance.
Rules Committee Changes

1. **Candidate endorsement fees**
   Candidate endorsement fees have not been raised in years and do not account for actual costs of staff running the endorsement procedure. Increase candidate endorsement fees ($1,000 for statewide, $500 for State Senate, $350 for Congressional and $250 for State Assembly.)
   Currently the cost is $50, which doesn’t come close to covering the cost of running the endorsement election, especially when staff time for counting the ballots is factored in. Furthermore, $50 is not a very steep threshold to insure that all the candidates who seek the party’s election can actually raise money and organize a viable campaign.

   *Revenue increase: Approximate revenue increase of $64,000*

2. **ADEMS**
   ADEMS candidate filing fee. Charge $20 filing fee per candidate or they can say “hardship” and not pay.

   *Revenue increase: $60,000 federal dollars at highest, and $30,000 at lowest.*

3. **Change in mailing notifications**
   Send out postcards to let delegates know that documents such as platform are available on line instead of mailing paper copies. Allow delegates to phone in to get paper copies mailed to them.

   *Cost savings: As much as $17,000*

Administration Sets Change, with some Rules Committee Input

*Mainly an administrative change, but there may be tweaks to the Rules language on this due to signature gathering timelines on resolutions.*

Maintain 3 Day Convention, but only 1 day of general session (instead of 2)
Please see second document for example of a 3 day convention with only 1 day general session format. The cost of the convention hall and labor costs on Sunday are immense. If we can do just one day of general session in ODD years ONLY, we save hundreds of thousands of dollars, We realize this suggestion would involve a lot of re-figuring how to order our business. We also want to make sure there are enough compelling activities on Sunday, even without a general session, to encourage attendees to stay at the hotel through Saturday night, to offer our sponsors 3 days of audience, and to provide our delegates from red counties three days to speak freely about marriage equality, choice, peace, supporting unions and all the things that motivate us as Democrats. We also realize that we may need to have a Sunday general session some years in order to complete all our party business.

*Cost savings: Approximately $200,000 per year this model is used.*
SAMPLE CALIFORNIA DEMOCRATIC PARTY - ODD YEARS

FRIDAY, APRIL 29
12pm – 3pm     Rules Committee
1pm – 2pm       Credentials Committee
2pm – 4pm       Finance Committee
430pm – 730pm   Resolutions Committee

11-1245pm       Caucuses
1-245pm          Caucuses
3-445pm:         Caucuses
5-645pm:         Caucuses
7-845pm          Caucuses

9-10pm           Regional Director Elections
10pm – 12am      Hospitality Suites

SATURDAY, APRIL 30
Current timing for two day general session in 2011 is 6 hours of general session. In this version, there is 7 hours of general session
9AM – 12         Morning General Session (mix speeches with committee reports)
12-1             Boxed lunch available for purchase
1pm-5pm          Afternoon General Session (mix speeches with committee reports)
5:00pm – 6:30pm  Statewide Officer Elections
6pm - 8pm        Dinner
8pm – 10pm       Concert
10pm – 12am      Hospitality Suites

SUNDAY, MAY 1
Delegate workshops all day in rotation