

Proposal P (New)

The following Dues formula proposal respects the original GII Dues structure as defined in the Member Agreement Article 4, Section 4 while enhancing the balance between small and large Goodwills.

Guiding Principles:

- This proposal demonstrates respect for all Delegates.
- Value the 2002 Member Agreement and 2023 GII Bylaws by maintaining compliance.
- Maintain the funding structure supporting GII's operational needs.
- Provide a significant dues adjustment for small and medium-sized Goodwills.
- Maintain the definition of Earned Revenue.
- Ensure that all Goodwills have the fiscal ability to advance local mission outreach.
- Maintain a Dues Cap to avoid the *Runaway Train* consequence of abundant long-term revenue growth.

The proposed Dues structure maintains the three brackets, the multiplier from the original structure and provides new adjusted revenue ranges and new corresponding percentage rates.

Assumptions.

- The template provides two 5-year snapshot projections including a low revenue growth rate of 3.0% and a high revenue growth rate of 7.0%.
- This Proposal assumes a high growth rate scenario of 7.0%.
- Projected increases in CPI remain at 3.0%; however, 2022 was 4.725% and 2023 is 7.925%. Recent predictions have CPI estimated to be closer to 5.5% by Q1 2024.
- GII's 2024 estimated Low Growth dues revenue calculates to be \$26,454,000 and High Growth revenue calculates to be \$26,807,000.
- Effective date: January 1, 2024.
- Consistent with the Governing Documents all members are treated the same.

Five-Year Estimations.

2024 results, the smallest 15 Goodwills average obligation will be \$13,908. The largest 15 Goodwills average obligation is approximately \$235,340. The overall average dues obligation will be approximately \$172,951.

On average at the end of 5 years (2028), the 86 members with reduced dues pay approximately (\$74,800) **LESS** and the members with increased dues pay \$116,000 **MORE**. Over those 5 years, GII will collect \$146,053,000 in dues revenue or \$29.2 million on average per year.

Ten-Year Estimations.

In 2024, this proposal adds \$25 million to the Cap to assess more (yet reasonable) dues from larger Goodwills. Assuming the 7% growth, the 10-year breakpoints will move Bracket One to \$21.9M, Bracket Two to \$43.8M, and Bracket Three to \$87.7M. Bracket #3's breakpoint is the Cap, and in 2033 it's predicted to be \$20 million more than in 2024. Remember, CPI inflation also causes increases but that is only an option for GII to impose YOY, it's not required.

Bracket Ranges		Dues Percentage
\$0	\$16,810,000	0.75%
\$16,810,001	\$33,620,000	0.35%
\$33,620,002	\$67,240,000	0.15%

Equity Ratio - REVISED (Dues Percentage of Lowest Earned Revenue Goodwill to Dues Percentage Highest Earned Revenue Goodwill)					
Proposal P UNDER LOW (3%) GROWTH:	11.9	11.9	11.9	11.9	11.9
Proposal P UNDER HIGH (7%) GROWTH	12.4	12.9	13.4	13.9	14.4
EXISTING STRUCTURE UNDER LOW (3%) GROWTH	18.0	18.0	18.0	18.0	18.0
EXISTING STRUCTURE UNDER HIGH (7%) GROWTH	18.7	19.4	20.1	20.9	21.7

PROJECTED CHANGE IN TOTAL DUES - 7.925% Growth in 2023	2024	2025	2026	2027	2028
3% Growth 2024 - 2028	-\$56,396	-\$58,088	-\$59,831	-\$61,626	-\$63,475
7% Growth 2024 - 2028	\$66,495	\$190,911	\$318,807	\$455,795	\$584,364
ZERO Growth 2024 - 2028	-\$155,270	-\$258,024	-\$354,631	-\$449,034	-\$541,612
NEGATIVE 2% Growth 2024 - 2028	-\$221,990	-\$373,434	-\$514,106	-\$651,445	-\$786,472
PROJECTED CHANGE IN TOTAL DUES - ZERO Growth in 2023	2024	2025	2026	2027	2028
3% Growth 2024 - 2028	-\$300,834	-\$309,860	-\$319,155	-\$328,730	-\$338,592
7% Growth 2024 - 2028	-\$184,671	-\$58,324	\$70,330	\$202,308	\$337,989
ZERO Growth 2024 - 2028	-\$378,886	-\$465,851	-\$551,577	-\$641,294	-\$730,142
NEGATIVE 2% Growth 2024 - 2028	-\$430,396	-\$562,032	-\$691,509	-\$823,934	-\$958,574