

## Frequently Asked Questions Related to Proposed Dues Increase

On behalf of AACP Speaker Pieper, we thank the delegates who participated in the House of Delegates conference calls over the last three weeks. All calls were substantive and helped us identify areas where additional information or clarity on wording or rationale would benefit participants in the upcoming Annual Meeting and House sessions. A number of questions were raised regarding the proposed dues resolution. The following questions and answers are shared with all delegates to better explain the Board's proposal.

### **Resolution #5 – Institutional Membership Dues** (Source: AACP Board of Directors)

**RESOLVED** that the institutional member dues for Associate and Regular Institutional Members be increased from the current level of \$21,000 annually to \$24,000 in Fiscal Year 2012 (July 2011), \$27,000 in Fiscal Year 2013 (July 2012) with annual indexing of 3 percent thereafter.

#### **1. Why is an institutional dues increase necessary?**

The last institutional dues increase was passed in 2001. Certainly the success of PharmCAS and other student-generated revenues has been instrumental in AACP not requiring an institutional dues increase in the last nine years, yet it has left the Association in the position of being overly reliant on student revenues. Currently more than half of AACP's revenues are from this single source.

#### **2. Is AACP in good financial health?**

Yes, AACP is in good financial health with positive operational net revenues over the past nine years. The institutional dues increase is not proposed to address financial distress.

The institutional dues increase will go toward expanding the portfolio of programs, products, and services for its members. These additional programs, products, and services have been identified in the course of strategic planning and examples include:

- Reinstatement and future growth of the New Investigator Program (NIP) – a vital resource of funding to help faculty in the area of scholarship. (Critical Issue 5)
- AACP/ACPE Assessment & Accreditation Management System (AAMS) – an online assessment and accreditation management system to assist colleges/schools in submission of their self-study and programmatic assessment endeavors. (Critical Issue 2)
- Department Chair Development Programs – a modular series of programs and development resources for department chairs to strengthen school leadership and promote faculty retention and professional development. (Critical Issue 1)
- Creation of a pharmacy education portal in the AAMC MedEdPortal program – MedEdPortal is an open access repository of peer-reviewed teaching resources developed initially for medical and dental education and is poised to expand to other disciplines. (Critical Issues 1 and 2)

These and other identified programs, products, and services help provide savings at the school level by pooling resources.

**3. What will happen to individual member dues?**

There is no current consideration related to increasing individual member dues. The additional programs are school-wide rather than individual member benefits. AACP is committed to continuing to provide affordable maximal access to its entire portfolio of programs, products, and services to all faculty and staff who wish to become individual members.

**4. How was the indexing figure determined?**

The indexing figure was a rolling average of the Consumer Price Index (CPI). Had a 3 percent index been used since the last dues increase in 2001, the current institutional dues would be approximately \$27,000.

**5. Does school size factor into the increase?**

No. AACP has never considered a differential dues level based on school budget or faculty size.

**6. Has AACP taken any cost-reducing action to date?**

Yes. The Board and Staff have made several reductions in cost of operations at AACP. This includes the staff benefit structure, printing and postage for moving to more digital publication, travel reductions and other areas while trying not to reduce member benefits in any way. There have not been new staff positions added for over a year.

**7. Has AACP looked at alternative revenue generating streams?**

Yes. The Board and Staff are pursuing other revenue generating programs and services. The 2010-11 AACP Strategic Planning Committee will specifically address this in their work plan.

**8. When would the institutional dues increase go into effect?**

For Fiscal Year 2012 which begins July 2011. Institutional members would receive their invoice with the increase in dues in March 2011.

**9. Do the additional new schools bring in additional revenue?**

Yes, each new school pays the same dues as existing programs (\$21,000 in FY11); however, the addition of new schools also brings in additional costs to provide member services.

**10. What would the consequences of not passing a dues increase be?**

The ability to introduce new programs to meet identified member needs, or the pace of new program introductions, will be the primary consequence of defeating the resolution or changing the timing or magnitude of the dues adjustment.