

## **BACKGROUND INFO**

During the association's P3 strategic planning meeting in May 2016, industry leaders identified assessing the NPMA membership dues structure as a high priority to ensure the future of the association. The specific tasks outlined during the P3 summit were to analyze, assess and develop a fair partnership with current large joint state affiliates and create an equitable and transparent dues structure that will ensure NPMA's sustainability.

A membership task force was appointed by the 2016/2017 NPMA President – Chuck Tindol. The task force was representative of all stakeholders, including large companies, small companies, joint and standard states and large joint state affiliates.

Over the next 18 months, with NPMA's best interests at heart, the Task Force met 5 times to accomplish these tasks with an eye toward keeping the association sustainable for future generations of PMPs.

## **FREQUENTLY ASKED QUESTIONS**

### **WE'RE HEARING A LOT OF DISCUSSION ABOUT CHANGES COMING TO THE DUES STRUCTURE. HOW MUCH WILL YOU BE INCREASING DUES?**

The important distinction with this question is that the membership dues are being restructured. This means that while some dues categories will increase, others will decrease.

The Blue Ribbon Task Force reviewed all PMP dues and identified opportunities to align joint and standard dues classes and provide a clear percentage deduction for members domiciled in joint states.

The proposal increases the dues classes in the joint state category to 39 and allows for scheduled increases only as the company's revenue increases, consistent with the standard dues schedule.

- Lowest dues category \$0 - \$499,000
  - Joint \$185
  - Standard \$250
- \$500,000 - \$999,999 in revenue, + \$100 for each \$100,000
- \$1M - \$19.9M in revenue, + \$500 for each \$500,000
- \$20M - \$99.9M in revenue, + \$2500 for each \$5M
- \$100M - \$999.9M, + \$15,000 for each \$100M
- \$1B + dues increase \$15,000 for each \$250M

## Examples of Proposed Dues Structure Impact (joint/standard\*)

| Revenue      | Current Dues* | Proposed Dues* |
|--------------|---------------|----------------|
| \$100,000    | \$115/\$225   | \$185/\$250    |
| \$200,000    | \$189/\$509   | \$185/\$250    |
| \$500,000    | \$493/\$782   | \$375/\$500    |
| \$2,500,000  | \$1270/\$2887 | \$1315/\$1750  |
| \$10,000,000 | \$4908/\$6945 | \$4125/\$5500  |

### WHY ARE YOU CHANGING THE DUES STRUCTURE?

During NPMA's P3 strategic planning meeting in May, industry leaders identified the membership dues structure as a high priority in that industry trends indicated it would not be sustainable as is for future generations. The current dues structure has not been reviewed in more than 20 years (established in 1995) and is an out-of-date system that has not kept pace with the changing landscape, growth and advancements of our industry.

- In 1996, the lowest dues were \$310. This was a flat rate for all NPMA members in the lowest dues category.
- In 1998, dues were \$95 for joint members and \$185 for standard members
- In 2002, dues were increased 5% to \$100 for joint members and decreased 30% for standard members
- In 2009, dues were increased 10% to \$110 for joint state and \$145 for standard members
- In 2018, dues were increased 5% for both joint and standard (\$115.50 and \$152.50 respectively)

Additionally, in assessing the growth in the market relative to the 20-year-old dues structure, the Task Force focused on the large companies (greater than \$100M) and created a dues schedule that corresponded with their annual revenue.

### WHAT IS THE TIMING OF THIS CHANGE/RESTRUCTURING?

The new dues schedule will be in effect January 1, 2019 for calendar year renewals and July 1, 2019 for fiscal renewal. We will be offering transition plans for highly impacted companies.

### WILL YOU STILL BE OFFERING JOINT MEMBERSHIP THROUGH STATE ASSOCIATIONS?

Yes, however as part of the membership dues structure review, the Task Force determined that in order to achieve the goal of fairness to all members, the large state agreements would need to transition into joint partners (or standard if that was the preference of the state). Now the discount for those participating in the joint state program will be more fair and transparent across the board (25% discount).

Representatives of the Task Force (and Board, where applicable) met with each large state association leadership over the past year to begin discussing the elimination of the large state affiliate agreements and working through necessary transition plans.

The intent of this is to ensure that all members in each state – whether joint or standard – pay the same amount in dues (based upon their category and annual revenue).

**IS NPMA SIMPLY TRYING TO INCREASE ITS REVENUE?**

No. In fact, NPMA has projected an initial membership revenue loss, with an overall increase in membership dues revenue of less than 10% by 2023.

In spite of the initial projected loss, NPMA will continue to place a significant focus on developing resources for its members to help them grow their business; train, hire and keep qualified employees; and be protected from unwieldy regulations.

We have invested in technology to serve members today and in future, including online education, with an eye to providing high quality training to all PMPs and elevating the professionalism of our industry.