



****ACHD Dues Proposal****

March 3, 2025

Mendocino Coast Health Care District
Attn: Jan McGourty

Dear Jan,

Thank you for reaching out to the Association of California Healthcare Districts (ACHD) about membership. We are happy to provide you with this proposal for membership dues, along with some context and background explaining our recent dues restructuring. ACHD strives to be a go-to resource for healthcare districts and to provide effective legislative representation here in Sacramento. Our new structure aims to balance value and bring equity across the membership.

After a reduction in dues in 2017, and five consecutive years with no increase in membership dues, the ACHD Board of Directors met in February 2023 and approved a new dues structure. This new dues structure is meant to bring about equity across the membership and provide improved fiscal sustainability for the association into the future. This memo is intended to communicate the new dues structure for 2023-24 and 2024-25.

Historical Background

In 2017, ALPHA Fund separated from ACHD and merged with BETA Healthcare Group. It fundamentally changed what ACHD, as an organization, needed for operational funding. The merger resulted in approximately \$4.2M for ACHD, which was invested, with a long-term goal to use investment growth income from the portfolio to fill the operational funding gap ACHD would experience in 2024 when BETA would no longer be bridging the gap as part of their acquisition of the ALPHA Fund. At that time, ACHD also reduced dues in order to retain members, since ACHD membership would no longer be required as part of the ALPHA Fund/ACHD joint venture.

In 2019, the ACHD Board of Directors adopted the position that all members should share in the costs of networking, legislative representation, and educational opportunities. The ACHD Board evaluated how membership dues were being assessed and spent time evaluating and discerning an equitable method for all districts to participate in the sharing of ACHD's annual costs.

The board determined and approved a formula for a membership dues rate as follows:

- .001% of the lower of the district's three-year average of revenue or expenses.
- The formulary worked based on numbers reported through <https://www.bythenumbers.sco.ca.gov/>
- A principle was adopted that no member would pay less than 1/20th of one share, as determined by the annual budget divided by the number of members.

When the COVID-19 pandemic hit, this structure was put on hold and dues remained at 2017 levels.

The dues structure approved by the Board of Directors in February 2023 uses the same model but also puts a maximum and minimum on dues increases and decreases for current members. No member will experience an increase greater than 30% (phased in over three years). In addition, no member will receive a decrease in dues greater than 10%.

Based on our analysis, Mendocino Health Care District's 2024-25 dues would be as follows:

District	2022-2023 Avg Revenue*	2021-23 Avg Exp	2021-23 Avg Net	24-25 Dues at .001% of the lower of rev. or expenses	Adjusted for 1/20th of a share minimim
Mendocino Coast Health Care District	\$3,175,176	\$754,369	\$2,420,807	\$754	\$1,140

*used 2022-23 data as 2021 data would skew results

2024-25 ACHD Budget 980000 43 Members \$22,791

District	Revenue	Expenditures	Net
2021			\$0.00
2022	\$2,466,996.00	\$835,633.00	\$1,631,363.00
2023	\$3,883,355.00	\$673,104.00	\$3,210,251.00

Why restructure?

- Equity: To bring some equity to the structure. Previously, dues were somewhat arbitrary and not tied to a formula, and there were legacy deals that carried over from previous management, causing similar districts to pay different dues amounts.
- Long-term fiscal sustainability, BETA support ending in 2024.
- Association expenses: The association's expenses have increased. While we have cut expenses where possible, most costs have increased at a steep rate.
- Value: ACHD is having a greater impact on advocacy efforts and experiencing increased visibility and recognition in the field. ACHD is working to become the premier networking, education, and advocacy organization for healthcare districts throughout the state of California and to represent all healthcare districts.

Other Membership Benefits include:

- Free Board Self-Assessment tool – a \$2000 Value
- Free CEO Evaluation tool – a \$2000 Value
- Free Governance Toolkit
- Discount on registration for our Annual Meeting/Conference
- Free monthly educational webinars
- Quarterly Director's Notebook with important articles and best practices with regard to governance
- Certified Healthcare District Program
- Member discount on public records requests services provided by Best Best & Krieger LLP
- Support on healthcare district compliance requirements and more

We believe there has never been a more important time for ACHD's voice to be heard and we continue to be excellent stewards of our membership dues. Please feel free to contact me with any questions you may have.

Sincerely,

Catherine Martin

Catherine Martin
Chief Executive Officer, ACHD