

CHEMICAL MANUFACTURERS ASSOCIATION
SUMMARY OF REVENUE AND EXPENSES

APPROVED 1995/96 BUDGET

GENERAL COMMENTS:

This budget book, "Book #2," presents the revenue and expenses of the management divisions and departments by natural classification (line item). It also presents the allocation of resources for each management division directed to the Association's programs they support. Therefore, this book provides the details used to achieve full costing of the Association's programs that are presented in "Book #1".

Also presented in this book are the revenues and expenses for the select self-funded activities, including the Public Outreach Program, the Chlorine Chemistry Council, CHEMTREC® Center, MSDS Central™ and the CHEMSTAR management division. The full presentation of all CHEMSTAR panels and councils are presented in "Book #3".

The approved FY 1995/96 budget presented in Column 4 indicates a total expense budget of \$27,323,100 and a total revenue budget of \$28,323,100 resulting in a contribution to reserves of \$1,000,000 for the year. The membership fee schedule for FY 1995/96 remains unchanged from the current year, except for the maximum fee, as discussed in Tab #17 of the budget book.

DUES FUNDED OPERATIONS

The approved FY 1995/96 expense budget of \$27,323,100 represents an increase of approximately 7.3% over the FY 1994/95 projected results. The increase is primarily due to increased annual expense related to the continued upgrading of the Association's information technology; increased outside purchased services for strategic preparedness on key issues; and increased expenses for the CMA facility. The authorized staffing level remains flat at 205 staff positions.

PUBLIC OUTREACH PROGRAM

The Public Outreach Program as discussed under Tab #7 is continuing at the full \$10.0 million expenditure level for FY 1995/96. The Outreach assessment is adjusted downward to a level of .0105%, based on 1994 calendar year sales, and making use of \$700,000 of accumulated unspent prior years' assessments. The assessment at \$9.3 million plus use of the aforementioned \$700,000 balance should provide the required \$10.0 million in funds for FY 1995/96.

CHEMTREC® CENTER

The revenue and expenses for CHEMTREC® Center are presented in Tab #11. The approved budget indicates that CHEMTREC® Center will require \$156,400 of support from CMA in FY 1994/95 and \$603,100 of support in FY 1995/96.

MSDS CENTRAL, INC.

The MSDS Central™ Phase I went on-line on December 1, 1994. Based on estimates of demand for the service, and on full costing of probably expenses the approved budget indicates that this activity will require \$470,000 of support from CMA in FY 1994/95 and \$226,400 of support in FY 1995/96. This support will largely represent CMA's investment in this wholly-owned subsidiary.

RESERVES

The CMA policy on reserves is that they should be maintained at a level that is within a floor of 25% and a ceiling of 50% of the General Operating Expense Budget. By the end of the 1995/96 fiscal year, assuming the results in Column 3 and 4 are realized, and if all the current recommendations are approved, the Association would hold General Operating Reserves of \$9,517,300. This would represent 35% of the General Operating Expense Budget.

CHEMICAL MANUFACTURERS ASSOCIATION
APPROVED BUDGET - SUMMARY BY DEPARTMENT
FY 93/94 Actual, FY 94/95 Budget and Projected Results,
Approved FY 95/96 Budget

	<u>FY 93/94 Audited Results</u>	<u>Approved FY 94/95 Budget</u>	<u>Projected FY 94/95 Results</u>	<u>Approved FY 95/96 Budget</u>
<u>REGULATORY AFFAIRS DEPARTMENT:</u>				
Environmental, Health & Safety,				
Policy Analysis & Office of the Vice President	\$ 5,494,400	\$ 5,603,100	\$ 5,644,100	\$ 5,899,000
Distribution	810,200	787,100	702,400	728,100
DEPARTMENTAL TOTAL:	\$ 6,304,600	\$ 6,390,200	\$ 6,346,500	\$ 6,627,100
<u>FEDERAL GOVERNMENT RELATIONS DEPARTMENT:</u>				
Taxation, Energy & International	\$ 978,300	\$ 1,141,500	\$ 1,106,700	\$ 1,231,100
Federal Legislative and Economics Division	2,424,000	2,347,600	2,235,100	2,418,800
Grassroots & Political Activities Division	559,700	658,400	629,400	670,900
DEPARTMENTAL TOTAL:	\$ 3,962,000	\$ 4,147,500	\$ 3,971,200	\$ 4,320,800
<u>STATE AFFAIRS DEPARTMENT:</u>				
State Legislative and Regulatory Affairs	\$ 830,200	\$ 878,500	\$ 846,000	\$ 923,700
Federation of State Chemical Associations	1,537,600	1,517,500	1,460,500	1,524,800
DEPARTMENTAL TOTAL:	\$ 2,367,800	\$ 2,396,000	\$ 2,306,500	\$ 2,448,500
<u>OFFICE OF GENERAL COUNSEL:</u>				
	\$ 3,839,300	\$ 3,853,900	\$ 3,962,300	\$ 3,992,400
<u>COMMUNICATIONS DEPARTMENT:</u>				
Media and Other Advocacy	\$ 1,817,300	\$ 1,752,700	\$ 1,677,100	\$ 2,011,200
Member Communications and Public Outreach	836,500	820,300	840,300	926,700
DEPARTMENTAL TOTAL:	\$ 2,653,800	\$ 2,573,000	\$ 2,517,400	\$ 2,937,900
<u>RESPONSIBLE CARE® DEPARTMENT:</u>				
	\$ 1,036,200	\$ 1,160,900	\$ 1,161,500	\$ 1,352,200
<u>INFORMATION TECHNOLOGY DIVISION:</u>				
	\$ 744,700	\$ 724,400	\$ 973,400	\$ 1,364,600
<u>OFFICE OF PRESIDENT, MEMBER SERVICES, AND MEETINGS & CONVENTIONS DEPARTMENT:</u>				
	\$ 1,205,100	\$ 1,392,700	\$ 1,599,600	\$ 1,606,300
<u>HUMAN RESOURCES DEPARTMENT:</u>				
	\$ 417,700	\$ 392,100	\$ 507,000	\$ 563,400
<u>FINANCE & ADMINISTRATION DEPARTMENT:</u>				
Office of the Treasurer, Accounting and Finance	\$ 1,275,600	\$ 1,367,400	\$ 1,037,100	\$ 1,053,800
Business Services Division	445,600	488,900	355,900	324,400
Printing and Distribution	639,300	720,700	720,400	731,700
DEPARTMENT TOTAL:	\$ 2,360,500	\$ 2,577,000	\$ 2,113,400	\$ 2,109,900
TOTAL EXPENSES:	\$ 24,891,700	\$ 25,607,700	\$ 25,458,800	\$ 27,323,100
<u>REVENUE:</u>				
Membership Fees	\$ 23,613,400	\$ 23,700,000	\$ 24,195,000	\$ 26,600,000
Investment and Other Revenue	1,641,300	1,907,700	1,869,200	1,723,100
One Time Earth Day Reimbursement	1,780,000	0	0	0
TOTAL REVENUE:	\$ 27,034,700	\$ 25,607,700	\$ 26,064,200	\$ 28,323,100
Excess of Revenue Over Expenses	\$ 2,143,000	\$ 0	\$ 605,400	\$ 1,000,000

AUTHORIZED PERSONNEL	205	205	205	205
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CHEMICAL MANUFACTURERS ASSOCIATION

COMMENTS ON SUMMARY OF PROGRAM EXPENSES

GENERAL BACKGROUND AND COMMENTS

The Summary of Program Expenses project was commissioned by CMA's Officers led by the Vice Chairman. The summary remains a work in progress in a number of respects, but is a first attempt at fully costing the Association's programs. There is no comparable history in prior years, however, the Projected FY 1994/95 Results and Proposed FY 1995/96 Budget have been prepared on a comparable basis. The analysis extends only to those programs directly supported by CMA dues.

Operating Departments estimated their effort and Outside Purchased Services directly to the programs. Administration and Support Activities were allocated based on the ratio of exempt program specific person years as identified to the various programs.

RESULT OF ANALYSIS:

For the FY 1994/95 and FY 1995/96 years, CMA's resources are directed as follows:

	<u>FY 1994/95</u>	<u>%</u>	<u>FY 1995/96</u>	<u>%</u>
Environmental, Health, Safety & Operations	\$14,036,700	55%	\$15,635,400	57%
Responsible Care®	3,091,600	12%	3,455,500	13%
Chemical Industry Business Programs	3,385,100	13%	3,324,700	12%
Other Chemical Industry Programs	<u>4,945,400</u>	<u>20%</u>	<u>4,907,500</u>	<u>18%</u>
	<u>\$25,458,800</u>	<u>100%</u>	<u>\$27,323,100</u>	<u>100%</u>

VALUE ADDED TO INDUSTRY:

Measures in this category are clearly a work in process, however, individual program areas roughly estimated industry savings resulting from some of their most significant efforts and reflected:

	<u>FY 1994/95</u>	
Environmental, Health, Safety & Operations	\$31,326	Million
Responsible Care®	To be determined	
Chemical Industry Business Programs	4,782	Million
Other Chemical Industry Programs	<u>25</u>	Million
	<u>\$36,133</u>	Million

SUMMARY

The approved FY 1995/96 budget represents staff's best effort to reflect Board and Committee guidance as to relevant priorities within the recommended \$27,323,100 annual budget. The FY 1995/96 budget results in a contribution to reserves of \$1,000,000 with no change in staff.

CHEMICAL MANUFACTURERS ASSOCIATION
APPROVED BUDGET - SUMMARY BY PROGRAM EXPENSES
FY 94/95 Projected Results and Approved FY 95/96 Budget

	Audited FY 93/94 Results	Approved FY 94/95 Budget	Projected FY 94/95 Results	Approved FY 95/96 Budget
ENVIRONMENTAL, HEALTH, SAFETY & OPERATIONS:				
Air Programs			\$ 1,285,000	\$ 1,622,900
Engineering, Operations and Community			1,378,700	1,525,600
Hazardous Waste Cleanup (Superfund)			2,895,900	2,439,300
Hazardous Waste Management (RCRA)			1,215,400	1,294,400
International Affairs Program			809,700	909,700
Occupational Health & Safety			712,600	744,300
Pollution Prevention Program			338,400	453,400
Product Stewardship & TSCA Program			898,700	830,100
Toxics Use Reduction			848,700	1,348,500
Public Health			296,400	503,500
Risk Assessment, Mgt., & Communication			2,189,300	2,883,600
Water			1,167,900	1,080,100
TOTAL	\$ 0 *	\$ 0 *	\$ 14,036,700	\$ 15,635,400
RESPONSIBLE CARE:				
Responsible Care Program			\$ 1,755,700	\$ 2,058,100
CAER Code			167,600	243,700
Pollution Prevention Code			284,700	321,600
Product Stewardship Code			267,500	197,300
Distribution Code			242,400	235,400
Employee Health & Safety Code			201,900	207,200
Process Safety Code			171,800	192,200
TOTAL	\$ 0 *	\$ 0 *	\$ 3,091,600	\$ 3,455,500
CHEMICAL INDUSTRY BUSINESS PROGRAMS:				
Distribution Emergency Resp. Safety, Econ			\$ 1,024,600	\$ 1,028,900
Energy & Petrochemical Feedstocks			571,300	606,400
International Trade & Intellectual Property			1,312,500	1,111,700
Taxation			476,700	577,700
TOTAL	\$ 0 *	\$ 0 *	\$ 3,385,100	\$ 3,324,700
OTHER CHEMICAL INDUSTRY PROGRAMS:				
Federation of State Chemical Associations			\$ 1,835,900	\$ 1,885,000
Liability and Legal Reform			638,800	909,300
Other			2,470,700	2,113,200
TOTAL	\$ 0 *	\$ 0 *	\$ 4,945,400	\$ 4,907,500
TOTAL EXPENSES	\$ 24,891,700	\$ 25,607,700	\$ 25,458,800	\$ 27,323,100
REVENUE:				
Membership Fees	\$ 23,613,400	\$ 23,700,000	\$ 24,195,000	\$ 26,600,000
Investment Revenue	1,107,700	1,300,000	1,575,100	1,738,700
Separate Program Net Revenue (Expense)	30,000	0	(337,100)	(829,500)
All Other	2,283,600	607,700	631,200	813,900
TOTAL GENERAL REVENUE:	\$ 27,034,700	\$ 25,607,700	\$ 26,064,200	\$ 28,323,100
CONTRIBUTION TO (Use of) RESERVES:	\$ 2,143,000	\$ 0	\$ 605,400	\$ 1,000,000

PROGRAM ALLOCATION BASIS - EXEMPT COMMITTEE DEDICATED STAFF	N/A	N/A	96	96
AUTHORIZED PERSONNEL	205	205	205	205

* This is the first year in which the CMA Programs are being presented on a fully costed basis. No comparable data exists for FY 93/94 Audited Results and FY 94/95 Approved Budget.

CHEMICAL MANUFACTURERS ASSOCIATION
APPROVED BUDGET - SUMMARY OF REVENUE AND EXPENSES
BY NATURAL EXPENSE CLASSIFICATION
FY 94/95 Actual, FY 95/96 Budget and Projected Results
Approved FY 95/96 Budget and Program Costs

	FY 93/94 Actual Results	Approved FY 94/95 Budget	Projected FY 94/95 Results	Approved FY 95/96 Budget
REVENUE:				
• Membership Fees	\$ 23,613,400	\$ 23,700,000	\$ 24,195,000	\$ 26,600,000
• Investment Revenue	1,107,700	1,300,000	1,575,100	1,738,700
• Responsible Care Partnerships	76,100	103,000	130,000	184,000
• Annual & Semiannual Meetings	141,600	200,900	247,500	248,700
• CMA News Ad Revenue	0	0	16,000	81,900
• Sale of Material	221,100	155,700	101,600	150,200
• Meetings & Workshops	63,200	128,100	115,200	128,200
• MSDS Central Dividends/(Support)	0	0	(470,000)	(226,400)
• CHEMTREC Center Revenue (Expense)	(15,000)	0	(156,400)	(603,100)
• Separate Program Net Revenue (Expense)	45,000	0	289,300	0
• All Other	1,781,600	20,000	20,900	20,900
TOTAL REVENUE:	\$ 27,034,700	\$ 25,607,700	\$ 26,064,200	\$ 28,323,100
STAFF AND RELATED EXPENSES:				
Salary & Related Expense	\$ 10,048,000	\$ 10,661,100	\$ 10,829,800	\$ 11,574,800
Employee Benefits	2,641,600	3,090,400	2,637,100	3,036,900
Travel & Staff Training	1,049,400	1,020,500	1,029,400	1,073,400
Dues, Subscriptions & Publications	207,700	182,300	200,400	201,900
Outside Computer Services	362,800	294,700	352,100	381,900
Meetings & Workshops	219,900	193,700	206,700	206,200
General Printing, Art & Graphics	116,300	133,000	120,100	120,400
Direct Postage, Freight & Delivery	330,400	348,600	329,400	324,400
Direct Supplies & General Office	280,200	152,200	188,400	171,200
Direct Taxes, Insurance & Audit	869,600	935,100	912,300	1,019,000
Subpoena Response & Defendant Litigation	(4,300)	225,000	175,000	100,000
Rent & Occupancy	1,870,400	1,988,700	1,913,000	2,675,100
Common Costs	1,802,000	1,866,800	2,004,600	2,695,200
Administrative Support to Separate Programs	(742,600)	(855,700)	(1,277,900)	(2,308,400)
TOTAL:	\$ 19,051,400	\$ 20,236,400	\$ 19,620,400	\$ 21,272,000
OUTSIDE PURCHASED SERVICES:				
Printed Publications & Material	\$ 304,100	\$ 216,000	\$ 229,400	\$ 234,500
Audiovisual Material & Support	140,700	156,500	166,500	156,500
Public Relations Counsel & Research	92,100	99,000	66,000	160,000
Media Tours & Related Expense	216,700	211,000	211,000	211,000
Responsible Care Panel Support	294,100	268,000	276,000	275,000
Implement Responsible Care® Codes	671,300	362,000	317,000	591,500
Federal Legislative Consulting & Coalitioning	452,100	471,600	526,600	511,600
State Legislative Consulting & Coalitioning	98,400	96,200	115,200	139,200
CIC Organizational Support	246,000	214,000	211,000	597,000
State Issues & Project Support	557,800	569,500	539,000	102,500
Regulatory, Legislative & Economic Analysis	1,489,400	1,643,400	1,987,600	1,807,300
Outside Legal Fees	1,277,600	1,064,100	1,193,100	1,265,000
TOTAL:	\$ 5,840,300	\$ 5,371,300	\$ 5,838,400	\$ 6,051,100
TOTAL EXPENSES:	\$ 24,891,700	\$ 25,607,700	\$ 25,458,800	\$ 27,323,100
CONTRIBUTION TO (USE OF) RESERVES:	\$ 2,143,000	\$ 0	\$ 605,400	\$ 1,000,000

AUTHORIZED PERSONNEL	205	205	205	205
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