CHEMICAL MANUFACTURERS ASSOCIATION

RESPONSIBLE CARE® DEPARTMENT

Approved Fiscal Year 1995/96 Budget

CMA 054389

CHEMICAL MANUFACTURERS ASSOCIATION

COMMENTS ON RESPONSIBLE CARE® DEPARTMENT

GENERAL COMMENTS AND BACKGROUND:

The Responsible Care® initiative was approved at the September and October 1988 meetings of the Board of Directors and the full membership of the Association. Several enhancements to the Responsible Care® initiative were adopted by the CMA Board in June 1993 at the recommendation of the Board Responsible Care® Committee. The initiative consists of ten major elements which are supported by the staff and budget reflected on the opposite page. The elements include:

- Guiding Principles for Responsible Care®.
- Codes of Management Practices.
- Member Company Self-Evaluation.
- Code Performance Measures.
- Management Systems Verification.
- Executive Leadership Groups.
- Mutual Assistance.
- Public Advisory Panel.
- Partnership Program.
- Participation as an Obligation of CMA Membership.

SUMMARY OF COMMENTS ON FY 1995/96 BUDGET:

The Responsible Care® Department consists of four exempt and four nonexempt employees. Additionally, the budget assumes support of member company volunteers and contractors working at CMA to continue to assist CMA members in the full implementation of the initiative. The efforts of the Responsible Care® Department are augmented by CMA staff in other departments who have specific Responsible Care® related assignments.

Outside purchased services includes funds to support the Public Advisory Panel, the Code Self-Evaluation management process, and consultants to support the Responsible Care® implementation process. Ongoing support and costs for each of the six codes are budgeted within the operating divisions in the Regulatory Affairs Department that have continuing implementation responsibility for each code. These costs include the development of Code implementation resources and performance measures.

Revenue assumes that the supporting material developed for each code such as publication and video material will be sold at a level to recover cost and generate some offsetting revenue to support the implementation of the initiative. Additionally, revenue will be generated to support the initiative through the Responsible Care® Partnership Program.

RESPONSIBLE CARE® CODES AND CMA STANDING COMMITTEES INCLUDE:

- Community Awareness and Emergency Response (CAER) Code - Environmental, Health, Safety and Operations Committee
- Pollution Prevention Code - Environmental, Health, Safety and Operations Committee
- Process Safety Code - Environmental, Health, Safety and Operations Committee
- Distribution Code - Distribution Committee
- Employee Health & Safety Code - Environmental, Health, Safety and Operations Committee
- Product Stewardship Code - Environmental, Health, Safety and Operations Committee

PROGRAM ALLOCATION

	Projected FY 94/95 Total	Approved FY 95/96 Staff Allocation	Approved FY 95/96 OPS Support	Approved FY 95/96 Total
Responsible Care:				
Responsible Care Program	$ 664,900	$ 244,600	$ 537,000	$ 781,600
CAER Code	71,000	81,500	0	81,500
Pollution Prevention Code	71,000	81,500	0	81,500
Product Stewardship Code	71,000	81,500	0	81,500
Distribution Code	71,000	81,500	0	81,500
Employee Health & Safety Code	71,000	81,500	0	81,500
Process Safety Code	71,000	81,500	0	81,500
TOTAL	$ 1,090,900	$ 733,600	$ 537,000	$ 1,270,600
Chemical Industry Business Programs:				
Distribution Emergency Resp, Safety, Econ	$ 0	$ 0	$ 0	$ 0
Energy & Petrochemical Feedstocks	0	0	0	0
Federation of State Chemical Associations	35,100	40,800	0	40,800
International Trade & Intellectual Property	35,500	40,800	0	40,800
Taxation	0	0	0	0
TOTAL	$ 70,600	$ 81,600	$ 0	$ 81,600
TOTAL EXPENSES	$ 1,161,500	$ 815,200	$ 537,000	$ 1,352,200

SUMMARY COMMENTS ON FY 1995/96 BUDGET:

The approved budget for the department is increased to $1,352,200, which is an increase of 16% over the FY 1994/95 projected results. The staff complement is comprised of eight positions, four exempt and four support.

CHEMICAL MANUFACTURERS ASSOCIATION

APPROVED BUDGET

FY 93/94 Actual, FY 94/95 Budget and Projected Results

Approved FY 95/96 Budget and Program Costs

RESPONSIBLE CARE® DEPARTMENT

REVENUE AND EXPENSES BY LINE ITEM

	FY 93/94 Actual Results	Approved FY 94/95 Budget	Projected FY 94/95 Results	Approved FY 95/96 Budget
REVENUE:				
• Responsible Care® Partnership Program	$ 76,100	$ 103,000	$ 130,000	$ 184,000
• Open Meetings and Workshops	(33,600)	7,500	7,500	7,500
• Sale of Material	31,600	75,000	75,000	75,000
TOTAL REVENUE:	$ 74,100	$ 185,500	$ 212,500	$ 266,500
STAFF AND RELATED EXPENSES:				
Salary & Related Expense	$ 291,300	$ 327,300	$ 343,700	$ 363,300
Employee Benefits	82,000	100,300	84,200	101,100
Travel & Staff Training	65,600	70,100	58,600	59,600
Dues, Subscriptions & Publications	1,100	900	15,000	14,000
Outside Computer Services	0	0	0	0
Meetings & Workshops	(5,500)	1,500	2,000	2,000
General Printing, Art & Graphics	6,800	29,000	24,500	24,500
Direct Postage, Freight & Delivery	36,600	31,100	32,000	32,000
Direct Supplies & General Office	4,100	4,700	4,300	4,300
Direct Taxes, Insurance	28,900	32,000	31,700	34,500
Rent & Occupancy	47,100	47,700	54,900	114,100
Common Costs	62,100	64,300	58,600	65,800
TOTAL:	$ 620,100	$ 708,900	$ 709,500	$ 815,200
OUTSIDE PURCHASED SERVICES:				
• Printing & Material Distribution	$ 30,800	$ 30,000	$ 30,000	$ 30,000
• Audiovisual Production & Material	0	0	10,000	0
• Public Relations Counsel & Research	16,200	79,000	46,000	50,000
• Responsible Care® Panel & Consultant Support	294,100	268,000	276,000	275,000
• Tracking System	50,000	50,000	55,000	72,000
• Development of Process Safety Code	0	0	0	0
• Responsible Care® Program Review	25,000	25,000	35,000	110,000
TOTAL:	$ 416,100	$ 452,000	$ 452,000	$ 537,000
TOTAL EXPENSES:	$ 1,036,200	$ 1,160,900	$ 1,161,500	$ 1,352,200

AUTHORIZED PERSONNEL	8	8	8	8

CHEMICAL MANUFACTURERS ASSOCIATION

COMMENTS ON PARTNERSHIP FEE SCHEDULE

HISTORY AND BACKGROUND

The Partner Fee Schedule as reflected on the opposite page was approved by CMA's Board of Directors in conjunction with the FY 1994/95 approved budget.

Unlike the Partner Company fee, which increases as chemical sales and/or use increase, the Partner Association fee is fixed at $5,000. Similarly, the fee for State Chemical Industry Council's (CICs) is waived because of CMA's and the CIC's preexisting mutual obligations pursuant to the compact of the Federation of State Chemical Associations.

The Responsible Care® Division has estimated that the direct cost of supporting a Partner Company is approximately $2,000.

RECOMMENDATION

1. Approve the fee schedule unchanged as indicated on the opposite page.

CHEMICAL MANUFACTURERS ASSOCIATION

Responsible Care® Partner Company
Sales Report and Worksheet for Calculating
and Remitting Partnership Fees

Under the criteria for Responsible Care® Partner Companies, the Partner fees as established annually by CMA's Board of Directors is assessed for the fiscal year which extends from June 1 to May 31. The basis for the fee is the preceding calendar year chemical-related sales of each Partner Company. Chemical-related sales are those sales derived from the manufacture, use, formulation, distribution, transportation-storage, and/or treatment-disposal of chemicals.

FOR COMPANIES ELIGIBLE FOR CMA MEMBERSHIP:

Fee Classification Calendar Year 1994 Sales - $ Million		Fixed Fee (A)	Calendar Year 1994 Actual Chemical-Related Sales		Rate		Variable Fee (B)
Under	$10.0	$ 1,000	($______	x	.00625%)	=	$______
10.0	25.0	$ 3,000	($______	x	.00625%)	=	$______
25.0	100.0	$ 5,000	($______	x	.00625%)	=	$______
100.0	200.0	$10,000	($______	x	.00625%)	=	$______
200.0	300.0	$20,000	($______	x	.00625%)	=	$______
300.0	400.0	$30,000	($______	x	.00625%)	=	$______
400.0 and Over		$30,000	($______	x	.0125%)	=	$______

The total annual fixed plus variable fee (A+B) from the appropriate line above is $______.

FOR COMPANIES NOT ELIGIBLE FOR CMA MEMBERSHIP:

Fee Classification	Amount of Annual Fee
Under $20.0 Million	$2,000
Over $20.0 Million	$2,000 + .00625% of chemical-related sales over $20.0 million - Not to exceed a total fee of $65,000.

FOR PARTNER ASSOCIATIONS:

Fixed Fee $5,000

FOR STATE CHEMICAL INDUSTRY COUNCILS (CICs):

The fee is waived.