



August 30, 2019

To: USMS House of Delegates
From: Dawson Hughes - USMS CEO, USMS Board of Directors
RE: **Unified USMS Membership Fee Concept**

During the Wednesday meeting of the USMS Board of Directors at the 2018 USAS Convention, the topic of the future of USMS membership fees was discussed. During the discussion, which was initially to consider whether we should set the 2020 fee during the 2018 meetings, a member of the audience commented that USMS should evaluate the benefits and mechanics of moving the organization toward unified membership fees nationally (rather than continuing the current method of adding a local fee to a national fee).

The Board directed the National Office to review the concept, evaluate the benefits, and make recommendations. The senior leadership at the National Office has been meeting regularly since October and updating the Board throughout the year. The conversations developed into two outcomes. First, the unified fee concept has benefits that make it worthwhile to work on a transition plan. Second, many LMSCs spend the bulk of their budget on the costs associated with the USMS Annual Meeting, resources that could be better utilized and refocused at the local level. The overall concept being socialized is designed to address those two main goals.

Below is a timeline of events and details that led to where we are with this concept today. Also provided are unified fee definitions and Frequently Asked Questions. It is important to note that this is an idea that has been discussed in volunteer circles for a decade. While the National Office has taken the lead in building a transition strategy with guidance and direction from the Board of Directors, numerous volunteers have been involved in the conversation and research throughout all the milestones and outcomes listed below.

UNIFIED FEE: **DEFINITIONS** **FREQUENTLY ASKED QUESTIONS**

Historical Timeline:

1. 2010: Membership and Dues Task Force references interest in unifying fees.
2. 2012: Membership Products Task Force made recommendations to move toward a standard fee to allow for flexibility to potentially offer multi-year memberships and lifetime memberships, among others.
3. 2013: Open Water Task Force developed a recommendation to evaluate an open water participant membership, but logistical problems were noted, and it was determined to not be practical at the time. (The assumption is that impracticality was due to fee structure.)
5. [2017 Summer Board of Directors meeting](#): multi-pronged strategy (USMS:2020) was outlined, which included a vision to unify fees by 2020.



6. **2018 Convention BOD meeting:** future fees were discussed, and a unified fee was a question that came from the audience. A high percentage of those in attendance agreed we should proceed, and the Board directed the National Office to begin research.
7. **2019 Winter BOD Meeting:** The National Office presented its initial findings and early assumptions, including the multitude of benefits that could be implemented. The Board of Directors evaluated various segments of LMSCs and the financial impact of the transition both for USMS nationally and each LMSC. The Board consensus recommendation for the National Office to continue to develop recommendations with a transition happening as quickly as possible.
8. **2019 LMSC Summit:** Feedback session with LMSC leadership on benefits we should be offering our members. *(See Unified Fee Benefits Matrix.)*
9. **May 2019 BOD Call:** Outlined assumptions again prior to starting work on 2020 budget.
10. **June/July 2019:** Throughout June and July, a Board Communication Group contacted LMSCs for feedback on concept.
11. **Summer Board Meeting:** Discussed the generally positive feedback received from LMSC calls and approach to allowing LMSCs to opt in for 2020 with a goal of implementation in 2021. BOD accepted budget assumptions that include the multiyear transition to a unified fee structure.

Benefits Realized by Transition *(See Unified Fee Benefits Matrix.)*

Most mentioned:

- Multi-year memberships
- Segmented types of membership
- Automatic renewals
- Bulk USMS registration and renewals of club members and ability to include USMS fees in club dues

Annual Meeting Subsidy Background:

- During evaluations of LMSC budgets, it was clear that the largest budget item for almost every LMSC is the USMS Annual Meeting. It is the only expense line for some.
- Utilizing LMSC funds locally is a more efficient focus of LMSC resources for members.
- At a strategic level, removing some of the burden of convention from LMSCs should refocus LMSC priorities on local membership value and benefits.
- Vision is for national budget to absorb all convention expenses over time.
- **LMSC Focus of Resources Menu** was developed as a resource for ideas on how to spend additional funds.
 - Provides answers to questions on what to do with LMSC money

LMSC Data (current):

- 9 LMSCs have fees above \$13 (highest is \$21)
- 24 LMSCs have fees between \$10-\$13
- 19 LMSCs have fees below \$10 (lowest is \$5)



Proposed Structure

- \$60 USMS membership fee (\$12/20% to LMSC) potentially implemented in 2021
- National budget will absorb the cost of accommodations for all delegates at the USMS Annual Meeting.
- Goal is to use 2020 as a transition and planning year
- No increase to national portion of the USMS membership fee is proposed for 2020, but USMS membership fee target is \$60 upon transition to unified USMS membership fee (combined national and LMSC).
- For 2020, LMSCs that wish to voluntarily opt in to begin the transition in 2020 may do so.
 - The unified USMS membership fee is \$60 and is comprised of the \$45 national fee and a \$15 LMSC fee, of which a \$3 contribution will be committed back to the national budget by agreement of the LMSCs that are opting-in to the unified fee.

Over time, the vision is that the USMS Membership Fee will be set at \$60 with 20% (\$12) of the fee distributed to LMSCs. The \$3 voluntary commitment to the national budget for 2020 is a mechanism to allow LMSCs that wish to begin a possible transition to a unified fee now, to do so. The LMSC \$3 contribution will be eliminated if/when the unified USMS Membership Fee is implemented.

- The \$3 LMSC contribution allocated to pay LMSC hotel accommodations at the Annual Meeting for those LMSCs who voluntarily opt-in to the unified fee and permits USMS to fully invest in 2020 initiatives for the benefit of all the membership.
- [Empower LMSCs to refocus their funds locally.](#)

LMSC Data (2021)

- 9 LMSCs would have total fee remain flat or decrease
- Remaining 43 would have an increase ranging from \$2-\$10
 - Many with increases, need to increase fees and have indicated they already had plans to do so (regardless of the unified fee concept) to sustain budgets

Safety Net

- Unified Fee working group has researched impacts to LMSC revenue.
 - Only 9 LMSCs will reduce revenues, which will be partially offset by convention subsidy.
- USMS already provides a sanction fee rebate program for LMSCs that may have financial based need.
- USMS is also evaluating a scholarship program for LMSCs that may not have funds to attend LMSC Development Summit that would take place in 2021.
- LMSCs should contact the National Office if a worthwhile local program, event, or activity is identified for which an LMSC doesn't feel it has the financial resources available. The staff can help navigate details and the national budget may have financial resources to provide support.



Opt-in Process

- LMSCs that wish to opt in simply need to contact the National Office volunteer services department informing them of their plans for 2020 fees. The USMS Membership fee for their members will be \$60. LMSCs will set their fee at \$15 for 2020 and they will commit to receiving \$12 of the fee in 2020, contributing \$3 to the national budget.
- Annual Meeting subsidy will be provided to cover the cost of hotel accommodation at the USMS Annual Meeting in 2020 for those LMSCs that opt in.

Please review all the links in this document regarding the Unified Fee concept in advance of the 2019 USMS Annual Meeting. The [definitions](#) and [frequently asked questions](#) will answer questions. The [Unified Fee Benefits Matrix](#) and [LMSC Focus of Resources Menu](#) also provide additional detail. Delegates will receive further information on the concept and transition plan and will have a chance to discuss at various times during our upcoming meetings. There are no legislative proposals associated with the Unified Fee. This is simply an opportunity to learn about the benefits and gather information to discuss intelligently with your LMSC. Those LMSCs that wish to voluntarily opt in early may do so. Those that want to perform more due diligence and research have that option as well. Based on ongoing feedback from LMSCs over the next 6-8 months, the Board of Directors will determine the appropriate path forward and corresponding legislation.

Shifting USMS to a unified fee structure nationally will provide the organization with more streamlined processes, operational efficiencies, and improved marketing capabilities. The unified fee allows us to evaluate member benefits and products that have come to be expected. And finally, the unified fee will provide a pathway to offer greater administrative and marketing functions for USMS member clubs. With this shift for the future, USMS can establish a structure that paves the way to be the premier resource for adult aquatic fitness in the United States and make fitness through swimming available for as many adults as possible for decades to come.