

SUBJECT: FY 2020 WAIVER FROM RESERVE REQUIREMENT POLICY

SUBMITTED BY: Joint Board House Budget Review Committee

REFERRED TO: House of Delegates

1 WHEREAS, the AOA Reserve Requirement Policy RES. NO. H-701 – A/2013 requires that
2 the AOA’s operating budget be balanced on an annual basis; and

3 WHEREAS, the AOA anticipates a significant decline in FY2020 dues revenue from FY2019
4 and prior years because of the decrease in annual membership dues (regular
5 membership dues category reduced by \$90 beginning in FY 2020) and the elimination
6 of the \$90 annual certification maintenance fee; and

7 WHEREAS, the extent to which membership – and therefore membership dues revenue - will
8 decline in FY2020 because of the decoupling of membership from certification is
9 uncertain and unpredictable; and

10 WHEREAS, the AOA’s revenues from accreditation of postdoctoral training programs will
11 continue to decline as the transition to the single postdoctoral accreditation system
12 continues; and

13 WHEREAS, the AOA budget contained an operating deficit of \$6.4 million when the Finance
14 Committee met on June 24, 2019 to review the budget; and

15 WHEREAS, the reserve balance at May 31, 2020 is projected to be 78.4 percent of total
16 operating expenses two years earlier as compared to a reserve requirement of 75
17 percent; and

18 WHEREAS, the AOA Finance Committee will continue to attempt to balance the operating
19 budget in FY 2020 and FY 2021; now, therefore, be it

20 RESOLVED, that the AOA House of Delegates waives the requirements contained in the
21 Reserve Requirement Policy for Fiscal Year 2020 (June 1, 2019 – May 31, 2020) to fund
22 the budgeted net operating deficit of \$4.5 million from reserves; and, be it further

23 RESOLVED, that the Joint Board/House Budget Review Committee will report back to the
24 House of Delegates at its annual business meeting in 2020.

ACTION TAKEN _____

DATE _____

****EDITORIAL NOTE:** Per the HOD Speaker, due to the nature and timing of this resolution it will not need to be addressed by the Rules & Order of Business Reference Committee as a late entry.**