



Education and Leadership for a Lifetime

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To: MSHSL Member Schools
From: Erich Martens, MSHSL Executive Director
Date: August 3, 2023
Re: 2023-2024 Membership Dues

Each year the Minnesota State High School League's Board of Directors approves an annual budget and sets the membership dues for our member schools. Earlier this week, at the August 1, 2023, MSHSL Board of Directors meeting, the Board reviewed all financial year-end documents and established both the 2023-2024 annual budget and the annual membership dues.

Background

During the challenge of the COVID Pandemic, the Minnesota State High School League engaged a Financial Advisory Committee in the 2020-2021 school year to establish a sustainable financial model that would prevent the emergency action needed should significant disruptions take place. The model developed by the Committee was approved by the Board in June of 2021 and has been followed since that time.

The Board has determined that, at this time, annual revenue sources shall include membership dues of \$2.25 million on an annual basis. Through the pandemic, and beyond, the League has received outstanding financial support from its membership and through strong financial stewardship has dramatically improved the financial position of the League. Beyond the commitment and financial support of our member schools, expenses have been contained and there have been increased revenues through a variety of sources which include:

- Strong attendance at state tournaments,
- Souvenir and merchandise sale increases,
- Assistance through federal financial programs,
- A new sponsorship contract with Playfly Sports Properties,
- Increased streaming and broadcast revenues, and
- Increased investment income.

Establishing Membership Dues

The setting of the MSHSL Membership Dues follows the sustainable model developed by the Finance Advisory Committee. Membership dues have three components: membership, amount per registered activity, and amount per student. With the annual total dues of \$2.25 million determined, the breakdown of per school membership dues would be:

- Membership: \$100 per school
- Activity Registration: \$160 per activity
- Student Fees: \$2.25 per student based on MSHSL enrollment

Due to the growth in revenues and contained expenses, the League recognized excess revenues of \$2.35 million as of the end of the 2022-2023 fiscal year. As a result of these excess dollars and decisions by the Board, member schools will receive a credit on both the 2023-2024 and 2024-2025 membership dues. By providing a credit on membership dues for member schools in two successive years, membership dues will be less volatile and more predictable. In 2023-2024, the credit to member schools totals \$1,425,000 and in 2024-2025, \$925,000 will be credited.

2023-2024 Membership Dues

In May 2023, member schools received information indicating that the projected membership dues would be the amount listed above. In applying the credit explained above and in following the sustainable financial model, the resulting membership dues for this year will be equivalent to:

- Membership: \$100 per school
- Activity Registration: \$75 per activity
- Student Fees: \$0 per student based on MSHSL enrollment

The new membership dues are the lowest membership dues for schools in 13 years. Schools will see one invoice from the League in mid-August listing both the school's projected Membership Dues and their resulting credit. The amount paid by schools for 2023-2024 will be the difference between these two amounts.

The League is directed by the MSHSL Constitution and Board Financial Policy in determining the limits on League carryover and is diligent in its stewardship of our schools' contributions. The Board's approval of the credits for our member school is fully in line with the long-range goal of the Financial Advisory Committee that was assembled during the COVID-19 pandemic.