

Affiliation Agreement between the National Continuing Care Residents Association and the Florida Continuing Care Residents Association

This Affiliation Agreement (“the Agreement”) is entered into as of this ____ day of _____ 20XX, by the National Continuing Care Residents Association (“NaCCRA”) and the Florida Continuing Care Residents Association (“FLICRA”), both of which have administrative offices at 325 John Knox Rd, Suite L103, Tallahassee, FL, 32303.

Article 1

Purpose

- 1.1 NaCCRA and FLICRA seek jointly to advance the quality of life for older Americans and to promote and improve congregate living and continuing care.
- 1.2 NaCCRA is concerned principally with matters of national import. FLICRA addresses matters of concern to members in Florida.

Commented [JC1]: I don't expect that there is any controversy concerning either of these premises.

Article 2

Individual Joint Membership

- 2.1 NaCCRA will collect such dues for individual joint membership as may be agreed upon between NaCCRA and FLICRA from time to time. Membership in both organizations is individual.
- 2.2 Membership in FLICRA shall accrue automatically to those NaCCRA individual members who reside in Florida.
- 2.3 Initially dues for individual joint NaCCRA/FLICRA membership are established at \$28 per annum (including an \$8 FLICRA surcharge) for the first person residing in a household; \$23 per

Commented [JC2]: The shift from association memberships to individual memberships is a big step for NaCCRA, but it is one that has been evolving over several years.

Most of today's Board members advanced into leadership from individual membership. It has been rare for a state or community association to nominate anyone for service on NaCCRA Committees or for the leadership.

annum (also including an \$8 FLICRA surcharge) for a second person residing in the same household; and at ten times the annual dues for lifetime membership.

2.4 Based on the current dues schedule, once FLICRA has 100 individual joint members, NaCCRA will grant \$18 per individual for the first person living in a household to FLICRA. The grant for second persons in a household shall be \$13.

2.5 FLICRA and NaCCRA recognize the economies of scale that are possible with FLICRA's membership, which is by far the largest in the nation. Hence, NaCCRA agrees that once FLICRA has 1000 individual joint members, NaCCRA will grant an additional \$1 per individual per year for the first person living in a household to FLICRA. The grant will increase by \$1 for every additional 1000 individual joint members to a maximum additional grant of \$15 per individual per year.

Elaboration:

<i>Number of individual joint FLICRA/NaCCRA Members</i>	<i>NaCCRA grant to FLICRA per individual joint member</i>
0 to 999	\$18
1000 to 1999	\$19
2000 to 2999	\$20
3000 to 3999	\$21
4000 to 4999	\$22
5000 and over	\$23

2.6 These grant amounts are subject to change when NaCCRA's Board revises the dues schedule.

2.7 FLICRA can add a State Affiliate surcharge to these dues at any time that the FLICRA Board decides that supplemental income is

Commented [JC3]: The specific dues figures illustrated here reflect the current level of individual dues in FLICRA plus a \$10 payment to fund NaCCRA's joint membership initiative.

It's up to FLICRA to determine that total that is sufficient to provide the \$10 to NaCCRA that Bennett Napier has indicated is needed (given electronic delivery of LifeLine) and to fund FLICRA's operations. The dues illustrated assume no change in FLICRA's current dues structure.

Commented [JC4]: This reflects the change from having state membership accrue to those organizations which pay a flat \$500 annual fee to a NaCCRA membership model based on the number individual memberships generated by a state organization.

Commented [JC5]: At this stage in the empowerment of residents across the nation, NaCCRA needs FLICRA more than FLICRA may believe that it needs NaCCRA based solely on the criterion that the number of individual dues paying members is what generates influence with legislators and policymakers.

FLICRA has been far more effective at membership development than NaCCRA has been or, for that matter, than any other state resident organization has been. FLICRA is the paradigm for the rest of the nation.

The benefit for FLICRA is that Florida residents will be given a stronger voice in national organizations, like the National Association of Insurance Commissioners, which are able to devise uniform legislation for national enactment in Florida and other states.

FLICRA also gains a stronger voice at the Federal level in the determination of tax policy as it affects the CCRC industry and in the development of national policy affecting the elderly, including a sound and affordable healthcare system and adequate support for long term care services and supports.

Commented [JC6]: This is purely judgmental to reflect the economies that can result within Bennett Napier's Partners in Association Management organization. If, when, and as there is a transition to joint membership, the costs of membership billing, collecting, accounting, and services will be halved as there will be only one point of membership contact where now there are two. That will result in significant economies.

Bennett has this all under review and the specifics may change reflective of his business analysis of how joint membership is likely to impact the cost structure of his joint relationships with FLICRA and NaCCRA.

The result, illustrated here, assumes that FLICRA continues to fund Bennett's administration of joint memberships so that the payment to NaCCRA to cover national advocacy efforts would be reduced with volume to just \$5 per joint member. This, result, however, has to be validated by Bennett as workable and practical.

needed.

- 2.8** NaCCRA can change the basic dues for individual joint membership at any time by action of the NaCCRA Board.

Commented [JC7]: The \$8 surcharge suggested in §2.3 is indicative of this kind of surcharge. Other states may be able to operate without such a surcharge – Washington State, initially at least, has elected to forego a surcharge – and it may be that FLICRA, too, will be able to eliminate the surcharge if the number of joint members qualifies for the maximum return “grant” to FLICRA from joint memberships.

Article 3

Reciprocal Commitments

- 3.1** Individual joint membership will include all privileges of membership in both organizations, including electronic distribution of LifeLine, which can include a FLICRA specific insert. Members can elect to receive postal delivery of LifeLine for an additional fee to be determined by NaCCRA’s Board on the basis of actual costs incurred. Initially, the additional fee for postal delivery of LifeLine will be \$12 per annum.

Commented [JC8]: In order to provide the most cost effective joint membership proposal, NaCCRA’s Board has already agreed to forego mailed distribution of LifeLine except for those members who subscribe separately to have postal delivery for a fee to cover costs, again as determined by Bennett Napier’s Partners organization.

- 3.2** FLICRA now pays \$500 a year to NaCCRA to support national activities. That payment will continue until such time as FLICRA has a minimum of 200 individual joint members. In the interim, the payment of \$500 per year (or such future amount as NaCCRA’s Board may determine from time to time) shall entitle FLICRA to designate as individual joint members people of its choosing until the number of such designated individuals exceeds the annual payment, currently \$500, divided by the individual joint membership dues, currently \$28 per individual plus \$23 for a second person living in the same household.

Commented [JC9]: Even with the signing of an agreement and a good faith effort by all to implement a members based strategy, it will take many years to transition from a weak association of associations toward the strength of membership numbers.

Example: FLICRA designates 12 individuals and 7 second persons living in a household. The individual joint membership dues that would otherwise aggregate from payments by the individuals will equal (12 x \$28 = \$336 plus 7 x \$23 = \$161, for a total of \$497). Since \$497 is less than the \$500 collectively paid, the designated persons shall be considered individual joint

We need a transitional financial structure so that we don’t throw the baby out with the bath water. And given the fragility and size of today’s NaCCRA, the metaphorical comparison with a baby is appropriate.

members of NaCCRA and FLICRA.

- 3.3** Community Associations in the state of Florida, which have been community supporters of NaCCRA in addition to their membership in FLICRA, may similarly designate as individual joint members people of its choosing until the number of such designated individuals times the individual joint dues that such designees would otherwise pay to NaCCRA exceeds the NaCCRA community association dues.

Commented [JC10]: Some people don't immediately grasp arithmetic concepts. This example might well be left out of the final document.

Since the purpose of this Draft was primarily to illustrate the concepts as the foundation for informed and intelligent discussion, it was thought desirable to include an example.

- 3.4** As an affiliate, FLICRA shall have such privileges as may be due to State Affiliates under the NaCCRA Bylaws or as may be determined by NaCCRA's Board from time to time.

Commented [JC11]: This is the same principle as §3.2 applied to community memberships rather than to the state memberships. When the transition is completed, i.e. when the state and community dues have been fully phased out, then state and community dues will be eliminated altogether.

In that distant future date, influence in NaCCRA will be determined by the number of members generated rather than by the mere payment of nominal dues.

Article 4

Option for Inclusion

- 4.1** FLICRA is not now a functional component of NaCCRA but is a separate organization for compliance and administrative purposes. FLICRA shall have a one-time Inclusion Option, exercisable at any time during the term of this Agreement, to forego its separate organization and to become a distinct organization within NaCCRA. The exercise of such option must be in writing and signed by the chief officers of both NaCCRA and FLICRA.
- 4.2** In that case, and beginning on a date to be determined (Inclusion Date) at the time the option is exercised, NaCCRA shall handle all matters of organizational compliance on behalf of both organizations, freeing FLICRA, as a distinct NaCCRA affiliate, to focus on policy matters in Florida. On and after the Inclusion Date only those individuals or couples who meet NaCCRA's membership requirements shall be considered to be individual FLICRA members.

Commented [JC12]: This option is included to present to state organizations, which may wish to forego the burdens of compliance and administration associated with separate operations, the option to do so.

Inclusion brings with it many benefits. It is the model followed, for instance, by the AARP which has allowed AARP to become one of the most influential organizations in the nation despite its questionable origins (it was founded by the Colonial Penn Life Insurance Company to sell insurance) and despite its ongoing conflict of interest between its dependence on insurance and other sales and its advocacy of policy for older Americans.

The Auto Clubs are illustrative of the alternative structure of state organizations with a weak national presence. That is part of why the National Highway Traffic Safety Administration has been ineffective and why traffic control requirements like the questionable painted bike lanes along high speed thoroughfares have persisted. The automobile industry is more organized than are the automobile consumers and that has worked to the detriment of automobile safety and efficiency in the United States.

Since there are more voices that favor local interests than there are voices for a national presence, it would take many years for the CCRC resident organizations to become a force with which providers would have to reckon.

- 4.3** Beginning on the Inclusion Date, if any, as determined in the preceding paragraph, NaCCRA will maintain joint membership records and handle all other routine administrative tasks on behalf of FLICRA and NaCCRA as provided in the contract between NaCCRA and Partners in Association Management, or any successor administrative entity, as that contract exists or may be amended from time to time.
- 4.4** NaCCRA is a 501(c)(3) tax qualified educational and public benefit corporation. On and after the Inclusion Date donations may be made to NaCCRA to support educational and public benefit activities in Florida. If FLICRA exercises the Inclusion Option, FLICRA will commit on after the Inclusion Date to ensure that such support complies with all requirements of the laws of Florida.
- 4.5** Upon receipt of certification of such compliance with respect to each such donation or like situated cohort of donations, NaCCRA agrees that such donated funds specified for use in the Florida will be applied as recommended by FLICRA assuming that following such a recommendation does not jeopardize NaCCRA's tax qualified status.
- 4.6** FLICRA will continue to maintain its separate 501(c)(4) organization which it can use for advocacy purposes at the state level beyond the advocacy limits permitted to a 501(c)(3) tax qualified corporation.
- 4.7** Activation of this provision requires inclusion within NaCCRA and such inclusion requires the written exercise of Inclusion Option above and will only take effect on and after the Inclusion Date.

Commented [JC13]: Inclusion would enable 501(c)(3) benefits, including tax deductibility of contributions, without questions of money laundering, undue advocacy, etc. that can accompany grants from a 501(c)(3) organization to a 501(c)(4).

Even with the Inclusion Option FLICRA would retain its separate 501(c)(4) organizations for such purposes for which a 501(c)(4) is best suited, while gaining the benefits of NaCCRA's 501(c)(3) status. The membership, leadership, and boards would most likely be identical for both the 501(c)(4) organization and the FLICRA NaCCRA Chapter if the Inclusion Option were to be exercised.

There is no expectation that FLICRA will ever choose the Inclusion Option. It is simply what it states, an option, a choice to be made when and if it is ever deemed to be desirable for FLICRA. It is a straightforward option given to FLICRA by NaCCRA.

Article 5

Miscellaneous

5.1 This Agreement may be terminated by either party upon thirty (30) days written notice to the addresses stated above. The Agreement may also be terminated by mutual written agreement of the parties at any time.

5.2 NaCCRA and FLICRA expressly acknowledge and agree that, absent exercise of the Inclusion Option, they are and shall remain separate legal entities and that no partnership, joint venture or agency is created by virtue of this Agreement. As such, neither party shall be authorized to incur any liability, obligation or expense on behalf of the other except as specified in the Agreement or other separate written agreement between the parties.

Commented [JC14]: Liability for the actions of the Board and officers only passes to NaCCRA if the Inclusion Option is exercised. Otherwise, full liability remains with the separate state organization.

This is less of a challenge for FLICRA given its size and resources than it is for other states in which a resident organization is still embryonic. Still, it is included here for the sake of consistency among all of the states.

In witness thereof the undersigned have signed the present Agreement.

Signed this ____ day of _____ 2016

By _____

Robert Nicholson, President, NaCCRA

By _____

Pat Arends, President, FLICRA