

Boys & Girls from 1A

The solution was to put the older teens in QCCF and keep the junior high kids in the main building.

But QCCF has its issues. It's located next to Siuslaw Middle School, a few miles away from the main building. And the interior is specifically designed for preschool.

BGC will have to spend money both on redesigning the building and physically moving the building next to the current BGC headquarters.

By doing that, the club ultimately hopes to save money. Instead of hiring additional staff to work in its current location, existing staff can easily walk back and forth between the two buildings when they are on the same property.

However, the move is not fully funded. While the majority of funds have been set aside, there is still a "significant" shortfall, according to Davis. The board declined to give exact figures.

BGC is currently applying for grants to cover the remainder of the cost, but the grants are not guaranteed.

While exact figures on how many grants end up getting fund-

ed are scarce, a 2004 report provided by the Foundation Growth and Giving Estimates found that of organizations that receive 50 proposals or less a year, only 38 percent awarded at least half of their proposals.

If the club is not awarded the grants it has applied for, the overall budgetary shortfall the club is experiencing could balloon even further.

Whether or not it can raise the funds, the club is locked into the move. The foundation has already been set, concrete poured. The move was supposed to occur in September, but an issue with the availability of the planned moving company forced the club to change companies, rescheduling the move to later this winter or early spring.

The Siuslaw News was unable to confirm why the move was unable to be funded before work began.

Planning for and funding the future isn't the only cost inflation that the club is facing. With the elementary program taking off, staffing costs have risen sharply in the past year.

Beyond babysitting

A review of the club's 2016 financial report showed that salaries, payroll taxes and work-

ers' compensation equaled \$123,359. Since then, the club has hired additional paid staff, including Davis, Teen Center personnel including a cook and additional aides in the elementary program.

While the club was still tallying its 2017 financials (due for public disclosure in May), payroll more than doubled to approximately \$270,000, Davis said. That amount does include planned additional staffing later in the year.

The board defends the extra staffing as a way to provide better childcare.

In 2014, the club was severely understaffed. The elementary program only had a few paid positions. While a single day in the program could see up to 90 children attending the program, there could be as little as three paid staff to look over them, leaving a 30:1 ratio of children to instructors. This made it difficult for staff to properly look after the children, let alone provide opportunities like tutoring or additional education that would supplement public school programs.

Now, the program looks to ensure a 15:1 ratio of children to staff, a goal set by the Boys and Girls Club of America.

"One of the reasons for that is we're trying to make sure we actually know what the kids are doing," Nivilinszky said. "We had some parents in the past who were upset because there was some bullying going on. That's not to say that if you have a large ratio of kids to aides, you can't keep an eye on every one of them, but it's about ensuring safety among the kids and making sure we're able to help them."

By upping the ratio, BGC believes it will increase youth safety and allow the program to focus on learning.

"I would say the club has made a major shift in focus over the last few years," Davis said, "by literally transitioning from a glorified babysitter program to a professional program that has a purpose — and that has a goal in mind to see these kids and help them be all that they can be."

But to become that, the club feels, they need a dedicated staff.

For example, while the elementary program's hours are primarily after school lets out, Gauderman works full time, working on programming during the day, teaching her aides programming before the children arrive and then working with the children.

This is during the school year. In the summer months, Gauderman and her aides work all day with the children. This creates a larger staffing increase (and greater costs) during the summer months, meaning longer hours for Gauderman and her aides.

While volunteers help offset the staff's workload, and the board believes it needs more volunteers to help, the board does not think that volunteers can fully staff the program.

"It's just as feasible as having volunteers run the school district or running the hospital. You need paid professionals," Davis said.

The past executive director, Trent, was essentially a volunteer, earning just \$1 a year. But he was working fulltime hours in a time in his life when he had already reached retirement. Last year, Trent stepped down from the position and rejoined the board.

Davis has stepped into the executive director position, accompanied with a full salary.

Pearson said, "That's what people are generally against, saying, 'I don't want to pay for operations and all your salaries.' Without the salaries, there wouldn't be any programs to give to these kids. We have to have professionals that are dealing with the children to make sure they know their stuff. That's really a big misunderstanding that a lot of people have about our organization. The majority of our costs are base salaries."

Another problem facing BGC is board burnout.

"We have very passionate individuals on the board," Nivilinszky said. "Our board is working full hours. And those who aren't working full time have families and jobs to support. A large part of this is we want to do more fundraisers, but I just don't think it's possible."

Pearson, who has been helping to run the annual summer Fore Kids Golf Tournament for eight years, wouldn't call his current state "burnout," but he is seeing a toll.

"I actually have a job," he said. "And I've been kind of ignoring that. I'm doing two things not very well. I'm not doing that job very well and I'm not doing this job very well. And

I'm frustrated. That's my biggest thing. I wish I could spend all my time working on Boys and Girls stuff. There's enough work to justify doing that, but I just can't. I've got too much other work to do."

Extra staff and more volunteers leads to additional costs. Every volunteer and employee has to go through a screening process and background check that adds to the bottom line.

"And we have to run those for every volunteer, every employee, every board member, every year," Davis said.

This is to ensure the safety of the children.

"I would want all volunteers to be screened," Nivilinszky said. "I wouldn't let my kids come here if it was 100 percent volunteer based."

Despite all of the extra costs, Davis states the result of not funding salaries would lead to a reduction in children served.

"The only way we can trim our costs is by letting staff go," Davis said. "And if we let staff go, we have to cut back on the number of kids we serve. So which child would you like to say, 'I'm sorry, we can't let you into the Boys and Girls Club because we don't have the money?'"

Restricted funds

Paying for the staff has presented challenges to the club.

The staff, as well as other operational costs like utilities, are paid through unrestricted funds. That is, the money is not set aside for specific projects.

Specialized projects, like renovations to a building, are often funded through restricted funds. These funds can only be used for their specific purpose.

Generally, restricted funds come from a variety of sources: grants, endowments, donations, etc. Charitable organizations who award grants like to see their funds going to a specific, finished goal that they can closely keep track of. And the duration of the grant can be limited so the funders can move on to different nonprofits to spread their wealth.

Operational costs are funded primarily through donations and interest off investments that come from sources like endowments. However, it can be difficult to rely on these types of funding sources. And national trends point to a particularly difficult year for BGC, as well as nonprofits across the nation.

Currently, on paper, the club is not insolvent. As of right now, it projects a \$13,000 surplus at the end of the year. But that amount is not guaranteed.

"That's assuming that some

big fundraising events happen and are successful," Davis said. "But the problem with most organizations is cash flow. I heard one time that 80 percent of private businesses that go bankrupt are showing a profit on paper. But cash flow kills them. We're in that situation because the summer is the most expensive time of the year, and it's the time we bring in the least amount of money."

The \$13,000 is essentially an estimate — it can only be achieved through reaching the donated income sources for the year.

This type of accounting is not unique to BGC. Most nonprofits create budgets on projects, basing their financials on last year's donation receipts.

For example, \$50,000 of that total is expected to be raised through a November/December push for donations, according to Davis. The period is traditionally a boon for nonprofit giving.

Those amounts are not guaranteed, particularly when newly developing national economic factors come into play. One of these is the Tax Cuts and Jobs Act, passed by Congress in 2017, is expected to discourage charitable donations. A Dec. 29 report by Market Watch explained the change:

"The new law nearly doubles the standard deduction — the amount everyone is allowed to subtract from their taxable income — to \$12,000 for singles (up from \$6,350 for 2017) and \$24,000 for married couples who file jointly (up from \$12,700). That's seen as bad news for charities because taxpayers will have less of an incentive to itemize their deductions to reduce their taxable income. And that means people who have donated to charity — whether in part or entirely — as a way to get a tax deduction may be less likely to do so."

Complicating the matter is the stock market volatility seen in the past few weeks, where the Dow Jones dropped 1,600 points, the biggest point decline in history during a trading day, according to a Feb. 5 report by CNN.

Volatility in the stock market is normal. In fact, the upward gains of the market in recent years was decidedly abnormal, and the economy is healthy, according to the CNN report.

However, CNN also reported that the "mysteriously low inflation may be ending." It's possible that interest rates will increase, along with inflation, which could eat into the record-high corporate profits seen over the last few years.

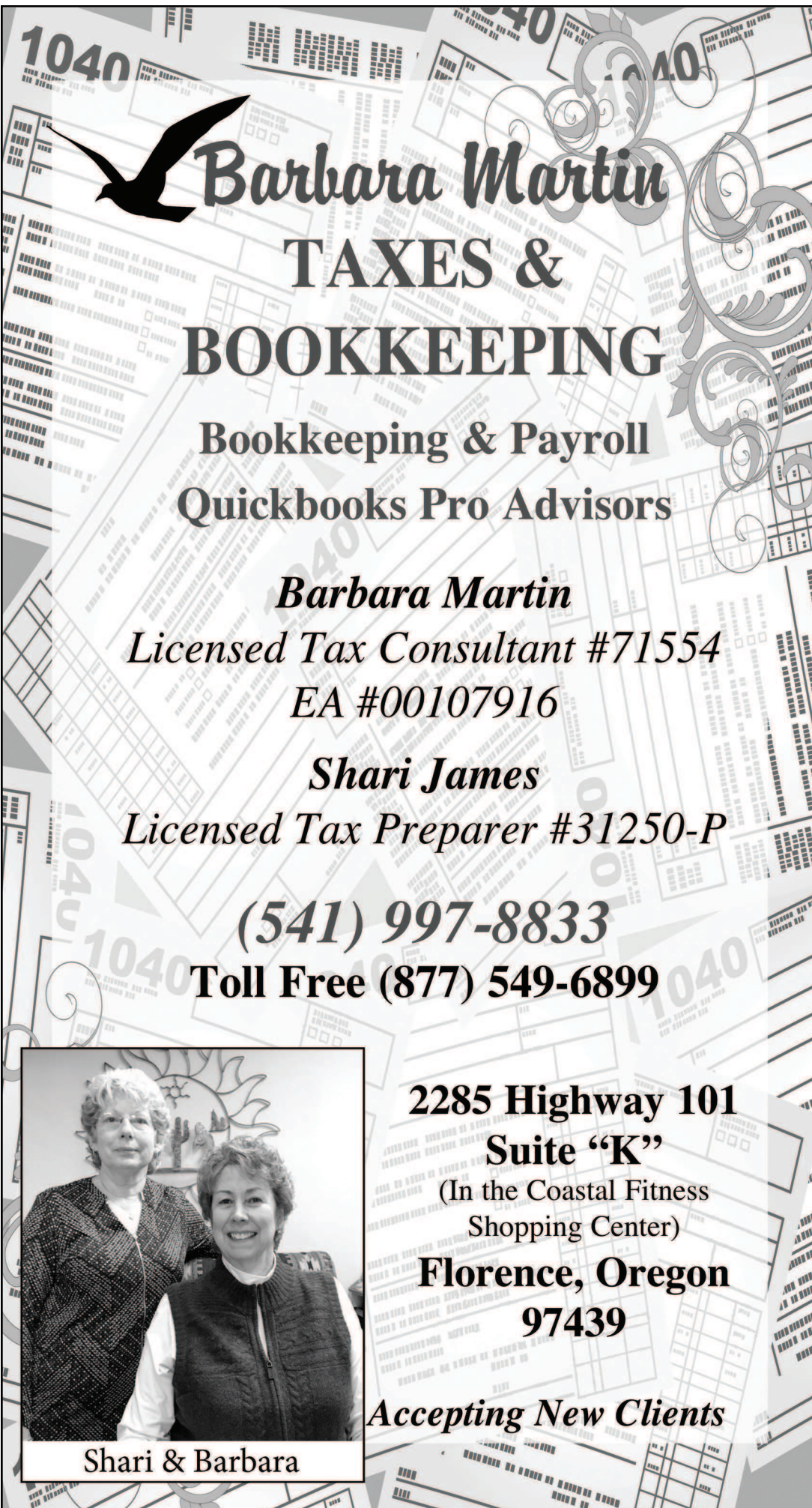
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- Children should use a soft-bristled toothbrush with a small head.
- Don't forget to brush those back molars and your tongue too!