



UNION OF PART-TIME FACULTY (UPTF) Local 477 at Wayne State University

AFT / AFL-CIO

The UPTF receives its income primarily from dues paid by members and fees paid by non-members who are all part-time faculty in our bargaining unit and therefore covered by our contract. The income is used to cover operating expenses and per capita fees and to generate an operating surplus. By the end of our eighth fiscal year of operations, June 30, 2016, the UPTF will have generated a cumulative surplus of approximately \$41,000, about the same as June 30, 2015. As will be explained more fully below, it is expected that the UPTF's expenses relative to income will rise significantly in the near term and the organization will see smaller operating surpluses in the future.

The surplus is needed for both unexpected expenses such as legal expenses and periodic major expenses such as arbitration expenses. Our stated goal was to have a general operating surplus equal to or greater than three months of operating income (about \$50,000) plus \$25,000 for legal expenses and other emergencies. Our expected year-end surplus of \$41,000 means that we have reached about 55% of that goal. Unfortunately, our foreseeable budgets going forward will have very little margin built into them despite our increased membership, now about 68% of the bargaining unit.

Over the next fiscal year we cautiously expect income to remain steady. This could change drastically if the US Supreme Court hands down a ruling in favor of the plaintiffs in the Friedrichs v. CTA case currently pending. With the death of Justice Antonin Scalia, and the likelihood of a swift replacement for him uncertain, we have decided to present two budgets. The first will presume no change in current law, the second that our income will be drastically reduced. The membership is reminded that in 2014 we raised membership dues and agency fees. The changes took effect in July 2015.

FY 2015-16 Income Estimate

Under By-law I of the UPTF Constitution (as amended), membership dues are currently set at 2.05% of income and agency fees at 1.7% of income.

The anticipated income shown in the chart that follows is based on the following assumptions: (1) we will have a split between agency fee payers and dues paying members similar to the ratios in FY 15-16; (2) the size of our bargaining unit during FY 16-17 will roughly track our bargaining unit size during FY 15-16; (3) our income from dues and fees will total about \$198,775; (4) interest income will come to \$1 per month; WE will also receive an organizing grant from AFT National and AFT Michigan of approximately \$38,000.

As shown in the chart, the UPTF's income is projected to be lower in months of the summer and spring terms (July, August, and June) than in months of the fall and winter terms. This lower spring-summer income, of course, is explained by the reduced number of part-time faculty working during those terms.

Based on the assumptions listed above, the projected total UPTF income for FY 2016-17 is estimated to be \$204,000. This budgeted income for the coming fiscal year is the same as actual income in the current FY through February and then projected for March through June. For the first eight months of the current FY and the last four months of the previous FY (2014-15) revenue totaled \$198,782. Since dues and fees increased on July 1, we anticipate another \$6,000 in income. These, of course, are assumptions.

	Projected	Proposed	Proposed
	2015-16	2016-17	2016-17
		w/fees	w/o fees
REVENUE			
Total Revenue	\$236,787	\$204,012	\$146,012
EXPENSES			
Per-Cap Payments	\$80,913	\$85,050	\$63,000
Personnel	\$113,850	\$83,500	\$68,000
Contract Services	\$17,151	\$11,300	\$4,000
Operations	\$6,990	\$7,800	\$6,000
Travel/Meetings	\$12,000	\$11,000	\$4,000
Total Expenses	\$230,905	\$198,650	\$145,000
GRAND TOTAL			
Under (Over) Budget	\$5,882	\$5,362	\$1,012

As an examination of the Estimated Expenses table will show, UPTF expenses fall into five major categories: (1) Per Capita Payments, (2) Contract Services, (3) Operations, (4) Payroll, and (5) Travel and Meetings. For each category, two lines are shown. “Last Year” is the actual (or projected) expenditure for the category in the current fiscal year (FY 2015-16). “Budget” is the amount being recommended for the upcoming fiscal year budget. A category-by-category explanation of the estimated expenses, with particular attention to deviations from current year spending, for each of the five categories follows:

- **Per Capita Payments:** Per capita payments are one of our two biggest expenses. The UPTF is affiliated with the American Federation of Teachers (AFT) and with AFT-Michigan (AFT-M). We are also affiliated with the state and local councils of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO). We make per capita payments to each of these affiliated organizations to support the work they do that benefits us in both direct and indirect ways. These organizations supported the UPTF during our organizing drive and first contract campaign, assist us with legal advice, bargaining, and generally provide us with resources that make us a stronger local union and more than justify the affiliation per capita dues and fees.
 - In addition, the UPTF purchases accidental death and dismemberment and occupational liability insurance for UPTF members through the AFT, but not for Agency Fee, or “Fair Share” individuals who belong to the Bargaining Unit but do not pay dues to the UPTF.
 - The cost of these per capita payments and insurances varies each month because the number of individuals in the UPTF bargaining unit varies considerably from month-to-month. The size of the UPTF bargaining unit is greatly reduced during the spring-summer terms in comparison to the fall and winter semesters. Per capita payments are a fixed amount per member and in the case of the American Federation of Teachers and AFT-Michigan the amount of the payment varies according to the member’s income.
 - For example, depending upon an individual member’s annual income, we pay either half dues (currently \$9.39), quarter dues (currently \$4.70), or eighth dues (currently \$2.35) to the AFT monthly for each member. To AFT-MI we pay \$9.10 for half dues and \$4.55 monthly for quarter dues, AFT-MI has no eighth dues category.
 - The UPTF does not make per capita payments on behalf of agency fee payers to either the Metro Detroit Council or the State Council of the AFL-CIO. In addition, the UPTF makes reduced per capita payments to the AFT and to AFT-Michigan on behalf of fee

payers based on the “chargeable” percentage as determined by each organization.

- The expense estimates in this category are based on the same assumptions regarding size and make-up of the bargaining unit as were used to produce the income estimate. If income is over- or under-estimated, per capita and insurance payments expenses will be over- or under-estimated by the same factor.
 - However, it should be understood that expenses go both up, and down, faster than income. As shown in the table, it is estimated that per capita and insurance payments will total \$80,250 for FY 2015-16. We anticipate that per car rates will increase in September. But we won’t know how much until after the convention this July. We cautiously project next year’s per capita payments will rise to \$85,050.
- **Contract Services:** This category includes the sub-categories – accounting and bookkeeping, database management, and legal fees. Although the current budget anticipates that we will spend slightly more than \$17,000, we should be able to save about \$5,000 from that projection, by having members do an internal Financial Review, permitted by the AFT National Constitution for a local of our size, rather than paying an outside auditor as we have done every year in the past. The local currently pays a contracted bookkeeper for some financial and budgetary work, for example keeping track of how much in per cap payments the UPTF owes monthly to our affiliates, since it is a moving number from month to month and semester to semester. We also anticipate additional savings in DB management and accordingly anticipate the FY 16-17 Contract Services Expense category to come in at about \$11,000.
- **Operations:** This category includes expenses related to operating the UPTF and includes nine sub-categories: (1) Banking Fees; (2) Fidelity Bond; (3) Hospitality; (4) Miscellaneous; (5) Office Supplies and swag; (6) Postage, Mailing; (7) Printing, Copying; (8) Office Overhead; (9) Phone; and (10) Contributions.
 - The UPTF purchases a fidelity bond through the AFT to protect the membership from any mistakes made or crimes committed by UPTF fiduciaries that result in financial loss to the UPTF membership. The cost of this bond is \$60 per year and is paid in November.
 - There is a “miscellaneous” line item in this category which is intended as a place holder for any unanticipated expense that does not fit into an existing category. If any such expenses occur, the Treasurer will make a decision as to the need for adding a new line item to future year budgets. Recurring items cannot not be charged to “miscellaneous.”
 - The UPTF does not anticipate any significant change for costs related to banking fees, hospitality, postage and mailing, or printing and copying in FY 2016-17.
 - Swag refers to our buttons, the cost of printing business cards and the Recommit Cards we have been asking people to sign this year. Next year’s expense will be smaller, since we will not be printing buttons nor recommit cards.
 - Currently, the Local has space in the Suite that the full-time faculty local, AAUP-AFT, rents from the university. We also share the space with the GEOC. We don’t actually pay rent for the space, but rather pay our portion of the overhead for the office—lights, paper and toner for the copier, and other supplies that are made available to us from paper clips to coffee and water. This overhead is set at \$292.00 monthly, or \$3,504 annually.
 - In September, we acquired a university line and extension for our phone. We do not anticipate that this will cost more than \$500 annually, but as of February 29, 2016, we haven’t been billed for the phone at all.
 - In the current FY, the UPTF has given \$50.00 to Jobs for Justice and contributed \$250.00 to help underwrite the cost of the Labor Day parade.
 - Altogether we have budgeted \$7,800 for operations, up from \$6,990 in the current FY. This is in anticipation of phone charges and some additional one-time miscellaneous or licensing expenses.

- **Payroll:** After per capita payments, the next biggest expense for the UPTF is payroll. It takes a lot of time and effort and a certain amount of expertise to run a local union, especially one the size of the UPTF (in December 2015, there were 792 members in our bargaining unit) and experiences the turn-over we do. The UPTF could not continue to operate in the absence of some paid staff.
 - The Executive Director is responsible for administrative duties ranging from managing meetings by scheduling them, proposing the agenda, and tracking employee issues to supporting the Treasurer with monthly, periodic, and annual financial processes. He also supervises the staff organizing effort. Thomas Anderson, who was hired as full-time Executive Director at the beginning of the Fall 2015 semester, has been the Vice President, Grievance Officer and Lead Negotiator of the UPTF since its inception and still fulfills those duties. His FY 2015-16 contract was for 10 months (September through June) in order to save the local two months of salary, payroll taxes, and benefit expenses. In FY 2016-17 the budgeted expenses are for a 12 month contract. Tom is, moreover expected to volunteer 3-4 hours weekly in addition to his compensated time.
 - This year AFT National and AFT Michigan have given us a grant that will pay 80% of organizing salaries up to \$38,000. Current year organizing salary, cell phone and parking stipend costs should be \$48,985.30. The local will end up paying about \$11,000 of that amount, the AFT grants will pay the rest.
 - This year's organizing effort has been a resounding success, allowing us to establish an ongoing presence at all of the extension centers and satellite campuses. As of the end of February, and not including new hires who joined the UPTF by their own volition, our part-time organizers have collected 97 new member forms, while better oversight of the reporting process has resulted in 25 members that the university had categorized wrongly as non-members whose status has now been corrected to members. Our membership, now at about 68%, is the highest it has ever been.
 - While we cannot afford to sustain it at a cost of almost \$50,000 annually, we have budgeted \$16,650 for FY 16-17 for part-time staff organizers.
 - Since February 2015, the UPTF has also employed an office manager for 10 hours weekly. The plan is to continue that expense, but that 5 to 6 hours of the compensated time will be for doing organizing work (expensed above) and the rest will compensate the Treasurer for doing some of the work we currently contract for bookkeeping.
 - Lastly, as mentioned above, we are recruiting a Financial Review Committee to replace the outside auditor. We will set aside a \$100 stipend for each member of the committee in FY 16-17 to compensate them for the 3-5 hours of their time this will take.
 - Altogether, we have budgeted \$83,500 in salaries, benefits, payroll taxes and stipends.
- **Travel and Meetings:** This category records expenses related to conferences and meetings and to reimbursements for travel expenses while on UPTF business. Registration fees for conferences and training sessions offered by AFT and AFT-Michigan as well as costs related to travel while on UPTF business are included in this category. UPTF officers, members, and staff will be reimbursed for out-of-pocket expenses incurred while conducting union business. The Union Council recommends that \$11,000 be budgeted for such expenses. This is a convention year and we will pick up at least part of the cost of sending delegates to the national convention in Minneapolis. While the convention is in July, and thus in the next FY, we will certainly pay the cost of the airline tickets in the current fiscal year and the cost of the hotels and food in FY 16-17. We have budgeted funds accordingly.
- **Bottom Line:** Based on this proposed budget, total income for the fiscal year July 1, 2016 – June 30, 2017 will be \$204,012 compared to expenses of \$198,650. If both income and expense projections are right on target, the UPTF would realize an operating surplus of \$5,362 for the

upcoming fiscal year. With the uncertainties of enrollment and the size of the UPTF bargaining unit, this projected surplus should be regarded with some caution.

As mentioned above, the pending case in the US Supreme Court could result in the immediate cessation of all Agency Fees revenue. If this happens it would mean UPTF revenues would decline \$58,000 to \$146,000.

Since the UPTF would not pay per caps to our affiliates for non-members, our per-cap expenses would project to decline by about \$22,000 to \$63,000. To bring our total expenses down to \$145,000 (leaving a projected \$1,000 surplus), we would have to cut the budget as presented above in the following manner: 1) reduce contract services by \$7,000, operating expenses by \$1,800, reduce payroll by \$15,500, and Travel by \$7,400.

The Union Council asks that both budgets be considered, the presented on previous pages as the approved budget, the one immediately above this paragraph as a contingency budget should the Supreme Court rule in favor of the plaintiffs in Friedrichs v. CTA.

Thank you for your consideration of our final budget proposal!

Union of Part Time Faculty 2015-16 Actual Expenses and Proposed 2016-17 Budget Summary

	Projected	Proposed	Proposed
	2015-16	2016-17	2016-17
		w/fees	w/o fees
REVENUE			
Total Revenue	\$236,787	\$204,012	\$146,012
EXPENSES			
Per-Cap Payments	\$80,913	\$85,050	\$63,000
Personnel	\$113,850	\$83,500	\$68,000
Contract Services	\$17,151	\$11,300	\$4,000
Operations	\$6,990	\$7,800	\$6,000
Travel/Meetings	\$12,000	\$11,000	\$4,000
Total Expenses	\$230,905	\$198,650	\$145,000
GRAND TOTAL			
Under (Over) Budget	\$5,882	\$5,362	\$1,012

Union of Part Time Faculty 2015-16 Actual Expenses and Proposed 2016-17 Budget: DETAIL

	Projected 2015-16	Proposed 2016-17 w/fees	Proposed 2016-17 w/o fees
REVENUE			
Dues Income	\$140,424	\$146,000	\$146,000
Fee Income	\$58,351	\$58,000	0
AFT Org.Grant	\$38,000	0	0
Bank Interest	\$12	\$12	\$12
Total Revenue	\$236,787	\$204,012	\$146,012
EXPENSES			
Percapita			
AFT Mi Dues	\$28,299.83	\$30,000.00	\$30,250.00
AFT MI Fees	\$13,252.52	\$13,500.00	\$0.00
AFT Nat Dues	\$25,412.15	\$27,000.00	\$27,200.00
AFT Nat Fees	\$8,825.75	\$9,000.00	\$0.00
AD&D members	\$231.60	\$250.00	\$250.00
AFT Liability	\$1,621.20	\$1,700.00	\$1,700.00
AFL/CIO Metro	\$1,450.00	\$1,600.00	\$1,600.00
AFL/CIO Mich	\$1,820.40	\$2,000.00	\$2,000.00
<i>Total Percaps</i>	<i>\$80,913</i>	<i>\$85,050</i>	<i>\$63,000</i>
Contract Services			
Audit/Review	\$5,715.00	\$300.00	\$300.00
Legal Fees			
Data Base/bkp	\$11,436.00	\$11,000.00	\$3,700.00
<i>Total Contract Serv.</i>	<i>\$17,151</i>	<i>\$11,300</i>	<i>\$4,000</i>
Operations			
Bank fees	\$119.40	\$119.40	\$119.40
Donations	\$300.00	\$300.00	
Fidelity Bond	\$60.00	\$60.00	\$60.00
Hospitality	\$443.55	\$750.00	\$600.00
Off. Supplies	\$1,089.10	\$2,000.00	\$500.00
Postage/mail	\$0.00	\$250.00	\$220.00
Software/licenses	\$249.00	\$247.00	\$247.00
Rent	\$3,504.00	\$3,504.00	\$3,504.00
SWAG	\$1,225.22	\$70.00	\$250.00
Phone	\$0.00	\$500.00	\$500.00
<i>Total Operations</i>	<i>\$6,990</i>	<i>\$7,800</i>	<i>\$6,000</i>
Personnel			
ED & benefits	\$49,868.27	\$59,600.00	\$57,200.00
Employee Phone & parking	\$2,234.00	\$1,250.00	\$800.00
PT Organizers	\$48,895.30	\$16,650.00	\$6,000.00
Office manager & taxes	\$12,852.72	\$6,000.00	\$4,000.00
<i>Total Personnel</i>	<i>\$113,850</i>	<i>\$83,500</i>	<i>\$68,000</i>
Travel/Meetings			
Mich Conferences	\$5,000.00	\$4,000.00	\$2,000.00
AFT Convention	\$7,000.00	\$7,000.00	\$2,000.00
<i>Total Meetings</i>	<i>\$12,000.00</i>	<i>\$11,000.00</i>	<i>\$4,000.00</i>
Total Expenses	\$230,905	\$198,650	\$145,000
GRAND TOTALS			
Under (Over) Budget	\$5,882	\$5,362	\$1,012