



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 which is explained below. By the end of our ninth fiscal year of operations, June 30, 2017, the UPTF will have generated a cumulative surplus of approximately \$50,000, up about \$10,000 since June 30, 2016. 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 \$50,000 means that we have reached about 66.7% of that goal. Unfortunately, our foreseeable budgets going forward will have very little margin built into them despite our increased membership, now about 70% of the bargaining unit. As many will know, the Local became subject to Michigan’s right to work law in mid-July 2016. So far we have had 5 people opt-out of the Union and approximately another 30 new hires who have not joined. Our organizers have also persuaded an additional 23 new hires to join.

Over the next fiscal year (2017-18) we cautiously expect income to decline by about 1.6%.

FY 2017-18 Income Estimate

Under Article IX.3 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) the number of dues payers will remain steady but the number of Agency Fee, or Fair Share, payers will decline slightly compared to FY 2016-17. (2) the size of our bargaining unit during FY 17-18 will decline slightly as compared to the size of the unit during FY 16-17; (3) a small number of members or Fees payers will opt out; (4) our income from dues and fees will total about \$205,500; (4) interest income will total about \$300 annually. We presume that we will not receive an organizing grant from AFT National or AFT Michigan. In 2016-17 we anticipated an organizing grant in the \$35,000 range but our AFT affiliates changed plans and we received one for only \$5,500.

Based on the assumptions listed above, the projected total UPTF income for FY 2017-18 is estimated to be \$205,800. 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. These, of course, are assumptions that we refine as we get closer to the end of the fiscal year. As can be seen from the budget comparisons shown in the chart, we raised our estimates of both income and expenses by June 29, 2016 as it became clear that our income would be higher than predicted and that our grant from AFT MI would be much smaller than anticipated.

As an examination of the Estimated Expenses table will show, UPTF expenses fall into seven major categories: (1) Per Capita Payments, (2) Parking, (3) Personnel, (4) Contract Services, (5) Operations, (6) Travel, Meetings & Member Services, 7) Donations. For each category, two columns are shown.

“Projected” is the projected expenditure for the category in the current fiscal year (FY 2016-17).

“Proposed” 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 six categories follows:

	Projected	Proposed
	2016-17	2017-18
REVENUE		
Total Revenue	\$208,000	\$205,800
EXPENSES		
Per-Cap Payments	\$85,165	\$80,780
Parking	\$2,800	\$2,800
Personnel	\$100,500	\$104,900
Contract Services	\$3,600	\$2,000
Office Operations	\$5,604	\$4,700
Member Services	\$6,100	\$7,700
Donations	\$2,100	\$2,100
Total Expenses	\$205,869	\$204,980
GRAND TOTAL		
Under (Over) Budget	\$2,131	\$820

- **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 \$9.52), quarter dues (currently \$4.76), or eighth dues (currently \$2.38) to the AFT monthly for each member. To AFT-MI we pay \$9.23 for half dues and \$4.62 monthly for quarter dues, AFT-MI has no eighth dues category at present, although a committee is considering implementing one. These rates will go up in September 2017.
 - 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 portion of expenses that are directly related to contract enforcement and do not include costs associated with the political activities of. The Union.

- 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.
- 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.
 - Expenses go both up, and down, faster than income. We conclude that the reduction in the overall size of the bargaining unit, both because of fewer people employed and new people declining representation, will result in per cap payments to our affiliates in FY 2018 declining to about **\$80,780**.
- **Parking:** Providing semester parking passes for our twelve-month employees and daily parking for our part-time organizers who drive to campus will cost the UPTF about **\$2,800** in FY 2017-18. Since our employees are also Part-time Faculty. Thus, the University picks up the remaining cost of their parking for those teaching on main campus, as it does for all part-time faculty. The Union Council agreed to end all cell phone stipends for the new fiscal year.
- **Personnel:** After per capita payments, the next biggest expense for the UPTF is payroll. Technically, this means UPTF contracts with AFT-Michigan to handles our payroll. AFT-Michigan therefore pays our employees, deducts and forwards payroll taxes, issues W-2 forms and so forth. The Local, however, makes the decisions regarding the hiring, assigned work, supervision, number of employees, wages, and hours. It takes a lot of time and effort and a certain amount of expertise to run a local union, especially one that is the size of the UPTF and one that experiences the turn-over we do. The UPTF could not continue to operate in the absence of paid staff.
 - In FY 2015-16 AFT National and AFT Michigan have gave us a grant that paid 80% of organizing salaries up to \$38,000. In the current year (FY 2016-17), the much smaller grant lowered our organizing costs for part-time organizers (PTOs) hired from the unit to about \$26,500. For FY 2017-18, we anticipate receiving no grant and expect PTO salaries and taxes to rise to about \$29,450.
 - The organizing efforts of the past two years have been very successful, allowing us to establish an ongoing presence at all of the extension centers and satellite campuses. By the end of FY 2015-16, our organizers had signed up 116 new members. This was in addition to 37 new hires who signed up by their own volition. Better oversight of the reporting process also resulted in 30 members that the university had categorized wrongly as non-members whose status was corrected to members. Our membership, reached 70% by the end of the Winter 2016 semester, the highest it had ever been.
 - Upon ratification of our new contract last July, we became subject to the state's Right to Work law. We have had to adapt to a different reality. New hires do not have to join the union, and existing members can opt out. Our new contract with the university recognized an optional Agency Fee status for those who might object to the political work of the union, but are willing to pay their fair share. So 14 new hires signed as agency fee payers, while 8 existing agency fee payers signed the new form indicating that they are voluntary agency fee payers. 17 new hires joined the union of their own volition. 43 Agency Fee payers have been signed up as full members by the organizers, 18 new hires who had declined representation are now full members while another 4 are now Agency Fee payers. So the organizers have signed-up, or confirmed, 12 Agency fee payers and 61 new members since July 1, 2016. We still have 31 new hires who have declined representation, 5 of those added in the last payroll.
 - Several issues need to be raised: from the previous 2 bullet points, our high level of turnover should be evident; only by constant organizing can we keep our

membership at about 70%. As our membership density has grown, it is becoming more difficult to achieve results. We have signed up 61 new members and have confirmed 12 more Agency Fee payers (73 altogether). By this time last year, we had signed up about 100 new members.

- 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 continues to fulfill those duties. His contract calls for Tom to volunteer 3 hours weekly in addition to his compensated time. With benefits and payroll taxes, his total compensation will be about \$64,324.
- The UPTF also employs the Treasurer for work both as Treasurer and as an additional Part-Time Organizer (PTO) for 9 hours weekly. We will continue that expense. Approximately five of the compensated hours will be for doing organizing work and the rest will compensate the Treasurer for doing the work we had previously contracted for bookkeeping.
- Altogether, we have budgeted **\$104,898** in salaries, benefits, and payroll taxes. This amount will be billed to the UPTF by AFT-Michigan.
- **Contract Services:** This category includes the sub-categories – accounting and database management training, and legal fees. Although the current budget anticipates that we will spend slightly more than \$7,900, we should be able to save about \$4,000 from that projection. We provide each of the members of our internal audit committee with \$100 stipend, \$400 altogether. The Chair of this committee is a UPTF member, and a CPA who donates his time to the committee. We also anticipate additional savings in Data Base management and accordingly anticipate that in FY 2017-18 we will pay no more than \$1,600 in DB management training, this training is being provided by a now retired officer who constructed our data base in the first place. We will budget \$0.00 for Legal expenses. In the unlikely event that we have the need, we have reserves in our savings account. Thus, Contract Services expense category is budgeted at **\$2,000** for FY 2017-18..
- **Office Operations:** This category includes expenses related to operating the UPTF and includes sub-categories: (1) Occupancy Overhead; (2) Postage/Mail; 3) Office Supplies; 4) Printing and Copying; 5) Furniture/Equipment; 6) Bank Fees; 7) Miscellaneous; (8) IT, software & Licenses; (9) Office Phone.
 - 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.
 - **Postage and Mail** is set at \$25.00 next year.
 - **Office Supply** costs are budgeted at \$150.00 in FY 2017-18.
 - **Printing and Copying** includes the cost of printing business cards and new member forms. Next year's expense will be smaller, since we will only have to print some business cards for some, but not all, of our PTOs.
 - We do not anticipate any **Furniture and Equipment** expenses in FY 2017-18.
 - **Banking Fees** should be \$0.00 in FY 2017-18, since we moved our accounts from Chase Bank to Michigan First Credit Union at the recommendation of the Audit Committee last April.
 - 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."
 - **IT, Software, and Licenses** expenses are budgeted at \$250.00 in FY 2017-18.

- In September 2015, we acquired a university line and extension for our phone. We do not anticipate that this will cost more than \$360 annually, but as of March 15, 2017, we haven't been billed for the phone.
- Altogether we have budgeted **\$4,689** for **Office Operations** in FY 2017-18, down from \$6,990 in the current FY.
- **Member Services:** This category records expenses related to conferences, conventions, meetings, hotels, and reimbursements for travel expenses while on UPTF business. 2018 will be a convention year and the UPTF will pick up at least part of the cost of sending delegates to the AFT National Convention. While the convention is in July, and thus in the FY19, we will certainly pay the cost of the airline tickets in the current fiscal year and the cost of the hotels. We have budgeted funds for Member Services accordingly in the amount of \$7,700.
- **Donations:** The UPTF has funded a scholarship in the past in the amount of \$2,500 annually. Last year instead we funded the Ralph Bunche Summer Institute program through the Center for Peace and Conflict Studies at Wayne State University. In addition, we have historically provided some money to the AFL-CIO Metro for the Labor Day parade. For FY 2016-18, we propose \$2,100. We will give \$100 to AFL-CIO Metro for the Labor Day parade, \$1,000 each towards the UPTF-WSU scholarship and to support the Ralph Bunche Summer Institute.
 - **Bottom Line:** Based on this proposed budget, total income for the fiscal year July 1, 2017 – June 30, 2018 will be **\$205,800** compared to expenses of \$204,967, which we round to **\$204,980**. If both income and expense projections are right on target, the UPTF would realize an operating surplus of **\$820** 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.

Thank you for your consideration of our final budget proposal! This budget was approved by the Union Council, and is now before the UPTF membership for their consideration. It will be voted on at the UPTF Membership meeting on April 14, 2017.

Proposed & YTD FY 17 (to 2-28-17) Budget & Proposed 2017-18: DETAIL

	Proposed 2016-17 Approved 3/4	Actual 2016-17 as of 2/28	Proposed 2017-18 For GMM
REVENUE			
Dues Income	\$ 146,000.00	\$ 102,563.18	\$ 158,500
Fee Income	\$ 58,000.00	\$ 30,135.24	\$ 47,000
Bank Interest	\$ 12.00	\$ 198.88	\$ 300
Unpaid Leave Dues		\$ 8.00	
Total Revenue	\$ 204,012	\$ 132,905	\$205,800
EXPENSES			
Percapita to Affiliates			
AFT Mi Dues	\$ 30,000.00	\$ 20,137.66	\$ 31,500.00
AFT MI Fees	\$ 13,500.00	\$ 6,269.18	\$ 9,750.00
AFT Nat Dues	\$ 26,940.00	\$ 16,939.41	\$ 26,000.00
AFT Nat Fees	\$ 9,000.00	\$ 3,813.35	\$ 7,800.00
AD&D members	\$ 250.00	\$ 166.15	\$ 245.00
AFT Liability	\$ 1,700.00	\$ 1,223.05	\$ 1,725.00
Bond	\$ 60.00	\$ 60.00	\$ 60.00
AFL/CIO Metro	\$ 1,600.00	\$ 1,151.70	\$ 1,600.00
AFL/CIO Mich	\$ 2,000.00	\$ 1,327.20	\$ 2,100.00
Total Percaps	\$ 85,050	\$ 51,088	\$ 80,780
Employee Parking			
Employee Parking	\$ 1,250.00	\$ 1,873.88	\$ 2,800.00
Employee Phone		\$ 480.00	\$ -
Total Phone and Parking	\$ 1,250	\$ 2,354	\$ 2,800
Personnel			
ED & benefits	\$ 59,600.00	\$ 41,222.63	\$ 64,324.14
Office manager & taxes	\$ 6,000.00	\$ 7,107.32	\$ 11,123.53
PT Organizers & taxes	\$ 16,650.00	\$ 11,299.76	\$ 29,450.00
Write off (joint project)	\$ -	\$ 1,068.00	\$ -
Total Personnel	\$ 82,250	\$ 60,698	\$ 104,898
Contract Services			
Audit/Review	\$ 300.00	\$ 690.00	\$ 400.00
Legal Fees			
Data Base/bkp	\$ 11,000.00	\$ 2,889.60	\$ 1,600.00
Total Contract Serv.	\$ 11,300	\$ 3,580	\$ 2,000
Office Operations			
Occupancy Overhead/ Rent	\$ 3,504.00	\$ 2,628.00	\$ 3,504.00
Postage/mail	\$ 250.00	\$ 6.68	\$ 25.00
Off. Supplies	\$ 2,000.00	\$ 112.87	\$ 150.00
Printing & Copying	\$ 70.00	\$ 711.72	\$ 400.00
Furniture/Equipment	\$ -	\$ 105.99	\$ -
Bank fees	\$ 119.40	\$ 9.95	\$ -
Miscellaneous		\$ (38.09)	\$ -
IT, Software, & Licenses	\$ 247.00	\$ 13.95	\$ 250.00
Office Phone	\$ 500.00	\$ -	\$ 360.00
Total Operations	\$ 6,690	\$ 3,551	\$ 4,689
Member Services			
Training/Education	\$ -	\$ -	\$ -
Advertizing & Promotion	\$ -	\$ -	\$ -
Services to members/meetings	\$ 750.00	\$ 1,179.56	\$ 1,200.00
Conventions	\$ 4,000.00	\$ 160.20	\$ 5,000.00
Conference Registration, etc.	\$ -	\$ 438.00	\$ 500.00
Travel, per diem	\$ 7,000.00	\$ 620.32	\$ 1,000.00
Total Member Services	\$ 11,750	\$ 2,398	\$ 7,700
Donations			
Donations	\$ 300.00	\$ 100.00	\$ 2,100.00
Total Donations	\$ 300.00	\$ 100.00	\$2,100
Total Expenses	\$ 197,340	\$ 123,768	\$ 204,967
GRAND TOTAL			
Under (Over) Budget	\$ 6,671.60	\$ 9,137.26	\$ 833