



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 tenth fiscal year of operations, June 30, 2018, the UPTF will have generated a cumulative surplus of approximately \$60,000. 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 \$60,000 means that we have reached about 80% 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 7 people opt-out of the Union and approximately another 60 to 70 new hires who have not joined. Our organizers have also persuaded an additional 36 new hires to join either as full members (28) or fair share (8) or agency fee members. Over the next fiscal year (2018-19) we cautiously expect income to decline if we do nothing. The decline may be dramatic, if the Supreme Court rules for the plaintiffs in the Janus case and disallows our current system of voluntary agency fees for those who do not want to be full members.

FY 2018-19 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. We will ask for a dues increase at the Spring 2018 General Membership Meeting (March 30), to take effect to coincide with the Fall 2018 salary increase. If approved as requested, dues and fees would increase one quarter of one percent (0.25%). The Bargaining unit will receive a 2.5% increase in August. Since September of 2015, the local has absorbed 3 per-cap increases for AFT National and for AFT Michigan. We have also seen our monthly per-caps to the State and Metro AFT-CIO increase. In the past 13 months the AFL-CIO Metro per-caps, for example, have increased 30%.

The anticipated income shown in the chart that follows is based on the following assumptions: (1) the number of dues payers will decline, but the number of Agency Fee, or Fair Share, payers will decline even more; (2) the size of our bargaining unit during FY 18-19 will decline again as compared to the size of the unit during FY 17-18, largely as a result of the new Gen Ed. Proposal that was approved by the Board of Governors in December 2017; (3) a small number of members or Fees payers will opt out; (4) if the dues & fees increase is approved, our income from dues and fees will total about \$193,000; (5) interest income will total about \$375 annually. We presume that we will not receive an organizing grant from AFT National or AFT Michigan.

Based on the assumptions listed above, the projected total UPTF income for FY 2018-19 is estimated to be \$192,875. 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. In both 2016 and 2017 our income was higher than budgeted, This year, however, we have lowered our estimates of both income and expenses as it became clear that our income would be about \$20,000 lower than predicted.

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 2017-18).

“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
	2017-18	2018-19
REVENUE		
Total Revenue	\$186,400	192,875
EXPENSES		
Per-Cap Payments	\$71,085	\$74,385
Parking	\$2,500	\$2,600
Personnel	\$103,115	\$105,179
Contract Services	\$100	\$200
Office Operations	\$3,879	\$4,129
Member Services	\$1,716	\$2,000
Donations	\$3,350	\$4,100
Total Expenses	\$185,745	\$192,593
GRAND TOTAL		
Under (Over) Budget	\$655	\$282

- **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 full dues (currently \$19.03), half dues (currently \$9.64), quarter dues (currently \$4.82), or eighth dues (currently \$2.41) to the AFT monthly for each member. To AFT-MI we pay \$18.70 for full dues, \$9.35 for half dues and \$4.68 monthly for quarter dues, AFT-MI has no eighth dues category. These rates will

increase both in September 2018 and September 2019.

- 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 \$85 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 **\$71,085**
- **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 **\$2,600** in FY 2018-19. 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 does not pay cell phone stipends.
- **Personnel:** Technically, the UPTF contracts with AFT-Michigan to handle 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 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 received a grant of \$1,500 and expect PTO salaries and taxes to rise to about \$29,450. In FY 2018-19, we anticipate organizing costs of \$21,858. In addition, the Executive Director and the Treasurer organize every week.
 - The organizing efforts of the past three 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 in July 2016, 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 from July 1, 2016 through April 15, 2017. Since September 1, 2017, we have signed 11 non-members as full members, 6 more as Fees payers, turned 23 fees payers into full members and reaffirmed 8 agency payers by having them sign the new card. We also had 5 new hires become full members immediately on joining and corrected the status of 7 others.

- 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, or near, 70%. By this time in 2016, we had signed up about 100 new members. In the year between March 2016 and March 2017, we signed 61 new members and confirmed 12 more Agency Fee payers (73 altogether. This year the number is 48 new full members and 14 new Agency Fee members (59 altogether). As our membership density has grown, it is becoming more difficult to achieve results. Nevertheless, 48 new members is more than 10% of working full members this winter (472), and 14 new agency fee payers is almost 9% of the working fees payers (164) this semester.
 - 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 and manages the UPTF database. 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 2 hours weekly in addition to his compensated time. With benefits and payroll taxes, his total compensation will be about \$66,463.
 - The UPTF also employs the Treasurer for work both as Treasurer and as an additional Part-Time Organizer (PTO) for 12 hours weekly. We will continue that expense. Approximately 5 of the compensated hours are for treasurer-related work, the rest for organizing work.
 - We also have budgeted a part-time organizer for 15 hours weekly.
 - Altogether, we have budgeted **\$105,179** 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. Mostly this category is a legacy from the years when we contracted bookkeeping and data base management. Beginning in FY 2016, we began to move these expenses in-house. We have had an internal audit committee composed of UPTF members. We provide each of the members of our audit committee with \$100 stipend, \$300 altogether, but last year only one member accepted it. The Chair of this committee is a UPTF member, and a CPA who donates his time to the committee. The Contract Services category is still there for possible legal expenses, but we will budget \$0.00 for Legal expenses. In the unlikely event that have the need, we have reserves in our savings account. Thus, Contract Services expense category is budgeted at **\$200** for FY 2018-19..
- **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.
 - 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 \$50.00 next year.
 - **Office Supply** costs are budgeted at \$75.00 in FY 2018-19.
 - **Printing and Copying** includes the cost of printing business cards and new member forms. Next year's expense will be small, an anticipated \$250 for business card reprints.
 - We do not anticipate any **Furniture and Equipment** expenses in FY 2018-19.

- **IT, Software, and Licenses** expenses are budgeted at \$250.00 in FY 2018-19.
- Altogether we have budgeted **\$4,129** for **Office Operations** in FY 2018-19.
- **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 has historically picked 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, in the past we had booked hotels and flights to the previous FY, FY 2017-18 in this instance. However, unless our income unexpectedly improves dramatically we will not be paying to send anyone to the National convention in either FY 18 or FY 19. We have budgeted funds for Member Services accordingly in the amount of \$2,000. This amount includes training, stipends for the grant committee UPTF members not otherwise compensated by the union, mileage, and hospitality expenses (e.g., Jimmy John's boxed lunches for the audit committee, and unemployment seminars we host).
- **Donations:** The UPTF has funded a scholarship in the amount of \$2,000 annually. We also have provided \$2,000 for 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 2018-19, we propose \$4,100. We will give \$100 to AFL-CIO Metro for the Labor Day parade, and \$2,000 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, 2018 – June 30, 2019 will be **\$192,875** compared to expenses of \$192,593. If both income and expense projections are right on target, the UPTF would realize an operating surplus of **\$282** 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 March 30, 2018.