



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 eleventh fiscal year of operations, June 30, 2019, the UPTF will have generated a cumulative surplus of approximately \$70,000. 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 93% of that goal. Unfortunately, our foreseeable budgets going forward will have very little margin built into them despite our dues increase passed by the membership in anticipation of the Supreme Court's ruling that came in June 2018. This ruling resulted in the UPTF losing virtually all of its Fair Share, or Agency Fee, members at that time. As of now, about 9% of the bargaining unit has reaffirmed their Fair Share membership, while another 4% of Fair Share members have become full members. The result is that about 73% of the bargaining unit are now either full members or fair share members. However, this level of membership is the result of a continuing organizing effort. Since the end of June 2018, we have added 65 Fair Share members and 66 full members.

Over the next fiscal year (2019-20) we cautiously expect income remain steady or to decline modestly, having already weathered the worst of the impact.

### **Fiscal Year 2019-20 Income Estimate**

Under Article IX.3 of the UPTF Constitution (as amended), membership dues are currently set at 2.3% of income and agency fees at 1.95% of income. The Bargaining unit will receive a salary increase of 2.5% in August 2019.

The anticipated income shown in the chart that follows is based on the following assumptions: (1) the number of dues payers will hold steady to increase modestly, the number of Fair Share members will decline slightly. The slow growth to modest decline is mostly a result of the significant turnover year over year. Newer members of the bargaining unit have no experience with how things were twelve years ago, and do not realize how much things have changed; (2) we also expect the size of our bargaining unit during FY 19-20 will decline slightly, largely because the new Gen. Ed. Requirements will be in their second year and more students will have matriculated out of the previous Gen. Ed. Requirements, while recent Freshmen and Sophomores will be moving through the new system that requires a smaller number of total Gen. Ed. credit hours. This will impact our unit, it is just impossible to predict how much at this time; (3) interest income will total about \$500 annually; (4) 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 2019-20 is estimated to be \$187,500. 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 2017 and 2018 our income was higher than budgeted, This year, however, we have lowered our estimates of both income and expenses.

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 July 2018- June 2019) as of March 15, 2019. “Proposed” is the amount being recommended for the upcoming fiscal year budget. A category-by-category explanation of the estimated expenses for each of the six categories follows:

	Projected	Proposed
	2018-19	2019-20
<b>REVENUE</b>		
<b>Total Revenue</b>	\$189,000	187,500
<b>EXPENSES</b>		
<b>Per-Cap Payments</b>	\$64,600	\$65,630
<b>Parking</b>	\$2,000	\$2,000
<b>Personnel</b>	\$108,509	\$110,729
<b>Office Operations</b>	\$4,776	\$4,550
<b>Member Services</b>	\$1,200	\$1,250
<b>Donations</b>	\$4,100	\$3,100
<b>Total Expenses</b>	\$185,125	\$187,263
<b>GRAND TOTAL</b>		
Under (Over) Budget	\$3,875	\$237

*(In March, 2018, we proposed a budget of \$192,875 in revenue and \$192,593 in expenses for FY 2019 (2018-19 budget). As you can see from the second column above, it currently looks like we overestimated revenue by \$3,875 and expenses by over \$6,468. Still, with three months to go in the FY, the estimates for the current year should be treated cautiously.)*

- **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, training, 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 Fair Share members
  - 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.



- We also have budgeted a part-time organizer for 14 hours weekly and for 3 part-time organizers who together will be employed a total of 200 hours over the FY.
- Altogether, we have budgeted **\$110,729** in salaries, benefits, and payroll taxes. This amount is paid to employees by AFT Michigan and then billed to the UPTF.
- **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 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, unchanged since we occupied the space in January 2008.
  - **Postage and Mail** is set at \$100.00 next year;
  - **Office Supply** costs are budgeted at \$350.00 in FY 2019-20,
  - **Printing and Copying** includes the cost of printing business cards and new member. 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 2019-20.
  - **IT, Software, and Licenses** expenses are budgeted at \$250.00 in FY 2019-20.
  - Altogether we have budgeted **\$4,554** for **Office Operations** in FY 2019-20.
- **Member Services:** This category records expenses related to conferences, conventions, meetings, hotels, and reimbursements for travel expenses while on UPTF business, as well as refreshments or food costs at a union meeting. We have budgeted funds for Member Services accordingly in the amount of \$650 for hospitality. In addition we have budgeted another \$600 for stipends for the Grant and Audit committee members not otherwise compensated by the union. Thus, this category is budgeted at \$1,250 for FY 2019-20.
- **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 2019-20, we propose \$3,100 in donations. We will give \$100 to AFL-CIO Metro for the Labor Day parade, and \$2,000 for the UPTF-WSU scholarship and \$1,000 to support the Ralph Bunche Summer Institute.
  - **Bottom Line:** Based on this proposed budget, total income for the fiscal year July 1, 2019 – June 30, 2020 will be **\$187,500** compared to expenses of \$187,263. If both income and expense projections are right on target, the UPTF would realize an operating surplus of **\$237** 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 5, 2019.*