



**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 fair share members. By federal law, all part-time faculty in our bargaining unit are covered by our contract, whether or not they are members.

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 twelfth fiscal year of operations, June 30, 2020, the UPTF will have generated a cumulative surplus of approximately \$80,000. As will be explained more fully below, it is expected that the organization will see small or no 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 \$30,000 for legal expenses and other emergencies. This is standard practice for all non-profit organizations. Our projected year-end surplus of \$80,000 means that we have reached 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 8% 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 67% of the bargaining unit are now either full members or fair share members. However, even this level of membership is the result of a continuing organizing effort.

Over the next fiscal year (2020-21) we cautiously expect income remain steady or to decline modestly, having already weathered the worst of the impact. Part of the problem is the difficulty in being able to arrange face-to-face meetings with part-time faculty that teach only online

**Fiscal Year 2020-21 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 an unknown salary increase in August 2020 and additional increases in each of the subsequent years of our new contract.

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 in unit members year over year. Newer members of the bargaining unit have no experience with how things were thirteen years ago, and do not realize how much things have changed; (2) we also expect the size of our bargaining unit during FY 20-21 will decline slightly, largely because the new Gen. Ed. Requirements will be in their third 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 \$650 annually; (4) this budget is based on the presumption that, while we will apply for an organizing grant from AFT National or AFT Michigan, we never know whether we will receive one.

Based on the assumptions listed above, the projected total UPTF income for FY 2020-21 is estimated to be almost **\$184,500**. 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 2018-19 our income was higher than budgeted. At this point, it looks like our actual income for 2019-20 will be lower than budgeted. Accordingly, for FY 20-21, 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 2019- June 2020) as of March 01, 2020. “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
	2019-20	2020-21
<b>REVENUE</b>		
<b>Total Revenue</b>	\$181,665	184,000
<b>EXPENSES</b>		
<b>Per-Cap Payments</b>	\$62,900	\$63,700
<b>Parking</b>	\$1,750	\$2,000
<b>Personnel</b>	\$107,957	\$110,062
<b>Office Operations</b>	\$4,854	\$4254
<b>Member Services</b>	\$500	\$575
<b>Donations</b>	\$2,600	\$3,100
<b>Total Expenses</b>	\$179,759	\$183,442
<b>GRAND TOTAL</b>		
Under (Over) Budget	\$1,094	\$242

*(In March, 2019, we proposed a budget of \$187,500 in revenue and \$185,125 in expenses for FY 2020 (2019-20 budget). As you can see from the first column above, it currently looks like we overestimated revenue by almost \$6,000 and expenses by about the same. Still, with four months to go in the FY, the estimates for the current year should be treated cautiously.)*

**Fiscal Year 20-21 Expense Estimates**

- 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 or non-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.
  - For example, depending upon an individual member's annual income, we pay either full dues (currently \$19.58), half dues (currently \$9.79), quarter dues (currently \$4.90), or eighth dues (currently \$2.45) to the AFT monthly for each member. To AFT-MI we currently pay 0.04% of monthly gross salary for members. We anticipate that these rates will increase both in September 2020 and September 2021.
- The UPTF does not make per capita payments on behalf of fair share members to either the Metro Detroit Council or the State Council of the AFL-CIO. In addition, the UPTF makes reduced per capita payments to AFT-Michigan on behalf of fair share members. This voluntary fair share per capita is currently at 0.035% of monthly gross salary for fair share members. These fees, after the SCOTUS ruling in June 2018 (Janus v. AFSCME), are entirely voluntary and are directly tied 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 \$65 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 slight 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 2020 of about **\$62,900**. With the slight per cap increases expected in FY 20-21, as well as the impact of a salary increase in Fall 2020, we anticipate that per cap payments in FY 20-21 will increase slightly to **\$63,700**.
- **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 **\$2,000** in FY 2020-21. 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. Since virtually all cell phones come with unlimited calling and text these days, the Union does not pay cell phone stipends
- **Personnel:** As you can see, personnel costs are our largest expense. 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.
  - Our high level of turnover has been mentioned previously; only by constant organizing can we keep our full and fair share membership at, or near, 67%. While not all of these are teaching this semester, our staff has signed 198 full or fair share members since June 2018. This represents 27.6% of the current

bargaining unit (717 members), although not all of these are teaching this semester. This level of turnover and new member signing is only possible with continual face to face organizing.

- 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 will retire on 31 August 2020. His replacement will initially be employed for the remaining ten months of the fiscal year. With benefits and payroll taxes, total compensation for the Executive Director will be about \$65,500.
- The UPTF also employs the Treasurer for work both as Treasurer and as an additional Part-Time Organizer (PTO) for 11 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 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 **\$110,062** 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 \$150.00 in FY 2020-21,
  - **Printing and Copying** includes the cost of printing business cards and new membership cards. Next year's expense will be small, an anticipated \$250 for business card reprints.
  - We do not anticipate any **Furniture and Equipment** expenses.
  - **IT, Software, and Licenses** expenses are budgeted at \$250.00 in FY 2020-21.
  - Altogether we have budgeted **\$4,254** for **Office Operations** in FY 2020-21.
- **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 union meetings. We have budgeted funds for Member Services accordingly in the amount of \$175 for hospitality. In addition, we have budgeted another \$400 for stipends for the Grant and Audit committee members not otherwise compensated by the union. Thus, this category is budgeted at \$575 for FY 2020-21.
- **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, besides marching, we have historically provided some money to the AFL-CIO Metro to help to cover the expenses for the Labor Day parade. For FY 2020-21, 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, 2020 – June 30, 2021 will be **\$184,000** compared to expenses of \$183,690. If both income and expense projections are right on target, the UPTF would realize an operating surplus of **\$242** 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 20, 2020.*