



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

AFT / AFL-CIO

Budget Narrative and Information for 2023-2024

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 paid to our affiliates and to generate an operating surplus which is explained below. By the end of our 15th fiscal year of operations, June 30, 2023, the UPTF will have generated a cumulative surplus of approximately \$85,000. 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 \$36,000) plus \$30,000 for legal expenses and other emergencies. This is standard practice for all non-profit organizations. Our projected year-end surplus of \$85,000 means that we have reached that goal. Approximately \$35,000 of these funds are invested in laddered CDs, creating a balance between readily available assets and interest-earning savings.

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 our Fair Share, or Agency Fee, members at that time. As of now, about 7% of the bargaining unit has reaffirmed their Fair Share membership and continue to pay the Fair Share fee. The result is that about 54% 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 by member organizers.

Our current budget (fiscal year 2022-2023) was approved by the membership two years after the COVID-19 pandemic began. In the first year of the pandemic, we reduced expenses for several months. In our current fiscal year, our expenses increased slightly as more part-time faculty returned to teaching in person, and we returned to face-to-face organizing. The university has largely returned to normal operations, although a larger number of PTF remain teaching online, and the bargaining unit has remained reduced compared to pre-pandemic levels.

Over the next fiscal year (2023-4) we cautiously expect income to remain steady or to increase modestly, having already weathered the worst of the impact of the pandemic. Our dues and fees income is based on the salary paid to part-time faculty. The number sections offered to part-time faculty will depend on the number of students enrolled in classes at Wayne. Those numbers are currently unknown but expected to decline slightly.

Fiscal Year 2023-24 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. Everyone in the bargaining unit will *likely* receive a salary increase in August 2023, but that depends on the outcome of our contract negotiations. Our current collective bargaining agreement ends on July 14, 2023, after the end of the current fiscal year. We do not know what the

Fall 2023 salary will look like at this time. Historically, we have had increases in each year of our contract, but we will not be able to predict future salary increases until our next collective bargaining agreement is ratified.

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 each semester. Newer members of the bargaining unit have no experience with how things were 16 years ago, and do not realize the significant changes in wages and working conditions negotiated in our successive collective bargaining agreements;
- 2) we are uncertain of the size of our bargaining unit for Fall 2023 but have planned for it to increase slightly. Previous declines have been related to the new Gen. Ed. Requirements and the effect of the pandemic. However, the new Gen. Ed. Requirements have been in place long enough that their effect has already been felt. The university returned to a more robust in-person presence in Fall 2022, but there were fewer Part-Time Faculty employed than we saw in Fall 2019, our last pre-pandemic semester. Barring unforeseen changes in the pandemic, the university administration seems focused on returning to a largely in-person teaching environment in Fall 2023. While campus operations seem to have normalized, the next challenge we are likely to face is declining enrollment in the form of the ‘demographic cliff.’ The declining birth rate in the early 2000s means that there are simply fewer students available to enroll in any university in Michigan. Last year, we anticipated a modest increase in our income, but that did not appear. Our current fiscal year income is projected to have a slight decrease over our initial estimates. With that in mind, we are budgeting based on maintaining a stable income from fiscal year 2022-2023 to fiscal year 2023-2024, with a slight increase.
- 3) interest income, earned via our laddered CDs, will total less than \$550 annually;
- 4) this budget is based on the presumption that, while we will participate in the AFT-Michigan Member Organizing Institute, which helps to offset the cost of compensating member organizers.

Based on the assumptions listed above, the projected total UPTF income for FY 2023-24 is estimated to be almost **\$134,000**. This budgeted income for the coming fiscal year is a slight increase over the 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 2021-22 our income was lower than budgeted. At this point, it looks like our actual income for 2022-23 will again be lower than budgeted. Accordingly, for FY 22-23, we have slightly raised 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 2022- June 2023) as of March 01, 2023. “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:

	Adopted Budget	Projected Actual	Proposed Budget
	2022-23	2022-23	2023-24
REVENUE			
Total Revenue	\$156,000	\$137,140	\$140,000
EXPENSES			
Per-Cap Payments	\$55,849	\$51,564	\$52,751
Parking	\$1,500	\$1,200	\$1,500

Personnel	\$87,100	\$81,842	\$83,069
Office Operations	\$4,443	\$4,700	\$2,739
Member Services	\$575	\$575	\$575
Donations	\$4,100	\$3,000	\$2,100
Total Expenses	\$153,567	\$142,881	\$142,734
GRAND TOTAL			
Under (Over) Budget	\$2,433	(\$5,741)	(\$2,734)

(In March 2022, we proposed a budget of \$156,000 in revenue and \$153,567 in expenses for FY 2023 (2022-23 budget). As you can see from the first column above, it currently looks like we overestimated revenue by almost \$25,000 and overestimated expenses by about \$19,000. Still, with four months to go in the FY, the estimates for the current year should be treated cautiously.)

Fiscal Year 22-23 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-MI). 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 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 \$19.98), half dues (currently \$9.99), quarter dues (currently \$5.00), or eighth dues (currently \$2.50) to the AFT monthly for each member. These rates reflect an increase that took place in September 2021. There will be an increase in 2023, and we may need to increase the dues and fees rate to be effective August 2023.
 - To AFT-MI we currently pay 0.04% of monthly gross salary for members and fair share payers.
 - 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. However, the UPTF does make per capita payments to AFT-Michigan on behalf of fair share members. This voluntary fair share per capita is currently at 0.04% of monthly gross salary for fair share members (as stated above). 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 will be paid in March. During FY 2020-21 and 2021-22, AFT National covered the cost of the fidelity bond for all unions.
 - 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 decrease in the overall size of the bargaining unit, both because of more people employed and new people declining representation, will result in per cap payments to our affiliates in FY 2023 of about **\$51,564**. We anticipate that per cap payments in FY 23-24 will increase to **\$52,751**.
 - **Parking:** Providing semester parking passes for our twelve-month employees who drive to campus will cost the UPTF about **\$1,500** in FY 2023-24. In FY 2022-23, our parking expenses were lower, as our employees were re-imbursed for parking for each day they were on campus during Spring/Summer semester, when the return to in-person classes necessitated the use of parking passes again. Our employees are also Part-time Faculty. Thus, the University funding for Part-Time Faculty parking helps to reduce the cost of their parking. The current year anticipated parking expense does include a decision by the Union Council to reimburse the cost of parking for members of the Bargaining Committee and the Union Council when attending in-person meetings.
 - **Personnel:** As you can see, personnel costs are our largest expense. Technically, the UPTF contracts with AFT-Michigan to handle our payroll without any charge to the UPTF. AFT-Michigan therefore pays our employees; deducts, and then forwards payroll taxes; issues W-2 forms and so forth. The UPTF 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 within the bargaining unit has been mentioned previously; only by constant organizing can we keep our full and fair share membership at, or near, 54%.
 - The Executive Director is responsible for administrative duties ranging from managing meetings by scheduling them, proposing the agenda, and tracking employee issues, and addressing member concerns and complaints, to supporting the Treasurer with monthly, periodic, and annual financial processes. She also coordinates the union's organizing effort and manages the UPTF database. Nancy Welter was hired as full-time Executive Director in July 2021 after a period of six months as Interim Executive Director. In July 2022, she was offered a three-year contract in the position. With benefits and payroll taxes, total compensation for the Executive Director will be about \$63,700.
 - The UPTF also employs the Treasurer for work both as Treasurer and as an additional Part-Time Organizer (PTO) for 15 hours weekly. We will continue that expense. Approximately 5 of the compensated hours are for treasurer-related work, the rest for organizing members.
 - We have budgeted a 1.5% salary increase for both the Treasurer and Executive Director. Traditionally, UPTF has matched the annual salary increase negotiated in the collective bargaining agreement for each year with the same increase for UPTF employees, so the increase for Fall 2023 may be larger.
 - Altogether, we have budgeted **\$83,069** 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, the American Association of University Professors-American Federation of Teachers (AAUP-AFT), rents from the university. We share the space with the Graduate Employees' Organizing Committee (GEOC). We don't 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 \$150.00 monthly, or \$1,800 annually. This amount had been \$3,504 annually, and it had remained unchanged since we occupied the space in January 2008. However, in Fall 2022, we negotiated a lower price for the office overhead costs, reducing the expense by \$1,704.
- **Postage and Mail** is set at \$100.00 next year;
- **Office Supply** costs are budgeted at \$150.00 in FY 2023-24,
- **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 \$439.00 in FY 2022-23.
 - Our current fiscal year does have a larger expense than initially budgeted, as we have determined that it is necessary to replace the office computer. We have set aside \$1,000 for that cost in the current budget. We do not anticipate repeating that cost in the FY 2023-2024 budget.
- Altogether we have budgeted **\$2,739** for **Office Operations** in FY 2023-24.
- **Member Services:** This category includes 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. Without the expense of funding delegates to the 2022 convention, this category is budgeted at \$575 for FY 2023-24.
- **Donations:** The UPTF has funded a scholarship in the amount of \$2,000 annually. We also have traditionally provided \$2,000 for the [Ralph Bunche Summer Institute](#) program through the Center for Peace and Conflict Studies at Wayne State University. However, that program will not be offered in Summer 2023. We donated \$500 to the First Book program run through AFT-Michigan. We are currently planning to donate to the scholarship in memory of Joanne Hildebrandt, a long-time UPTF member and leader that passed away in 2022. We expect to donate \$500. The donations to First Book and Joanne Hildebrandt's scholarship fund are anticipated to be one-time donations. 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, and we will give \$100 to the AFL-CIO Metro. The parade was not held in 2022, so no donation was made last year. For FY 2023-24, we propose \$2,100 in donations.

Bottom Line

Based on this proposed budget, total income for the fiscal year, July 1, 2023 – June 30, 2024, will be **\$140,000** compared to expenses of **\$142,734**. If both income and expense projections are right on target, the UPTF would realize an operating deficit of **\$2,734** for the upcoming fiscal year. With the uncertainties of enrollment and the size of the UPTF bargaining unit, this projected deficit 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, 2023**.*