



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 13th fiscal year of operations, June 30, 2021, 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. The result is that about 62% 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.

Our current budget (fiscal year 2020-2021) was approved by the membership before we understood the full impact of the COVID-19 pandemic upon part-time faculty employment at WSU. As that impact became clear, we reduced expenses for several months at the end of 2020.

Over the next fiscal year (2021-22) we cautiously expect income remain steady or to increase modestly, having already weathered the worst of the impact of both the *Janus* decision and the pandemic. The Fall 2021 schedule shows a small increase in course offerings within our major departments. However, if the classes are offered online, it is difficult to sign up new members.

Fiscal Year 2021-22 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 in August 2021 and an additional increase in the final year of our new contract. Based on the PTF's salary step, the increase will be between 1-4% individually.

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 fourteen years ago, and do not realize how much things have changed. In the right to work environment, most new hires do not join the union without a meeting from an organizer, and the pandemic has made it increasingly difficult to meet with new hires;
- (2) we also expect the size of our bargaining unit during FY 21-22 will remain similar to Fall 2020 or

increase slightly. Prior decreases in our unit size were largely due to the new Gen. Ed. Requirements. The impact of those changes is still being felt, but we expect that to become increasingly negligible. The impact of the pandemic on enrollment, as well as university funding via the federal or state government, is more difficult to predict, but we can expect it will impact our unit. 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 2021-22 is estimated to be almost **\$150,000**. 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 2019-20 our income was lower than budgeted. At this point, it looks like our actual income for 2020-21 will be much lower than budgeted; however, we anticipate a small increase from that level in the coming year. Accordingly, for FY 21-22, we have lowered our estimates of both income and expenses from their previous normal levels to be just above the projected budget for 2020-21.

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 2020- June 2021) as of March 03, 2021. “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:

	Proposed	Projected	Proposed
	2020-21	2020-21	2021-22
REVENUE			
Total Revenue	184,000	\$148,840	\$150,000
EXPENSES			
Per-Cap Payments	\$63,700	\$54,200	\$55,122
Parking	\$2,000	\$0	\$1,800
Personnel	\$110,062	\$84,761	\$81,650
Office Operations	\$4254	\$4,332	\$4,500
Member Services	\$575	\$304	\$2,575
Donations	\$3,100	\$2,600	\$4,000
Total Expenses	\$183,442	\$146,196	\$149,647
GRAND TOTAL			
Under (Over) Budget	\$242	\$2644	\$353

(In March 2020, we proposed a budget of \$184,000 in revenue and \$183,422 in expenses for FY 2021 (2020-21 budget). As you can see from the first column above, it currently looks like we overestimated revenue by almost \$35,160. In the summer of 2020, we acknowledged the drop in revenue and cut our expenses considerably. We have based our projections on fact that we have

completed two thirds of the fiscal year; historically, we have a third of our revenue and expenses ahead. However, 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 to the American Federation of Teachers are a fixed amount per member. In the case of AFT- Michigan the amount of the payment varies according to the member's income.
 - 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.
 - In September 2021, AFT will be raising the per caps rate. Full dues will increase by \$0.40, to \$19.98. Half dues will be \$9.99, quarter dues will be \$5, and eighth dues will be \$2.50. This would have increased our per caps for February 2021 by \$42. We have increased the expected dues calculation for FY 21-22 by \$500 to account for this difference.
 - Based on the cost of the per caps increase, we *may* need to raise dues in January 2022. We will closely monitor our revenue and expenses in early Fall so that we can make that decision at the next General Membership Meeting.
 - 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

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 2021 of about **\$54,200**. With the slight per cap increases expected in FY 21-22, as well as the impact of a salary increase in Fall 2021, we anticipate that per cap payments in FY 21-22 will increase slightly to **\$55,122**.

- **Parking:** In March 2020, we presented a budget that included providing parking passes for our twelve-month employees and daily parking for our part-time organizers who drive to campus. We anticipated that would cost the UPTF about **\$2,000** in FY 2020-21. However, once the campus shut down due to the pandemic, our employees conducted most of their work from home. They worked on campus roughly every other week and chose to pay for their own parking. Therefore, there has been no parking expense in our current budget. We do anticipate returning to work on campus in the 2021-22 Academic Year, so we have added **\$1,800** for parking to the budget for the union's FY 2021-22. 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, 62%.
 - 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, had been the Vice President, Grievance Officer and Lead Negotiator of the UPTF since its inception, retired on 31 August 2020.
 - When the impact of the pandemic on the Union's revenues became clear, the Union Council chose to leave the position of Executive Director vacant from September through December 2020. This decision reduced the Union's expenses for FY 20-21 by \$21,000.
 - An Interim Executive Director, Nancy Welter, was hired in January 2021 for a six-month position. With benefits and payroll taxes, total compensation for the Interim Executive Director will be about \$31,000 in FY 20-21.
 - We anticipate having an Executive Director employed for all twelve months of FY 21-22. We have budgeted \$62,200 for total compensation (salary, benefits, and payroll taxes).
 - 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.
 - In the FY 20-21 budget, we initially planned for a part-time organizer employed for 14 hours weekly. When we chose to leave the Executive Director position vacant, we increased the PTO's hours to 20 hours a week. The position was held by Nancy Welter. When we hired her as Interim Executive Director, we chose to leave this position vacant to reduce expenses. We anticipate leaving it vacant in FY 21-22.
 - We also have budgeted for two members to participate in AFT-Michigan's Member Organizing Institute, to be trained and paid as organizers. The cost to the Union is approximately \$500.
 - Altogether, we have budgeted **\$81,650** 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 \$396.00 in FY 2020-21. This amount has been increased from its prior expense of \$150.00 to provide a cushion for unexpected expenses.
 - **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 **\$4,500** 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. It also covers the funds paid to members for participation on our Grant and Audit Committees. In FY 2020-21, the only expenses from this category were \$304 paid to the Committee members. We expect that travel and hospitality will return to normal during FY 21-22. 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. The next AFT National Convention will be held in Boston in July 2022. The expenses for that convention will be paid during FY 21-22 and are therefore included in this budget. We have included \$2000 toward the cost of travel and per diem expenses for members to attend the convention. Thus, this category is budgeted at \$2,575 for FY 2021-22.
- **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 2021-22, we propose \$4,100 in donations. We will give \$100 to AFL-CIO Metro for the Labor Day parade, and \$2,000 for the UPTF-WSU scholarship and \$2,000 to support the Ralph Bunche Summer Institute.

Bottom Line

Based on this proposed budget, total income for the fiscal year July 1, 2021 – June 30, 2022 will be **\$150,000** compared to expenses of \$149,147. If both income and expense projections are right on target, the UPTF would realize an operating surplus of **\$353** 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 26, 2021.