



THE UNION OF PART-TIME FACULTY

AFT LOCAL 477, AFL-CIO

2025-2026 Budget Proposal

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 17th fiscal year of operations, June 30, 2025, the UPTF will have generated a cumulative surplus of approximately \$100,000. 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 \$100,000 means that we have reached that goal. Approximately \$42,000 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 9% of the bargaining unit has reaffirmed their Fair Share membership and continue to pay the Fair Share fee. The result is that about 55% 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 2024-2025) was approved by the membership in March 2024. The university has largely returned to normal operations after the pandemic, although a larger number of PTF remain teaching online, and the bargaining unit has achieved some post-pandemic stability in terms of unit size. The last fiscal year (FY 23-24) was our first year in the new collective bargaining agreement, and we saw solid increases in dues and fees income. We expected this fiscal year to have a similar level of income, but each month of the Fall 2024 semester had lower income than the prior fiscal year.

Over the next fiscal year (2025-6) we cautiously expect income to remain steady or to decrease. The current chaotic situation at the federal level has made the University finances uncertain, and PTF are likely to bear the initial burden of budget cuts. Our dues and fees

income is based on the salary paid to part-time faculty. The number of 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 2024-25 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 receive a 2.5% salary increase in August 2025. While our income as individuals is guaranteed to increase, the number of courses offered to Part-Time Faculty will depend on the University budget and enrollment.

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 18 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 2025 but have planned for it to decrease slightly. Previous declines have been related to the new Gen. Ed. Requirements and the effect of the pandemic. The University has been facing challenge of declining enrollment in the form of the ‘demographic cliff’—specifically, the declining birth rate in the early 2000s means that there are simply fewer students available to enroll in any university in Michigan. That said, the University has claimed to have enrollment increases in this Academic Year. The changes to grant funding and immigration policy at the federal level are likely to cause constraints on the University’s finances, which often shows itself in reduced work for Part-Time Faculty. Last year, we anticipated a modest increase in our income for this fiscal year, but that did not appear. Our current fiscal year income is projected to have a decrease over our initial estimates. With that in mind, we are budgeting based on maintaining a reduced income from fiscal year 2024-2025 to fiscal year 2025-2026, with a slight increase in expenses;
3. interest income, earned via our ladder CD, will total less than \$400 annually.

Based on the assumptions listed above, the projected total UPTF income for FY 2025-26 is estimated to be almost **\$147,000**. 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 2023-24 our income was higher than budgeted. At this point, it looks like our actual income for 2024-25 will be lower than budgeted. Accordingly, for FY 25-26, 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) Operations, (5) Travel, Meetings & Member Services, (6) Donations, (7) Contract Services. For each category, two columns are shown. “Projected” is the projected expenditure for the category in the current fiscal year (FY July 2024- June 2025) as of March 01, 2025. “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 seven categories follows:

	Adopted Budget	Projected Actual	Proposed Budget
	2024-25	2024-25	2025-26
REVENUE			
Total Revenue	\$169,125	\$146, 775	\$147,000
EXPENSES			
Per-Cap Payments	\$55,888	\$46,061	\$46,500
Parking	\$1,500	\$1,400	\$1,500
Personnel	\$93,247	\$93,346	\$95,680
Office Operations	\$3,655	\$3,093	\$3,500
Member Services	\$650	\$450	\$650
Donations	\$2,600		
Contract Services		\$3,000	\$50
Total Expenses	\$157,074	\$146,200	\$149,880
GRAND TOTAL			
Under (Over) Budget	\$11,429	(\$575)	(\$880)

(In March 2024, we proposed a budget of \$169,125 in revenue and \$157,074 in expenses for FY 2025 (2024-25 budget). As you can see from the first column above, it currently looks like we overestimated revenue by over \$22,000 and overestimated expenses by about \$10,874. Still, with four months to go in the FY, the estimates for the current year should be treated cautiously.)

Fiscal Year 24-25 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 \$20.18), half dues (currently \$10.09), quarter dues (currently \$5.04), or eighth dues (currently \$2.52) to the AFT monthly for each member. These rates reflect an increase that took place in September 2023. There will be an increase in 2025 as determined at the 2024 AFT National Convention.
 - 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 2025 of about **\$46,061**. We anticipate that per cap payments in FY 25-26 will increase to **\$46,500** based on our contractual salary increase.
- **Parking:** Providing semester parking passes for our twelve-month employees who drive to campus will cost the UPTF about **\$1,400** in FY 2024-25. Our parking expenses were lower than in past years, as our employees were re-imbursed for parking for each day they were on campus during Spring/Summer semester rather than through the purchase of a parking permit. 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 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, 55%.
 - 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 \$69,308. This cost may increase depending on the cost of health insurance offered through AFT Michigan.
 - 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 2.5% 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.
 - Altogether, we have budgeted **\$95,680** 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 \$400.00 in FY 2025-26. This cost is partly due to spending more money on organizing materials.
 - We do not anticipate any **Furniture and Equipment** expenses.
 - **IT, Software, and Licenses** expenses are budgeted at \$955.00 in FY 2025-26. This cost has increased due to the ongoing expenses for software and licenses. We are now billed monthly for Google Workspace, Quickbooks Online, HP Smart Printing, and Microsoft 365.
 - Altogether we have budgeted **\$3,500** for **Office Operations** in FY 2024-25.
- **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 \$250 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 2024 convention, this category is budgeted at \$650 for FY 2025-26.
- **Donations:** The UPTF has funded a scholarship in the amount of \$2,000 annually. We do not anticipate making a donation in FY 2025-2026, but if our income is higher than expected, the Union Council is authorized to make a donation based on our excess available funds.
- **Contract Services:** The UPTF contracted Nancy Shattuck (a retired member of the union) to help us build a database to track the promotion status of PTF and to make it easier to notify PTF when they were ready to be promoted. The expense of that database in our current fiscal year, close to \$3,000, is higher than expected. In fiscal year 2025-2026, we expect that our only contract service will be to pay an accountant to assist with tax filing.

Bottom Line

Based on this proposed budget, total income for the fiscal year, July 1, 2025 – June 30, 2026,

will be **\$147,000** compared to expenses of **\$149,880**. If both income and expense projections are right on target, the UPTF would realize an operating deficit of **\$2,880** 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 **March 21, 2025**.*