

The Amherst and Boston Chapter Boards met on May 15th and approved the JEC budget presented below. This budget reflects our three priorities: responsibly managing our financial obligations, supporting contract negotiations, and encouraging member involvement in our parent union, the MTA:

Financial Operations: We continue at full staffing levels for the office – Financial Director, Billings and Collections, and Database developer. We pay for office supplies, phone service, data jacks, and the sundries of running an office.

Contract Negotiations: We are facing serious concessions at the bargaining table, and the best way to fight concessions is with member involvement. Getting members involved and active takes more than emails or flyers. It takes face to face mobilization and that requires an organizer. The most significant changes between the FY15 draft budget and this final budget include doubling the Boston organizer's time and adding an organizer to Amherst for 2 days per week.

Involvement in the MTA: Although we cut back on some budget lines, we did not cut the budget lines sending our members to the MTA Annual meeting. We believe that this is an extremely important cog in the MTA machinery, and actually hope to expand our attendance to our full allotment.

We want to draw your attention to the fact that is the second year we're projecting a deficit budget; this budget anticipates that we will have to dip into our reserves for approximately \$90,000. Because our reserves are well over the recommended amount, we believe we can safely dip into reserves this year and perhaps for another year or two. However, eventually this necessary level of spending will have to be covered with new dues dollars. During this next fiscal year, the JEC will develop and present to the membership a plan to reduce deficit spending and increase dues over a 3-5 year period, while also getting our reserves to the recommended balance. Meanwhile, though, we will be raising dues by the amount of our negotiated base rate increase, which we have never done before; in fact, we have not raised PSU dues in any form since April 2007. This means that if we get a 3% raise, then your annual PSU dues will go from \$109.80 to \$113.01, a bi-weekly increase of about 13 cents. Due to this increase in dues, the Chapter Boards felt that it was appropriate to eliminate all officer stipends.

If you have specific questions, you may contact the PSU JEC Treasurer, Marianna McKim marianna@finaid.umass.edu, or call the PSU main office at 413.545.4509 and our staff will ensure that she gets your message.

	FY14 Actuals (as of June 2014)	FY15 Proposed Budget	FY15 Approved Budget	Explanation of changes from proposed budget
INCOME				
Members' Dues	\$1,379,168.79	\$209,082.16	\$214,309.21	includes a 2.5% dues increase in anticipation of bargained increases
MTA/NEA Dues	included above	\$1,240,978.60	\$1,240,978.60	
Interest Income	\$6,242.94	\$5,000.00	\$5,000.00	
MTA Local Support	\$49,011.00	\$44,675.00	\$44,675.00	
Misc Income	\$4,393.17	\$3,000.00	\$3,000.00	
Other Income	\$2,893.97	\$0.00	\$0.00	
Total Income	\$1,441,709.87	\$1,502,735.76	\$1,507,962.81	
EXPENSES				
MTA/NEA Members' Dues	\$1,287,180.36	\$1,240,978.60	\$1,240,978.60	
Dues Subsidy		\$4,000.00	\$4,000.00	
Dues Correction	\$117.90	\$300.00	\$300.00	
PSU Staff Salaries	\$181,390.71	\$193,824.17	\$231,396.92	Increased organizers' hours
PSU Staff Benefits	\$28,668.14	\$31,000.67	\$31,753.83	
PSU Staff Taxes	\$16,507.08	\$13,400.00	\$16,497.75	
Workers Comp	\$484.00	\$1,000.00	\$1,000.00	
Officer Stipend	\$6,000.00	\$6,000.00	\$0.00	Eliminate stipends
Taxes On Stipend	\$0.00	\$600.00	\$0.00	
Arbitration	\$1,685.00	\$3,000.00	\$1,500.00	Reduced to better reflect actuals
Professional Fees	\$11,399.70	\$12,000.00	\$12,000.00	
Meetings & Conventions	\$11,048.54	\$8,000.00	\$8,000.00	
Travel	\$15,000.69	\$12,000.00	\$12,000.00	
Administrative Expenses	\$9,217.16	\$8,038.00	\$8,038.00	
Equipment Purchases	\$5,232.23	\$2,000.00	\$4,800.00	increased to cover computer needs
Printing	\$834.54	\$4,000.00	\$4,000.00	
Transfer to Amherst Chapter	\$2,694.11	\$4,500.00	\$4,500.00	
Transfer to Boston Chapter	\$2,245.75	\$4,500.00	\$4,500.00	
Organizational Membership	\$3,279.00	\$3,400.00	\$3,400.00	

Non Bargaining Expenses	\$7,661.13	\$8,000.00	\$8,000.00
Donations	\$100.00	\$500.00	\$500.00
Misc.	\$0.00	\$1,000.00	\$1,000.00
Total Expenses	\$1,590,746.04	\$1,562,041.44	\$1,598,165.10
NET INCOME/LOSS	-\$149,036.17***	-\$59,305.68	-\$90,202.28

***Note that we are expecting a refund from the MTA of approximate \$110,000 for last year, which is not reflected in either year's budget, but which will mean that we only went into deficit spending by about \$40,000, not \$150,000.

About the Accounts:

Income:

Member Dues are calculated by multiplying a count of members by the PSU dues collected per person. This is the amount of money the PSU retains to cover our local union's expenses. For the first time since 2006, the joint Chapter Boards has decided to exercise its authority to raise our local dues by the same percentage as our salary increases. So this line reflects a projected 2.5% increase in PSU dues this year, which would change our annual PSU dues from \$109.80 to \$112.55. Once the contract negotiations are completed, we'll let you know what the actual dues increase will be. It will not be imposed retroactively.

MTA Dues is calculated by multiplying a count of member by the MTA and NEA dues collected per person. This money is paid directly to the MTA and NEA. We do not know if these rates will increase next year; that will be decided at the MTA Annual Meeting in May, and the NEA Annual Meeting in July.

Interest Income is money we get from investing all of the cash balances that do not have to be liquid into Certificates of Deposit. For a number of accounting reasons, the liquid balance that we need to maintain is at least \$250,000 at any point in time. The rest of our average balance, between \$700,000 and \$800,000 is returning less than 1% APR at this time.

MTA Local Support is money that the MTA refunds to us based on a number of factors including permanent staffing levels, number of members, actual office expenses, and more.

Miscellaneous Income includes MTA contributions to the local to cover collective bargaining expenses.

Other income includes money that we paid to the MTA or NEA, or wrote off as deferred PSU dues, that we will collect this year from members on a payment plan. (A member is offered a payment plan if they were not signed up for payroll deduction in a timely manner, and owe back dues that would cause an excessive bi-weekly deduction.) This amount was significantly larger in the past due to “finding” members who had slipped through in the past during our various transitions from SEIU 509 to SEIU 888 and to MTA. The amount now represents the few people who slip through the cracks, most often transfers from other units. We are not expecting any such payments in the next fiscal year.

Expenses:

MTA/NEA Dues expense covers what we have to remit to the MTA from the dues collected from you. In FY14, \$668 for each full-time member is sent to the MTA and NEA.

PSU Staff Salaries covers current staff, including our Director of Financial Operations, a part-time Database Developer, a part-time Billing Specialist, and part-time Organizers in both Boston and Amherst. PSU staff receives the same pay increases that we negotiate in our contracts. For the purposes of this budget, we've built in a 3% raise for the staff; we won't know what the actual raises will be until we conclude bargaining.

PSU Staff Benefits and Payroll Taxes include benefits for non-contracted employees, workers' compensation insurance, payroll taxes and other related expenses.

Officer Stipends are payments made to Officers of the Local in recognition of the sacrifices they make every day working for PSU, as acknowledgement of their dedication and as a token thank you. This amount allows for a \$2000 annual stipend to the UMA Chapter Co-Chairs and to the UMB Chapter President, who also rotate as the Joint Executive Council chair.

Arbitration expense is something that we allocate annually, although PSU policy dictates that we will pay for any arbitration that we undertake, regardless of budget impact. Some years we have no arbitrations, and other years we have several. Arbitration may occur when the Union and Management cannot reach a settlement on a grievance, Salary Administration Program appeal, or bargaining dispute. A mutually agreed upon, independent, third party neutral is called upon to hear both sides of the dispute, and to issue a ruling.

Professional Fees covers the cost of our annual audit, as well as the payroll service.

Meetings and Conventions expense is for any hotel cost, registration or other incidental expense related to members or officers attending meetings or conventions. Our biggest expense here is for the MTA Annual Meeting, which occurs each May. Elections are held each year so that we can send delegates to this meeting, where the MTA budget and various policy resolutions are approved. It is

enlightening, and a good experience for anyone at all interested in how the MTA works. The PSU is very active at these meetings, regularly speaking on cost and other items, and proposing our own suggested budget and policy changes. The MTA Annual Meeting is only one of many places that we send our members with this money. Members have attended various trainings, WILD programs, UALE Summer Program, and the NEA Annual meeting, to name a few.

Travel expense covers mileage reimbursement for people attending union meetings offsite, such as travel to and from bargaining sessions.

Administrative Expenses includes costs of running a Local, and two offices – the main office in Amherst, and another in Boston. Telephone, leasing the printers, postage, stationery, software licenses and related expenses fall here.

Organizational Memberships expense is very specific, and covers only the costs of belonging to three AFL-CIO Central Labor Councils, or CLCs. Since the MTA is not an AFL-CIO affiliated union, the PSU became a direct affiliate of the AFL-CIO several years ago, which has allowed us to continue to be involved with our local labor councils.

Chapter Expenses are the chapter budgets – money allocated to each chapter to spend as they choose. The Chapter Board of each campus determines a budget for this money according to the chapter policy or bylaws. If a Chapter Board needs more money for a specific project or issue, they can request increased funding at any time from the JEC, who will have to find the extra money from elsewhere in the budget if they choose to approve the request. Chapter monies pay for expenses incurred by the Chapters for events and activities benefitting only that Chapter's members.

Misc. Expenses and Non-bargaining expenses are all of the other things we do. Donations are included here, such as when we buy an ad or a table at a labor dinner. Our contribution to PHENOM is included here, as well.

Dues corrections and subsidy include the dues subsidy we provide for low-wage workers, and the debt we incur when a member leaves the University and they owe us money. This happens for several reasons but primarily because of people leaving before a payment plan is completed.