

HOW YOUR UNION SPENDS YOUR MONEY

By Robert Perrone

This article is in response to recent inquiries we have received regarding how the LRCFT budgets its expenses and spends its revenues.

The Union's revenue stream comes from two sources. The main source is member dues and non-member agency fees, which have not increased for the past five years. The other source is staff funding from the California Federation of Teachers (CFT), at slightly more than \$15,000 monthly, and the American Federation of Teachers (AFT). The CFT staff funding represents a partial rebate of the per capita taxes the LRCFT pays each month to the CFT and AFT. While those per capita taxes have increased 19% over the past five years, member dues have not.

One way to view Union spending is as a set of priorities. As you can see from the pie chart (next page), the first priority is the cost of affiliations. Those affiliations are what give the Union the strength of numbers: the ties to education workers and other workers across the state and country, and the ability to avoid duplication of effort by relying on those affiliates for lobbying the state legislature and Congress.

The second priority is the Union's employees, the people who keep the machine running on a day-to-day basis.

The third priority is those expenses related to keeping the Union's office supplied and in good working order. That includes making improvements and repairs on the building as needed. Sometimes those repairs can be quite expensive. For example, the front stairs of the building need to be replaced. That will cost \$15,000-\$20,000 due to the historical nature of the building, and the need to make those repairs in strict conformity with the city of Sacramento's historical preservation guidelines. However, the Union has saved almost \$35,000 annually since the principle and interest on the loan for the Union's office building was paid in full last fiscal year.

The fourth priority is member services, of which legal services comprise a significant chunk, after those affiliation costs. Last fiscal year, we were able to keep those expenses to slightly more than \$18,000. One tenure denial defense can easily exceed that amount. Several years ago, just such a case caused the Union to spend over \$35,000, and that was only a third of the total cost. The other two-thirds were paid for by the AFT and CFT, another benefit of those affiliation fees. Member services also includes expenses related to providing contract and other educational work-

EXPENSE CATEGORIES

EXPENSE CATEGORIES	AMOUNT	% OF TOTAL
AFFILIATIONS	\$770,000	56.22%
OTHER MEMBER SERVICES	127,100	9.28%
OFFICE	137,950	10.07%
SALARIES AND BENEFITS	204,406	14.92%
OTHER STAFFING	69,000	5.04%
TRAVEL, CONFERENCES, CONVENTIONS	40,500	2.96%
OTHER TRAININGS, MEETINGS AND CONFERENCES	20,700	1.51%
TOTAL	1,369,656	100.00%

shops; the annual picnic; and expenses related to the Union Hall Gallery.

The lowest priority is attendance at conferences, conventions and meetings, and the expenses related to attendance at those functions. Those expenses account for less than 4.5% of the total budget.

The figures below show the actual amounts the LRCFT has budgeted for the 2011-12 fiscal year for specific expense categories. Smaller expense categories were listed under "Other" so as not to overly clutter the pie chart.

"Other member services" expenses include legal, liability insurance, member outreach, advertising and promotion, and printing and a transfer of funds from the LRCFT general fund to the LRCFT Political Action Fund. That transfer consists of two dollars per full-time member and one dollar per part-time member each month, totaling less than \$2,700 for each month, or approximately 1.8% of the total annual LRCFT budget. This transfer was approved by a vote of the membership in 2005 and entailed no increase in dues.

The Union periodically makes donations to faculty groups, student groups and other non-profit organizations under that expense category of Advertising and Promotion. For example, in the 2010-11 fiscal year, the Union made an in-kind contribution of toilet paper for a United Way-sponsored drive for the homeless. That came to a total of \$213.50. A \$250 contribution went to the Tahoe Park Neighborhood Association for college scholarships. Another \$250 bought a promotional ad in a brochure at an Umoja conference. A \$500 contribution to CRC helped offset the expense of providing a graduation ceremony sponsored by Latino faculty and staff. Another \$500 went to the Black Faculty and Staff Association at SCC for a graduation ceremony for African American students. The list goes on, including sponsorship of a team at the annual Run To Feed the Hungry;

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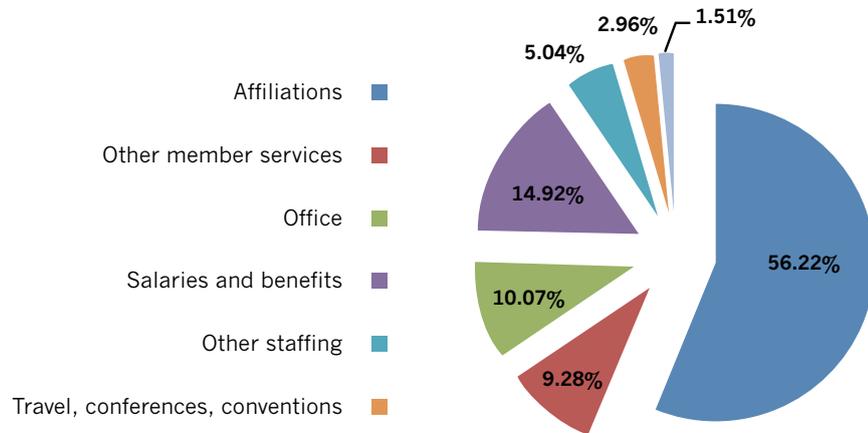
Newspapers In Education; a radio ad which urges students to stay in school on the student-run station at UC Davis, amongst other altruistic donations.

“Other staffing” expenses include payroll taxes, worker’s compensation insurance, auto expenses, i.e. mileage, (which regularly falls below \$1,500 annually) and salary reimbursement, which represents payment for the reassigned time purchased beyond the 2.75 FTE negotiated in the contract.

“Other Training, etc.” expenses include meals, which covers all food-related expenses incurred at non-Executive Board meetings, conventions, con-

ferences, and the like; expenses related to Executive Board/union meetings (a mere .4% of the overall budget); and a college fund, in which each Los Rios Union College President has \$900 to spend annually on college-related activities, such as social gatherings, off-campus meetings, etc. Money that isn’t spent on those activities does not roll over to the next year.

If any of you have further questions or concerns regarding the Union’s finances, I would be happy to continue this discussion. Feel free to contact me at: Robert@lrcft.org. ■



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