



# The HFC Adjunct Faculty Organization AFT Local 337



## Fiscal Year 2020-21 Final Budget Proposal

### Introduction

*Please plan to attend the Winter General Membership meeting on Friday, May 8 at 5:00 p.m., in Zoom. An invitation to register to join the Zoom meeting will be sent to your college email. During the meeting, the membership will be given an opportunity to discuss, question and amend this proposed budget before being asked to entertain a motion to approve.*

Article XII of the AFO Constitution<sup>1</sup> specifies that the annual budget for the upcoming fiscal year be submitted to the membership for approval during the Winter General Membership Meeting.

This document includes the proposed final budget for the upcoming fiscal year (July 1, 2020 – June 30, 2021). The budget was developed by the Executive Board and reviewed by the Finance Committee based on fiscally conservative principles. Both the Executive Board and the Finance Committee have unanimously voted to submit the budget to the membership with a strong recommendation for approval.

If you have any questions, concerns, or if you want to submit your vote on this proposed budget by proxy, please contact us at: [afo@hfcc.edu](mailto:afo@hfcc.edu).

Thank you,

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Lynn Boza, President

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Edgar Johns, Interim Vice President

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Sherry Morgan, Financial Records Secretary

This FY 2020-21 proposed budget was presented to the membership on May 8, 2020. A motion to approve the budget (as amended) was made, supported and passed by the membership.

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2020-21 Election  
Committee Chair

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<sup>1</sup> For the full text of the Constitution, or any other AFO document referred to herein, please visit the AFO Home Page, [www.hfcc-afo.org](http://www.hfcc-afo.org).

# The HFC Adjunct Faculty Organization - AFT Local 337

## Fiscal Year 2020-21 - Final Budget Proposal

### Overview

#### Current Fiscal Year Ending June 30, 2020 (FYE 20)

For the fiscal year that ended June 30, 2019 (FYE 19) our income was \$126,358. In budgeting FYE 20, we projected that income would be the same. With the benefit of hindsight, we are now anticipating income of \$111,846, down \$14,512. Part of this is due to lower enrollment but most of the problem is due to COVID19. With the cancellation of the Spring semester, we will not receive two June paychecks/dues.

On the expense side, total expenses are now anticipated to be \$110,811, less than was budgeted. Since our anticipated income this year is now \$111,846, we are expecting net income of \$1,035 rather than the small deficit that was projected.

#### Upcoming Fiscal Year Ending June 30, 2021 (FYE 21)

Looking ahead to FYE 21, repercussions from COVID19 may cause lower enrollment and fewer adjuncts teaching and fewer adjuncts teaching a full load. The budgeted income is \$112,274, a 10 percent reduction from FYE 19.

Due to uncertainty, we are also being conservative on the expense side. Budgeted expenses for the FYE 21 is \$112,878. Details of how this number was calculated are in the following section. With projected income of \$112,274, there exists a deficit budget of \$604. We have the funds to handle a deficit even if COVID19 effects are lingering and results in a further income reduction. As of March 2020, our balance sheet shows funds of \$176,000 which includes savings, checking and a Certificate of Deposit. Cash reserves are needed in case of unexpected expenses such as legal fees and other periodic major expenses. Our goal is to have sufficient cash to cover three or four months of operating expenses plus \$25,000 for legal expenses and \$20,000 for an outside audit if necessary.

### Discussion

#### FYE 21 Estimated Income, Expenses and Explanations

##### Income:

Monthly income estimates are as follows:

Income Estimate 2020-2021													
Item	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Item Total
Dues	\$4,681	\$4,562	\$10,219	\$11,643	\$11,617	\$11,445	\$8,474	\$9,283	\$9,445	\$9,758	\$9,671	\$10,815	\$111,614
Interest	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$660
<b>Grand Total</b>	<b>\$4,736</b>	<b>\$4,617</b>	<b>\$10,274</b>	<b>\$11,698</b>	<b>\$11,672</b>	<b>\$11,500</b>	<b>\$8,529</b>	<b>\$9,338</b>	<b>\$9,500</b>	<b>\$9,813</b>	<b>\$9,726</b>	<b>\$10,870</b>	<b>\$112,274</b>

##### Expenses:

The next table shows expenses broken into five major categories: (1) Per Capita Dues and Insurance Payments, (2) Contract Services, (3) Operations, (4) Payroll, and (5) Travel and Meetings. There are two lines for each expense category. The first, labeled "This FY," shows the estimated expenses for FYE 20 (the year that ends June 30, 2020) while the second, "Budget," shows the budgeted expenses for FYE 21. Estimated expenses for FYE 20 total \$112,110. Projected expenses for FYE 21 are \$112,878.

Details for each category follow.

Estimated Expenses 2020-2021													
Item	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Item Total
<b>Per Capita Dues and Insurance Payments</b>													
This FY	\$ 3,301	\$ 2,117	\$ 4,949	\$ 5,450	\$ 5,471	\$ 5,422	\$ 4,489	\$ 4,770	\$ 4,792	\$ 5,011	\$ 5,477	\$ -	\$ 51,248
Budget	\$ 1,390	\$ 1,356	\$ 3,350	\$ 3,761	\$ 3,749	\$ 3,711	\$ 3,012	\$ 3,434	\$ 3,461	\$ 3,507	\$ 3,483	\$ 14,770	\$ 48,983
<b>Contract Services</b>													
This FY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500
<b>Operations</b>													
This FY	\$ 132	\$ 132	\$ 132	\$ 132	\$ 132	\$ 804	\$ 1,406	\$ 1,232	\$ 382	\$ 132	\$ 132	\$ 132	\$ 4,880
Budget	\$ 172	\$ 572	\$ 172	\$ 172	\$ 172	\$ 172	\$ 172	\$ 172	\$ 172	\$ 1,672	\$ 172	\$ 172	\$ 3,964
<b>Payroll</b>													
This FY	\$ 4,198	\$ 4,198	\$ 4,126	\$ 6,311	\$ 4,124	\$ 4,124	\$ 4,873	\$ 4,445	\$ 4,445	\$ 4,445	\$ 4,445	\$ 4,445	\$ 54,180
Budget	\$ 6,000	\$ 3,992	\$ 3,992	\$ 5,242	\$ 3,992	\$ 6,000	\$ 3,992	\$ 5,242	\$ 3,992	\$ 3,992	\$ 3,992	\$ 6,000	\$ 56,431
<b>Travel and Meetings</b>													
This FY	\$ -	\$ 100	\$ 403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 503
Budget	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
<b>Totals</b>													
This FY	\$ 7,631	\$ 6,547	\$ 9,609	\$ 11,893	\$ 9,727	\$ 10,351	\$ 10,767	\$ 10,447	\$ 9,620	\$ 9,588	\$ 10,054	\$ 4,577	\$ 110,811
Budget	\$ 9,562	\$ 5,920	\$ 9,014	\$ 9,175	\$ 7,913	\$ 9,883	\$ 7,177	\$ 8,848	\$ 7,626	\$ 9,171	\$ 7,647	\$ 20,942	\$ 112,878

### (1) Per Capita Dues and Insurance Payments

For FYE 20, we estimate our per capita expense to be \$54,248. This is \$5,939 lower than our budget estimate due to the cancelation of the Spring semester. Based on the same set of assumptions that went into the income estimate, these payments in FYE21 are projected to be \$48,983. For FYE21, we estimate our per capita expense to be \$48,963.

#### AFT National

During FYE21 we will pay the smallest monthly per capita charge to AFT for the first 11 months. Then in June we will reconcile what we have paid against what members actually worked. Consequently the June payment is expected to be higher than the previous months.

#### AFT-Michigan

In 2019 we entered a two-year pilot with AFT-M that replaces capitated payments. Our unit dues to AFT-M are being paid as .4 percent (0.4%) of our total payroll. The new process replaced a labor-intensive process. We are enthusiastically advocating that AFT-M make the pilot permanent and we plan to urge the national AFT to adopt a similar policy during the July 2020 convention.

In addition to payments to the AFT and AFT-M, the AFO also makes per capita dues payments to the Metro Detroit Council of the AFL-CIO and the State Council of the AFL-CIO. These payments are smaller.

### (2) Contract Services

This category includes payments for online voting, accounting fees, and legal fees. Typically, no expenses fit this category, but this fiscal year includes an election and we have budgeted \$1,500 in case the Elections Committee determines to conduct an online election.

### (3) Operations

This category includes eight sub-categories as follows:

1. Banking fees: The AFO is not charged any banking fees due to the balance maintained.
2. Contributions: So far in FYE 20 we have made donations totaling \$1,951 to the Hawks Nest, Black Male and QUEENS, and the HFC Foundation. The FY 21 budget proposes contributing up to \$1,500 during FYE 21 to the HFC Foundation and/or other organizations with missions consistent with the objectives of the AFO as stated in our Constitution.
3. Hospitality: The AFO purchases snacks for meetings and an adjunct break room and occasionally approves larger hospitality expenditures. The FYE 21 budget for is \$120.

4. Miscellaneous: This category is a not normally used since recurring expenses cannot be categorized “miscellaneous” under AFO accounting practices.
5. Office Supplies: In FYE 20 purchases of a new desktop computer, a solid-state hard drive for an older computer and printer cartridges totaled \$1,343.67. \$120 has been projected for FYE 21.
6. Postage, Mailing: No funds are budgeted as no expenses of this type were incurred in FYE 20 and none is expected in FYE 21.
7. Printing and Copying: Distribution of newsletters is primarily through email so only \$240 has been budgeted for FYE 21.
8. Rent: The monthly rent for our office (N-006 of the Learning Technology Building) is \$132 and covers expenses for utilities, including internet access.

As shown on the table, these items total \$4,880 in FYE 20 and \$3,964 for FYE 21.

**(4) Payroll**

Two AFO officers, President Lynn Boza and Interim Vice President Edgar Johns each earn \$13,000. The AFO Constitution lists the primary duties of the President and other elected or appointed Executive Board members. The AFO Constitution can be viewed on the AFO website. Current salaries for AFO Executive Board members without personal service agreements is set at \$5,000. Executive Board member salaries are paid through the AFT-Michigan. AFT-M charges the amount of employee salaries paid plus 12.5 percent to cover the employer’s share of FICA, Medicare, and other payroll taxes.

Another item that is included in next year’s payroll budget is \$2,500 for Organizing Fellowships. Organizing fellows receive stipends of \$750. This program is partially underwritten by our affiliates; \$500 is paid by AFT and AFT-M and \$250 is paid by the AFO. Organizing fellows are trained by AFT-M and in exchange for their stipends agree to do fifty hours of organizing

Also included in both fiscal years is \$400 for “dues refunds” provided to members of standing committees such as the Finance Committee which conducts the annual financial review.

Comparing the estimated total payroll expense for FYE 20 (\$54,180) to projected FYE 21 (\$56,431) shows an increase of \$2,251.

**(5) Travel and Meetings**

This last major category holds expenses related to conferences, meetings, and reimbursements for travel expenses while on AFO business. The next biennial convention of the AFT will be held early in FYE 21 in Houston, TX, so \$2,000 has been budgeted.

**Summary**

The chart below is the projected Profit and Loss statement for FYE 21 based on estimated income and expenses as presented:

Profit and Loss Estimate 2020-21													
Item	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Item Total
Income	\$4,736	\$4,617	\$10,274	\$11,698	\$11,672	\$11,500	\$8,529	\$9,338	\$9,500	\$9,813	\$9,726	\$10,870	\$112,274
Expenses	\$9,562	\$5,920	\$ 9,014	\$ 9,175	\$ 7,913	\$ 9,883	\$ 7,177	\$ 8,848	\$ 7,626	\$ 9,171	\$ 7,647	\$ 20,942	\$112,878
Profit/(Loss)	(\$4,826)	(\$1,303)	\$1,260	\$2,523	\$3,759	\$1,617	\$1,352	\$490	\$1,874	\$642	\$2,079	(\$10,072)	(\$604)

Total income is expected to be about \$112,274 against expenses of about \$112,878. Since expenses have gone down in the last two years, we hope the projected \$604 deficit will turn out to be even smaller. Despite the deficit and uncertainty surrounding COVID19, given our currently strong financial position the officers of the AFO ask our members to approve this budget. Thank you for your consideration.