

CUPE 3903



Fund the Fight

cupe3903.org/fund-the-fight/

Town Hall
Nov. 7, 2024



**Fund the
Fight:**
Explainer,
Stats, FAQ,
and more.

cupe3903.org/fund-the-fight/

Financial Strategizing: A Timeline

April 2024	<ul style="list-style-type: none">• Secretary-Treasurer and staff discussed union finances• Secretary-Treasurer, Recording Secretary, Grievance Officer and CUPE National Representative meet to discuss possible solutions
May 2024	<ul style="list-style-type: none">• Established Financial Sustainability Working Group as a subgroup of the Executive Committee to help the Secretary-Treasurer with finances• Asked Employer about internal loan option as a temporary measure to improve cash flow [rejected]• Dissolved working group and established Ad Hoc Finance Committee as a larger group to help the Secretary-Treasurer with finances
June 2024	<ul style="list-style-type: none">• Ad Hoc Finance Committee meeting #1: discussed ways to move forward• Secretary-Treasurer presented the 2024-25 budget at the AGM, also noting the financial issues of the Union



July 2024	<ul style="list-style-type: none"> ● Ad Hoc Finance meeting #2: discussed how to mobilize around a dues structure change ● Ad Hoc Finance meeting #3: affirmed the recommendation to change the dues structure in light of new information from CUPE National
Aug. 2024	<ul style="list-style-type: none"> ● Presented financial options to the Executive Committee ● Executive Committee endorsed the proposed 3% across-the-board dues rates ● Ad Hoc Finance meeting #4: created draft of dues campaign plan ● Ad Hoc Finance meeting #5: finalized dues campaign plan
Sept. 2024	<ul style="list-style-type: none"> ● Ad Hoc Finance meetings and research work ● Ad Hoc Finance meeting #6: check-in
Oct. 2024	<ul style="list-style-type: none"> ● Ad Hoc Finance meeting #7: reviewed campaign plan, organized communication tasks ● Creation of campaign website and materials ● Presentation of campaign at GMM on Oct. 29, 2024
Nov. 2024	<ul style="list-style-type: none"> ● Town Hall on Nov. 7, 2024 ● Vote at GMM on Nov. 27, 2024



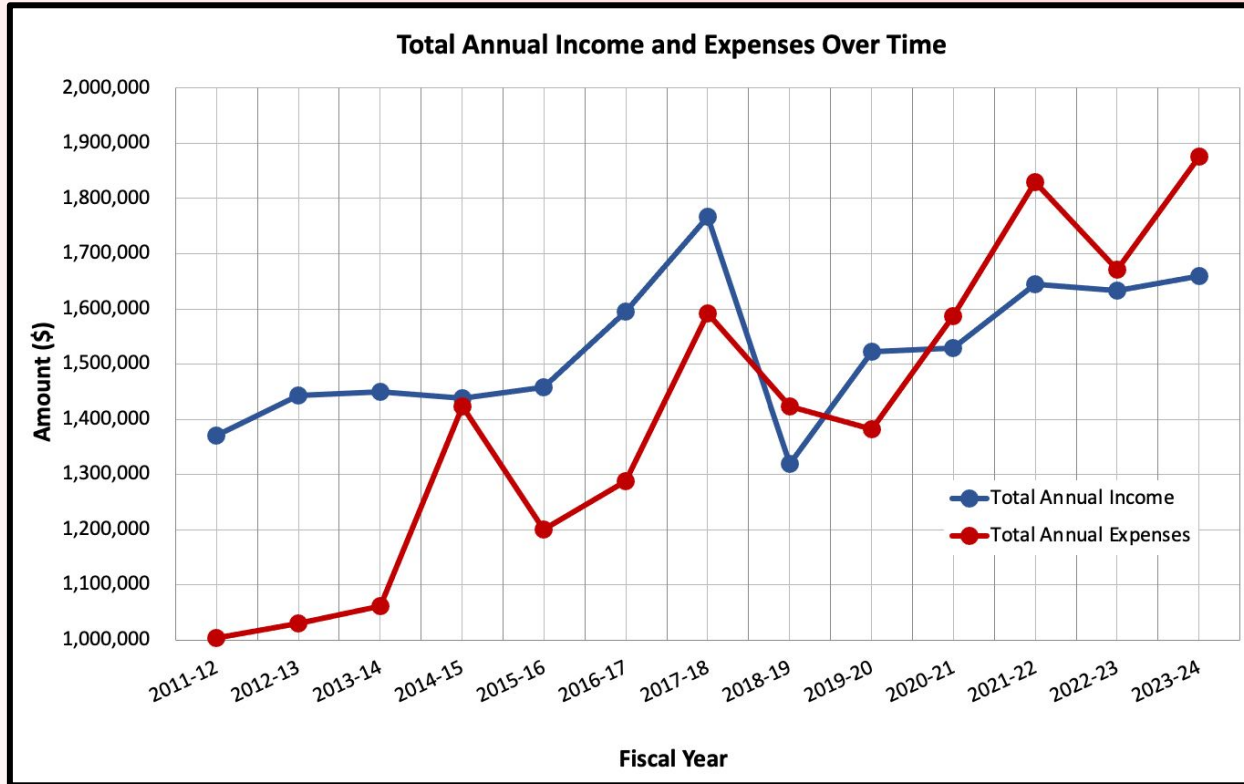
What are CUPE 3903's income sources?

- **Membership dues**
 - (approx. \$1,600,000 annually)
- **Interest income and the Equity Fund**
 - (approx. \$15,000 annually)

What are Our Expenses?

- **Per capita and affiliation fees:** we pay approximately 34% of our income to CUPE National, (as required by the CUPE National Constitution)
- **Support and professional fees,** namely accounting firms (for audits) and legal firms (for grievances and other legal questions)
- **Staff salaries and benefits;**
- **Office costs**
- **Accessibility supports,** like ASL interpretation and meeting captioning
- **Conference delegations**
- Work of **caucuses** and in our **community**
 - (ex: TFAC, First Nations Solidarity, etc.)
- Committee member and bargaining team **honoraria**
- **Donations**

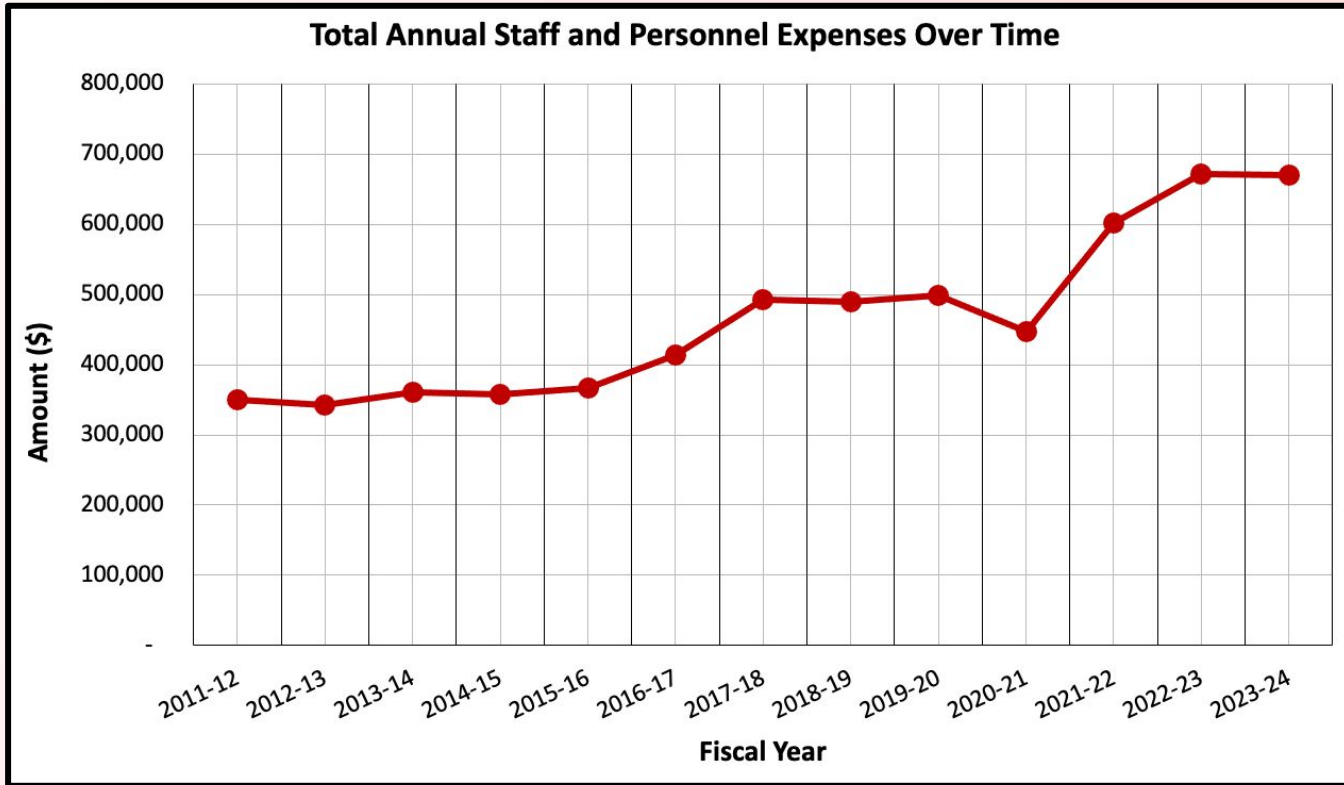
Income vs. Expenses



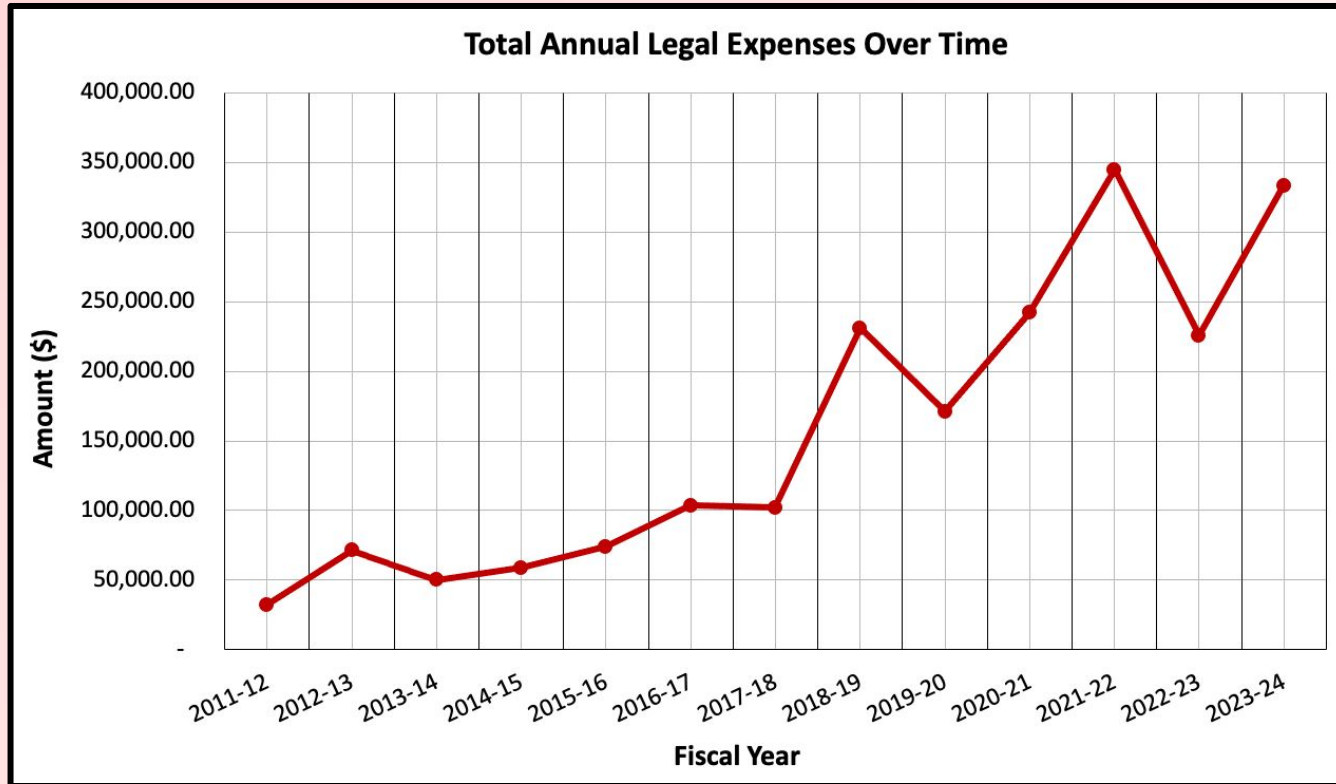
Increase in Expenses: Inflation

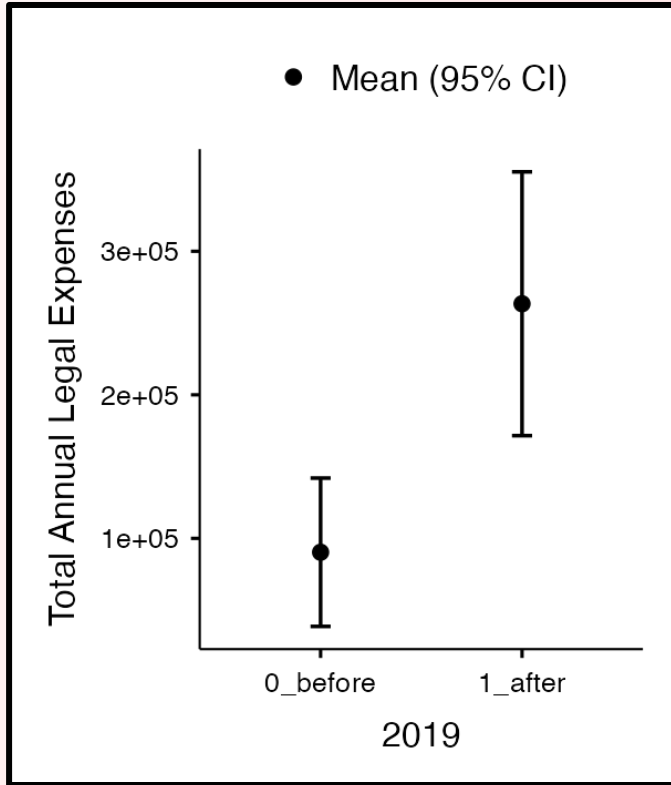


Increase in Expenses: Staff



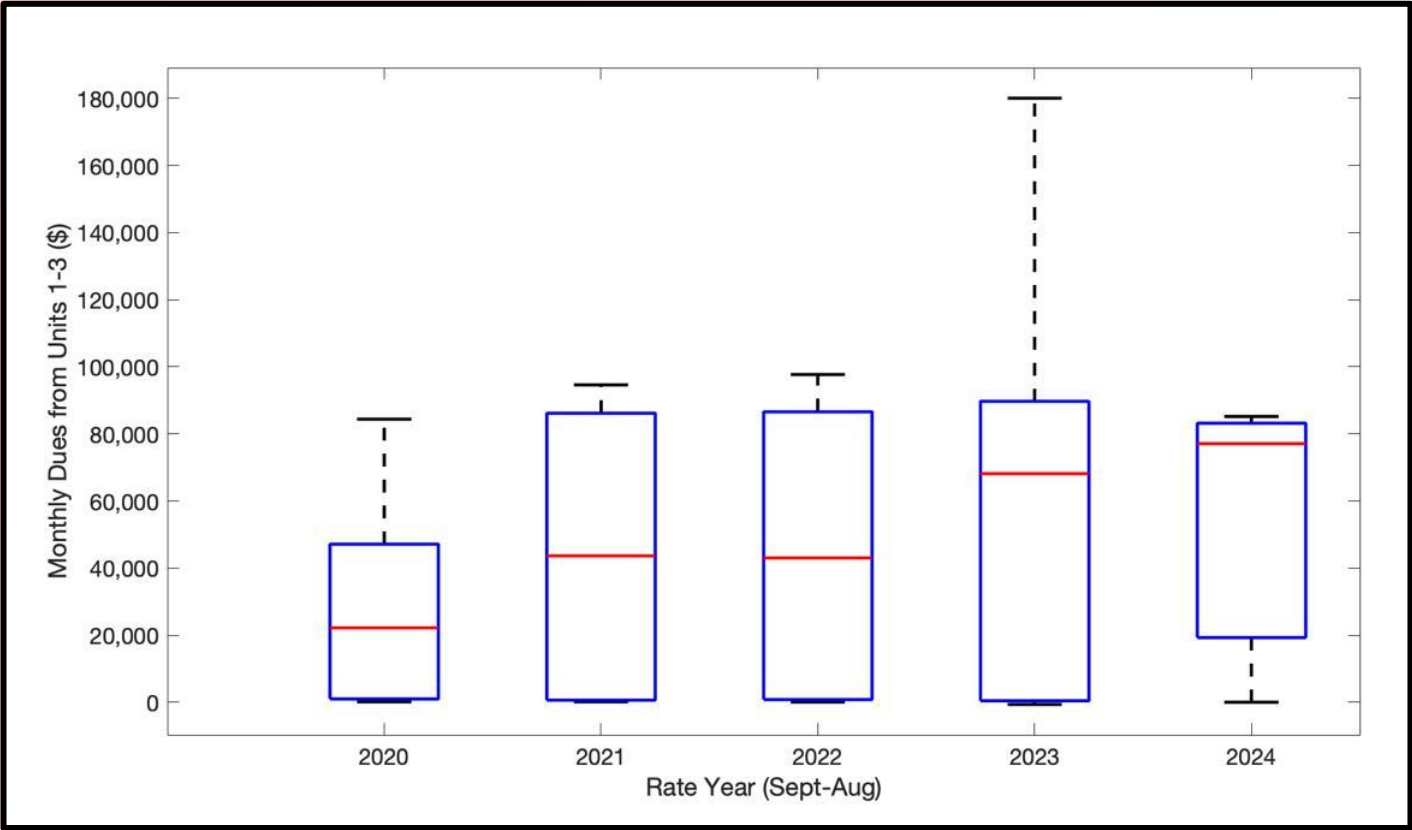
Increase in Expenses: Legal





Increase in Expenses:
Legal
before &
after Dan
Bradshaw

Stagnating Dues Income



The State of CUPE 3903's Finances

- The way CUPE 3903 has been staying afloat for the past fiscal years and the current fiscal year is by **spending the surplus from a few years ago**.
 - Importantly, **the Union has not ran a surplus since then**.
 - Moreover, the Union has spent all of that surplus at the end of the 2023-2024 fiscal year.
 - We are already carrying ~\$100,000 in debt.
- Given increasing costs and reduced income, there is a projected deficit of \$231,000 for the 2024-2025 fiscal year.
- However, we will probably be okay for this year with the dues income from the 2020-2023 (i.e., Bill 124) retro pay.



To sustain CUPE 3903
as we know it, we
seriously need funds
and **long-term,**
sustainable revenue.

Issues with Other Financial Options

- **Get a loan**
 - does not generate 'new' revenue, since we have to pay it back
- **Non-profit incorporation**
 - not allowed to incorporate and it doesn't generate new revenue
- **Temporary change in dues structure (ex: 6-month)**
 - too temporary to have a long-term effect
- **Automatic change in dues when the strike fund dips below a certain level**
 - long-term project, complex
- **Unionizing more workers (ex: RAs, some postdocs, RAY students, Osgoode, Schulich, Continuing Studies)**
 - very long-term project, needs organic interest

Solutions:

Researched by Ad Hoc Finance Committee

Reduce expenses:

This is already happening: reducing software costs, limiting legal costs, minimizing conference costs, etc.

Increase income: *(by implementing at least one of these)*

1. Special levy
2. Fundraising
3. **Changing the dues structure**

Strategies for Reducing Costs

- **Reducing costs for software/subscriptions**
 - Moving to a cheaper Office suite
 - Cutting communications software (*labour-intensive*)
 - Cancelling software that is no longer used
- **Limiting legal costs**
 - Formulating procedure on when to involve lawyers to resolve grievances
 - Exploring and researching legal alternatives
- **Minimizing conference costs**
 - Avoiding filling all delegate spots by default

Income Increase Option #1:

Special Levy

- **short-term** revenue
- would hold us over for **maybe one more year**
- does not solve long-term financial sustainability issues

Income Increase Option #2: *Fundraising*

- more **difficult** when we are not on strike
- **short-term** solution at best
 - one-time solution at worst
- donors **cannot claim donations** on their taxes
- leaves us **vulnerable** to outside influence

Income Increase Option #3:

Changing the dues structure

- helps with solving the straightforward quantitative problem of simply not having enough money to pay for all of the **essential** expenses that we incur
- **long-term**, sustainable solution
- **member-driven**, not relying on outside parties

Recommendation:

Change the dues structure of CUPE 3903 to 3.0% across-the-board.

Projections with 3.0%

Across-the-Board Dues Rates

- We are already carrying ~\$100,000 in debt.
- In the 2024-2025 fiscal year, we will be short (i.e., have a deficit) of ~\$231,000.
- A harmonized 3.0% dues rate will generate roughly ~\$215,000 in income in the 2025-2026 fiscal year (if implemented Mar. 1, 2025).
- It may not be enough to fully cover the debt, but together with reducing expenses, we project that we can be **closer to balancing CUPE 3903's budget to continue the crucial work of the Union**, both now and in the future.

We need an **additional \$231,000** in income to run a balanced budget in 2024/2025.

We are already **\$100,000 in debt.**

So, we need **\$331,000 in additional income** to pay off debt and to run a balanced budget in 2024/2025.

A **harmonized 3% dues rate** has been proposed.

Harmonized 3% Dues Rate

Harmonized 3% Dues Rate

Unit 1	2.8%	3.0%
Unit 2	2.3%	3.0%
Unit 3	2.3%	3.0%
Unit 4	2.3%	3.0%

Harmonized 3% Dues Rate Costs

Unit 1

TA (1.0 TI)

+\$3.47/month

Unit 2

CD (1.0)

+\$18.16/month

Unit 3

GA (1.0)

+\$7.50/month

Unit 4

80 hrs

+\$20.29/month

Based on conservative membership projections, a **harmonized 3% dues rate** would provide us with approximately **\$215,000 in additional income** for the 2025–2026 fiscal year.

However, **\$215,000 < \$331,000.**

Alternative dues structures could be considered to reduced our debts and balance the budget.

Differential Dues Rates

Differential Dues Rates

Unit 1	2.8%	3.1%
Unit 2	2.3%	2.9%
Unit 3	2.3%	3.1%
Unit 4	2.3%	2.9%

Differential Dues Rates Costs

Unit 1	TA (1.0 T1)	+\$5.20/month
Unit 2	CD (1.0)	+\$15.56/month
Unit 3	GA (1.0)	+\$8.58/month
Unit 4	80 hrs	+\$17.39/month

Based on conservative membership projections, **differential dues rates of 2.9% and 3.1%** would only provide us with approximately **\$212,000 in additional income** for the 2025–2026 fiscal year.

Harmonized 3.1% Dues Rate

Harmonized 3.1% Dues Rate

Unit 1	2.8%	3.1%
Unit 2	2.3%	3.1%
Unit 3	2.3%	3.1%
Unit 4	2.3%	3.1%

Harmonized 3.1% Dues Rate Costs

Unit 1	TA (1.0 T1)	+\$5.20/month
Unit 2	CD (1.0)	+\$20.75/month
Unit 3	GA (1.0)	+\$8.58/month
Unit 4	80 hrs	+\$23.19/month

Based on conservative membership projections, a **harmonized 3.1% dues rate** would provide us with approximately **\$261,000 in additional income** for the 2025–2026 fiscal year.

Harmonized 3.3% Dues Rate

Harmonized 3.3% Dues Rate

Unit 1	2.8%	3.3%
Unit 2	2.3%	3.3%
Unit 3	2.3%	3.3%
Unit 4	2.3%	3.3%

Harmonized 3.3% Dues Rate Costs

Unit 1 TA (1.0 T1) **+\$8.67/month**

Unit 2 CD (1.0) **+\$25.94/month**

Unit 3 GA (1.0) **+\$10.72/month**

Unit 4 80 hrs **+\$28.98/month**

Based on conservative membership projections, a **harmonized 3.3% dues rate** would provide us with approximately **\$352,000 in additional income** for the 2025-2026 fiscal year.

Scenario	Dues Rate	Projected Income	Unit	Monthly Dues Increase	Total <u>Annual</u> Dues at New Rate
Harmonized 3%	3%	\$215,000	U1	\$3.47	\$416.28
			U2	\$18.16	\$622.56
			U3	\$7.50	\$257.25
			U4	\$20.29	\$695.58
Differential Rates	U1 3.1%	\$212,000	U1	\$5.20	\$430.16
	U2 2.9%		U2	\$15.56	\$684.82
	U3 3.1%		U3	\$8.58	\$265.83
	U4 2.9%		U4	\$17.39	\$672.40
Harmonized 3.1%	3.1%	\$261,000	U1	\$5.20	\$430.16
			U2	\$20.75	\$643.31
			U3	\$8.58	\$282.98
			U4	\$23.19	\$718.77
Harmonized 3.3%	3.3%	\$352,000	U1	\$8.67	\$457.91
			U2	\$25.94	\$684.82
			U3	\$10.72	\$282.98
			U4	\$28.98	\$765.14



Thank You! Questions?

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