

Rationale for Dues Increase - WLEA

March 2017

Proposal:

Currently, a member's local dues (the portion that goes to the Walled Lake Education Association) is \$75 per year.

The WLEA President (Daryl Szymanski) and WLEA Treasurer (Jared DeWitt) with the support of the WLEA Executive Board, are proposing that a member's local dues increase to \$95 per year, beginning with the 2017-2018 school year.

History:

The local dues for WLEA membership has been \$75 for over ten years, and the WLEA has an excellent record of being fiscally responsible with its budget.

How Dues Are Calculated:

Members pay dues to three organizations: the NEA (National Education Association), the MEA (Michigan Education Association), and the WLEA (Walled Lake Education Association). All of the money gets paid to the MEA (usually on the 25th of the month), and then the MEA distributes money to both the NEA and WLEA on the member's behalf.

The bulk of a member's dues goes to the MEA. The MEA has a system of calculating dues that is called percentage dues with a cap. Most members (those who make over \$15,000 per year), pay 1.5% of bargained wages; however, there is a cap (maximum amount a member can pay) of \$645 per year. This cap is reached when a member's bargained wage is greater than or equal to \$43,000.

The second largest portion of a member's dues goes to the NEA. The NEA uses a flat rate that is based on a member's FTE. Members who work between 0 and 25% of a full load, pay \$64.35 for a year; members who work over 25% and up to 50% of a full load, pay \$105.00 for a year; members who work over 50% of a full load, pay \$187.00 for a year.

The last portion of a member's dues goes to the local association. In this case, the WLEA. Currently, WLEA dues are \$75.00 for a year.

A member's yearly dues are spread out over 10 months (members do not pay dues in July or August). The monthly amount is derived by adding together the yearly dues for MEA, NEA, and WLEA, and then dividing by 10. For members who hit the MEA cap and work full time, that amount is \$907.00 for the year or \$90.70 per month.

There is, however, one additional caveat that may impact a member's monthly dues amount. When members first enroll, the MEA offers members the opportunity to enroll in MEA and NEA Retired and prepay the associated dues. On your MEA Dues Statement, this is indicated as AIM (All Inclusive Membership). If a member elected AIM upon enrolling, the member's monthly dues may be impacted by \$1.00 - \$2.25 per month.

Why Increase Local (WLEA) Dues?

Although the WLEA has a history of being fiscally responsible, we are currently operating under a structural deficit, meaning we are spending more money than we are bringing in. In other words, we are living off of our savings account, and that cannot continue for long.

There is one big, fairly recent change that is causing the WLEA to function under a structural deficit. A few years ago, due to a reinterpretation (instigated by Governor Snyder) of MPSERS policy, it was determined that Michigan school districts cannot legally pay for retirement costs for members who are conducting union business. In consultation with the District, it was determined that the WLEA would have to incur the retirement costs of the WLEA's full-time release president beginning with the 2015-2016 school year. In essence, this results in an expense of approximately \$30,000.00 per year. For the first year, the WLEA paid the expense by dipping into its savings account. For this school year, the WLEA will also pay the expense from its savings account. The WLEA could potentially pay that expense from savings for one additional year (2017-2018).

By increasing each member's yearly local dues by \$20 (or \$2 per month), the WLEA will bring in approximately an additional \$16,000 per year. While this will not pay the total increased liability each year, it will certainly limit the burden on the savings account.

How do the WLEA's Local Dues Compare to Surrounding Districts?

This is a little tricky. It is very easy to compare the amount of dues paid to local associations by members, but it is not so easy to really understand what that means and what members are getting for their dues dollars. First of all, each local association is different in size. A local with approximately 300 members (like West Bloomfield) will need more money from each member to provide the same service that a local with 800 members (like Walled Lake) can provide. It's also complicated because not every district has a full-time release president. Some local presidents have no release time (like South Lyon and Farmington), while some have half-time release (like West Bloomfield and Novi), while some have a full-time release president (like Walled Lake and Huron Valley). With that being said, here are current local yearly dues amounts for some surrounding districts:

Birmingham - \$83	Huron Valley - \$84.57	Southfield - \$180.00
Bloomfield Hills - \$129	Novi - \$108.96	Troy - \$214.00
Clarkston - \$114.26	Rochester - \$85.60	Waterford - \$90
Farmington - \$65	South Lyon - \$80.00	West Bloomfield - \$55

By increasing yearly local dues to \$95 per year, Walled Lake EA members will still be paying dues that are within the range of surrounding districts.

What Happens if the WLEA does NOT Increase Local Dues?

If the WLEA membership does not vote to increase local dues, the leaders of the WLEA (officers, Executive Board members, and members of the Board of Directors) will need to make drastic changes to the WLEA budget. This could potentially include the full-time release of the president, the compensation given to officers, the compensation paid to building representatives in the form of a stipend for attending meetings and conducting building work, and the programming provided by the WLEA, i.e. New Teacher Club and trainings for members.