

December 2015

**AFSCME LOCAL 3299
NOTICE TO ALL NONMEMBER FAIR SHARE FEE PAYERS FOR THE FEE PERIOD
JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**

**PLEASE READ THIS NOTICE CAREFULLY
IT CONTAINS IMPORTANT INFORMATION AND
PROCEDURES CONCERNING YOUR LEGAL RIGHTS**

THE AFSCME LOCAL 3299 FAIR SHARE FEE

American Federation of State, County and Municipal Employees, AFL-CIO ("AFSCME Local 3299") serves as your collective bargaining representative and is required by law to represent your interests in matters related to your employment at the University of California. All University of California employees who work in bargaining units for which AFSCME Local 3299 has been elected as the exclusive representative are required, as a condition of continued employment, either to join AFSCME Local 3299 or, if they remain a non-member, to pay a fair share service fee (also known as "agency fee") equal to regular membership dues to AFSCME Local 3299 to be deducted monthly by the University from her or his wages and remitted to Local 3299. This notice is being provided to you, and all nonmembers who will pay fair share fees to AFSCME Local 3299 during the January 1, 2016-December 31, 2016 fee collection period, to inform you of the fee, what steps you must take if you want to object to paying for that portion of the fair share fee that is attributable to partisan political, ideological or other activities that have been deemed to be non-chargeable to objecting fee payers, the types of activities that are considered to be chargeable and non-chargeable to objecting fee payers, financial data in support of the calculation of chargeable expenses, what steps you must take if you object to the payment of a fair share fee based upon your religious tenets and steps that you should take if you wish to challenge the accuracy of the union's calculation of the chargeable portion of the fair share fee.

**WHAT ACTIVITIES ARE INCLUDED AND EXCLUDED
FROM THE FAIR SHARE FEE?**

Agency fee payers in AFSCME Local 3299 bargaining units are legally required to pay the Union for the costs related to collective bargaining, contract administration, grievance adjustment, lobbying for contract ratification and for contract implementation, and all other activities reasonably employed to implement or effectuate the duties of the Union as exclusive representative of the employees in the bargaining unit (hereinafter called "chargeable expenses"). Union expenditures are chargeable to agency fee payers if they fund activities that reasonably may be considered "germane" to collective-bargaining activity - such expenditures are justified by the government's vital policy interest in labor peace and avoid allowing employees to benefit from union efforts without paying for union services and do not significantly add to the burdening of free speech that is inherent in the allowance of compulsory agency fees. However, union expenditures for non-representational activities such as political activities, lobbying concerning laws of general application, and expenses unrelated to collective bargaining and the work-related interests of employees (hereafter called "non-chargeable expenses") may not be charged to agency fee payers who file timely objections under this notice.

Expenses associated with the following activities are considered to be chargeable to objectors in this calculation:

1. Gathering information in preparation for the negotiation of collective bargaining agreements.
2. Gathering information from employees concerning collective bargaining positions.
3. Negotiating collective bargaining agreements.
4. Administration of ballot procedures on the ratification of negotiated agreements.
5. The public advertising of AFSCME's positions on the negotiation, ratification, or implementation of collective bargaining agreements.
6. Lobbying for the negotiation, ratification or implementation of a collective bargaining agreement.
7. Adjusting grievances pursuant to the provisions of collective bargaining agreements, enforcing collective bargaining agreements and representing employees in contractual grievance proceedings or other work-related proceedings.
8. Purchasing books, reports, and advance sheets used in (a) negotiating and administering collective bargaining agreements, and (b) processing grievances, and (c) related subjects and issues.
9. Paying technicians in labor law, economics and other subjects for services used (a) in negotiating and administering collective bargaining agreements, and (b) in processing grievances, and (c) other related subjects and issues.
10. Defending AFSCME against efforts by other unions or organizing committees to gain representation rights in units represented by AFSCME.
11. Proceedings regarding jurisdictional controversies under the AFL-CIO constitution.
12. Serving as the exclusive representative in other bargaining units.

13. Membership meetings and conventions held at least in part to determine the positions of employees on collective bargaining issues, contract administration and other matters affecting wages, hours and working conditions, including the cost of sending representatives to such meetings and conventions.
14. Internal communications which concern collective bargaining issues, contract administration, public employment generally, employee development, unemployment, job opportunities, award programs and other matters affecting wages, hours and working conditions.
15. Impasse procedures, including fact finding, mediation, arbitration, strikes, and work stoppages, and preparation for such.
16. The prosecution or defense of arbitration, litigation or charges to obtain ratification, interpretation, implementation or enforcement of collective bargaining agreements and any other litigation before agencies or in the courts which concerns bargaining unit employees which is normally conducted by an exclusive representative.
17. Management and administration of AFSCME operations, including facilities and personnel management, and activities related to governance of AFSCME, including expenses of meetings, officers, and governing boards and committees

Expenses associated with following activities are not charged to objecting fee payers in this calculation:

18. Training in voter registration, get-out-the-vote, and political campaign techniques.
19. Supporting and contributing to charitable organizations.
20. Supporting and contributing to political organizations and candidates for public office.
21. Supporting and contributing to ideological causes.
22. Supporting and contributing to international affairs.
23. The public advertising of AFSCME's position on issues other than negotiation, ratification, or implementation of collective bargaining agreements.
24. Organizing other bargaining units.
25. Lobbying for purposes other than the negotiation, ratification or implementation of a collective bargaining agreement. Supporting and paying affiliation fees to other labor organizations which do not negotiate the collective bargaining agreements governing the fair share fee payer's employment.
26. Members-only benefits.

CALCULATION OF LOCAL 3299 DUES AND CHARGEABLE AGENCY FEES PER AUDITED FINANCIAL RECORDS

Beginning in January 2016, the University of California will deduct a fair share fee equal to 1.50% of salary from your paycheck, up to a maximum of \$74.51 per month. This sum is equal to the regular dues paid by members of Local 3299. The monthly agency fee that non-objecting non-members are required to pay as a condition of continued employment is equal to Local 3299 monthly dues. You may object to paying the full agency fee and request a reduction equal to the portion related to non-chargeable expenditures.

This notice includes a summary expense report, based on expenditures reported in audited financial statements for the fiscal year ending December 31, 2014, showing AFSCME International and AFSCME Local 3299 expenses in audited categories divided into: (1) chargeable expenses (i.e., expenditures chargeable to non-member objectors as agency fees); and (2) non-chargeable expenditures (i.e., expenditures not chargeable to non-member objectors as agency fees). Local 3299's total expenditures in each audit category for FY-2014 are allocated between chargeable activities and non-chargeable activities, in accordance with the parameters and audited financial statements and audited allocations schedules identified herein.

The fair share fee charged to nonmembers who object to the expenditure of any portion of the fee for partisan political, ideological or other non-chargeable activities will be a dues rate equal to 1.024% of salary from your paycheck up to a maximum of \$50.87. This sum is equal to 68.265% of the regular dues paid by members AFSCME Local 3299. This calculation is based upon the weighted average of the total combined expenditures of: 1) chargeable expenses of AFSCME International equaling 26.753% of total expenditures in 2014; and 2) the chargeable expenditures of AFSCME Local 3299 equaling 81.55%.

AFSCME 3299 PROCEDURE FOR OBJECTIONS TO PAYMENT OF NON-CHARGEABLE EXPENDITURES

AFSCME Local 3299 has established the following procedure for individual nonmembers who object to paying that portion of the fair share fee that is attributable to partisan political, ideological or other activities which are deemed to be non-chargeable in the calculation. Objections must be filed in writing with AFSCME Local 3299 and must include the objector's name, address, social security number, job title, employer and work location.

Finance Manager
AFSCME Local 3299
2201 Broadway, Suite 315
Oakland, CA 94612-3204

It is suggested that all objections be sent by certified mail, but certified mail is not a requirement. However, please note that a written objection must be timely in order to be valid. Objections filed by current agency fee payers will be deemed **timely if postmarked on or before January 31, 2016**. Individuals who after the date of this notice become new hires or agency fee payers may file an objection within 30 days of the date they become a new hire or agency fee payer and receive this notice.

Upon receipt of a timely written objection and identification of the fee payer as an objector, AFSCME Local 3299 will pay the objecting fair share fee payer an advance lump sum rebate equal to the difference between the union dues rate and that portion of the fees found chargeable in accordance with the calculations set forth in this notice. Objectors may challenge the amount determined to be chargeable by following the procedures set forth below.

AFSCME LOCAL 3299 PROCEDURE FOR CHALLENGING THE CALCULATION OF CHARGEABLE AND NON- CHARGEABLE EXPENSES

AFSCME Local 3299 has established the following procedure for individual nonmembers who pay fair share fees and who wish to challenge the calculation of chargeable and non-chargeable expenses. PLEASE READ THIS SECTION CAREFULLY. YOU MUST COMPLY WITH THIS PROCEDURE IN ORDER TO CHALLENGE THE CALCULATION OF CHARGEABLE AND NON-CHARGEABLE EXPENSES.

A. Challenges

Individual nonmember fair share fee payers who wish to challenge AFSCME Local 3299's calculation of chargeable and non-chargeable expenses must inform AFSCME Local 3299 of their challenge in writing. The written challenge must include the challenging fair share payer's ("challenger's") name, address, social security number, job title, employer, and work location.

A written challenge must be timely in order to be valid. Challenges filed by current agency fee payers will be deemed **timely if postmarked on or before January 31, 2016**. Individuals who after the date of this notice become new hires or agency fee payers may file a challenge within 30 days of the date they become a new hire or agency fee payer and receive this notice. The written challenge must be sent to AFSCME Local 3299 at the following address:

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B. Procedure for challenging the AFSCME Local 3299 calculation of chargeable versus non-chargeable expenses.

Upon receipt of challenges, AFSCME Local 3299 will arrange for an arbitration hearing by requesting the American Arbitration Association (AAA) to appoint a neutral arbitrator. AFSCME Local 3299 will ask that all challenges to its calculation be consolidated into a single proceeding. The impartial arbitrator will hold a hearing pursuant to the AAA Rules for Impartial Determination of Union Fees in which challengers can participate personally or through a representative. In the hearing, AFSCME and AFSCME Local 3299 will have the burden of proof regarding the accuracy of the calculation of chargeable and non-chargeable expenses. The challengers will be given the opportunity to present their own evidence and to present written arguments in support of their position. The arbitrator will issue a decision and award on the basis of the evidence and argument presented. AFSCME Local 3299 will be responsible for payment of fees and costs of the arbitration; any other costs incurred by non-member objectors/challengers, including attorney's fees, will be the sole responsibility of the objector/challenger.

Challengers will receive further information regarding this procedure upon the Union's receipt of their challenge.

C. Escrow of Fair Share Fee

Upon receipt of a written challenge, AFSCME Local 3299 will place the amount of fair share fees reasonably in dispute collected from that challenger into an interest bearing escrow account where it will remain pending resolution of such challenges. Objectors who file challenges will receive any amount that may be determined to be owed them, plus accrued interest. The remainder with interest will be remitted to AFSCME Local 3299. If a deduction of fair share fees occurs before the close of the objection/challenge period on January 31, 2016, all fair share fees will be escrowed until that date. After the close of the objection/challenge period, only those fees of challengers reasonably in dispute will remain in the escrow account.

RELIGIOUS OBJECTIONS

If you are a member of a bona fide religion, body, or sect that has historically held conscientious objection to joining or financially supporting public employee organizations, you will not be required to pay AFSCME Local 3299 a fair share fee. However, you are required to pay a sum equal to the fair share fee to a nonreligious, non-labor charitable fund exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. AFSCME Local 3299 and the University of California have designated three charities that meet the statutory standards; United Way, NAACP Legal Defense and Educational Fund, Inc. and California Alliance for the Mentally Ill.

Nonmembers who are otherwise required to pay fair share fees to AFSCME Local 3299 who wish to object to the payment of a fee based upon the historically held conscientious objections of their faith must notify the Union of this fact in writing, and include their name, address, social security number, job title, employer, and work location. The written religious objection must be sent to AFSCME Local 3299 at the following address.

Finance Manager
AFSCME Local 3299
2201 Broadway, Suite 315
Oakland, CA 94612-3204

Religious objectors will receive further information regarding this procedure upon the Union's receipt of their objection. The union will request written confirmation of the objector's historically held religious objection.



**REVISED CALCULATION OF CHARGEABLE EXPENSE
 BASED ON EXPENSE DURING THE YEAR ENDED 12/31/14
 APPLICABLE TO FAIR SHARE FEES FOR THE PERIOD JANUARY - DECEMBER 2016**

INTERNATIONAL EXPENSE	Total 2014 INTERNATIONAL EXPENSE*	TOTAL CHARGEABLE EXPENSE	ALLOCATED NON-CHARGEABLE EXPENSE
ASSISTANCE TO AFFILIATES	5,541,289	4,798,613	742,676
AUDITING	1,689,698	1,647,087	42,611
COMMUNICATIONS	7,952,599	356,589	7,596,010
CONFERENCE & TRAVEL SERVICES	1,677,746	498,291	1,179,455
CONVENTION	6,575,344	6,568,844	6,500
EDUCATION	4,033,405	2,189,678	1,843,727
EXECUTIVE BOARD	1,031,367	1,031,367	-
FEDERAL GOVERNMENT AFFAIRS	3,809,364	333,026	3,476,338
FIELD SERVICES	41,436,085	9,493,171	31,942,914
FINANCIAL SERVICES	20,975,477	6,229,717	14,745,760
GENERAL COUNSEL	3,907,518	3,143,458	764,060
GENERAL OPERATING & BUILDING SRVC.**	7,306,214	7,306,214	-
HUMAN RESOURCES	1,417,008	420,851	996,157
INFORMATION SYSTEMS	6,232,917	1,851,176	4,381,741
INTER-UNION AFFILIATIONS	21,496,857	180,670	21,316,187
INTERNATIONAL RELATIONS	15,839	-	15,839
JUDICIAL PANEL	1,144,462	1,144,462	-
POLITICAL ACTION & PEOPLE	59,946,867	638,400	59,308,467
PRESIDENT'S OFFICE	3,387,962	938,509	2,449,453
RESEARCH	7,298,803	5,929,295	1,369,508
RETIREE	1,622,328	1,047,722	574,606
SECRETARY-TREASURER'S OFFICE	1,125,652	334,319	791,333
TOTALS	\$ 209,624,801	\$ 56,081,459	\$ 153,543,342

TOTAL CHARGEABLE EXPENSE (2014)	\$ 56,081,459	26.753%
TOTAL INTERNATIONAL EXPENSE (2014)	\$ 209,624,801	

* TOTAL EXPENSE, CONVENTION EXPENSE, AFFILIATION REBATES AS AUDITED BY BOND BEEBE, CERTIFIED PUBLIC ACCOUNTANTS.

** GENERAL OPERATING & BUILDING SERVICES EXPENSES HAVE BEEN ALLOCATED AS INDIRECT OVERHEAD TO HQ AND FIELD DEPARTMENTS ON A PERCENTAGE BASIS.

**AMERICAN FEDERATION OF STATE, COUNTY,
AND MUNICIPAL EMPLOYEES, LOCAL 3299**

**SCHEDULE OF EXPENSES AND ALLOCATION BETWEEN
CHARGEABLE EXPENSES AND NON-CHARGEABLE EXPENSES**

YEAR ENDED DECEMBER 31, 2014

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
	Total	Chargeable	Non-Chargeable
	<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>
Bargaining expenses	\$ 132,678	\$ 132,678	\$ -
Media expenses	66,653	66,653	-
Conferences, meetings and travel	723,679	703,741	19,938
Contract campaign	102,557	102,557	-
Contributions	59,065	-	59,065
Election	41,516	41,516	-
Education and training	5,913	5,913	-
Depreciation	19,020	15,787	3,233
Equipment rental and maintenance	86,554	71,840	14,714
Insurance	77,868	64,630	13,238
Occupancy expenses	348,309	289,096	59,213
Other expenses	25,226	20,938	4,288
Postage	92,377	24,221	68,156
Printing and publications	27,663	24,715	2,948
Supplies	128,717	116,370	12,347
Telephone	182,239	151,258	30,981
Utilities	17,626	14,630	2,996
Employee benefits	1,039,038	862,402	176,636
Expense allowances	143,151	118,815	24,336
Payroll taxes	362,005	300,464	61,541
Salaries	4,000,916	3,320,760	680,156
Organizing expenses	125,145	-	125,145
Bargaining unit	176,629	176,629	-
Per-capita taxes	344,739	-	344,739
Professional fees	865,665	857,462	8,203
Union leave wages	84,086	84,086	-
Subtotal expenses	<u>9,279,034</u>	<u>\$ 7,567,161</u>	<u>\$ 1,711,873</u>
	<u>100%</u>	<u>81.55%</u>	<u>18.45%</u>
PAC expenses	80,339		
Total expenses	<u>\$ 9,359,373</u>		