



Foothill – De Anza Association of Classified Employees (ACE)
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Date: March 13, 2019
To: ACE Executive Board
From: Chris White, President ACE
RE: Recommendation: Dues Forgiveness March 2019

At the ACE Board retreat on August 16, 2018, the board agreed to forgive dues when the five-percent temporary salary increase was enacted, which most likely would occur in October. Payroll requires any adjustments/changes to deductions/leaves be submitted by the 14th of the month. After assurance from payroll that the temporary five percent salary adjustment would be included in the October paycheck, we informed payroll ACE would be forgiving dues for the October pay period. On October 19th the District informed all employees they could not implement the five percent increase. With the deadline for payroll changes past, dues forgiveness in October went forward even though the five percent was not added to the salary schedule. The temporary five-percent salary adjustment, plus retroactive pay, is schedule to be included in the March 2019 paycheck.

At that time, no additional dues forgiveness was included in the 2018/19 adopted budget. This was related to the Supreme Court Janus decision and revenue uncertainty with the loss of service fee payers, current members opting out, and new employees not joining ACE would have on our revenue. As of January 2019, membership loss has been minimal and we are still on track to collect the revenue projected in August. We also have over \$694K in savings and investments which covers \$500K for a strike fund and \$10,475 for reserves.

The adopted budget for 2018/19 did include \$19,000 in carry forward. As of January 2019, our 18/19 expenditures for stipends, legal expenses, marketing, and classification are tracking below their budgeted allocation and as a result we are expecting to carry forward an additional \$10K into 2019/20 bringing the total in carry forward to \$29K. Revenue from dues is \$20K per month. Forgiving dues for one additional month would still leave a carry forward of \$9K.

ACE is in a good financial state to help our members keep more money in their pocket through an additional month of dues forgiveness in March 2019 without jeopardizing our future earnings.

It is my recommendation that ACE forgive member dues for March 2019.