



Foothill – De Anza Association of Classified Employees (ACE)
650.949.7789 | D140 Annex Bldg.
www.acefhda.org

Date: December 9, 2020
To: ACE Executive Board
From: Kathy Nguyen, ACE Treasurer & Chris White, ACE President
RE: Dues Forgiveness extension – Jan. 2021 through March 2021

In March, the executive board voted to forgive dues for the months of April, May and June 2020 to help members who may have been financially affected by the shelter in place (SIP) order. Smart financial stewardship over the years had allowed ACE to build a healthy savings to be able to address future challenges. The executive board unanimously agreed this would be a prudent time to use some of that savings. In July 2020, after surveying the membership, where over 40 percent of the membership indicated the SIP had financially impacted their household, the executive board agreed to extend the dues forgiveness through December 2020.

Beginning with a savings balance of \$749,000, between April and December 2020, we will have withdrawn \$106,000 leaving us with a little over \$643,000 in savings. As part of our 2020-2021 budget, we set aside \$635,000 for potential expenses including a \$500,000 for a strike fund, \$10,000 for a five-percent reserve, \$25,000 for unsettled litigation (CalPERS), and \$100,000 for any legal action related to the classification study. Our strike fund policy requires we have \$500,000 set aside before we can use it. There is no policy that we must maintain \$500,000 in the fund at all times. As we near the end of our classification study, with the District funding the full cost of the study, there is no indication we will need to spend a fraction, if any, of the \$100,000 we set aside when we started the study in 2017.

This month, the pandemic has surged again and Santa Clara county has issued another shelter-in-place mandate. More businesses will close, once again potentially financially impacting member households as it did back in March. State and federal financial pandemic assistance are set to expire at the end of December, further exacerbating the issue.

Our expenses for January through March 2021 shouldn't exceed \$43,000. If officers and negotiators elected to not take stipends for this quarter and the first quarter of 2021, we could reduce expenses by \$10,000. We still have \$8,000 in unallocated savings and combined with \$35,000 from the funds set aside for the classification study, we would be able to forgive dues one last time for the months of January, February and March 2021 and not affect funding for our reserves, strike fund, and unsettled litigation.

Recommendation: Forgive dues for January, February and March 2021.