

Progressive Dues for the 21st Century

In 2006, at the AFSCME 37th International Convention delegates approved the key components of a sweeping, top-to-bottom strategic overhaul of the union in an ambitious reform agenda known as the 21st Century Initiative. The Initiative will:

- ❖ Create a 40,000-member army of volunteers to register 90 percent of AFSCME members to vote and turn out on Election Day.
- ❖ Launch a new national legislative campaign to comprehensively reform the U.S. health care system and make affordable care universal.
- ❖ Fund new organizing drives to expand union membership and increase AFSCME's power at the bargaining table, at the ballot box, and in the corridors of government.
- ❖ Open a Leadership Institute to train union leaders and activists at every level.

In order to fund this initiative delegates adopted a progressive dues system by amending the constitution. The term "progressive dues system" means a system that determines the dues rate to be paid by each member on the basis their rate of compensation, including, but not limited to, a system in which the rate of dues is determined as a percentage of a member's earnings, a multiple of a member's hourly rate of pay, or pursuant to a graduated dues structure based on levels of compensation.

This constitutional amendment gives State Councils until 2011 to adopt a progressive dues system. Additional information on this amendment can be found at the AFSCME International web site at: <http://www.afscme.org/publications/13294.cfm>.

Earlier this year at the Oregon AFSCME bi-annual convention in Bend, delegates voted to switch to a progressive dues system effective January 2008. The main issue was one of equity and fairness. "Those who are fortunate enough to make more pay a little more, while those who make less pay less. Even though there are many other factors, it's that simple" stated Ken Allen, Oregon AFSCME Executive Director. Allen noted that the new system eliminates annual dues increases, ties future dues increases directly to wage increases and provides long-term stable resources to fund Oregon AFSCME operations. Delegates set the rate at 1.27 percent and applied to base wages only. The amendment also included a minimum dues of \$15 per month for the lowest-paid Oregon AFSCME members. At the other end a maximum dues cap was also established, as follows: \$55 for 2008, \$60 on Jan. 1, 2009 and \$65 on Jan. 1, 2010. Any future caps will be determined by an inflation index formula. See attached article "Convention Delegates Pass New Dues Structure" for additional information on the dues structure.

Perhaps the most compelling rationale for a progressive system is that locals unions bargain wage increases as percent increases. This results in those more fortunate higher wage earners receive a larger annual cost-of-living increase than lower wage earners. For example in July 2007 Local 1724 received a 4.2% salary increase. A member earning \$12.00 per hour (Range 12) received a \$0.50 per hour increase (\$1,040/year). While a member earning \$21.00 per hour (Range 24) received a \$0.88 per hour increase (\$1,830 per year). This example demonstrates some higher wage earners receive almost \$800 per year more as a result of this COLA than lower wage earners.

Local Adoption

In switching to a progressive dues structure Oregon AFSCME established the dues rate to ensure that there would not be a financial windfall for the Council. The new rate is set at 1.27 percent. This rate does not include sufficient funds for the local to maintain its current operating funds. Working with Mike Mann, Economist AFSCME International our E-Board subcommittee modeled the local salary schedule to determine a rate sufficient to maintain our current operating budget.

The Dues Subcommittee recommendation to the E-Board was to set the local's dues rate at 0.18 percent above the Oregon AFSCME base rate of 1.27 percent. The additional 0.18 percent will enable us to maintain our current budget and programs including: Contract Bargaining, Stewards Council, grievances and arbitrations, retirement checks, good and welfare, print and mail Unity News, a website (www.afscme1724.org), a scholarship fund, officer stipends and a strike fund. Yet it keeps our dues very competitive compared to other Union (refer to Table 1 2007 Monthly Dues Rate Comparison by Organization below.)

In September, the E-Board adopted the subcommittee recommendation to establish a local rate of 0.81 percent. The next step is for a general membership vote on the E-Board proposal to amend the Local's constitution to implement a new dues rate of 1.45 percent. The Oregon AFSCME dues rate of 1.27 percent will go into effect January 1, 2008 regardless of any action taken by the Local. Members with questions or concerns are invited to attend the **October 9th, General Membership** meeting. A vote to amend the Local's constitution is planned for Friday, October 19th.

TABLE 1: 2007 Monthly Dues Rate Comparison by Organization

Union/Organization	Monthly Dues Rate	Monthly Dues Cost (Ave. Salary of \$3,100)
AFSCME Council 2 (WA)	1.4%	\$43.40
AFSCME Council 28 (WA)	1.37% (no min/max \$55.00)	\$42.47
AFSCME Local 52 (AK)	\$18.84 + 0.1%	\$43.88
Cal Correctional Peace Officers Association	1.3% of the top C.O.G.S step	\$77.42
Association of Oregon Corrections Employees (AOCE)	1.25% +\$5.75	\$44.50
Teamsters	2.5xHourly Rate	\$45.00
Oregon Nurses Association	Flat fee	\$60.40
Oregon Education Association	Flat fee	\$52.50
SEIU Local 503 (OR)	1.7%	\$52.70
Oregon AFSCME C75 (includes Local share)	Flat Fee	\$45.39

For additional information on the switch to a progressive dues system contact Dal Ollek, President Local 1724 or Gary Gillespie, President Oregon AFSCME Council 75.