

# Enhanced Budget to Fund a Strong and Active Healthcare Union in 2016

## RESOLUTION 19-16

### Background:

- In December of 2015, the SEIU-UHW Executive Board approved a \$78 million budget that funds the Four Planks Plan of the Union: Organizing the Unorganized, Representational Excellence, 10,000 Leaders and Becoming a Premier Healthcare Organization. The budget funded a plan to carry out these planks in 2016 that prioritized holding the healthcare industry accountable to workers and patients, raising the minimum wage in California and beyond and reaching beyond our union's membership into our communities to find leaders to support our work.
- Since the budget was approved, it was reported to our Budget and Finance Committee that our Accounting Department discovered a calculation error in revenue projection. We reviewed all our budget assumptions and what we were actually experiencing in revenues and expenses and determined that the approved budget underestimated the dues revenue that we expect to receive over the course of 2016 by approximately \$5.5 million.
- In addition, due to our careful spending controls and higher than expected revenue in 2015, we ended the 2015 budget year with at least an additional \$3.5 million that can be applied to the beginning balance of the 2016 budget. In total, there is an additional \$9 million that should be allocated to the 2016 budget.
- Also, since the 2016 budget was prepared, it has become clear that the California Hospital Association is not honoring its obligations under our agreement, therefore freeing us up from our obligations. The budget we approved in December had \$1.2 million (\$1.20 per member per month) out of our organizing budget dedicated to a political action committee (PAC) for the joint CHA/UHW labor management committee to support the election of Medi-Cal champions. Since we are no longer obligated to fund the CHA/UHW PAC anymore, that money remains dedicated to organizing.

**Resolution:**

Whereas, the SEIU- UHW Executive Board has adopted a 2016 budget that funds our Four Plank Plan with an emphasis on holding the healthcare industry accountable to workers and patients, raising the minimum wage in California and beyond and reaching beyond our union’s membership into our communities to find leaders to support our work.

Whereas, the Budget and Finance Committee has since identified an additional \$9 million that should be applied to the 2016 budget.

**Therefore be it resolved that** the SEIU-UHW Executive Board adopts the attached revised \$83 million budget that builds upon the budget passed in December but uses the additional funds to strengthen the Four Planks (Organizing, Representation Excellence, 10,000 leaders and Premier Healthcare Organization) and enhances our efforts to hold the healthcare industry accountable, raise the minimum wage, fully fund Medi-Cal and build community support by:

- Allocating an additional \$5 million to be used for 2016 ballot initiatives that further our goals.
- Allocating \$2.16 million to create an additional 20 new staff positions to account for growth in our Hospital and Kaiser Divisions, improve our Representational Excellence program, provide greater staff capacity for our political campaigns, expand our community outreach, help organize more healthcare workers into the union and enhance our tech support.
- Add \$500,000 to our Lost Time budget to provide more leadership development opportunities in our contract campaigns, COPE fundraising, political and organizing campaigns and other efforts.
- Add \$600,000 to our Political Action Committee to elect healthcare and worker champions to office with a particular focus on District Hospital Boards and the 2018 election for Governor and other state-wide offices. This would change our PAC allocation to \$0.99 per member per month. In addition, we will no longer contribute to the PAC for the CHA Labor Management Committee that was previously included in the organizing budget.
- Add \$405,000 to our Reserve Fund for unanticipated emergencies so that we remain a fiscally responsible organization.
- Other budget assumption adjustments for Other Revenue, was reduced by \$105,000 and Per Capita, Set Asides and Occupancy expense increased by \$427,800.