

**Report of the
Finance Committee
to the 80th Convention**

CWA

Communications Workers of America

August 11 – 12, 2025

Dear Sisters and Brothers:

Per the CWA Constitution and various resolutions adopted by the Delegates, the Finance Committee shall meet prior to the assembling of the regular Convention at the call of its Chair and review the financial operations of the Union for the preceding year, including the audit of the books of the Secretary-Treasurer.

The Committee shall make a report of its findings to the Convention and make recommendations to the Convention, including a budget for the succeeding year's operations.

The Committee shall meet in non-Convention years and review the financial operations of the Union for the preceding year, including the audit of the books of the Secretary-Treasurer. The Committee shall make a report of its findings and make recommendations, which will be distributed to the locals by the Secretary-Treasurer of the Union.

The Finance Committee met in Washington, D.C., on April 28- May 1, 2025, to review the 2024-2025 expenses and the 2025-2027 CWA operating budgets. Throughout our visit, CWA staff and leadership met with us to discuss various information about the Union.

The Finance committee was initially presented with a deficit operating budget for fiscal years 2025-2026 and 2026-2027. We were informed that the Budget Committee and the Executive Board were actively working to produce a balanced operating budget. In our efforts to provide a report to the Delegates of the CWA Convention and make recommendations, many documents were required. Secretary-Treasurer, Ameenah Salaam, Director of Finance, Beth Yeckley, CWA Finance and Membership Administrator, Susan Sumara, Administrative Secretary, Torree Wade, Executive Assistant, Kelly Cline, and Aptify data specialist, Piper Serra all lent support with our requests. They assisted us in providing updated budget reports, historical reviews, documents related to dues income and per capital affiliation agreements, dues processing, expenses, financial analysis, membership counts and much more.

The Finance Committee also met with President Claude Cummings, Jr. He shared with us his visions for creating a stronger future for CWA which included all sides of the CWA triangle.

On April 29th, the Finance committee met with John Marco and Pat O'Neill of the Segal Marco Advisors to explain the strategies used for all current investments. These discussions provided a clearer understanding of the investment strategies and decision-making used for CWA's various investment funds including the Members' Relief Fund. Pat O'Neill provided comparison charts illustrating a new investment approach that allows stable consistent income to fund SMART hires, SIF and GF projects to strengthen CWA.

In addition, we met with the Defense Fund Oversight Committee to discuss areas of common interest.

The Finance Committee shares a common interest with the Executive Board, the Delegates, Local Leaders and the membership in wanting to help CWA thrive into the future. To do this we need to continue to have open and transparent discussions about our financial stability. Since the pandemic, CWA has lost close to 40,000 members. We must structure, staff, organize, and budget ourselves accordingly by prioritizing organizing to increase dues income, expense management, cost savings and debt reduction.

The Finance committee met with Headquarter Administrative Units and District and Sector Vice Presidents who exceeded their budget by 1% in the 2024-2025 fiscal year. One Vice President went over budget by 1.33% which was due to their bi-annual conference and their three Unfair Labor Practice strikes. Another Vice President went over by 11.22% due to costs associated with bargaining. The bargaining costs were elevated because of hotel and travel expenses for staff who were unable to use the District's building that is in the process of being repaired. Additionally, there were costs associated with their 31-day strike. Headquarters was over budget by 4.03 %. The Secretary-Treasurer's office was over budget due to unexpected IT and software costs due to the lease of the building. These unexpected costs would normally be covered by contingency funds. The President's office was over budget due to moving the costs associated with a Human Rights event for the Congressional Black Caucus into the President's budget. Additionally, there were no budgeted administrative operations built into the budget. However, past practice has been that all administrative operations such as printing, office supplies, phones, etc. be paid out of the Secretary-Treasurer's budget, which they were for this fiscal year. The primary expense for the President's office was due to travel. Therefore, the plan is to reduce travel going forward and keep staff expenses within budget.

CWA's Member's Relief Fund:

We currently have a loan balance of \$39,683,674.05 on a \$40,400,000.00 loan re-financed and funded from the MRF in June of 2015. This existing loan is a compilation of debt from 2006. Our current repayment agreement is an interest only agreement however, Secretary-Treasurer Ameenah Salaam has begun to make payments towards the principle. Our current MRF loan agreement expires next year on December 31, 2026, and needs to be either paid in full or renegotiated. As a Union, we have a responsibility to pay off this loan from the Member's Relief Fund.

Aptify Dues Data and Per Capita Dues Review:

While researching avenues on ways to increase revenue from within (outside of organizing, securing first contracts and cost cutting strategies), the Finance Committee would like for the Secretary-Treasurer's office to work with the Committee to review the applicable Aptify data and per Capita Dues. The Committee will ultimately report back to the CWA Budget Committee our findings and any proposed suggestions.

Affiliation agreements:

CWA has a long history spanning decades in the labor movement on affiliating and merging with other unions and in recent years organizing brand new industries in labor. There are

many valuable aspects to this added inclusion such as growth, geographic expansion, value to the workforce, cost synergies, talent acquisition, improved financial strength and diversification of our Union. These affiliations have made us a stronger Union.

CWA holds many affiliation agreements which may supersede the CWA Constitution and are legally binding. The Finance Committee supports any Local, District or Sector interested in revisiting any past agreements for mutual benefit of the Union.

Legislative:

Recent administrative policies are having a negative impact on the labor movement and workers' rights. The U.S. is currently implementing a complex system of tariffs, including baseline tariffs, reciprocal tariffs, and industry-specific tariffs, with varying rates and exemptions.

The tariffs have had a significant impact on the U.S. economy, affecting prices, trade flows, and overall growth. These tariffs have led to higher prices for consumers, especially on imported goods like electronics, clothing and shoes. The tariffs have also led to a decline in US GDP growth and an increase in unemployment. The US Trade Representative's office is a key player in setting and implementing trade policy. The Department of Commerce also plays a role in regulating trade. The Court of International Trade (CIT) and other courts are involved in resolving legal challenges to the tariffs. CWA membership must be involved in electing representatives that are focused on an economy that supports labor, retirees and working families. Unions remain at the forefront to fight back against these attacks so electing representatives that value and support workers' rights and the right to organize is imperative.

On March 27, 2025, an executive order effectively stripped collective bargaining rights from a large portion of the federal workforce. Over 1 Million federal workers lost their collective bargaining rights.

The "not so" Big Beautiful Bill is a complex piece of legislation with both potential benefits and drawbacks for American workers. This Bill will impact union labor in many ways. The North American Building Trades Union (NABTU) is estimating potential losses of approximately 2 million construction jobs and billions in lost wages and benefits. There are provisions in the bill allowing employees time off instead of overtime pay which will disadvantage workers. Additionally, some union advocates are concerned about provisions of the "Big Beautiful Bill" that might repeal or weaken prevailing wage requirements like the Davis-Bacon Act which protects wages on federally funded projects and are a cornerstone of union contracts.

The recently passed Rescissions Act of 2025 rescinds \$9 Billion in government funding. This impacts our brothers and sisters in the NABET-CWA Sector who are employed by NPR and PBS. These funding cuts have a significant impact on local stations that rely on federal funding to survive, which will eventually cause job losses.

The labor movement won a huge victory when President Biden took actions protecting the pension plans for tens-of-millions of union members. The American Rescue Plan Act of 2021 updated burdensome rules put in place under the Bush administration that forced pension plans to calculate liabilities and funding levels in ways that required some plans to require millions in additional funding to remain at levels needed to maintain full pension benefits. These new rules have allowed the CWA employee legacy pension plan, which CWA has been required to contribute many millions to, to see its funding levels stabilize. This legacy plan is a closed plan, and with current funding and recent market returns, it remains very strong to ensure that all covered CWA employees will receive their full benefits. Continuing the provisions of ARPA is especially important for CWA and any of our represented employers with a single employer defined benefit pension plan.

Organizing

In the Finance committee's report to the 2024 President's meeting we celebrated our union organizing 5600 additional workers in the year since our 2023 Convention. Already 51% of those 5600 workers are paying dues to CWA locals, having won first contracts. We are on track to see 75% or more of these workers under contract and paying dues within 2 years of initially organizing.

Since our 2024 Report, CWA's organizing department has organized an additional 20,068 across every District, Sector, and Region of our union. The AFL-CIO has begun tracking the number of new union members organized across the federation. In 2024, even though CWA's membership makes up only 4% of total AFL-CIO members, our organizing efforts made up 12% of the 2024 wins across the entire Federation. We are punching at a solid 3 times above our weight! This is great work and we look forward to this additional realized income within 2 years.

The Finance Committee is excited to see the Organizing Department's renewed commitment to making great strides in telecommunication organizing. This continues the sentiment of our beloved President Emeritus Morty Bahr, who stated, "We broke new ground in winning organizing rights. Most gratifying was the clear understanding among our members that the future growth of our union and future career opportunities for them demanded that we organize the company's wireless and broadband businesses." President Cummings has instructed National Organizing Director Tim Dubnau to put together an nationwide internal organizing blitz. This blitz will focus on AT&T Mobility in preparation for Orange Bargaining, and we invite all locals to participate and track new member sign-ups across all units. We are pleased that there appears to be unity amongst our leadership in every part of our union that we must continue to organize in the telecommunications industry. We are in strong support of the proposed resolution entitled "Ten-Year Project to Unionize Our Fellow Telecommunications Workers."

In 2021 CWA delegates approved a resolution to organize at the convergence of the Tech-Media-Telecom super-sector also known as the Information Industry. We have organized nearly 10,000 tech workers and 3,500 media workers since that resolution and have developed powerful, creative strategies to break through in a previously non-union sector.

The Organizing Department has worked for many years organizing in telecom. Although there have been some successes, the truth is the industry is so fissured, it will take an enormous effort to build power back for workers. We are in support of the organizing department's efforts, and further support the telecom resolution. We have the resources, the expertise and the activists to re-organize telecom.

Operating Budget

The Committee received on March 12, 2025, the first draft of the 2025-2027 Budget. This year, we worked in close collaboration with the CWA Budget Committee and Executive Board as we constructed this budget. After seven revisions, the Finance Committee recommends this budget as it includes:

- The approval of the President, CWA's Executive Board Budget Committee, and the Executive Board;
- Moving four (4) staff from the Growth Fund to the General Fund;
- Additional general fund staffing includes two (2) District Organizers, eleven (11) Staff Representatives, and creating opportunities to transition even more SIF/GF project staff onto the General Fund;
- Budgeted expenses based on actuarial projections on current experience; and
- Budgeted initial expenses for the Headquarters buildout in preparation of long-term lease tenants.

Beginning with the 71st Convention, the delegates have always approved the Finance Committee's Financial State of the Union. We will continue this tradition with this year's report.

Financial State of the Union :

This Committee realizes that with ever increasing financial burdens and with causes needing the Union's attention, along with a continued uncertain economy, we must be continuously vigilant of cost overruns. This year each administrative unit must operate not only within their authorized budget, but also within the dues income they generate as well as contributing to the ongoing programs and expenses of the overall Union. This budget represents the maximum spending for fiscal years 2025-2027.

The Finance Committee makes the following recommendations:

- The Finance Committee recommends the two-year budget approved by the Executive Board for Fiscal years 2025-2026 and 2026-2027.
- The Finance Committee recommends the CWA Executive Board Budget Committee include in their meetings a quarterly review across all of CWA's finances regarding the impacts of legislation, tariffs, interest rates and the global economy and financial markets.

- Any District or Sector over budget in their discretionary funds at the end of Fiscal Year 2025-2026 shall reduce staff expenses and administrative operations by the same amount in Fiscal Year 2026-2027.
- The Executive Board has proactively developed a framework to review contributions to organizations that support and strengthen our power at the bargaining table and the ballot box. These guardrails work hand in hand with the Unbreakable resolution. The Committee understands that policies and limits have been developed to limit the amount of money given in contributions to political entities and allied organizations. These policies along with greater oversight and approval by the Executive Board are an important step in limiting these sorts of expenditures. The Finance Committee recommends the Delegates support the CWA Unbreakable Resolution.
- All staff continue to evaluate the necessity of travel to conduct short speeches that can be otherwise provided via video.
- Locals support recommended bills that strengthen workers' rights and retirees.
- All locals continue to make an earnest attempt in internal organizing to reduce the number of non-members that we represent.

The Finance Committee would like to thank all District and Sector Vice Presidents who stayed within their allotted budget. Many Districts and Sectors have made amazing accomplishments in the last fiscal budget such as:

- Telecommunications & Technology (T&T): Have organized new units in CBRE this past year, and anticipate more CBRE members this year and in the future.
- Districts 3, 6, and 9 AT&T Units: Have ratified strong contracts with substantial wage increases thereby increasing current dues income.
- District 4:
 - Organizing gains: Ratified first negotiated contracts at Raven, Noble Knights, and Geneseo Raven
 - Currently Bargaining: Lakeside Software, Wells Fargo, Complexly, Generac (over 50 members through internal organizing)
 - Cost reduction Efforts:
 - Re-negotiated two office lease agreements: One with zero increase and another with a significant reduction in cost (approximately \$15,000 less)
 - Staff and Administrative Staff continue to curtail travel and meet virtually whenever possible.
 - Canceled the scheduled in-person, full-staff meeting for 2025.
 - Office supplies are ordered on an as-needed basis.

- Advised that the District's phone system will no longer be supported as equipment is outdated, opted to continue using what we have instead of replacing the handsets and system, potentially saving at least \$10,000 to \$15,000.
- District 7:
 - Money Savings:
 - In 2022 District 7 downsized their Minnesota Area Office.
 - They are currently in the process of closing their Phoenix, AZ office and getting a storage unit
 - They have switched from holding District meetings every year to every other year District meetings opposite years of convention.
 - They critically analyze projects and access continuing projects based on results.
 - They are trying to limit travel and do as much as possible virtually
 - In lieu of our annual Leadership School, they encourage Locals to attend the AFL-CIO Grace Carroll Rocky Mountain Labor school.
 - Victories and growth:
 - They led and got a ballot initiative passed that granted collective bargaining rights in Denver, CO for city workers,
 - They have an active organizing campaign with the library workers in the city, potentially 700 members.
 - They have organized 4,260 people at 57 employers in D7 since our last convention. The largest groups are at Activision Blizzard, Boulder County, Meow Wolf, Alamo Drafthouse, the University of Utah, Colorado State University, Ski patrol at five mountain resorts, TDS, University of Colorado, Green Taxi and too many additional employers to list.
- District 9:
 - Organizing: 6788 New Members
 - 3188 New Externally Organized across all Units.
 - 3600 New Members through Internal Organizing across all Units.
 - Expense reductions and Cost Savings
 - Office rental and storage
 - Sacramento (District 9 Headquarters) - Moved out of existing office space as rental renewal would have been \$27,000+/month. Securing a new location is paused to assist the CWA budget
 - Santa Fe Springs (District Office) Moved out of existing office space - rental renewal would have been \$23,000+/month
 - CWA District 9 Staff volunteered to move boxes to storage to reduce moving fees.
 - Southern California office boxes stored at no cost at a CWA Local's storage, so only furniture and equipment required a secured storage unit.
 - Office supplies:

- Utilizing vendors that offer rewards points, accept coupons, and or offer buy something, get something free Some “free” items are utilized as prize giveaways for District 9 conference and or PAF Blitz
 - District 9 Assistant to the Vice President’s utilized her personal Costco account to purchase supplies for in-person meeting refreshments to avoid membership fees and have the ability to purchase in bulk
 - District 9’s Vice President, Assistant to the Vice President and Area Director have purchased office equipment and supplies utilizing personal funds with no CWA reimbursement
- Bargaining Committee: Lodging-Secured housing utilizing discount rates (e.g., AT&T corporate discount code, AAA). Utilized most cost efficient lodging with concurrence of the elected bargaining committee.
- Travel:
 - CWA Convention- reduced number of staff assigned, Advance purchase of airline tickets to reduce cost
 - District 9 conference- reduced the number of staff assigned, Advance purchase of airline tickets to reduce cost, Secure contracts to provide free rooms for District 9 Staff, Headquarter Staff and Guest Speakers
- AFA-CWA: AFA-CWA represents 20 Airlines including:
 - Legacy Mainline Carriers, Low-Cost Carriers, Charter Carriers, and Regional Carriers. 85% (17 Airlines) of AFA-CWA Carriers are currently in bargaining, many of which have been negotiating for multiple years.
 - Alaska Airlines (6,000 members) ratified a tentative agreement with 25% pay increases with retroactive pay and boarding pay.
 - Eastern Airlines ratified its first contract.
 - AFA-CWA continues to work on first contracts for Breeze and Avelo.

The Finance Committee would also like to thank Secretary-Treasurer-Ameenah Salaam, President-Claude Cummings, Jr., Headquarters staff and the Executive Board for their assistance in providing information for our report.

In Solidarity,

Frank Tallarine, Secretary-Treasurer, CWA Local 1106-Chair
 Christine Shaw, Secretary-Treasurer, CWA Local 4100
 Candance Reiley, President, IUE-CWA Local 84802
 Kristy Pham, Secretary-Treasurer, CWA Local 9510

**Communications Workers of America - Operating Budget
2025 - 2027**

		Proposed 2026 - 2027	Proposed 2025 - 2026	Approved 2024 - 2025
Income				
	Dues - Members and Agency Fee Payers	\$ 85,535,697	\$ 84,488,368	\$ 74,357,804
	HQ Building	\$ -	-	30,000
	Other Income	\$ 2,980,000	2,230,000	2,700,000
	Total Income	\$ 88,515,697	\$ 86,718,368	\$ 77,087,804
Expenses				
National Programs				
029	Organizing Fund	4,631,138	4,631,280	3,693,750
030	Community Action	27,500	27,500	27,500
031	Legal Admin Unit Litigation & Misc.	554,755	554,755	454,755
032	Convention	465,000	465,000	300,000
034	Committees, Conf, Human Rights & Board Mtgs	350,000	350,000	350,000
038	Taxes	325,000	325,000	325,000
039	Affiliation Dues - AFL-CIO & Other	100,000	100,000	100,000
040	Contingency	433,631	560,262	(2,326,196)
043	Information Systems	2,050,000	2,050,000	525,000
045	Communications (CWA News & PR)	710,747	710,747	710,747
046	Professional Services	545,000	545,000	545,000
048	Education	127,500	127,500	127,500
061	Retiree Benefits (Health Care, Insurance)	7,115,000	7,115,000	6,000,000
161	Insurance - Other (Workers Comp., etc)	880,000	880,000	880,000
064	Staff Moves	10,000	10,000	10,000
066	CWANET Training	75,000	75,000	75,000
225	Internal Loan Repayment	1,200,000	1,200,000	1,212,000
	Total General Budget	19,600,271	\$ 19,727,044	13,010,056
Administrative Units				
A1	Salaries - Officer & Non-Bargained Employees	17,231,904	16,892,806	25,478,147
A2	Salaries - Bargained Employees	22,302,170	21,248,164	10,006,033
A3	Employee Benefits (Non-Pension)	10,679,600	10,303,462	8,876,045
A4	Employee Taxes	3,599,421	3,472,648	3,230,880
A5	Employee Pension	3,362,096	3,243,682	3,017,855
B1	Office Occupancy	3,840,465	3,840,465	3,700,981
B2	Staff Expenses	2,905,771	2,877,683	2,596,183
B3	Administrative Operations	4,486,096	4,486,096	3,665,456
B4	Legal	3,870,000	3,870,000	3,506,168
	Total Administrative Units	\$ 72,277,523	\$ 70,235,007	\$ 64,077,748
Non-Operating Expenses				
C1	Building Costs - i.e. Taxes (1.2M), Operating Costs	3,497,210	3,933,751	-
C2	Building Build Out for CWA	-	2,200,000	-
C3	GSA Loan Payment - Interest Only	2,300,000	2,300,000	-
	Total Non-Operating Expenses	\$ 5,797,210	\$ 8,433,751	\$ -
	Total Budgeted Expenses	\$ 97,675,003	\$ 98,395,802	\$ 77,087,804
	Total Income	\$ 88,515,697	\$ 86,718,368	\$ 77,087,804
	Funds taken from Reserves to fund the Pension	\$ 3,362,096	\$ 3,243,682	\$ -
	Non-Operating Expense Reimbursement from Reserves (Reimbursed with the GSA building lease)	\$ 5,797,210	\$ 8,433,751	\$ -
	Surplus/(Deficit)	\$ (0)	\$ (0)	\$ -
*Organizing across all Districts/Sector/Admin units is		4,040,557.26		
		4,220,432.16		

Administrative Units Budget

2025 - 2026

	A-1	A-2	A-3	A-4	A-5	B-1	B-2	B-3	B-4	Total Office Admin. Expenses	Total Admin Unit Expenses
District & National Units	Salaries: Officers & Non-Bargained	Salaries: Bargained	Emp Benefits: 27%	Emp Taxes: 9.1%	Emp. Pension: 8.5%	Total Personnel Expenses	Office Occupancy	Staff Expenses	Administrative Operations	Legal	
District 1	1,405,110.45	3,295,544.98	1,269,176.96	427,759.64	399,555.71	6,797,147.74	1,155,253.55	368,895.00	614,325.00	1,600,000.00	10,535,621
District 2-13	613,147.64	1,176,512.41	483,208.21	162,859.06	152,121.10	2,587,848.43	322,892.05	124,155.00	165,690.00	400,000.00	3,600,585
District 3	939,614.06	1,582,934.69	681,088.16	229,551.94	214,416.64	3,647,605.50	152,266.71	179,415.00	299,930.00	200,000.00	4,479,217
District 4	939,614.06	1,300,125.23	604,729.61	203,816.27	190,377.84	3,238,663.01	292,114.11	165,015.00	174,030.00	25,000.00	3,894,822
District 6	1,089,587.95	1,503,337.08	700,089.76	235,956.18	220,398.63	3,749,369.59	464,441.09	187,575.00	197,955.00	400,000.00	4,999,341
District 7	768,313.38	1,500,869.94	612,679.50	206,495.68	192,880.58	3,281,239.08	92,728.05	173,955.00	156,295.00	220,000.00	3,924,217
District 9	613,147.92	1,293,934.45	514,912.24	173,544.50	162,102.00	2,757,641.10	255,162.59	147,495.00	367,595.00	170,000.00	3,697,894
IUE-CWA	1,253,036.74	2,122,311.19	911,343.94	307,156.66	286,904.57	4,880,753.10	51,371.28	324,150.00	196,070.00	80,000.00	5,532,344
TNG-CWA	613,147.92	483,554.18	296,109.57	99,799.89	93,219.68	1,585,831.24	162,533.00	111,503.00	124,750.00	210,000.00	2,194,617
NABET-CWA	373,775.42	544,799.53	248,015.24	83,590.32	78,078.87	1,328,259.38	-	92,970.00	246,568.00	65,000.00	1,732,797
T&T	457,982.45	341,587.68	215,883.94	72,760.88	67,963.46	1,156,178.41	-	58,275.00	239,905.00	-	1,454,358
Public Wkrs	457,982.45	-	123,655.26	41,676.40	38,928.51	662,242.63	-	40,920.00	81,569.00	-	784,732
Total	9,524,460.44	15,145,511.34	6,660,892.38	2,244,967.43	2,096,947.60	35,672,779.20	2,948,762.44	1,974,323.00	2,864,682.00	3,370,000.00	46,830,546.64
Vacancies	525,686.31	1,861,800.14	644,621.34	217,261.27	202,936.35	3,452,305.41	-	199,320.00	-	-	3,651,625
Headquarters	6,842,658.98	4,240,852.62	2,997,948.13	1,010,419.55	943,798.49	16,035,677.76	891,702.88	704,040.00	1,621,414.00	500,000.00	19,752,835
Grand Total	16,892,805.73	21,248,164.10	10,303,461.85	3,472,648.25	3,243,682.44	55,160,762.37	3,840,465.32	2,877,683.00	4,486,096.00	3,870,000.00	70,235,006.69

Fiscal Year Dues Income and Expense Report
June 1, 2024- May 31, 2025

	<u>District 1</u>	<u>District 2-13</u>	<u>District 3</u>	<u>District 4</u>	<u>District 6</u>	<u>District 7</u>	<u>District 9</u>	<u>NABET & TNG</u>	<u>IUE</u>	<u>National Units & HQ</u>	<u>AFA*</u>	<u>Total</u>
Dues Payers	90,148	19,551	40,557	16,249	29,544	17,168	32,495	23,881	37,524		52,013	359,130
Dues Income	\$ 28,246,737	\$ 5,493,103	\$ 8,209,833	\$ 4,372,060	\$ 5,939,095	\$ 3,803,782	\$ 10,803,562	\$ 5,846,699	\$ 8,930,115	-	\$27,665,550	\$109,310,536
Other Income										\$ 4,376,862	\$ 1,636	\$ 4,378,498
	<u>District 1</u>	<u>District 2-13</u>	<u>District 3</u>	<u>District 4</u>	<u>District 6</u>	<u>District 7</u>	<u>District 9</u>	<u>NABET & TNG</u>	<u>IUE</u>	<u>National Units & HQ</u>	<u>AFA*</u>	<u>Total</u>
Expenses	\$ 10,065,911	\$ 3,425,739	\$ 4,779,825	\$ 3,886,446	\$ 4,863,880	\$ 3,749,639	\$ 3,426,874	\$ 3,630,102	\$ 4,982,416	\$35,079,274	\$27,748,714	\$105,648,820

* AFA's income and expenses are excluded from the International's budget but they are included in the Consolidated Financial Statements

Explanation Of National Programs

Exhibit A

Organizing (029)

We must continue our internal and external organizing efforts in order for CWA to remain an effective organization. The salaries of permanent Organizing Coordinators are included in Line item A1 of their Administrative unit. All organizer expenses are charged to the Organizing account.

Community Action (030)

This allocation allows CWA to respond to a small percentage of the meaningful requests we receive from community and civic organizations, programs and activities dedicated to the welfare of all citizens.

CWA upholds membership and serves on executive boards of a number of organizations. Fees associated with these activities are included in this budget allocation.

Legal Administration Unit Litigation and Miscellaneous (031)

Our legal costs continue to be a significant part of our budget. A portion of these expenses are budgeted to the Administrative unit section. This allocation is for the remainder of our legal expenses.

Convention (032)

This allocation includes funding for the biennial convention, including auditorium and meeting room rental and setup, printing of verbatim reports and other convention materials, postage, wages and expenses of convention committees.

Committees, Conferences & Executive Board Meetings (034)

Permissible expenses are associated with meetings of the Union's Executive Board including travel expenses of Executive Board members and others required to be in attendance. If required, the cost of the meeting room is also included. The budget allocation further includes a provision for committee meetings and conference expenses. Expenses for the Minority Leadership Institute in the amount of \$40,000 have been moved out of the Education Budget line into this line. The allocation does not cover expenses of these attendees for committee meetings and conference expenses unless authorized by the President of the Union.

Taxes (038)

This allocation covers non-related payroll taxes, such as the costs of District building and personal property taxes.

Affiliation Dues (039)

This allocation is for affiliation dues paid to organizations such as the AFL-CIO Departments, Union Network International, IAPTA, International Metal Workers, International Federation of Journalists, and others.

Contingency (040)

The purpose of this account is to provide for unexpected and unknown costs or those expenses that cannot be budgeted to appropriate accounts at the time the budget is prepared.

Information Systems (043)

This budget item reflects the costs of office automation, internal communication networks, training, and updating of equipment in the Headquarters and District offices.

Communications (045)

This account includes the funding of the CWA News, which is mandated by Article XXVI of the CWA Constitution. The allocation includes the cost of printing and postage and is also used for the Union's publicity and public relations program which brings the story of the Communications Workers of America to the public through the mass media of radio, TV, newspaper and social media. It will also pay for ongoing recurring expenses related to our digital media operations, such as hosting fees for our online communications systems, Salsa email, advocacy, Mobile Commons text messaging, and the purchase and renewal of domain names.

Professional Services (046)

This budget item allocation reflects expenses for audit fees and miscellaneous professional services such as accountants, actuaries and consultants, including those hired to support bargaining and contract negotiations.

International (047)

CWA is involved in the free world trade union movement. This budget allocation funds activities with our labor colleagues from a number of countries.

Education (048)

This budget account allocation is for the expense of week-long leadership conferences and the development and delivery of training programs.

Retiree Benefits (061A)

The allocation to this account is for the general insurance policies of the Union, which include group healthcare, pharmaceutical, vision, dental, and life insurance for retirees. Employee healthcare expenses are reflected in the Administrative Unit budgets – Line A3.

Insurance – Other (061B)

The allocation to this account is for insurance coverage other than employee healthcare and automobiles.

Staff Moves (064)

This allocation is for the costs associated with relocating Staff.

Apprenticeship & Training (066)

This budget allocation is for existing apprenticeship, training activities and new programs which may be implemented in this budget year.

Internal Loan Repayment (225)

Interest expense related to any loans taken by the general fund.

Total National Programs - Total of Budget accounts 029 through 066.

Total Administrative Units - Total of A1 through B4.

Total Budgeted Expenses - Total of National Programs and Administrative Units.

Explanation Of Administrative Unit Budget**Exhibit B****Budget Line A1-A5 & B1-B4 Formula Applications**

To determine certain allocations, the Budget is based on March 2019 per capita counts.

A1 Salaries – Officers and Staff

Reflects annual salary cost for administrative unit officers, staff and professional employees. The following chart indicates the officer's salaries:

POSITION	SALARY
PRESIDENT	\$250,890
SECRETARY-TREASURER	\$224,655
DISTRICT VICE PRESIDENTS, TNG-CWA PRESIDENT, NABET-CWA PRESIDENT, IUE-CWA PRESIDENT, T&T VICE PRESIDENT AND PUBLIC WORKERS VICE PRESIDENT	\$195,915
AFA-CWA PRESIDENT	\$213,258

A2 Salaries Full Time and Other

Reflects annual salary cost for administrative unit full-time clerical employees and supervisors.

A3/A5 Employee Benefits

This allocation reflects 30% of administrative unit salaries for employee medical, dental, vision, life insurance, and 401(k) match, plus sufficient funds to meet the pension plan fund commitment.

A4 Employee Taxes

Each administrative unit is allocated 9.1% of administrative unit salaries for employee tax expense.

B1 Office Occupancy

Each administrative unit allocation includes known increases that could be determined. Figures include projected common area maintenance and rent increases projected at 2% for the 2018-2019 budget year.

B2 Staff Expenses

Reflects funds allocated for Staff travel, auto, and communication expenses.

B3 Administrative Operations

This line includes expenses for the following items: part-time salaries and expenses, supplies and printing, postage and freight, rental and maintenance of equipment, contract services, electronic communications, and any other operating expenses.

B4 Legal

This includes each administrative unit's allocation for expenses such as retained counsel, arbitration, charges and litigation.