

General Membership Meeting

September 2024

Topic: Affiliation with AFT



Welcome

We are here to answer questions about Affiliation with AFT

Why now?

Negotiations have become more difficult

- There were challenges in 2020
- There were challenges in 2023

One of the biggest questions we get is “Why Affiliate now?”

The simplest answer to that is to help us when we go back to the bargaining table in just two years.

Michigan Medicine is a much larger and more powerful health system than it was just a decade ago.

Both 2020 and 2023 negotiations presented challenges for the HOA.

Getting the hospital to budge on needed wage increases for House Officers was quite difficult.

Often, it was tough to get the Hospital to provide any counter proposals at all, let alone ones that were decent enough to even consider.

The HOA relied on AFT in 2020 to get us over the finish line in a very contentious negotiations during the pandemic.

In 2023, we were able to leverage our relationships with the Regents from 2020 — thanks to AFT — to win over the Michigan Medicine leadership and get appropriate compensation increases.

Here are some specifics about 2023...

2023 Negotiations / U of M Best Offer

- Michigan Medicine's best offer was:
 - Base Intern Salary of \$66,024 in Year 1 (3% increase)
 - Year 2 & 3 wage scale increase 3%
 - No ratification bonus for House Officers

We reached out for help from AFT-Michigan...

After over 5 months of negotiations, the administration had the following offer on the table:

- Base Intern Salary of \$66,024
 - which equated to a 3% increase for the whole bargaining unit
- Wage Scale Raises of 3%, in the 2nd and 3rd years
- No ratification bonus for HOA members

So — we reached to AFT...

2023 Negotiations / Member Actions & Outcomes

...they got us a closed-door meeting

- Final Agreement:
 - Base Intern Salary of \$70,000 in Year 1 (9.2% increase)
 - Year 2 & 3 wage scale increase 3.25%
 - \$2000 ratification bonus for House Officers

...and they got us **regent support**, and a meeting with the administration.

AFT reached out to the Regent's to help us lobby behind the scenes. They have a track record for getting things done.

With **regent support**, the final deal was

- Intern Base Salary of \$70,000
 - *which equated to more than a 9% raise for interns*
 - *and was an average increase just under a 7% for the whole bargaining unit*
- Wage Scale Raises of 3.25% in the 2nd and 3rd years
- Ratification bonus of \$2,000 for House Officers

2023 Negotiations / Member Actions & Outcomes



So again, Michigan Medicine's best offer for salary increase for the bargaining unit in year 1 of the contract was 3%.

After our closed door meeting with the administration, **and regent support - thanks to AFT-** the HOA was able to more than double Michigan Medicine's best offer, and secure just under 7% salary increase for the bargaining unit in year one of the contract.

Why Now?

- We are grateful for the help we have received from other unions
- Help was given informally
- Depending on informal relationships is not sustainable

After receiving help two times in a row, it is time to create longstanding official relationship.

These were all things that were done informally, largely based on the long-term relationships between HOA leadership and AFT-MI leadership.

Depending on such informal relationships forever is not sustainable. It's not what is best for our union, and is not what is best for our members.

A decision needed to be made as to what we saw as the HOA's long-term future.

The HOA board began discussing whether to formalize affiliation with a larger labor union

Who is AFT?



- *"A union of professionals"*
- AFL-CIO
- 1.9 Millions Members

- Fastest growing health care union
- More then 100,000 health care works in the last ten years

- AFT-Michigan represents 35,000 workers



Who is AFT?

A union of professionals

- Teachers & higher education
- Public employees
- Para-professionals
- Healthcare workers

AFT is affiliation with AFL-CIO

They have 1.9 million members They are the fastest growing health care union.

AFT-Michigan represents 35,000 workers in the state of Michigan.



Why AFT? **They hold a lot of influence with the Board of Regents at University of Michigan**

AFT-Michigan affiliated unions represent roughly **4300** employees on the **campus** side including

- Graduate Student Instructors
- Lecturers
- Non-Tenure Track Faculty
- Librarians
- Staff Employees

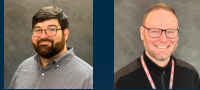
And at the **hospital** they represent around **5300** employees through UPAMM & UMMAP

- Physician Assistants (UPAMM)
- UMMAP
 - Medical Assistants
 - Behavioral Health
 - Rehab
 - Lab Techs
 - etc

We will not be the first resident union in the state. AFT-Michigan represents 1500 residents at DMC, Wayne State, and Western Michigan. If we affiliate we would be nearly doubling the number of residents affiliated with them. It is also a nice opportunity to have most of the residents in the state of Michigan under the same larger union umbrella, while maintaining our autonomy.

Why AFT? / Structure

- Local Autonomy
- Maintain Staff



- Allows the HOA to keep functioning as it does now
- Maintain control over our own finances
- Locals pay per-capita dues to AFT

AFT is most compatible with the HOA's current operations.

Beyond that, locals have a wide range of authority to structure themselves how they see fit and have control over their internal finances.

This would allow the **HOA to keep itself functioning largely as it does now**, with its own office and staff, but **with a larger amount of power** and resources behind it.

The other major resident union, CIR, while also very good has a lot more centralized structure.

Locals pay per-capita dues AFT.

What About Dues?

No
Change
now!

- Current Member Dues Locked in until 6/30/2027
- Current rate 0.5% of base salary

- 7/1/2027 increase to 1% of base salary
- 0.5% will continue to stay local, the remainder will cover per-capita dues obligations

2027 rate will
still be one of
the cheapest
on campus

Our current dues of 0.5% will be locked in until 2027. The reason we are able to do that is generous financial assistance from AFT, and the HOA's history of good budgeting.

We will eventually need to raise dues. However, they will still be one of the lowest rates on campus.

Affiliated unions pay per-capita dues to their affiliate. Building power costs money. Our per-caps contribute to that mission, and contribute to the resources and support we get back.

Starting July 1st 2027 dues will go up to 1% of base salary

The same 0.5% we charge now will stay locally with the HOA, with the rest going to per-cap obligations.

Very likely the **extra boost** we get in the next contract will out weight the dues increase that takes effect at the same time.

Benefits to members do not only come when we negotiate salary

- Political influence will allow us to have a voice on issues important to House Officers
- There are fringe benefits as well, such as discounts, etc

The Board unanimously feels that the benefits of affiliation makes this change worth it

What Next?



- Vote by HOA Members
 - 9/23 - 9/30
 - Secret Electronic Ballot - same system as HOA Board elections
 - YES vote approves affiliation, July 2027 dues increase, and constitutional amendment
- TURN OUT - TURN OUT - TURN OUT
 - No minimum participation for election to be valid...
 - So we need your help in getting the largest turn out possible

In order for affiliation to occur, our constitution requires two things:

1. The recommendation of the Board
This happened in April 2024
2. A majority of members voting YES in a secret ballot election

From 9/23-9/30, members will be able to vote Yes or No to affiliation whichever gets the most votes wins.

There is no minimal threshold for participation, nevertheless the Board would like to see the **largest possible turnout so we can be absolutely sure of member opinions.**

A Yes vote approves the affiliation, the change in dues, and brings our constitution into alignment with AFT. A No vote ends the discussion.

Michigan Medicine will be paying attention to this vote. A high turnout is necessary to send a strong message to the University that we're serious and unified.

We want everyone to vote. Please encourage your co-residents to vote.

The board unanimously recommends you vote YES.

Questions?

Did the board consider any other unions like CIR?

The HOA board has considered affiliation a few times over the last three contract cycles. We did consider other unions and in fact met with CIR in the past as they are one of the larger resident unions in the country. We like CIR and think they do good work, but there were a couple of things that did not fit as well with the needs of the HOA and its members:

- The CIR is constructed in a “Mega-Local” format that is a bit more centralized. The national CIR Board makes all financial decisions while each individual health system’s residents are a “chapter” of that larger whole. This would give the HOA less internal control over its day to day operations than what we have now. AFT would allow us more local autonomy.
- The CIR also does not have a presence in the state of Michigan to the extent AFT does. Their nearest local offices are in Boston and Burlington, with a future one potentially in Chicago.
- CIR membership dues are universally set at 1.6% of salary. This would be a larger dues increase than with AFT. In order to keep internal HOA funding at its current .5% of salary it would require dues a bit over 2% of member salary. With AFT the 1% we are proposing covers both current HOA operations and per caps for the larger union.

Once we are in, can we leave?

Yes. We would be able to leave AFT utilizing the same process we used to get in. If you look at the sample ballot, one of the proposed constitutional amendments spells this out. If things are not working out then a recommendation from the HOA board with a corresponding membership vote would suspend the affiliation, in the exact same way we joined. This has rarely happened in AFT-MI though, with most locals choosing to stay.

Questions?

Besides help with negotiations, what are other benefits?

There are three primary areas where we can get a lot of needed help even in-between negotiations:

- **Contract Enforcement:** Fighting a hospital system as big as UM takes resources. Things like legal retainers, court fees, and member mobilization can cost a lot of money. Having more resources behind us for those fights will be crucial.
- **Political Power:** AFT is very involved in the UM Board of Regent Elections, who oversee the whole institution. In addition, there are many issues residents face that could require new policies on both a state and federal level to address. The HOA does not currently have the resources to lobby to that extent.
- **Member Benefits:** Large labor unions like AFT have discount programs for their membership far larger than the HOA could realistically provide independently. [A full description of those provided by AFT can be found here.](#)

What do other AFT locals pay in dues?

Currently the Grad Instructors and the Lecturers pay roughly 1.6% of their salary for dues. The members of UMMAP (an AFT affiliated union representing around 140 job titles at Michigan Medicine) are negotiating their first contract and will start paying dues at the conclusion of that. Their rate is listed at 1.8% currently. The only AFT local at the hospital that appears to pay lower than the 1% the HOA is proposing are the Physician Assistants who currently pay 0.8%. However, their salaries are much higher so it takes less for them to cover per caps.

Questions?

What is the likelihood of needing to increase dues again?

We've looked at our finances and are fairly certain 1% dues will cover both the HOA's expenses and our per capita obligations to AFT for the foreseeable future. There is no indication we will need to raise dues again. If a dues increase is ever needed years down the road, it would most likely be a very minor adjustment.

Do we have to adopt AFT's stance on any given issue?

No. One of the nice things about the AFT structure is that we operate as a chartered organization that covers our own affairs. In the event we disagree with the decision of the state or national union we are free to issue our own statements and stances.