

**Association of Flight Attendants – CWA, AFL-CIO**  
**Forty Sixth Executive Board Meeting**  
**December 2, 2021**  
**(Conducted Virtually)**

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**SUBJECT:** Mid Year Review (MYR) Recommendation by the Finance Committee

**STATEMENT OF QUESTION:** Should the Executive Board Endorse the Finance Committee Recommendation pertaining to the Mid Year Review (MYR) ?

**SOURCE AND DATE SUBMITTED:** International President, November 29, 2021

**BACKGROUND INFORMATION:**

The Finance Committee evaluated the Financial Status of the Union based on the monthly review of Financial and Membership reports. The trends reflect Revenue as higher than projections, and Expenses are well under the processed Revenue. The Union is on target to be under budget by the end of the year, without using either the 2020-2021 AFA Surplus of \$600K or the Future Funding Commitment of \$1.6 million included in the Approved 2021-2022 Annual Budget. Additionally, the number of members has remained stable at most airlines and has increased at several. While there was significant risk of membership loss when the Approved Budget was under discussion in May 2021, the condition of the industry appears to have stabilized, and this risk has passed.

Given the strong revenue position, the judicious use of reduced resources, and the stability and growth of Member Stats, the Finance Committee recommends that beginning with the January Budgets, the following proposed budget adjustments should be presented to the Executive Board in December for their consideration:

- Calculate LEC Budgets at 20% of Dues
- Restore the Minimum LEC Budget to \$2,500
- Restore MEC Budgets to Constitutional Formula
- Review of several NEG and SBA Budgets

The budgets to be reviewed in conjunction with the MYR include Negotiations Budgets at Horizon, Mesa, and Envoy, as well as System Board Budgets at Horizon, GoJet, and Omni. The International Secretary-Treasurer will review these budgets and have discussions with the MEC Presidents and their respective staff negotiators/attorneys and will make recommendations to the Finance Committee.

These recommendations are made with the understanding that the pandemic is still underway and that existing variants of the virus could further affect the industry. It was also recognized that the Board will be in session during March, and any necessary changes could be addressed at that time.

**PROPOSED RESOLUTION:**

WHEREAS, the Finance Committee conducted a Mid Year Review (MYR) of finances of the Union per direction of a BOD Resolution passed at the BOD Meeting on May 14, 2021; and,

WHEREAS, the review of financial reports through October 2021 reflects a strong revenue position and a judicious use of reduced resources such that Revenue exceeds Expenses and Expenses are less than Budgets; and,

WHEREAS, the review of Membership Statistics reflects an increased number of members that has remained stable; and

WHEREAS, the high risk of losing members at the end of the Payroll Support Program (PSP) has passed and the industry appears to be stabilizing;

THEREFORE BE IT RESOLVED, The Finance Committee recommends the following adjustments in the calculations of LEC and MEC Monthly Budgets:

- Calculate LEC Budgets at 20% of Dues
- Restore the Minimum LEC Budget to \$2,500
- Restore MEC Budgets to Constitutional Formula

BE IT FURTHER RESOLVED, the International Secretary-Treasurer will review several Negotiations and System Board of Adjustment Budgets to determine if any of these require an adjustment; and,

BE IT FURTHER RESOLVED, that these adjustments will be made beginning with the budgets calculated for January 2022

BE IT FURTHER RESOLVED, that while these adjustments are supported by the current data, there will be ongoing monitoring of Revenue and Membership data in the event there are subsequent membership reductions; and,

BE IT FINALLY RESOLVED, that the Finance Committee will provide a progress report to the Board of Directors at its meeting in March 2022.

**ADOPTED Unanimously**