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AMERICAN FEDERATION OF
STATE, COUNTY
AND MUNICIPAL EMPLOYEES
AFL-CIO

**FAIR SHARE FEE
PROCEDURE**

For deductions beginning

January 1, 2011

**NOTICE TO ALL
FAIR SHARE FEE PAYERS
EMPLOYED BY A
PUBLIC EMPLOYER
IN THE STATE OF OHIO**

This notice is being provided to all employees employed by a political subdivision of the State of Ohio or other public employer who pay a fair share fee to Ohio Council 8, American Federation of State, County and Municipal Employees, AFL-CIO, herein Ohio Council 8; and/or any of its affiliated Local Unions pursuant to a collective bargaining agreement. The purpose of this Notice is to provide you with information and set forth procedures concerning implementation of your legal rights.

Ohio law permits, absent a request of a reduction, fair share fee charges up to an amount equal to regular union dues. Fair share fee payers may object to or challenge the fair share fee calculation under procedures set forth below. The nonchargeable percentage reflects expenses to support political, organizing and ideological activity and expenses unrelated to the costs of collective bargaining, contract administration, and pursuing matters affecting wages, hours, and other terms and conditions of employment. The remainder of the fair share fee is the proportionate share of certain operating costs and costs of collective bargaining, contract administration and pursuing matters affecting wages, hours and

other terms and conditions of employment. The expenses of all Ohio Council 8 affiliated local unions were considered to be totally nonchargeable. Fair share fee payers were not charged for the operation of any affiliated Local Union.

The chargeable expenses include your pro rata share of the costs of the following activities of the American Federation of State, County and Municipal Employees, AFL-CIO (herein AFSCME) and Ohio Council 8 (herein the Unions when referenced jointly).

Expenses associated with the following activities are totally chargeable:

1. Gathering information in preparation for the negotiation of collective bargaining agreements.
2. Gathering information from employees concerning collective bargaining positions.
3. Negotiating collective bargaining agreements.
4. Administration of ballot procedures on the ratification of negotiated agreements.
5. The public advertising of the Unions' positions on the negotiation, ratification, or implementation of collective bargaining agreements.
6. Lobbying for the negotiation, ratification or implementation of a collective bargaining agreement.
7. Adjusting grievances pursuant to the provisions of collective bargaining agreements, enforcing collective bargaining agreements and representing employees in proceedings under civil service laws or regulations.
8. Purchasing books, reports, and advance sheets used in (a) negotiating and administering collective bargaining agreements, (b) processing grievances.
9. Paying technicians in labor law, economics and other subjects for services used (a) in negotiating and administering collective bargaining agreements, (b) in processing grievances.
10. Proceedings regarding jurisdictional controversies under the AFL-CIO constitution.
11. Membership meetings and conventions held at least in part to determine the positions of employees on collective bargaining issues, contract administration and other matters affecting wages, hours and working conditions, including the cost of sending representatives to such meetings and conventions.

12. Internal communications which concern collective bargaining issues, contract administration, public employment generally, employee development, unemployment, job opportunities, award programs and other matters affecting wages, hours and working conditions.

13. Impasse procedures, including fact-finding, mediation, arbitration, strikes, slowdowns, and work stoppages, over provisions of collective bargaining agreements and the administration thereof, so long as they are legal under state law. These costs may include preparation for strikes, slowdowns, and work stoppages regardless of their legality under state law, so long as no illegal conduct actually occurs.

14. The prosecution or defense of arbitration, litigation or charges to obtain ratification, interpretation, implementation or enforcement of collective bargaining agreements and any other litigation before agencies or in the courts which concerns bargaining unit employees which is normally conducted by an exclusive representative.

Expenses associated with the following activities are chargeable to the extent that they are germane to collective bargaining activity, are justified by the government's vital policy interest in labor peace and avoiding free-riders, and do not significantly add to the burdening of free speech that is inherent in the allowance for fair share fee collection.

15. Services provided by a parent organization to other bargaining units, which are provided from a pool of resources available to all units and may ultimately inure to the benefit of the members of the local bargaining unit.

16. Purchasing books, reports, and advance sheets used in activities or for purposes other than negotiating collective bargaining agreements and processing grievances.

17. Paying technicians in labor law, economics and other subjects for services used in activities other than negotiating, implementing and administering collective bargaining agreements and processing grievances.

18. Membership meetings and conventions held for purposes other than to determine the positions of employees on collective bargaining issues, contract grievance adjustment or other matters affecting wages, hours and working conditions.

19. Internal communications which concern subjects other than collective bargaining issues, contract administration, public employment generally, employee development, unemployment, job opportunities, award programs, or other matters affecting wages, hours and working conditions.

20. Prosecution or defense of arbitration, litigation or charges involving matters other than the ratification, interpretation, implementation or enforcement of collective bargaining agreements, or which relates to the maintenance of the union's association or corporate existence.

21. Social and recreational activities.

22. Payments for insurance, medical care, retirement, disability, death and related benefit plans for union employees, staff and officers.

23. Administration activities and expenses allocable to the Unions' activities and expenses for which agency shop and fair share fee payers are charged.

Expenses associated with the following activities are not chargeable:

24. Training in voter registration, get-out-the-vote and political campaign techniques.

25. Supporting and contributing to charitable organizations.

26. Supporting and contributing to political organizations and candidates for public office.

27. Supporting and contributing to ideological causes.

28. Supporting and contributing to international affairs.

29. The public advertising of the Unions' positions on issues other than negotiation, ratification, or implementation of collective bargaining agreements.

30. Lobbying for purposes other than the negotiation, ratification or implementation of a collective bargaining agreement.

31. Organizing within the bargaining unit in which fair share fee or agency shop payers are employed.

32. Organizing other bargaining units.

33. Seeking to gain representation rights in units not represented by the Unions, including units where there is an existing designated representative.

34. Defending the Unions against efforts by other unions or organizing committees to gain representation rights in units represented by the Unions.

35. Affiliation fees to the AFL-CIO and its state federations and central bodies.

36. Member-only benefits.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Executive Board
American Federation of State, County
and Municipal Employees, AFL-CIO

We have audited the accompanying revised consolidated schedule of expenses and allocation between chargeable expenses and nonchargeable expenses of the American Federation of State, County and Municipal Employees, AFL-CIO for the year ended December 31, 2009. This schedule is the responsibility of AFSCME's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the revised consolidated schedule of expenses and allocation between chargeable expenses and nonchargeable expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

Except as discussed in Note 1 and 3(l), the expenses reflected in the total expenses column agree with the expenses in the audited consolidated financial statements of AFSCME for the year ended December 31, 2009. The allocation of expenses between chargeable and nonchargeable is based on the definitions presented in Note 2 and the significant factors and assumptions described in Note 3. The accompanying schedule was prepared for the purpose of determining the fair share cost of services rendered by AFSCME for employees represented by, but not members of, AFSCME. The accompanying schedule is not intended to be a complete presentation of AFSCME consolidated financial statements.

The AFSCME fair share fee percentage was compiled based on the following financial information. This financial information sets forth the expenditures of AFSCME in major categories and states the amounts of expenditures which are chargeable/nonchargeable to fair share fee payers pursuant to the criteria set forth above.

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO

REVISED CALCULATION OF CHARGEABLE EXPENSE BASED ON EXPENSE DURING THE YEAR ENDED 12/31/09 APPLICABLE TO FAIR SHARE FEES FOR THE PERIOD JANUARY - DECEMBER 2011

INTERNATIONAL EXPENSE	TOTAL 2009 INTERNATIONAL EXPENSE*	TOTAL CHARGEABLE EXPENSE	ALLOCATED NON-CHARGEABLE EXPENSE
ASSISTANCE TO AFFILIATES	\$18,854,032	\$11,723,437	\$7,130,595
AUDITING	2,009,891	2,009,891	0
CONFERENCE & TRAVEL SERVICES	1,043,374	391,265	652,109
CONVENTION			
EDUCATION	5,503,928	5,766,679	(262,751)
EXECUTIVE BOARD	989,847	989,847	0
FIELD SERVICES	43,001,215	9,630,939	33,370,276
FINANCIAL SERVICES	12,957,163	4,858,936	8,098,227
GENERAL COUNSEL	2,802,806	2,164,971	637,835
GENERAL OPERATING & BUILDING SERVC. **	7,823,385	7,818,385	5,000
HUMAN RESOURCES	1,141,394	428,023	713,371
INFORMATION SYSTEMS	6,715,011	2,518,129	4,196,882
INTER-UNION AFFILIATIONS	20,246,124	7,900	20,238,224
INTERNATIONAL RELATIONS	609,089	0	609,089
JUDICIAL PANEL	1,040,142	1,040,142	0
LEGISLATION	6,509,830	1,227,197	5,282,633
POLITICAL ACTION & PEOPLE	34,099,310	(53,995)	34,153,305
PRESIDENT'S OFFICE	2,459,435	921,819	1,537,616
PUBLIC AFFAIRS	8,265,588	3,490,345	4,775,243
RESEARCH	8,260,676	7,414,838	845,838
RETIREES	1,569,450	1,189,816	379,634
SECRETARY-TREASURER'S OFFICE	1,218,342	456,877	761,465
TOTALS	\$ 187,120,032	\$63,995,441	\$123,124,591

TOTAL CHARGEABLE EXPENSE (2009)	\$63,995,441	34.200%
TOTAL INTERNATIONAL EXPENSE (2009)	\$ 187,120,032	

* TOTAL EXPENSE, CONVENTION EXPENSE, AFFILIATION AND CSOP REBATE GRANTS AS AUDITED BY BOND BEEBE, CERTIFIED PUBLIC ACCOUNTANTS.

** GENERAL OPERATING & BUILDING SERVICES EXPENSES HAVE BEEN ALLOCATED AS INDIRECT OVERHEAD AND FIELD DEPARTMENTS ON A PERCENTAGE BASIS.

In our opinion, the revised consolidated schedule of expenses referred to above presents fairly, in all material respects, the expenses of the American Federation of State, County and Municipal Employees, AFL-CIO for the year ended December 31, 2009, and the allocation between chargeable expenses and nonchargeable expenses, on the basis of the definitions presented in Note 2, and the significant factors and assumptions described in Note 3.

BOND BEEBE
A Professional Corporation
Bethesda, MD
October 22, 2010

AMERICAN FEDERATION OF STATE, COUNTY
AND MUNICIPAL EMPLOYEES, AFL-CIO
Notes to Revised Consolidated Schedule of
Expenses and Allocation
Between Chargeable Expenses and Nonchargeable
Expenses
December 31, 2009

Note 3 - Significant Factors and Assumptions Relating
to the Allocation of Expenses Between Chargeable
Expenses and Nonchargeable Expenses

Significant factors and assumptions underlying the allocation of expenses between chargeable and nonchargeable amounts are summarized as follows:

a. For purposes of the calculation, except as noted below, departments are classified as either programmatic or administrative departments. Programmatic departments implement the programs of AFSCME, and provide services to AFSCME affiliates. Allocations of chargeable expenses and nonchargeable expenses of the programmatic departments are made on the basis of a review of the activities and expenses of the individual departments.

Administrative departments oversee and coordinate the functions of AFSCME and provide support functions to the programmatic departments. Included among the Administrative departments are the International Union Officers and their staffs, Financial Services, Human Resources, Conference and Travel, and the other Union governing bodies. The

expenses for the administrative departments are allocated as chargeable and nonchargeable in the same proportion as the total chargeable expenses and nonchargeable expenses of the programmatic departments. The overhead attributable to the programmatic departments is included as an administrative department expense in determining the chargeable and nonchargeable proportion of their expenses. The expenses of the Judicial Panel are determined to be fully chargeable.

b. For purposes of this calculation, organizing expenses are treated as nonchargeable. The Field Services Department is responsible for all of the International Union's organizing activities. The Field Services Department engages in organizing activities in two ways. First, the Field Services Department has certain employees who have, as one of their responsibilities, the organizing of new members. Second, the Field Services Department provides grants to AFSCME affiliates to permit them to engage in organizing.

The Union examines the staff who may have any involvement in organizing, either internal organizing in pre-existing bargaining units, or external organizing of new bargaining units. To the extent such staff are involved in organizing, their salaries are treated as nonchargeable.

The cost of all health and retirement benefits and all travel expenses of each permanent field service staff person who engaged in any organizing activities are treated as nonchargeable to the same extent as the salary of such person. Additionally, all overhead costs associated with organizing are treated as nonchargeable.

Certain of the activities of the Field Services Department are conducted through projects. Each of those projects is examined, and, if the purpose of the project includes any organizing, that portion of the project related to organizing, including that portion of the salaries, benefits and travel expenses of project staff employed in connection with such project is treated as nonchargeable.

Finally, the Field Services Department makes certain grants to AFSCME locals and councils for a variety of purposes, including organizing by the Union. All of these grants are reexamined by the Union and if the purpose of the grant includes organizing, that portion of the grant is treated as nonchargeable.

Nonchargeable and chargeable expenses, which were \$74,438,307 and \$112,681,725 before, have been restated to \$123,110,857, and \$64,009,175, as a result of this revised calculation.

c. Costs associated with AFSCME publications, including editorial, production, and distribution expenses, are allocated on the basis of a column inch analysis of the chargeable content of the publication.

d. For the purpose of allocating personnel costs, it is assumed that employees work 7 hours per day and 231 days per year. The employee benefits percentage rate is based on a comparison of total department employee benefits to total department salary costs. Employee benefits are allocated on a departmental basis, based upon total chargeable and nonchargeable salary, multiplied by the benefits percentage rate.

e. Activities of the programmatic department staff are individually analyzed and are allocated on the basis of chargeable activities. The personnel costs of the public affairs staff involved in the editing or production of AFSCME's publications are allocated on the basis of the chargeable content of the publications.

f. Reimbursed and charged travel expenses of the programmatic department staff are individually analyzed and allocated as chargeable or nonchargeable depending on the nature of the activity. Reimbursed expenses of the Public Affairs staff involved in the editing and production of AFSCME publications are allocated on the basis of the chargeable content of the publication.

g. Headquarters overhead expenses are allocated on the basis of the activities of headquarters personnel. All headquarters overhead expenses are allocated to headquarters departments on the basis of the individual department's percentage of total headquarters salary costs. Included in the calculation of headquarters overhead costs are general operating and building service costs. Overhead expenses allocated to each department are allocated between chargeable and nonchargeable on the basis of chargeable salaries as a percentage of total salaries within that department.

h. Field overhead expenses are pooled and allocated on the basis of the activities and salaries of field staff. Included in the calculation of field over-

head costs are office rental, equipment, and general operating costs of the field offices. Field overhead expenses are allocated between chargeable and nonchargeable on the basis of chargeable field staff salaries as a percentage of total field staff salaries.

i. Assistance to AFSCME affiliates are individually analyzed and allocated on the basis of their chargeable content.

j. Contributions and participations are individually analyzed and allocated on the basis of their chargeable content.

k. Affiliation payments to other labor organizations are treated as nonchargeable expenses in this revised calculation.

l. Per capita rebates and CSOP rebates of \$4,188,364 classified as assistance to affiliates for purposes of this allocation are offset against per capita income in the audited consolidated financial statements of AFSCME.

The Ohio Council 8 percentage calculations were compiled based on the following financial information. This financial information sets forth the expenditures of Ohio Council 8 in major categories and states the amounts of expenditures which are chargeable/nonchargeable to agency fee payers pursuant to the criteria set forth above.

OHIO COUNCIL 8, AFSCME, AFL-CIO
**CONSOLIDATED SCHEDULE OF EXPENSES AND
 ALLOCATION BETWEEN CHARGEABLE AND
 NONCHARGEABLE EXPENSES BASED ON THE YEAR
 ENDED 12/31/09 APPLICABLE TO FAIR SHARE FEES
 AND CERTAIN PRIVATE SECTOR DUES FOR THE
 PERIOD JANUARY THRU DECEMBER 2011**

EXPENSES	TOTAL OHIO COUNCIL 8 EXPENSES	2009 NON- CHARGEABLE EXPENSES	2009 CHARGEABLE EXPENSES
Salaries	\$5,578,602	\$499,225	\$5,079,377
Other Lost Time	120,762	119,962	800
Secretarial Services	31,438	2,808	28,630
Postretirement Expense	275,184	24,579	250,605
FICA-Employer's Share	445,654	39,806	405,848
Federal Unemployment Taxes	6,267	560	5,707
State Unemployment Taxes	13,512	1,207	12,305
Workers' Compensation Insurance	42,922	3,834	39,088
Health and Hospitalization Insurance	1,049,761	93,765	955,996
Life Insurance	88,902	7,941	80,961
Pension, Health and Welfare	537,568	48,016	489,552
Reimbursement - staff expenses	237,230	109,969	127,261
Auto Leasing	25,268	12,164	13,104
Executive Board and Officers' Allowances	121,150	0	121,150
Executive Board and Officers' Travel Reimbursements	21,513	863	20,650
Executive Board and Officers' Other Reimbursements	8,069	118	7,951
Rent and Parking	7,387	0	7,387
Building Maintenance	174,448	0	174,448
Utilities	168,401	15,042	153,359
Equipment Repairs and Rentals	28,835	2,576	26,259
Depreciation-Buildings	72,548	0	72,548
Depreciation-Building Improvements	91,790	0	91,790
Depreciation-Office Furniture & Fixtures	8,010	0	8,010
Depreciation-Office Equipment	53,166	0	53,166
Office and Computer Supplies	97,449	8,704	88,745
Printing	120,179	41,964	78,215
Postage, Freight and Mailing	57,400	5,127	52,273
Telephone	120,625	10,774	109,851
Subscriptions and Publications	42,461	10,772	31,689
Copying	26,173	2,338	23,835
Moving	1,767	0	1,767
Meetings and Conferences	370,640	75,115	295,525
Newspaper Publications	75,954	18,905	57,049
Advertising	5,693	5,000	693
Political Communications, Contribution	97,349	97,349	0
Joint Legislative Coordinator	108,272	108,272	0
Legal Fees	20,847	0	20,847
Arbitration Fees	172,521	0	172,521
Fact Finding	4,150	0	4,150
Settlement Expense	27,500	0	27,500
Other Professional Fees	323,444	22,950	300,494
Property Insurance	51,470	0	51,470
Real Estate Taxes	116,171	0	116,171
Contributions	38,174	38,174	0
Flowers and Benevolence	1,690	280	1,410
Affiliation Fees	8,643	1,339	7,304
Litigation Costs	1,506	0	1,506
Member Rebates	590	590	0
Interest Expense	16,239	0	16,239
Theft loss Expense	0	0	0
Bank Service Charge	5,565	76	5,489
TOTAL	\$11,120,859	\$1,430,164	\$9,690,695
TOTAL CHARGEABLE EXPENSE (2009)		\$ 9,690,695	87.140%
TOTAL OHIO COUNCIL 8 EXPENSE (2009)	\$11,120,859		

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
 Ohio Council 8, AFSCME, AFL-CIO
 Worthington, Ohio

We have audited the accompanying consolidated schedule of expenses and allocation between chargeable and nonchargeable expenses of Ohio Council 8, AFSCME, AFL-CIO (Council), for the year ended December 31, 2009. This schedule is the responsibility of the Council's management. Our responsibility is to express an opinion on this schedule based on our audit. This schedule is based upon Council's financial statements for the year ended December 31, 2009, which were audited by McGladrey & Pullen, LLP, whose report dated July 13, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of expenses and allocation between chargeable and nonchargeable expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

The expenses reflected in the total column are the Council's expenses for the year ended December 31, 2009. The allocation of expenses between chargeable and nonchargeable expenses is based on the significant factors and assumptions described in Note 4.

In our opinion, the consolidated schedule of expenses referred to above presents fairly, in all material respects, the expenses of Ohio Council 8, AFSCME, AFL-CIO for the year ended December 31,

2009 and the allocation between chargeable and nonchargeable expenses, on the basis of the significant factors and assumptions described in Note 4.

McGladrey & Pullen, LLP
Columbus, Ohio
September 24, 2010

**Ohio Council 8, AFSCME, AFL-CIO
Notes to Consolidated Schedule of
Expenses and Allocation Between
Chargeable and Nonchargeable Expenses**

Note 4 — Significant Factors and Assumptions Relating to the Allocation of Expenses

The allocation of chargeable and nonchargeable expenses of Ohio Council 8 was based upon the audited expenses which appear under the heading "Total Expenses" on the accompanying schedule for the Council. These expenses were obtained from the financial statements of Ohio Council 8 that were audited for the year ended December 31, 2009, by McGladrey & Pullen, LLP, who expressed an unqualified opinion in their report dated July 13, 2010. Significant factors and assumptions underlying the allocation of such expenses between chargeable and nonchargeable amounts are summarized as follows:

A. The structure of Ohio Council 8 is comprised of the following Departments: Administrative, Legal, Field Services and Organizing, Membership Services, Communications, Legislation and Health Care and Public Policy departments. In addition, Ohio Council 8 maintains eight Regional Offices consisting of a Regional Director, Field Staff and Clerical Staff. The Legal, Membership Services, Field Services and Organizing, Communications, Legislation and Health Care and Public Policy departments implement the programs of the union and provide services to local unions. Allocation of chargeable and nonchargeable expenses is made on the basis of a review of the activities and expenses of the individual departments, regional offices, and employees. The Legal Department of Ohio Council 8 makes the final determination of the allocation of chargeable and nonchargeable expenses.

B. The chargeable and nonchargeable expenses in regard to organizing activities were calculated using the following criteria: If a matter handled by the Legal Department was initiated or pursued for an organizing purpose, then all of the Legal Department's staff time and all of the field staff time associated with the matter was characterized as nonchargeable. Organizing activities and organizing related expenses of all Departments and Regional Offices of Ohio Council 8 were treated as totally nonchargeable. Organizing activities and organizing related expenses relative to internal union organizing to build the local union or defend against decertification efforts or raids were treated for purposes of this notice as total nonchargeable.

C. Affiliation payments to the AFL-CIO and its state federations and central bodies were treated as totally nonchargeable expenses for the purpose of this calculation.

D. All lobbying expenses incurred for purposes other than the negotiation, ratification or implementation of a collective bargaining agreement were treated as totally nonchargeable.

E. The Legal Department consists of the Office of the General Counsel of the Council, the expenses of which were allocated based upon a review of the activities of the attorneys and clericals employed in that department, and expenses incurred by the Council for outside attorneys which were allocated based upon the nature of the services and subject matter for which they were retained. To the extent the staff representatives engaged in activities related to Legal Department activities allocated as nonchargeable, these staff activities were also considered nonchargeable. Settlement and other litigation expenses are reviewed by the General Counsel and allocated based upon the nature and subject matter of the litigation.

F. The Legal Department is a full service legal department which litigates and counsels on issues concerning internal union administration, collective bargaining, contract administration and matters concerning wages, hours and other terms and conditions of employment of bargaining unit employees. These issues are litigated in federal and state court proceedings, state and federal administrative agencies and arbitration proceedings, in addition, the Legal Department files various representation petitions

before state and federal agencies and litigates bargaining unit questions in arbitration and court proceedings.

G. The Administrative Department, which includes the Office of the President and First Vice President, coordinates the functioning of the union and provides support functions to the other Ohio Council 8 Departments and Regional Offices.

H. Ohio Council 8 is governed by an Executive Board which meets quarterly to conduct the business of the Council. Allocation of chargeable and nonchargeable expenses of the Executive Board were made on the basis of a review of the activities of the members of the Board.

I. Costs associated with the Council's newspaper publication, including editorial, production, and distribution expenses, are allocated on the basis of a square inch analysis of the chargeable content of the publication.

J. Activities of personnel were individually analyzed for the purpose of determining the allocation of chargeable and nonchargeable hours generally based upon the individuals' actual hours worked during the year. Employee benefits were allocated based upon total nonchargeable salary divided by total salary to obtain a nonchargeable salary percentage.

K. Reimbursed and charged travel expenses of the staff were individually analyzed and allocated as chargeable or nonchargeable depending on the nature of the activity.

L. Ohio Council 8 analyzed, on an individual basis, the detail in expense line items to allocate chargeable versus nonchargeable expenses. Where it was not feasible to analyze expenses for allocation, such as for building, equipment and general operating costs, Ohio Council 8 applied the nonchargeable salary percentage to obtain the nonchargeable expense.

M. Contributions were individually analyzed and allocated on the basis of their chargeable content.

LOCAL UNIONS

The expenses of all affiliated Local Unions were treated as totally nonchargeable for the year 2009. This decision may not be followed in subsequent years. Thus, a zero chargeable percentage was used for Local Unions in Ohio in computing the final weighted average percentage of chargeable and nonchargeable

percentages for the 2009 calculations.

CALCULATION OF FINAL PERCENTAGE OF CHARGEABLE AND NONCHARGEABLE EXPENSES

Applying the criteria set forth above to the chargeable and nonchargeable percentages of AFSCME and Ohio Council 8, and the zero percentage for affiliated Local Unions, a percentage of chargeable expenses was determined. A weighted average calculation was used based upon the percentage of each level of fees received by AFSCME and Ohio Council 8 based upon the minimum dues structure. These calculations resulted in a chargeable percentage of 63.262%. Therefore, upon an objection or challenge your fair share fee will be adjusted to 63.262% of the amount of regular dues established by your Local Union. These percentages will be in effect for the period of January 1, 2011, through December 31, 2011, when a new fair share fee will be calculated and placed in effect. As dues change, your fair share fee will change.

PROCEDURE FOR OBJECTING TO THE USE OF FAIR SHARE FEES FOR POLITICAL OR IDEOLOGICAL CAUSES

A procedure has been established for objecting to the use of fair share fees for nonchargeable expenses. You must comply with these procedures in order to object to the use of nonchargeable monies by AFSCME and Ohio Council 8. Please read these procedures carefully. An objection may be filed without filing a challenge. All challengers will automatically be considered to be objectors.

A. The Objection: The objection may be filed separately or along with a challenge but must be clearly designated as an objection. The objection must be filed in writing. The objection must include the following: 1. Name, address and telephone number. 2. Social security number. 3. Name of employer. 4. Work location. 5. Job Title. 6. Local union representing the unit. Absent unusual circumstances, a written objection must be received at Ohio Council 8's Headquarters office between November 15, 2010 and December 14, 2010. No objections will be accepted before November 15, 2010 or after December 14, 2010.

B. After the objection has been authenticated, the objectors' fair share fee amount will be reduced by the nonchargeable percentage established and set forth above for calendar year 2011.

PROCEDURE FOR CHALLENGING THE AMOUNT OF THE FAIR SHARE FEE

A procedure has been established for challenging the amount of the fair share fee calculations. Please read these procedures carefully. You must comply with these procedures in order to challenge the fair share fee calculation.

A. The Challenge: Each fair share fee payer must file a separate challenge. The challenge must be filed in writing. The written challenge must include the following: 1. Fair share fee payer's name, address and telephone number. 2. Social security

number. 3. Name of employer. 4. Employing agency. 5. Work location. 6. Job Title. 7. Local union representing the unit. Absent unusual circumstances, the written challenge must be received at Ohio Council 8's headquarters office between November 15, 2010 and December 14, 2010. No challenge will be accepted before November 15, 2010 or after December 14, 2010.

B. Arbitration Procedure for Challenges: The Unions have established an arbitration procedure for resolving challenges to the amount of the fair share fee adjustment. The procedure will result in a prompt resolution of the challenge by an impartial arbitrator. Challengers will receive complete information concerning the arbitration procedure upon receipt of a timely and properly written challenge.

All challenges filed within the prescribed time period will be consolidated into a single proceeding. The American Arbitration Association will select an arbitrator. The arbitrator will notify all parties by mail as to the date, time and location of a prearbitration conference. The purpose of the prearbitration conference is to establish a date, time, place and procedures for conducting the arbitration hearing. These matters will be determined by those parties present. Unresolved matters will be determined by the arbitrator.

After completion of the prearbitration conference, the arbitrator will notify the parties by mail of the date, time, place and procedures of the arbitration hearing. The notice will state that if challengers fail to appear for the hearing, the arbitrator can close the record after introduction of the Unions' evidence and issue a ruling on the basis of the record and the argument presented by the Union.

The arbitration hearing will normally begin within sixty (60) days of the close of the challenge period. The arbitrator's award will issue within thirty (30) days of the close of the challenge period.

C. Escrow of Fair Share Fees: Upon receipt of a written challenge, as specified above, Ohio Council 8 will, commencing with the first fair share fee payment received following receipt of a timely challenge, place in an established interest bearing escrow account, an amount equal to one hundred percent (100%) of the challenger's monthly fair share

fee payment on a monthly basis. The fair share fees paid will remain in escrow until the arbitration award issues and will thereafter be distributed to the appropriate parties and the challenger pursuant to the arbitrator's award.

D. All challengers will be automatically treated as objectors and their fair share fee payments will be reduced in accordance with the objection procedures set forth below.

E. Post Arbitration Procedures: The adjusted rates (percentages) as set forth in this calculation, or as modified by the arbitrator will apply to all fair share fees paid for the period January 1, 2011 through December 31, 2011. While the percentages will remain the same throughout said period, the fair share fee payment may vary as the dues level of the Local Unions change. The final recalculated fair share fee rate established will apply to challengers as of January 1, 2011, and appropriate adjustments will be made in accordance with the arbitration decision. No fair share fee challenges will be accepted after the challenge period specified above for the period established by the notice.

PROCEDURE WHEN A FAIR SHARE FEE PAYER FAILS TO RECEIVE A REDUCTION

Should any fair share fee payer's payments not be adjusted by the Employer by the percentages set forth in this notice, that fair share fee payer must write Ohio Council 8 explaining the situation and forwarding the same information required of a challenge. Ohio Council 8 will then take immediate action to remedy the situation as warranted by the facts. This procedure shall be effective through December 31, 2011.

All questions concerning this procedure must be in writing and addressed or delivered to Ohio Council 8 at the address set forth above.

ADDRESS FOR FILING CHALLENGES AND OBJECTIONS

Challenges to the fair share fee calculations or objections shall be filed with the person designated at the address set forth below, either by mail or personal delivery. While not required, it is recommended that all challenges and objections be sent by certified mail, return receipt requested.

Leslie H. Peterson, Controller
Ohio Council 8
American Federation of State, County
and Municipal Employees, AFL-CIO
6800 North High Street
Worthington, Ohio 43085-2512