

NOTICE TO ALL NON-MEMBER FAIR SHARE FEE PAYERS
FOR THE FEE PERIOD July 1, 2011 THROUGH JUNE 30, 2012

*PLEASE READ THIS NOTICE CAREFULLY AS IT CONTAINS IMPORTANT
INFORMATION AND PROCEDURES CONCERNING YOUR LEGAL RIGHTS*

AFT Healthcare Maryland FAIR SHARE FEE

This Notice is being provided to all non-members who pay fair share fees to AFT Healthcare Maryland, an affiliate of the American Federation of Teachers, AFL-CIO ("AFT") and AFT-Maryland. The purpose of this Notice is to inform you of the type of activities considered to be chargeable and non-chargeable to fair share payers; financial data in support of the calculation of chargeable expenses; steps you must take if you wish to object to paying for that portion of the fair share fee that is attributable to political, ideological or other activities that have been deemed to be non-chargeable to objecting fee payers; steps you must take if you wish to challenge the accuracy of the calculation of the chargeable/non-chargeable portions of the fair share fee; and steps you must take to file a conscientious objection.

Please Read Carefully

WHAT ACTIVITIES ARE INCLUDED AND EXCLUDED FROM THE FAIR SHARE FEE?

In determining what activities can appropriately be included in the fair share fee charged to objecting non-members, our list falls into three parts. The first part consists of activities that are inherently chargeable as they relate to labor-management issues, contract administration and pursuing matters affecting wages, hours and other terms and conditions of employment. The second part consists of those kinds of activities that might be chargeable to fee payers, or might not, depending on the specifics of the event or expenditure. As to these expenses, we have applied a three-part test used by the Supreme Court in Lehnert v. Ferris Faculty Association, 500 U.S. 507 (1991), to analyze the chargeability of activities on a case by case basis. The third part consists of the types of expenses that have been excluded from your fair share fee.

A. Expenses associated with the following activities are considered to be chargeable to fair share fee payers in this calculation:

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 AFT's 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 fair share laws or regulations.

8. Purchasing books, reports, and advance sheets used in (a) negotiating and administering collective bargaining agreements, and (b) processing grievances.

9. Paying technicians in labor law, economics and other subjects for fair shares used (a) in negotiating and administering collective bargaining agreements, and (b) in processing grievances.

10. Defending AFT against efforts by other unions or organizing committees to gain representation rights in units represented by AFT.

11. Proceedings regarding jurisdictional controversies under the AFL-CIO constitution.

12. 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.

13. 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.

14. Impasse procedures, including fact finding, mediation, arbitration, strikes, slow-downs 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, slow-downs, and work stoppages regardless of their legality under state law, so long as no illegal conduct actually occurs.

15. 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.

B. Expenses associated with the following activities are treated as chargeable to objecting fee payers 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 burden on free speech that is inherent in the allowance of an agency or union shop:

1. Fair shares 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.

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

3. Paying technicians in labor law, economics and other subjects for fair shares used in activities other than negotiating, implementing and administering collective

bargaining agreements and processing grievances.

4. Supporting and paying affiliation fees to other labor organizations which do not negotiate the collective bargaining agreements governing the fair share fee payer's employment.
5. 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.
6. Internal communications which concern subjects other than the collective bargaining issues, contract administration, public employment generally, employee development, unemployment, job opportunities, award programs, or other matters affecting wages, hours and working conditions.
7. Organizing within the bargaining unit in which fair share fee payers are employed.
8. Organizing other bargaining units.
9. Seeking to gain representation rights in units not represented by AFT, including units where there is an existing designated representative.
10. Prosecution or defense of arbitration, litigation or charges involving matters other than ratification, interpretation, implementation or enforcement of collective bargaining agreements, or which relates to the maintenance of the union's associational or corporate existence.
11. Lobbying for purposes other than the negotiation, ratification or implementation of a collective bargaining agreement.
12. Social and recreational activities.
13. Payments for insurance, medical care, retirement, disability, death, and related benefit plans for union employees, staff and officers.
14. Administrative activities and expenses allocable to AFT's activities and expenses for which fair share fee payers are charged.

C. Expenses associated with following activities are not charged to objecting fee payers in this calculation:

1. Training in voter registration, get-out-the-vote, and political campaign techniques.
2. Supporting and contributing to charitable organizations.
3. Supporting and contributing to political organizations and candidates for public office.
4. Supporting and contributing to ideological causes.
5. Supporting and contributing to international affairs.
6. The public advertising of AFT's position on issues other than negotiation, ratification, or implementation of collective bargaining agreements.
7. Member-only benefits.

AFT HEALTHCARE MARYLAND'S CHARGEABLE CALCULATION

In determining the chargeable/non-chargeable portions of the 2011 fair share fee the expenditures of AFT, AFT Maryland and AFT Healthcare Maryland were used in the calculation. Applying the criteria set forth above for determining chargeable and non-chargeable expenditures the percentage of chargeable expenses for AFT was determined to be 69.10% for AFT Maryland chargeable expenses totaled 81.38% and for AFT Healthcare Maryland the chargeable expenses totaled 90.84%.

Applying the percentage of chargeable expenditures for AFT, AFT Maryland and AFT Healthcare Maryland to the dues and per capita rate of each, a weighted average chargeable fair share fee of 76.27% was determined to be applicable to non-members. These percentages will remain in effect until June 30, 2012, or the prior issuance of a new notice.

Effective January 1, 2011, the monthly dues rate for full-time members of AFT Healthcare Maryland is \$37.92 and is allocated as follows: Per capita tax for AFT - \$16.55; per capita tax for AFT Maryland- \$10.75; dues for AFT Healthcare Maryland - \$9.11, per capita tax for MD AFL-CIO - \$0.60; per capita tax for the Metro Baltimore Central Labor Council - \$0.31; occupational liability insurance - \$0.35; and accidental death and dismemberment insurance - \$.0.25.

The 2011 combined bi-weekly per capita and dues rate for full-time members is \$17.50 per period. This bi-weekly rate was determined by multiplying the monthly dues rate by twelve months and dividing the result by twenty-six, bi-weekly periods in a year.

The weighted average chargeable fair share fee calculation described above resulted in a weighted average chargeable bi-weekly fair share fee rate of \$13.13 for full-time non-members. These fair share fee rates are based upon full membership dues in effect as of January 1, 2011, and will change as the dues rates change.

The following tables illustrate the calculation of the per-pay period dues rate and chargeable percentage for full-time fair share fee payers.

	Monthly Full-Time Dues Rate	Full-Time dues Rate Bi-weekly Per Pay Period	Chargeable Percentage	Full-Time Fair Share Biweekly Per Pay Period
AFT	16.55	7.64	69.10%	5.28
AFT Maryland	10.75	4.96	81.38%	4.04
AFT MD Healthcare	9.11	4.20	90.84%	3.82
MD AFL-CIO	0.60	0.28	0.00%	0.00
CLC	0.31	0.14	0.00%	0.00
Liability Ins	0.35	0.16	0.00%	0.00
AD&D Ins	0.25	0.12	0.00%	0.00
Total	37.92	17.50		13.13
Weighted Average			75.05%	

AFT-Healthcare Maryland dues rate is \$17.50 per pay period or \$37.92 per month.

The calculation of expenses for which fair share fee payers can be charged a pro rata share is based on the following audited financial information. This financial information sets forth AFT's, AFT-Maryland's and AFT Healthcare Maryland expenditures audited by independent accountants, and states the amounts of expenditures which are chargeable to objecting fair share fee payers pursuant to the criteria set forth above. Copies of the audit reports are included herein.

**PROCEDURE FOR OBJECTIONS TO PAYMENT
OF NON-CHARGEABLE EXPENDITURES**

AFT - Healthcare Maryland has established the following procedure for non-members who object to paying that portion of the fair share fee that is attributable to political, ideological or other activities which are deemed to be non-chargeable in the calculation. Objections must be filed in writing with AFT - Healthcare Maryland EALTHCARE and must include the objector's name, address, social security number, job title, employer, work location and local union affiliation if known. The written objection must be postmarked no later than **June 30, 2011** and sent to the following address:

Caron Colletti
AFT-Maryland
5800 Metro Drive, Suite 100
Baltimore, MD 21215

It is suggested that all objections be sent by certified mail.

Upon receipt of a written objection, AFT - Healthcare Maryland will notify the objecting nonmember's employer of the bi-weekly amount to fair share fees to be deducted from earned wages. Objectors may challenge the amount determined to be chargeable by following the procedures set forth below.

**PROCEDURE FOR CHALLENGING THE CALCULATION OF
CHARGEABLE AND NON-CHARGEABLE EXPENSES**

AFT - Healthcare Maryland has established the following procedure for non-members who pay fair share fees and who wish to challenge the calculation of chargeable and non-chargeable expenses.

A. Procedure for Filing Challenges

Individual non-member fair share fee payers who wish to challenge AFT - Healthcare Maryland's calculation of chargeable and non-chargeable expenses must inform AFT - Healthcare Maryland of their challenge in writing. The written challenge must include the challenging fair share fee payer's ("Challenger's") name, address, social security number, job title, employer, employer, work location and local union affiliation if known. The written challenge must be postmarked no later than **June 30, 2011** and sent to the following address:

Caron Colletti
AFT-Maryland
5800 Metro Drive, Suite 100
Baltimore, MD 21215

B. Procedure for Resolving Challenges

Upon receipt of any unresolved challenges AFT – Healthcare Maryland will arrange for an arbitration hearing by making a request of the American Arbitration Association (AAA) for the appointment of an arbitrator. AFT – Healthcare Maryland will ask that all challenges to its calculation be consolidated into a single proceeding. The impartial arbitrator will hold a hearing in which challengers can participate personally or through a representative. In the hearing, AFT, AFT-Maryland and AFT – Healthcare Maryland will have the burden of proof regarding the accuracy of the calculation of chargeable expenses. The challengers will be given the opportunity to present their own evidence and to present written arguments in support of their position. The arbitrator will issue a decision and award on the basis of the evidence and argument presented.

Challengers will receive further information regarding this procedure upon AFT – Healthcare Maryland receipt of their challenge.

C. Escrow of Fair share fees

Upon receipt of a written challenge, AFT – Healthcare Maryland shall place an amount equal to the fees collected from the challenger into an interest bearing escrow account. The escrowed figures will be independently verified. The fair share fees shall remain in escrow until the arbitration award issues and shall be distributed along with accrued interest, in accordance with that award.

PROCEDURE FOR CONSCIENTIOUS OBJECTIONS

Individual non-member fair share fee payers who hold a sincere religious belief that prohibits them from joining or financially supporting AFT, AFT-Maryland or AFT – Healthcare Maryland may object to the payment of a fair share fee. However, such individuals will be required to pay a sum equal to the fair share fee to a charitable fund exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code. Conscientious objections must request a Declaration of Bona Fide Religious Objection and Selection of Charitable Organization form, which can be obtained from AFT – Healthcare Maryland. Completed forms must be postmarked no later than **June 30, 2011** and sent to the following address:

Caron Colletti
AFT-Maryland
5800 Metro Drive, Suite 100
Baltimore, MD 21215

Upon submission of a timely declaration, it shall be the obligation of a conscientious objector to furnish, **monthly**, to AFT – Healthcare Maryland and to the Department of Budget and Management, written proof that charitable contributions have actually been made and that the conscientious objector is not subject to a fair share fee. Proof of payment may be in the form of original receipt issued by the charitable organization, by

credit card statement or cancelled check. Failure to provide proof of contributions to a charitable organization shall constitute the non-members' voluntary revocation of his/her status as a conscientious objector and involuntary deduction of the fair share fee shall commence.