

CALIFORNIA TEACHERS ASSOCIATION

SUMMARY OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF FAIR SHARE FEES FOR 2015-2016 (NOTE 1)

Budget Category (Note 2)	Expenditures	Nonchargeable (Note 3)	%	Chargeable (Note 4)	%	Allocable	%
Governance	\$ 11,031,176	\$ 470,570	4.3 %	\$ 8,928,688	80.9 %	\$ 1,631,918	14.8 %
Governmental Relations	8,530,555	8,530,555	100.0 %				
Association for Better Citizenship	3,419,369	3,419,369	100.0 %				
Legal Services	8,208,779	4,890,191	59.6 %	3,318,588	40.4 %		
Regional Services	73,676,832	6,171,658	8.4 %	67,505,174	91.6 %		
Negotiations and Organizational Development	7,242,224	570,440	7.9 %	6,671,784	92.1 %		
Training, Information & Development	2,081,159	200,853	9.7 %	1,880,306	90.3 %		
Communications	6,533,307	1,996,254	30.6 %	4,537,053	69.4 %		
Human Rights	2,381,329	1,628,096	68.4 %	753,233	31.6 %		
Instruction and Professional Development	2,619,198	98,135	3.7 %	2,521,063	96.3 %		
Accounting	6,560,470			6,560,470	100.0 %		
Business Services	915,415			915,415	100.0 %		
Central Services	2,836,990			2,836,990	100.0 %		
Conference Coordination Center	2,651,579	1,098,158	41.4 %	1,553,421	58.6 %		
Governance Support	2,155,309	92,677	4.3 %	1,743,646	80.9 %	318,986	14.8 %
Human Resources Management	1,714,579			1,714,579	100 %		
Integrated Systems and Strategies	4,302,705			4,302,705	100 %		
Management	4,888,635	470,895	9.6 %	1,074,461	22.0 %	3,343,279	68.4 %
Occupancy/Properties	5,083,618	459,173	9.0 %	4,624,445	91.0 %		
Capital Expenditures/Depreciation	4,648,403	389,806	8.4 %	4,258,597	91.6 %		
Debt Reduction and Service	124,546			124,546	100.0 %		
Crisis Assistance Fund	126,270			126,270	100.0 %		
Advocacy/Foundation	3,351,127	3,351,127	100.0 %				
Media Advertising Fund	3,013,846	3,013,846	100.0 %				
Initiative Fund	16,457,234	16,457,234	100.0 %				
Subtotal	184,554,654	53,309,037	29.7 %	125,951,434	70.3 %	5,294,183	
Allocable Expenditures		1,572,372		3,721,811			
Total Nonchargeable and Chargeable Expenditures	<u>\$ 184,554,654</u>	<u>\$ 54,881,409</u>		<u>\$ 129,673,245</u>		<u>\$ 5,294,183</u>	
Final Nonchargeable and Chargeable Percentages			29.7 %		70.3 %		

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of fair share fees.



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California Teachers Association (CTA)

In order to satisfy its obligation under *Chicago Teachers Union v. Hudson* to provide agency fee payers with "an adequate explanation of the basis for the fee," the National Education Association (NEA) has included in this mailing the following documents:

- (1) A 14-page document entitled "National Education Association Chargeable and Nonchargeable Audited Expenditures for the 2015-2016 Fiscal Year"; and
- (2) The NEA Fiscal Year 2015-2016 Consolidated Financial Statements.

The first of the above-mentioned documents breaks down NEA's audited expenditures from its most recently completed fiscal year on a category-by-category basis, and specifically indicates the expenditures it has determined to be chargeable to fee payers and those it has determined to be nonchargeable. A more detailed, *i.e.*, output-by-output, explanation of this breakdown can be found on pages 33-40 of the second document. In addition, pages 41-48 of the latter document contain an explanation of how NEA calculates its agency fee chargeable and nonchargeable expenditures.

For purposes of this notice to agency fee payers in CTA, NEA has determined that in the 2015-2016 fiscal year, 41.91% of its expenditures went for chargeable activities and 58.09% of those expenditures went for nonchargeable activities. Because there is relatively little variation between NEA's 2015-2016 expenditures and completed activities and its 2016-2017 budgeted expenditures and planned activities, NEA's analysis of its percentages for the 2015-2016 fiscal year expenditures are being applied to the 2016-2017 fiscal year. However, to assure against any possibility that there may be some unexpected variation in expenditures between the 2015-2016 and 2016-2017 years, NEA has added a cushion of 4.19%, resulting in a chargeable percentage of 37.72% and a nonchargeable percentage of 62.28%.