



Indiana
State
Teachers
Association

DRAFT Operational Budget 2020 – 21

Planning Operational Budget 2021 – 22

June 2020

Presented to the
ISTA REPRESENTATIVE ASSEMBLY

Our kids. Our schools. Our future.



Mission Statement

The Indiana State Teachers Association is a professional association organized to sustain quality public education, improve students' educational opportunities and advance the professional status of educators.

Purpose

To develop and organize members as leaders, professionals and active citizens to improve the professional status of educators and educational opportunities for Hoosier kids.

Goals

- Unified voice - we are stronger together.
- Economic security and professional working conditions for educators.
- Premier public education system that serves all kids regardless of ZIP code, culture or ability.

Strategic Priorities

1. Build strong locals.
2. Increase membership and engagement.
3. Advocate for educational issues.

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Preface: Letter from ISTA Treasurer

Members,

Thanks for your membership and support of the Indiana State Teachers Association.

Our organization began our collective work when 175 public school educators gathered in Indianapolis in 1854. We continue to strive toward our mission to sustain quality public education, improve opportunities for students, and advance the professional status of educators.

This budget has been prepared with a careful review of the following:

- Advancing ISTA Strategic Plan and Mission
- Maintaining good stewardship of our members' hard-earned dues money
- Continuing to follow our long-term financial plan as outlined on pages ii—iii of this book

Leadership and staff work together to review the past year's expenses, consider current expenses, and our expected ongoing future costs. We balance the needs of our organization with our expected income to make adjustments and additions that help improve the strength and resilience of our organization.

Our finance and accounting department does an excellent job tracking, monitoring, and processing our accounts. By ensuring that our controls are followed, their work helps to maintain our fiduciary responsibilities to our members.

In solidarity,

Doug Taylor

ISTA Treasurer

LONG-TERM FINANCIAL PLAN SUMMARY

With the settlement of the main lawsuits, ISTA began the 2014 - 15 budget year in a position to implement a Long-Term Financial Plan. ISTA established a detailed Long-Term Financial Plan that focuses on four financial components: Net Assets, Net Operating Income, Cash Position and Payment of Long Term Obligations. ISTA plans to monitor and control these components through a disciplined budget process spanning over the next seventeen (17) years. The Four Components of the Long Term Financial Plan are as follows:

- Net Assets Goal - By 2030, achieve a positive Net Assets balance approximately equal to one year's worth of expenses.

- Net Operating Income Goal - Generate Net Operating Income year after year sufficient to achieve the Net Assets Goal AND assist the I.S.T.A. Insurance Trust (Trust) in meeting the obligations of the long term disability plan. A schedule of Net Operating Income that achieves the Net Assets goal is listed below.

- Cash Position - Maintain an operating cash balance nearly equal to one year's worth of budgeted operating expenses.

- Long Term Obligations - Payment of the outstanding debt to NEA according to the prescribed schedule and funding of the estimated obligations of the Trust LTD program as follows:

- As of Aug. 31, 2019, the outstanding balance on the loan from NEA to ISTA was \$8,500,000. ISTA entered into a loan agreement with NEA effective Jan. 2014 to repay this loan balance over fifteen (15) years beginning in 2014 - 15 and ending in 2027 - 28.
- Estimated obligations of the LTD plan are detailed below and are based upon the actuarial projection prepared as of Aug. 31, 2019.

ISTA Net Asset Rollforward including Operating Income Goal

NOTE: Figures shown in parenthesis below indicate negative numbers.

Fiscal Yr.	Beginning Net Assets	Net Operating Income	Non Operating Net Income (Loss)	ISTA's portion of Trust LTD Expenses - see chart on opposite page	Net Income	Ending Net Assets
2014 - 15	(7,967,835)	5,181,750	910,381	(1,704,836)	4,387,295	(3,580,540)
2015 - 16	(3,580,540)	5,180,660	1,079,609	(1,893,065)	4,367,204	786,664
2016 - 17	786,664	5,485,665	947,026	(1,886,000)	4,546,691	5,333,355
2017 - 18	5,333,355	4,908,635	985,112	(1,000,000)	4,893,747	10,227,102
2018 - 19	10,227,102	3,825,758	1,161,413	(1,000,000)	3,987,171	14,214,272
2019 - 20	14,214,272	677,028	944,337	(700,000)	921,365	15,135,637
2020 - 21	15,135,637	854,799	527,196	(600,000)	781,995	15,917,632
2021 - 22	15,917,632	720,895	535,638	(600,000)	656,533	16,574,165
2022 - 23	16,574,165	693,332	544,691	(500,000)	738,023	17,312,188
2023 - 24	17,312,188	662,915	554,388	(500,000)	717,303	18,029,491
2024 - 25	18,029,491	583,086	564,760	(400,000)	747,846	18,777,337
2025 - 26	18,777,337	500,000	575,842	(400,000)	675,842	19,453,179
2026 - 27	19,453,179	500,000	593,366	(325,000)	768,366	20,221,545
2027 - 28	20,221,545	500,000	600,000	(261,000)	839,000	21,060,545
2028 - 29	21,060,545	500,000	600,000	(240,000)	860,000	21,920,545
2029 - 30	21,920,545	500,000	100,000	(180,000)	420,000	22,340,545
2030 - 31	22,340,545	500,000	100,000	(159,000)	441,000	22,781,545
2031 - 32	22,781,545	500,000	100,000	(129,000)	471,000	23,252,545
2032 - 33	23,252,545	500,000	100,000	(111,000)	489,000	23,741,545
2033 - 34	23,741,545	500,000	100,000	(100,000)	500,000	24,241,545
2034 - 35	24,241,545	500,000	100,000	(87,000)	513,000	24,754,545
2035 - 36	24,754,545	500,000	100,000	(66,000)	534,000	25,288,545

LONG TERM FINANCIAL PLAN SUMMARY CONT.

Trust Long Term Disability Payment Needs - Based on actuarial report revised Aug. 31, 2019

Fiscal Yr.	LT Disability Claims Exp.	Avg. # of Claimants	Admin. Exp.	Total	Total Funded by the Trust	Total Est. ISTA Funding Need
2014 - 15	3,419,349	250	163,000	3,582,349	1,877,513	1,704,836
2015 - 16	2,815,499	199	138,250	2,953,749	1,060,684	1,893,065
2016 - 17	2,281,056	162	115,570	2,396,626	510,626	1,886,000
2017 - 18	1,762,434	135	98,110	1,860,544	860,544	1,000,000
2018 - 19	1,477,592	108	83,530	1,561,122	561,122	1,000,000
2019 - 20	1,253,000	99	57,000	1,310,000	610,000	700,000
2020 - 21	1,016,000	83	49,000	1,065,000	465,000	600,000
2021 - 22	845,000	68	41,000	886,000	286,000	600,000
2022 - 23	761,000	56	35,000	796,000	296,000	500,000
2023 - 24	584,000	43	28,000	612,000	112,000	500,000
2024 - 25	468,000	33	22,000	490,000	90,000	400,000
2025 - 26	399,000	26	18,000	417,000	17,000	400,000
2026 - 27	316,000	21	15,000	331,000	6,000	325,000
2027 - 28	249,000	17	12,000	261,000		261,000
2028 - 29	229,000	15	11,000	240,000		240,000
2029 - 30	171,000	12	9,000	180,000		180,000
2030 - 31	151,000	10	8,000	159,000		159,000
2031 - 32	123,000	8	6,000	129,000		129,000
2032 - 33	106,000	6	5,000	111,000		111,000
2033 - 34	96,000	5	4,000	100,000		100,000
2034 - 35	83,000	4	4,000	87,000		87,000
2035 - 36	64,000	2	2,000	66,000		66,000
2036 - 37 to 2048 - 49 - total is the sum for all these years, not annual cost				343,000		343,000

INCOME SUMMARY
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
OPERATING ACTIVITIES					
1	DUES	\$16,235,287	\$16,103,186	\$16,536,000	\$16,871,800
2	NEA UNISERV REBATE	1,022,409	1,058,805	1,209,706	1,209,706
3	NEA LEGAL REIMBURSEMENTS	121,326	187,500	150,000	155,000
4	NEA MEMBER BENEFITS	32,568	42,000	35,000	35,000
5	NEA PROJECT INCOME	870,018	0	0	0
6	ISTA REGISTRATION FEES/ ADVERTISING/MERCHANDISE SALES	11,538	13,500	13,500	13,500
7	OTHER INCOME	2,105,063	1,661,950	1,612,400	1,612,400
8	TOTAL INCOME	20,398,209	19,066,941	19,556,606	19,897,406
9	EXPENSES-PAGE 2	16,572,451	18,389,913	18,701,807	19,176,511
10	<u>NET OPERATING INCOME</u>	3,825,758	677,028	854,799	720,895
11	Beginning Net Assets	10,227,102	14,214,273	15,135,637	15,917,632
NON-OPERATING ACTIVITIES					
12	Non-Trust Related Items	1,161,413	(55,663)	27,196	35,638
13	Trust Operations	(1,000,000)	(700,000)	(600,000)	(600,000)
14	Adjustment for cash savings	0	1,000,000	500,000	500,000
15	Ending <u>Net Assets</u>	\$14,214,273	\$15,135,637	\$15,917,632	\$16,574,164

NOTE: The Proposed ISTA Operating Budget for 2020 - 21 and Planning ISTA Operating Budget for 2021 - 22 do not reflect payments to the Trust or repayments of obligations to NEA. See Long-Term Financial Plan on pages iii and iv.

**INCOME SUMMARY
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

**LINE
NO.**

1 DUES

Association income is based on 32,275 full time equivalent (FTE) members which is equal to a rolling three year average FTE count and approximately equal to the current FTE membership of 32,721 as of Feb. 13, 2020. There were 38,719 actual members as of Feb. 13, 2020 included in all membership categories.

Dues are established by bylaw (Article XII) at 1.4 percent of the Average Beginning Teachers Salary (ABTS) for full time classroom teachers and 0.7 percent of ABTS for full time education support professionals. The ABTS was \$36,580 for 2018 - 19 and is estimated to be \$37,592 for 2019 - 20. Therefore the dues for 2020 - 21 are \$513 for full time classroom teachers and \$257 for full time education support professionals.

Dues amounts include \$1 for the ISTA Foundation for the Improvement of Education (ISTA Foundation) as required by ISTA's bylaws.

In addition to ISTA dues, this line also includes \$11,200 of dues income for Indiana Student Education Association (ISEA) members.

2 NEA UNISERV REBATE

Computed based on the estimated NEA UniServ Unit amount of \$41,714.

3 NEA LEGAL REIMBURSEMENTS

Financial support provided by NEA for ISTA's legal services program.

4 NEA MEMBER BENEFITS

Revenue from NEA sponsored member benefit programs including credit cards and insurance products.

5 NEA PROJECT INCOME

Revenue from NEA for specific program activities to achieve identified goals.

6 ISTA REGISTRATION FEES / ADVERTISING / MERCHANDISE SALES

Revenue from event registrations and advertising in the Advocate.

7 OTHER INCOME

ISEA program income, outside printing by Center Print, fee/royalty income per agreements and subject to potential fluctuations in market/book of business and other miscellaneous income.

8 TOTAL INCOME

Total of all income from all sources.

9 EXPENSES

Total expenses for each department within ISTA, including UniServ, Government Relations, Communications, Governance, Administration, Finance and Accounting and an allowance for contingencies as required by ISTA bylaws.

10 NET OPERATING INCOME

Net Operating Income is Total Operating Income minus Total Operating Expenses from ongoing operations of the Association. Net Operating Income does not include extraordinary items such as the sale of property or interest paid on loans to the Trust.

11 BEGINNING NET ASSETS

The Ending Net Assets of a fiscal year become the Beginning Net Assets of the next fiscal year.

12 NON-TRUST RELATED ITEMS

This amount represents items that are not part of ISTA's normal operating activities. Investment income is recorded here. Additionally, extraordinary items include accounting adjustments such as the year end actuarial adjustment to ISTA's post-employment insurance liability, the sale of certain assets, non-operating legal fees, interest and amortization of discounts on loans and loan forgiveness.

13 TRUST OPERATIONS

This amount represents the non-operating support of the I.S.T.A. Insurance Trust. Items included in this line are LTD claims and administrative expenses, operating expenses of the Trust paid by ISTA and legal fees of the Trust specifically.

14 ADJUSTMENT FOR CASH SAVINGS

The budget includes a line item that will not be spent. Therefore to make the net asset balance calculate, this budget line item must be added back to achieve an accurate projection of ending net assets.

15 ENDING NET ASSETS

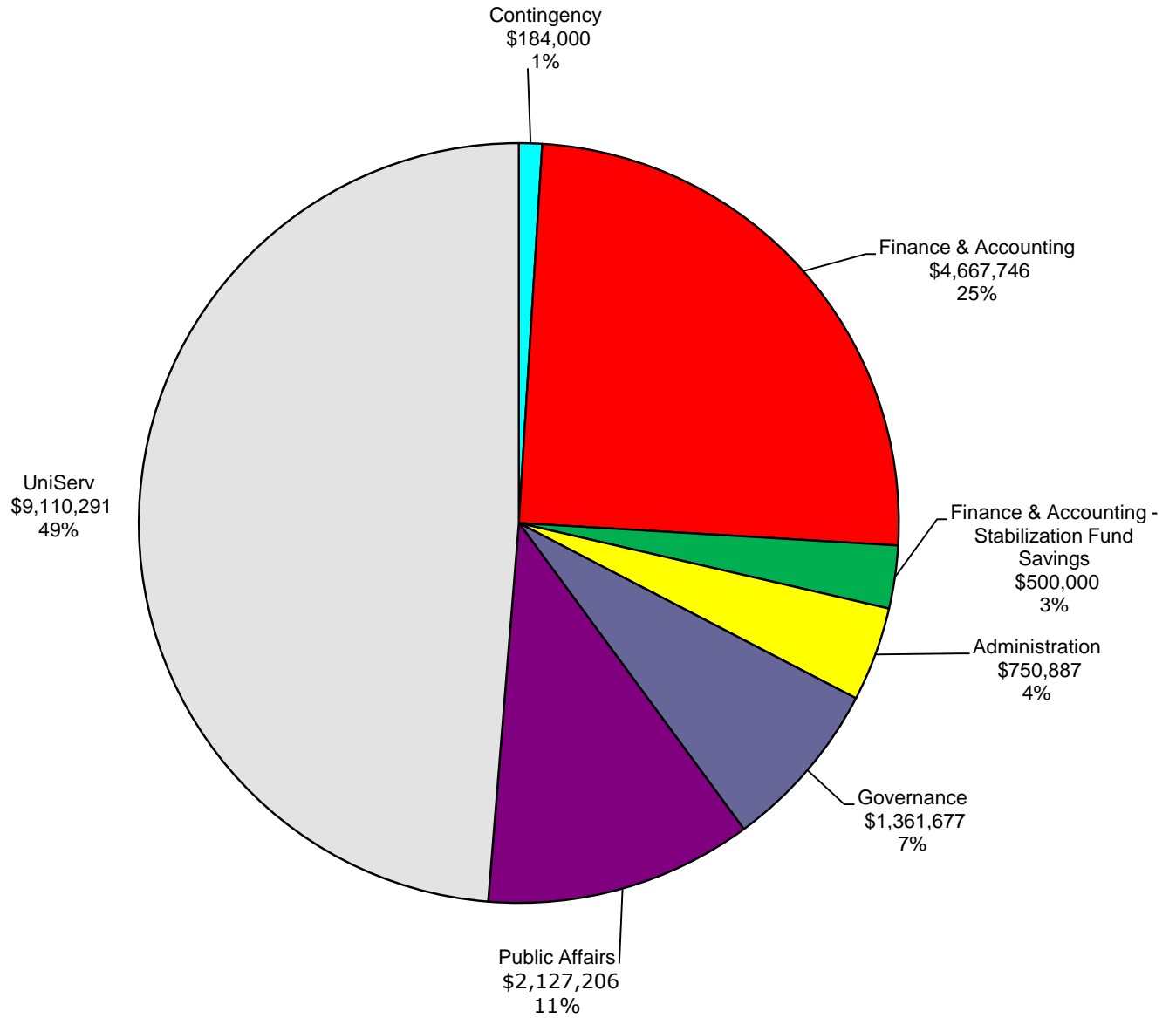
The Ending Net Assets of a fiscal year represent net worth of the Association at the end of each fiscal year. The balance is a running total of the net worth of the Association and is figured by taking beginning net assets plus operating net income/loss plus non-operating net income/loss. The ending net assets of one year become the beginning net assets of the next year.

**EXPENSE SUMMARY
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.	PAGE REFERENCE		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
1	Pg. 3 - 4	UNISERV	\$6,585,700	\$8,568,466	\$9,110,291	\$9,434,602
2	Pg. 5 - 6	PUBLIC AFFAIRS	2,321,695	1,888,324	2,127,206	2,183,343
3	Pg. 7 - 9	GOVERNANCE	1,097,401	1,369,547	1,361,677	1,382,631
4	Pg. 10	ADMINISTRATION	409,149	733,711	750,887	765,156
5	Pg. 11 - 12	FINANCE & ACCOUNTING	6,128,469	5,648,865	5,167,746	5,222,779
6	Pg. 13	CONTINGENCY	30,036	181,000	184,000	188,000
		TOTALS	\$16,572,451	\$18,389,913	\$18,701,807	\$19,176,511

NOTE: The Proposed ISTA Operating Budget for 2020 - 21 and Planning ISTA Operating Budget for 2021 - 22 do not reflect payments to the Trust or repayments of obligations to NEA. See Long-Term Financial Plan on pages iii and iv.

**EXPENSE SUMMARY
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET
BY DEPARTMENT**



**Total Budgeted Expenses
\$18,701,807**

**UNISERV
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
STAFF COSTS					
1	SALARIES AND WAGES	\$3,460,065	\$3,816,894	\$3,946,207	\$4,113,886
2	SUPPLEMENTAL HELP	101,583	160,000	160,000	160,000
3	PAYROLL TAXES	274,056	320,683	312,794	325,023
4	GROUP INSURANCE	0	1,405,948	1,491,873	1,566,094
5	RETIREMENT	607,298	678,041	701,317	731,499
6	TRAVEL AND OTHER STAFF EXPENSES	385,640	430,000	450,000	450,000
7	DUES AND SUBSCRIPTIONS	3,381	10,900	10,100	10,100
8	TELEPHONE/TECHNOLOGY	115,006	110,000	120,000	125,000
9	OCCUPANCY	407,034	430,000	475,000	485,000
10	MOVING, INTERVIEWING, NOTARY BOND	5,459	5,000	5,000	5,000
11	INTERNS	4,454	20,000	20,000	20,000

UNISERV

The UniServ structure provides direct service to local affiliates and members to advance the interests of ISTA members and locals through collective bargaining, organizing and member engagement, to protect individual members' rights and to assure access to all NEA and ISTA programs and to the benefits of membership. These services are provided by ISTA staff located throughout the state.

LINE

NO. EXPLANATIONS REFER TO NUMBERED LINE ITEMS ON FACING PAGE

STAFF COSTS

1 SALARIES AND WAGES

Compensation for two (2) directors, one (1) professional and one (1) support, twenty-four (24) professional UniServ Directors, three (3) professional Organizers and six (6) UniServ Assistants.

2 SUPPLEMENTAL HELP

Funds additional assistance as needed in the UniServ Department, for substitute pay and for member organizer stipends.

3 PAYROLL TAXES

FICA, state and federal unemployment taxes at estimated rates.

4 GROUP INSURANCE

Costs of health, dental, vision, life, long-term disability and long-term care insurance, at estimated premium rates, per employee contracts for the employees described in line 1 above. In 2017 - 18 and 2018 - 19, all group insurance costs for all employees were reported in the Finance & Accounting department. For budget year 2019-20 forward, costs will be split between departments.

5 RETIREMENT

Contributions to defined contribution retirement plans based on employment contracts for the employees described in line 1 above.

6 TRAVEL AND OTHER STAFF EXPENSES

Actual expenses for the employees described in line 1 above, net of NEA reimbursements, including business mileage reimbursements, meals, lodging and travel.

7 DUES AND SUBSCRIPTIONS

Subscriptions for job-related publications and lobbyist registration fees for staff, where applicable.

8 TELEPHONE/TECHNOLOGY

Ongoing technology costs, telephone lines, equipment and usage costs for field operations.

9 OCCUPANCY

Rent, cleaning, utilities, insurance on equipment and property taxes for UniServ offices.

10 MOVING, INTERVIEWING, NOTARY BOND

Estimated moving and interviewing expenses, notary bonds and job placement fees.

11 INTERNS

Expenses of individuals who are selected as interns. This program was temporarily suspended in 2009 - 10 due to ISTA's financial situation. The program resumed in the 2012 - 13 year.

**UNISERV
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
PROGRAMS					
12	UNISERV UNIT SUPPORT	109,262	114,000	117,000	117,000
13	LEGAL	763,322	750,000	750,000	775,000
14	LEGAL DEFENSE PANEL	934	2,000	2,000	2,000
15	PROFESSIONAL DEVELOPMENT REBATES TO LOCALS	0	0	160,000	160,000
16	LOCAL AND UNIT ORGANIZING, CRISIS AND ASSISTANCE	49,756	50,000	50,000	50,000
17	EARLY LEADERSHIP INSTITUTE	0	0	74,000	74,000
18	CONFERENCES AND TRAINING	71,527	110,000	110,000	110,000
19	MEMBERSHIP CAMPAIGN	167,895	150,000	150,000	150,000
20	MEMBERSHIP GRANT EXPENSE	54,859	0	0	0
21	RENTAL SPACE FOR ISTA MEETINGS	4,169	5,000	5,000	5,000
	TOTAL	\$6,585,700	\$8,568,466	\$9,110,291	\$9,434,602

**PUBLIC AFFAIRS
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
STAFF COSTS					
1	SALARIES AND WAGES	\$937,925	\$714,283	\$714,723	\$748,353
2	PAYROLL TAXES	71,308	61,141	57,287	59,698
3	GROUP INSURANCE	0	273,379	282,246	296,288
4	RETIREMENT	169,543	128,571	128,650	134,704
5	TRAVEL AND OTHER STAFF EXPENSES	62,404	40,000	45,000	45,000
6	DUES AND SUBSCRIPTIONS	5,307	1,950	4,050	4,050
7	LEGISLATIVE REGISTRATION	5,607	9,500	9,500	9,500
PROGRAMS					
8	STATEHOUSE LOBBYING	14,955	15,000	15,000	15,000
9	LEGISLATIVE RECEPTIONS - STATE AND LOCAL	15,103	20,000	20,000	20,000
10	LEGISLATIVE ACTION TEAMS	0	0	23,000	23,000
11	COALITION BUILDING	346	2,000	2,000	2,000
12	BACK HOME EVENTS	18,418	11,500	51,750	51,750
13	LEGISLATIVE GRANT EXPENSES	662	0	0	0

PUBLIC AFFAIRS

ISTA's Public Affairs department carries out ISTA's activities associated with the legislature, the Indiana Department of Education and other state agencies and coordinates the engagement of ISTA members in supporting ISTA's legislative and policy goals. The department also oversees all aspects of ISTA communications with members, the public and the media. The department publishes the Advocate and the ISTA website and advises and trains ISTA officers, staff and locals regarding effective communication and public relations.

LINE

NO. EXPLANATIONS REFER TO NUMBERED LINE ITEMS ON FACING PAGE

STAFF COSTS

1 SALARIES AND WAGES

Compensation for one (1) director, four (4) professional and two (2) support staff. One of the support staff splits time between Public Affairs and UniServ.

2 PAYROLL TAXES

FICA, state and federal unemployment taxes at estimated rates.

3 GROUP INSURANCE

Costs of health, dental, vision, life, long-term disability and long-term care insurance, at estimated premium rates, per employee contracts for the employees described in line 1 above. In 2017 - 18 and 2018 - 19, all group insurance costs for all employees were reported in the Finance & Accounting department. For budget year 2019-20 forward, costs will be split between departments.

4 RETIREMENT

Contributions to defined contribution retirement plans based on employment contracts for the employees described in line 1 above.

5 TRAVEL AND OTHER STAFF EXPENSES

Actual expenses for the employees described in line 1 above, net of NEA reimbursements, including business mileage reimbursements, meals, lodging and travel.

6 DUES AND SUBSCRIPTIONS

Subscriptions for job-related publications.

7 LEGISLATIVE REGISTRATION

Lobbyists' registration fees.

PROGRAMS

8 STATEHOUSE LOBBYING

Funds used to offset costs of members visiting the General Assembly.

9 LEGISLATIVE RECEPTIONS - STATE AND LOCAL

Legislative events include ISTA's statewide legislative session and other local legislative events.

10 LEGISLATIVE ACTION TEAMS

Expenses associated with legislative action teams.

11 COALITION BUILDING

Building coalitions to support ISTA's legislative goals.

12 BACK HOME EVENTS

Back home events, including Red for Ed initiatives, held in each of the local district units.

13 LEGISLATIVE GRANT EXPENSE

Expenses associated with one-time and crisis grants received.

**PUBLIC AFFAIRS
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
PUBLIC AFFAIRS PROGRAMS (cont.)					
14	GOOD TEACHING CONFERENCE	0	50,000	50,000	50,000
15	EARLY CAREER EDUCATORS PROGRAM	0	25,000	25,000	25,000
16	EDUCATORS RISING PROGRAM	10,242	25,000	25,000	25,000
17	PROFESSIONAL RESOURCE CENTER	90,815	14,000	14,000	14,000
18	PROFESSIONAL RESOURCE CENTER GRANT EXPENSES	46,151	0	0	0
19	PUBLIC RELATIONS	0	40,000	50,000	50,000
20	GENERAL ADVERTISING	0	10,000	10,000	10,000
21	ISSUE CAMPAIGN/ADVERTISING	0	225,000	375,000	375,000
22	PUBLICATIONS	91,068	95,000	95,000	95,000
23	RESEARCH/POLLING	0	30,000	30,000	30,000
24	GENERAL COMMUNICATIONS	124,982	80,000	80,000	80,000
25	COMMUNICATIONS PLAN - GRANT EXPENSE	638,340	0	0	0
26	ISTA WEBSITE	18,518	17,000	20,000	20,000
	TOTALS	\$2,321,695	\$1,888,324	\$2,127,206	\$2,183,343

PUBLIC AFFAIRS (continued)

LINE NO.	EXPLANATIONS REFER TO NUMBERED LINE ITEMS ON FACING PAGE
STAFF COSTS	
14	GOOD TEACHING CONFERENCE Conference expenses including meeting room charges, equipment rental and meal costs for the Good Teaching Conference.
15	EARLY CAREER EDUCATORS PROGRAM Program expenses related to Early Career educators and the INSpiring Educators conference and program (Rising Educators).
16	EDUCATORS RISING PROGRAM Program expenses related to the Educators Rising (high school cadet teaching) program.
17	PROFESSIONAL RESOURCE CENTER Professional development and teacher and education support professional quality programs/activities via the Professional Resource Center.
18	PROFESSIONAL RESOURCE CENTER GRANT EXPENSE Expenses associated with one-time and crisis grants received.
19	PUBLIC RELATIONS Sponsorships, branded giveaways, media monitoring and news conference expenses.
20	GENERAL ADVERTISING Paid media including but not limited to print, digital and social media costs.
21	ISSUE CAMPAIGN/ADVERTISING Costs associated with issue advocacy campaigns and advertising.
22	PUBLICATIONS Costs of digital e-newsletter, advocacy toolkits and certain membership materials plus design, printing and postage costs to publish the Advocate four (4) times. Beginning in spring 2010, the Advocate was included in the NEA Today Publication. In the winter of 2018, ISTA separated it out and began publishing a separate publication.
23	RESEARCH/POLLING Member, non-member and public polling; surveys and other educational research.
24	GENERAL COMMUNICATIONS Agency support, graphic design, social media management platform, local communications support, photography and other general communication program expenses.
25	COMMUNICATIONS PLAN - GRANT EXPENSE Expenses associated with one-time grants received.
26	ISTA WEBSITE Expenses to maintain the ISTA website.

**GOVERNANCE
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
OFFICERS AND STAFF COSTS					
1	PRESIDENT'S SALARY	\$155,496	\$158,365	\$160,952	\$165,405
2	VICE PRESIDENT'S STIPEND	6,538	6,659	6,767	6,955
3	TREASURER'S STIPEND	6,538	6,659	6,767	6,955
4	VICE PRESIDENT'S RELEASED EXPENSES	57,478	50,000	50,000	50,000
5	TREASURER'S RELEASED EXPENSES	39,960	50,000	50,000	50,000
6	STAFF SALARY AND WAGES	174,152	150,338	139,185	136,869
7	PAYROLL TAXES	26,006	26,653	25,049	25,083
8	GROUP INSURANCE	0	117,162	120,963	126,981
9	RETIREMENT	62,275	55,566	54,025	54,409
10	STAFF TRAVEL AND OTHER EXPENSES	5,099	2,000	6,000	6,000
11	PRESIDENT'S HOUSING	3,179	24,000	24,000	24,000
12	PRESIDENT'S TRAVEL	18,979	30,000	30,000	30,000
13	VICE PRESIDENT'S TRAVEL	23,133	25,000	25,000	25,000
14	TREASURER'S TRAVEL	14,900	25,000	25,000	25,000
15	OFFICER ELECT TRAVEL	915	1,000	0	2,000
16	DUES AND SUBSCRIPTIONS	1,207	750	1,250	1,250
17	DUES - NATIONAL GROUPS	6,824	7,496	7,619	7,625

GOVERNANCE

The Governance budget funds the Association activities of ISTA's officers, directors and governance committees, the ISTA Representative Assembly, the Annual Leadership Conference, ISTA's presence at the NEA Representative Assembly and other governance programs.

**LINE
NO.**

EXPLANATIONS REFER TO NUMBERED LINE ITEMS ON FACING PAGE

OFFICERS AND STAFF COSTS

- 1 PRESIDENT'S SALARY**
President's salary as established by ISTA Board policy.
- 2 VICE PRESIDENT'S STIPEND**
Stipend as approved by ISTA Board policy.
- 3 TREASURER'S STIPEND**
Stipend as approved by ISTA Board policy.
- 4 VICE PRESIDENT'S RELEASED EXPENSES**
Payment to the officer's school corporation for time released from the classroom for Association activities, as provided by ISTA Board policy.
- 5 TREASURER'S RELEASED EXPENSES**
Payment to the Officer's school corporation for time released from the classroom for Association activities, as provided by ISTA Board policy.
- 6 STAFF SALARIES AND WAGES**
Salary for two (2) support staff.
- 7 PAYROLL TAXES**
FICA, state and federal unemployment taxes at estimated rates.
- 8 GROUP INSURANCE**
Costs of health, dental, vision, life, long-term disability and long-term care insurance, at estimated premium rates, per employee contracts for the employees described in line 1 above. In 2017 - 18 and 2018 - 19, all group insurance costs for all employees were reported in the Finance & Accounting department. For budget year 2019-20 forward, costs will be split between departments.
- 9 RETIREMENT**
Contributions to defined contribution retirement plans based on employment contracts for the president and staff.
- 10 STAFF TRAVEL AND OTHER EXPENSES**
Actual expenses for staff, net of NEA reimbursements, including business mileage reimbursements, meals, lodging and travel.
- 11 PRESIDENT'S HOUSING**
President's housing allowance, if applicable, is established by ISTA Board policy.
- 12 PRESIDENT'S TRAVEL**
Actual expenses net of NEA reimbursements, including business mileage reimbursements, meals, lodging and travel.
- 13 VICE PRESIDENT'S TRAVEL**
Actual expenses net of NEA reimbursements, including business mileage reimbursements, meals, lodging and travel.
- 14 TREASURER'S TRAVEL**
Actual expenses net of NEA reimbursements, including business mileage reimbursements, meals, lodging and travel.
- 15 OFFICER ELECT TRAVEL**
Actual expenses net of NEA reimbursements.
- 16 DUES AND SUBSCRIPTIONS**
Subscriptions for job-related publications and lobbyist registration fees.
- 17 DUES - NATIONAL GROUPS**
Primarily dues to National Council of State Education Associations (NCSEA) and other national groups.

**GOVERNANCE
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
GOVERNANCE PROGRAMS					
18	BOARD OF DIRECTORS and EXECUTIVE, BOARD MANAGEMENT PERSONNEL and AUDIT COMMITTEES	93,153	120,000	110,000	110,000
19	ASSOCIATION LEADERS LIABILITY INSURANCE	9,747	15,000	15,000	15,000
20	STATE NEA DELEGATES' SUPPORT	53,914	54,000	54,000	54,000
21	NEA DELEGATION EXPENSES	10,322	25,000	25,000	25,000
22	NEA ELECTIONS	0	10,000	0	10,000
23	LOCAL NEA DELEGATE SUPPORT	32,986	50,000	50,000	50,000
24	ISTA REPRESENTATIVE ASSEMBLY	38,126	35,000	40,000	40,000
25	STATE AND NATIONAL CONFERENCES	16,366	24,000	24,000	24,000
26	PUBLIC SCHOOL DEFENSE FUND	2,500	2,500	2,500	2,500
27	PROFESSIONAL DEVELOPMENT ACTIVITIES	1,090	10,000	10,000	10,000
28	NATIONAL BOARD SCHOLARSHIP SUPPORT	0	0	5,000	5,000
29	INDIANA STUDENT EDUCATION ASSOCIATION PROGRAM	43,875	25,400	28,600	28,600
30	ESP PROGRAM	5,980	6,000	6,000	6,000

GOVERNANCE (Continued)

LINE NO.	EXPLANATIONS REFER TO NUMBERED LINE ITEMS ON FACING PAGE
GOVERNANCE PROGRAMS	
18	BOARD OF DIRECTORS and EXECUTIVE, BOARD MANAGEMENT PERSONNEL and AUDIT COMMITTEES Meeting expenses for Board of Directors, Executive Committee, Board Management Personnel Committee and Audit Committee including reimbursements for attendance at meetings according to Board policy and other related expenses.
19	ASSOCIATION LEADERS LIABILITY INSURANCE Insurance protection for state and local leaders in the event of legal action.
20	STATE NEA DELEGATION SUPPORT Funds for approximately 36 state delegates to the NEA convention at \$1,500 each.
21	NEA DELEGATION EXPENSES Costs for meetings, events and supplies at the annual NEA Representative Assembly.
22	NEA ELECTIONS Expenses in alternate years, including mailing, for conducting election state delegates to the NEA RA.
23	LOCAL NEA DELEGATE SUPPORT Funding for cluster, small and large local delegates to the annual NEA Representative Assembly in accordance with ISTA policy.
24	ISTA REPRESENTATIVE ASSEMBLY Cost of one Representative Assembly. No delegate expenses are funded by ISTA.
25	STATE AND NATIONAL CONFERENCES During the year a variety of state and national meetings are announced. These include NEA conferences and other regional meetings. These funds are provided so that members can represent the Association.
26	PUBLIC SCHOOL DEFENSE FUND Expenditures for the annual Opportunity Project Grant Awards.
27	PROFESSIONAL DEVELOPMENT ACTIVITIES Grants to locals and district councils to provide professional development for their members at \$1 per member.
28	NATIONAL BOARD SCHOLARSHIP SUPPORT Funding paid to the ISTA Foundation to support programs related to and candidates for National Board Certification.
29	INDIANA STUDENT EDUCATION ASSOCIATION PROGRAM ISEA (student) program activities.
30	ESP PROGRAM Funds used to support programs for ESP members, including the costs of ESP statewide district council meetings.

**GOVERNANCE
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
GOVERNANCE PROGRAMS (cont.)					
31	RETIRED PROGRAM	60,168	35,000	35,000	35,000
32	GREAT LAKES CENTER	10,000	10,000	10,000	10,000
33	LEADERSHIP TRAINING	62,794	150,000	150,000	150,000
34	ESP CONFERENCE	0	5,000	5,000	5,000
35	RETIRED CONFERENCE	6,028	5,000	5,000	5,000
COMMITTEES AND TASK FORCES					
36	PROFESSIONAL PRACTICES AND STANDARDS COMMITTEE	11,779	12,000	12,000	12,000
37	ISSUES AND CONCERNS COMMITTEE	14,604	12,000	12,000	12,000
38	GOVERNANCE COMMITTEE	10,238	12,000	12,000	12,000
39	MINORITY AFFAIRS COMMITTEE	5,838	12,000	12,000	12,000
40	PACESETTER AWARDS COMMITTEE	0	1,000	1,000	1,000
41	REPRESENTATIVE ASSEMBLY COMMITTEES	5,216	2,000	5,000	5,000
TOTALS		\$1,097,401	\$1,369,547	\$1,361,677	\$1,382,631

**ADMINISTRATION
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
STAFF COSTS					
1	EXECUTIVE DIRECTOR'S SALARY	\$170,000	\$170,000	\$176,868	\$180,405
2	SALARIES AND WAGES	100,064	210,508	207,119	210,242
3	PAYROLL TAXES	17,379	30,700	29,069	29,462
4	GROUP INSURANCE	0	117,162	120,963	126,981
5	RETIREMENT	45,783	68,491	69,118	70,316
6	EXECUTIVE DIRECTOR'S TRAVEL	7,903	30,000	30,000	30,000
7	TRAVEL AND OTHER STAFF EXPENSES	847	8,000	9,000	9,000
8	DUES AND SUBSCRIPTIONS	1,415	2,850	2,750	2,750
9	OTHER ADMINISTRATION EXPENSES	10,790	15,000	15,000	15,000
OTHER COSTS					
10	STAFF MEETINGS AND OTHER TRAVEL	8,559	15,000	15,000	15,000
11	STAFF TRAINING	46,407	60,000	70,000	70,000
12	SUPPORT STAFF ORIENTATION AND SKILL IMPROVEMENT	0	6,000	6,000	6,000
TOTALS		\$409,149	\$733,711	\$750,887	\$765,156

**FINANCE & ACCOUNTING
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
STAFF COSTS					
1	SALARIES AND WAGES	\$1,184,894	\$1,194,700	\$1,219,577	\$1,241,895
2	SUPPLEMENTAL HELP	1,100	55,000	55,000	55,000
3	PAYROLL TAXES	92,860	108,495	100,219	101,810
4	GROUP INSURANCE (All employees in 2017-18 and 2018-19; only F&A employees 2019-20 on)	2,396,172	702,974	725,776	761,883
5	RETIREMENT	213,108	215,046	219,524	223,541
6	TRAVEL AND OTHER STAFF EXPENSES	8,851	24,000	20,000	20,000
7	DUES AND SUBSCRIPTIONS	860	2,150	2,150	2,150
OTHER COSTS					
8	POSTAGE	44,882	55,000	55,000	55,000
9	OUTSIDE PRINTING	77,029	80,000	80,000	80,000
10	COMPUTER SERVICES	28,083	30,000	30,000	30,000
11	PAPER AND OTHER OFFICE SUPPLIES	19,614	25,000	30,000	30,000
12	INSURANCE	116,170	125,000	155,000	160,000
13	MISCELLANEOUS TAXES	167,127	215,000	200,000	200,000
14	OFFICE EXPENSES	87,219	75,000	85,000	85,000

**FINANCE & ACCOUNTING
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
15	AUDITING AND TAX PREPARATION FEES	39,768	45,000	47,000	48,000
16	STAFF RETIREMENT PLAN FEES	28,425	30,000	30,000	30,000
17	TRUSTEES' FEES - PSO	17,500	17,500	17,500	17,500
18	LEGAL	89,807	100,000	100,000	100,000
19	ARBITRATION COSTS	5,729	10,000	10,000	10,000
20	POST EMPLOYMENT BENEFITS - HEALTHCARE	595,879	500,000	425,000	400,000
21	TELEPHONE/TECHNOLOGY	115,569	120,000	130,000	130,000
22	OCCUPANCY	446,134	435,000	460,000	470,000
23	EQUIPMENT MAINTENANCE AND RENTAL	119,874	106,000	115,000	115,000
24	DEPRECIATION	101,094	175,000	150,000	150,000
25	OPERATING LEASE PAYMENTS	8,601	11,000	11,000	11,000
26	EXPENSED ASSETS, FEES AND TECHNOLOGY	103,340	142,000	145,000	145,000
27	NEA 360	18,781	50,000	50,000	50,000
28	STABILIZATION RESERVE	0	1,000,000	500,000	500,000
	TOTALS	\$6,128,469	\$5,648,865	\$5,167,746	\$5,222,779

FINANCE & ACCOUNTING (Continued)

LINE NO.	EXPLANATIONS REFER TO NUMBERED LINE ITEMS ON FACING PAGE
15	AUDITING AND TAX PREPARATION FEES Fees paid to outside auditing firm for annual audit, tax preparation and other consultations.
16	STAFF RETIREMENT PLAN FEES Trustee and administrative fees for retirement plans other than the PSO retirement plan.
17	TRUSTEES' FEES - PSO Subsidy for the PSO retirement plan.
18	LEGAL Corporate attorney fees.
19	ARBITRATION COSTS Costs related to labor arbitrations including attorney fees and transcription costs.
20	POST EMPLOYMENT BENEFITS - HEALTHCARE Accrued healthcare costs in accordance with ISTA employee contracts as actuarially determined and as required by accounting rules.
21	TELEPHONE/TECHNOLOGY Central office communication network expenses including equipment and telephone, video and computer lines and long distance charges.
22	OCCUPANCY Rent to NEA Properties, Inc., staff parking costs, cleaning, insurance, utilities, etc.
23	EQUIPMENT MAINTENANCE AND RENTAL Service contracts and other costs to maintain owned and rented equipment.
24	DEPRECIATION Depreciation of telephone systems, office furniture and fixtures, carpeting and computer hardware and software.
25	OPERATING LEASE PAYMENTS Lease payments for copy and postage machines and other leased office equipment.
26	EXPENSED ASSETS, FEES AND TECHNOLOGY Nonconsumable supplies and assets purchased that do not meet the criteria for capitalization, and are therefore not subject to depreciation. Computer programming, consulting fees, network supplies and repairs are also included in this line item.
27	NEA 360 Costs associated with implementing the NEA 360 Platform including system costs, training, materials, ongoing license fees/costs and other related expenses.
28	STABILIZATION RESERVE Savings budgeted for the purpose of addressing unknown long term financial recovery, legal costs and potential other financial threats.

**CONTINGENCY
INDIANA STATE TEACHERS ASSOCIATION
2020-21 PROPOSED OPERATING BUDGET**

LINE NO.		ACTUAL 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	PLANNING BUDGET 2021-22
1	BUDGETED EXPENDITURE *	\$30,036	\$181,000	\$184,000	\$188,000

* Actual approved expenditures for the most recent completed fiscal year were:

1	Suffrage Centennial Celebration	\$ 200
2	National Teachers Hall of Fame	\$ 500
3	ISTA Foundation Scholarship Support	\$ 5,000
4	Statewide Rally	\$ 24,336

CONTINGENCY

This amount is required according to the provisions of Article III, Section 16, of the Bylaws as stated below:

Contingency Account - Each year's budget at the time of adoption shall include an amount no less than one percent (1%) of the incurred expenses or no less than one percent (1%) of the adopted budget for the previous fiscal year, whichever is the lesser amount. This account is to be charged with expenses not specified in the budget. Expenditures up to \$5,000 may be authorized by the Executive Director. Any expenditure of \$5,000 or more requires prior board approval.

**LINE
NO.**

CONTINGENCY

1 1% of 2019 - 20 budgeted expenses.

Historic Timeline: Meeting ISTA's Financial Challenges

SUMMARY

In 2009, the I.S.T.A. Insurance Trust collapsed. The collapse of the Trust pushed the Association into a financial crisis. Leadership, staff and members had to make extensive sacrifices to keep the Association afloat. ISTA's leadership team alongside NEA quickly acted to reduce harm, shore up business processes and put a recovery plan in place. Due to the discipline of our leaders, members and staff, we've finally turned a corner and have achieved a stable financial status, obligations are being paid on schedule and a safety net exists. While we've come a long way, we have not yet reached our long term financial goals. It's important to remember how we got here and continue the focus and discipline that will lead to reaching our goals and maintaining a healthy, active and powerful Association for our members.

HISTORY

2009 – 10

A Special Representative Assembly (RA) was held and the president challenged everyone to use the crisis as an opportunity to reinvent ISTA – focus on the fundamentals and work to become a stronger and more effective organization. Key decisions included:

- Requesting that ISTA be placed into trusteeship by NEA enabling NEA to appoint a trustee and assume control of ISTA's operations
- Financing the continued payments from the Trust to remaining long-term disability (LTD) claimants
- Amending the 2009 – 10 budget to reduce expenditures from \$21.1 million to \$18.8 million
- Increasing member obligations by adding a special assessment of \$40

In addition to the work of the Special RA, ISTA also:

- Sold its properties to NEA
- Secured an NEA loan that matched ISTA members' increased dues commitment and supplemented the advances NEA made to cover the Trust's litigation costs
- Reduced staffing positions, pay and benefits
- Developed a long-term financial plan
- Adopted new budgetary goals

All steps were taken in collaboration between ISTA, NEA and the trustee with the following goals in mind:

- Continuing to fund high quality services for members and locals
- Providing resources to sustain Trust operations
- Funding litigation against former service providers and fiduciaries to recover losses resulting from past operations and to defend the Association against litigation
- Funding Trust LTD claimant payments
- Planning for potential Trust settlements with school corporation claims refunds of medical insurance claim stabilization reserve (CSR) balances
- Commitment to repay NEA loans when due

At the end of the fiscal year, ISTA met its revised budget goals and has continued to do so each year since.

2010 – 11

- Further reduced staff; closed offices
- Adopted a new endorsement agreement with a business partner

2011 — 12

- Selectively filled some staff vacancies
- Adopted a new endorsement agreement with a business partner
- Effectively controlled and managed costs

2013 — 14

- Trust-related lawsuits settled — significant milestone that eliminated the possibility that ISTA and NEA would potentially incur additional liabilities related to the Trust — ISTA could now focus on recovery and rebuilding
- Dues revenue shortfall overcome by savings in planned/budgeted expenses
- Going concern language removed from audit report

2014 — 15

- Long-term financial goals were revised to include goals for achieving a healthy net assets balance, payment of Trust and NEA obligations and savings/building of cash to a healthy balance
- Met operations goals

2015 — 16

- Positive net assets achieved

2016 — 17

- Cash balance goal achieved
- Continued progress toward net asset goal

2017 — 18

- Special dues assessment reduced by half. Planning budgets include elimination of the special dues assessment by 2019-20.
- Continued progress toward net asset goal

2018 — 19

- Special dues assessment reduced by half again. Adopted 2019-20 budget includes full elimination of the special dues assessment.
- Continued progress toward net asset goal.

TODAY

Since the Trust collapse, the budget process each year has been challenging, yet through discipline we have continued providing quality services to members and satisfying our long-term obligations.

We have and will continue implementing stringent financial procedures and best business practices to build a sound foundation upon which ISTA can focus on its mission and achieve its goals.



Indiana
State
Teachers
Association

Keith Gambill, President

Doug Taylor, Treasurer

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Dan Holub, Executive Director



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