

FACTS ABOUT FINANCIAL CORE

•The History of Fi-core

States industrialized and made their own laws about whether they were to be a “union shop” state or a “right-to-work” state. “Union shop” states that are not “Right to Work” states passed laws like the Taft-Hartley law, which require workers to join a labor union in order to continue work under a union contract. “Right to Work” states allowed unions to exist, but they cannot be required to pay anything to the union as a condition of employment and membership is completely voluntary. Today there are 22 “Right to Work” states, including entertainment heavy Florida, Nevada, South Carolina, Utah, and Texas.

California is not a “Right to Work” state.

A problem arose within the “union shop” states in the late 1950s. Unions had quickly become a very strong political force in this country. What about the members who did not want their “forced” dues money to be spent on political causes they did not believe in? They had to join the union in order to work. But that membership was essentially stepping on their constitutional freedom to vote. Enter “Financial Core” ...a concept defined by a 1963 Supreme Court ruling called *NLRB v. GENERAL MOTORS*. This ruling says,

“The burdens of membership upon which employment may be conditioned are expressly limited to the payment of initiation fees and monthly dues. It is permissible to condition employment upon membership, but membership, insofar as it has significance to employment rights, may in turn be conditioned only upon payment of fees and dues. “Membership” as a condition of employment is whittle down to its financial core.”

In other words, the union can make you pay for the costs of union business, but they cannot force you to pay for political or ideological activities.

Another landmark Supreme Court case, *COMMUNICATIONS WORKERS OF AMERICA v. BECK* (commonly called the Beck Decision, or Beck Rights), further solidified the definition of Financial Core and said that workers who declare financial core status only have to pay that fraction of the dues that is directly related to contract negotiation, enforcement, etc. In the Beck Decision, the court ruled that only 21% of Mr. Beck’s union dues were related to contract negotiation, so that is all he had to pay.

FREQUENTLY ASKED QUESTIONS ABOUT FINANCIAL CORE

Q. Why should I become a Fi-Core musician?

Going Fi-Core increases your options for session work, and eliminates the possibility of being fined for doing so-called “dark dates”.

Q. Can I still work union sessions as a Fi-Core musician? Will I be able to collect special payments and receive all the other financial benefits related to a union session?

Yes. As a “financial core dues paying member”, you have the same benefits as a “full dues paying member” with regard to union sessions. You receive the exact same rate for hourly wages, “special payments” and other financial benefits such as pension and health as negotiated in the union’s Collective Bargaining Agreement.

Q. Can I work non-union sessions legally if I become Fi-Core?

Fi-Core status individuals may work both union and non-union sessions legally. The Collective Bargaining Agreement of the AFM states that as a full union member, you are banned from doing non-union work ever again. As a fi-core worker, you are NOT bound by this rule.

Q. Why is pressure brought to bear on AFM members to consider non-union work in the first place?

Our research shows that the decision whether or not a session is union or non-union always comes from producers and film companies. They in turn can force the composer to perform their services on a non-union basis. Orchestrators, copyists and musicians that have historically worked for the composer are forced to risk their business relationship with said composer by refusing to perform their services on a non-union job. The composer would then be forced to hire either fi-core or non-union professionals for these services. This pressures the AFM musician, orchestrator, copyist etc. to consider whether they wish to risk fines and penalties for doing this non-union work. Additionally, the decision to do non-union work often comes from the simple and basic need for income.

Many producers and film companies exercise legitimate methods to effect their scores to ultimately be divorced from the “special payments” provision that a union score requires. The main reason for this is that film companies do not want to keep their books open indefinitely. Or they are not signatories of the CBA. “Special Payments” are a valuable benefit and we all want to see them continue to be honored whenever possible. But the reality is that so much session work is already avoiding “special payments” by going non-union in destinations outside of Los Angeles. Going “Fi-core” allows the California member to take advantage of session work that provides for “special payments”, and additionally allows you the opportunity to take work that does not provide for these payments. If you are a full dues union member, you simply do not have this choice and either reject the work to begin with, or decide to secretly perform the work as a “dark date”.

Q. Is becoming "Fi-Core" in essence advertising the fact I am willing to record non-union sessions?

No musician we have talked to is comfortable recording non-union "dark dates". And no musician wants the fact that they do record in non-union orchestras be public knowledge. Some musicians are content with the status quo of doing occasional "dark dates". We are supportive of these musician's choices, and this concept is not for every player. However, most participate in "dark dates" because for them it is a necessity. Most musicians need and want more work. The status quo is NOT working for these players. Your own union's answer to stop this flight of union work is to levy huge fines against you the musician, orchestrator, and copyist ect. who need to work on non-union sessions.

In the present climate of the recording industry, becoming a "Fi-core" musician does advertise the reality that most union work is already gone and is not coming back. In addition, it advertises that collectively we need to change the status quo and be able to record union as well as non-union sessions without the fear of these fines and possible expulsion from the union in order to compete with places like Seattle and Eastern Europe.

Q. How do places like Seattle take so much work away? Are the Seattle musicians that are getting this work from California "Fi-Core"?

Yes. The Pacific Symphony in Seattle , as an example, provides recorded music on a buyout basis and pays musicians a lower hourly rate than NES is proposing. Seattle is not a "Right to Work" state, musicians there had to become "Fi-Core" to record union and non-union sessions , so now it is legal for them. They wanted to be able to take all the work opportunities that were offered.

This is why they are getting so much of our session work. California is not a "Right to Work" state either, therefore California musicians also have to alter their status to "Fi-core" for them to participate in both union and non-union sessions here in California legally according to the Collective Bargaining Agreement. So providing clients with competitive rates on a buyout basis would certainly address the problem of work leaving town to places like Seattle.

Q. Is it true that there is a blacklisting by The AFM or by contractors of Fi-Core musicians?

It is **illegal** (an unfair labor practice) for The AFM to deny you a work on a union session because of your financial core status (remember, you are paying your fair share). As for contractors, we have not uncovered any evidence of effective blacklisting of fi-core musicians. However, our research has shown that a form of blacklisting by certain contractors is taking place against full union members. The widely known practice of continually hiring from the same short list of certain elite musicians for most of the session work that still records in Los Angeles is effectively blacklisting the majority of talented full union members who deserve equal employment opportunities within our industry.

The NES consortium unanimously agrees this is the most prevalent factor in whether we will be able to achieve this needed change. The current reality is that this is a new era in our industry. Now is the time to look at the future of our industry, and your future work opportunities. Do we continue to let work go out of state or do we band together to stop it. Your union has thus far not been effective in stopping the flow of work to other destinations.

NES envisions that the same contractors we are concerned about WILL find that instead of letting sessions go elsewhere they themselves will come to the realization that to compete in today's industry they will have to supply certain non signatory companies with "Fi-Core" musicians.

Q. Why not just remain in the union and do non-union session work anyway?

Two reasons: 1) When you joined The AFM you stated that you would honor Rule One and not perform on non-union sessions. You signed a document to that effect. Doing non-union sessions breaches that contract. 2) You are opening yourself up to severe discipline within the union if you do non-union work. The AFM takes this very seriously. A normal process is that the AFM legal department will send you a letter demanding that you explain yourself, fill out a form, etc. Then you go to a trial hearing within the AFM. Often the penalty for a full union member doing non-union work is a fine equal to the money earned on the job, and the loss of membership for a specified amount of time. In some cases, the penalties far exceed reasonable amounts, and can place the member in financial hardship. Refer to the recent announcement by the AFM relating to excessive penalties imposed on members for performing specific dark dates. Is it worth it? <http://www.afm.org/public/press/seattle.pdf>

Q. How common is the Fi-Core option among AFM members?

The AFM will not release the number of fi-core "members" and they are the only ones who truly know (because they collect the dues). Furthermore it is against the law to publish the names of musicians that choose to become "fi-core". Mark McIntire, a former SAG board member who is now the president of the Financial Core Foundation estimates that the numbers must be in the thousands for each union.

Clearly union membership nationwide is faltering. According to the US Dept of Labor, the private sector (not just entertainment unions) lost 369,000 union members in 2003 alone. Only 8.2% of all private sector workers belong to a labor union.

It is commonly believed that the option of going financial core is gaining popularity.

Q. Isn't this weakening the union as a whole? Is it union-busting?

Unions are based on the idea of grouping like people together and bargaining as a collective group. If a portion of that group are "Fi-Core" members, some would say it lessens the bargaining power. Advocates would say that fi-core members ARE paying their fair share of dues. They, like full dues members, are paying for the collective bargaining, the main purpose of any union. They are simply cutting the "fat" of political spending, and are choosing not to look at the union as a club, but a business expense. We do not consider fi-core to be union busting. On the contrary, fi-core workers pay their dues and support the union's efforts in the collective bargaining process.

Q. When I am on a union job, will I be treated differently?

If you are working a union job, you must be treated like everyone else. Safety provisions, contract provisions, minimum wages and the like are determined by the job, not by your individual status. In California, almost all working conditions are determined by State law anyway, union or non-union doesn't matter. In addition, it is considered illegal discrimination to treat "Fi-Core" members differently than full dues members.

Q. Will I lose my pension and health benefits if I go Fi-Core?

No. The Pension and Health funds are actually separate organizations from the unions themselves. You will continue to qualify for health and pension when you perform on a union session. That cannot legally be taken away from you. If, however, you work non-union jobs as a fi-core member, producers will not contribute to the Pension and Health plan so those non-union earnings are not going to count toward your P&H qualification (they don't now anyway). Nothing changes in this area.

Q. Can I vote in elections or hold office?

You do lose the right to vote or hold office when you declare fi-core.

Q. Do I have to resign from the union to go fi-core?

Technically, yes. However, declaring Fi-Core with the AFM is really just altering your "full dues" membership in favor of a "core dues" membership status. Again, since Fi-Core musicians pay their fare share of dues to the AFM, the union is obligated to still treat you as a member with regards to union work.

Q. What if I want back in the AFM later?

You can either opt to go "Fi-Core" at the time you would normally join the musicians union (after the normal 30 day Taft-Hartley period), or you can change your "full membership" status to a "Fi-core" status in the union at any time if you are already a member. If you want revert your membership status back to "Full Membership" with your local union later, this involves petitioning the AFM for membership. It is unlikely that the AFM would deny membership to any working musician in good standing with them, but it is not out of the realm of possibility.

Q. So is Fi-Core a good deal or not?

Our extensive research shows Financial Core appears to be a viable option for all musicians. Many union members who have already elected to go "Fi-Core" see this as a positive step towards their future, inasmuch as it opens a much broader opportunity for employment without having to do unethical "dark dates". If you do not wish to give up voting powers in the union, or if your intention is to run for union office, and wish to continue receiving the local's newsletter, then "Fi-Core" status is not for you. If you wish to take progressive action in securing your financial future as a working musician in California, "Fi-Core" is certainly worthy of serious consideration.

Q. How do I change from full union membership to Fi-Core membership?

Changing status is a simple matter of mailing in a letter to the Secretary Treasurer of your local union office demanding your status change. We've attached a sample letter prepared by our legal team that you can use. Simply fill it out, sign it, and send it certified, return receipt to your local. Here is a list of local offices for your convenience:

Local 353 Long Beach
Victoria A. Bacon, Sec / Tres
1945 Palo Verde Ave.
Suite 203-A
Long Beach, CA 90815
Phone: 562-431-7334
Fax: 562-431-7344

Local 47 Los Angeles
Serena Kay Williams, Sec / Tres
John Acosta
817 North Vine Street
Hollywood, CA 90038
Phone: 323-462-2161
Fax: 323-461-3090

Local 7 Orange County
Tammy J Noreyko, Sec / Tres
2050 South Main Street
Orange County, CA 92707
Phone: 714-546-8166
Fax: 714-662-0279

Local 325 San Diego
Edward C. Arias, Sec / Tres
1717 Morena Blvd.
San Diego, CA 92110-3635
Phone: 619-276-4324
Fax: 619-276-4876

Local 308 Santa Barbara
Robert Ontiveros, Secretary
2904 1/2 De La Vina St.
Santa Barbara, CA 93105
Phone: 805-687-3519
Fax: 805-687-3154

Local 581 Ventura County
Sharon Cooper, Sec / Tres
674 County Square Drive#308-B
Ventura, CA 93003
Phone: 805-650-0023
Fax: 805-650-1155

Resources

The Financial Core Handbook by Mark McIntire. Sharequest Publishing, 15th Edition updated in 2004. Mr. McIntire is also the President of the Financial Core Foundation, a Professor of Philosophy at UC Santa Barbara and was himself a SAG board member who declared financial core. <http://www.markmcintire.com/mark/core.html>

Betrayal: How Union Bosses Shake Down Their Members and Corrupt American Politics by Linda Chavez and Daniel Gray. Crown Forum, NY, 2004.

National Right to Work Legal Defense Foundation, Inc.
<http://www.nrtw.org/http://www.nrtw.org/b/nr.php3?id=7> (Former Brady Bunch Star Files Federal Charges Against National Actors Union)

<http://www.mbc.com/db30/cgi-bin/pubs/RJL-Mystery.pdf>

<http://pirromount.com.customers.tigertech.net/sag.html>

<http://www.futurenet-surf.com/wwwboard1/messages/122.html>

<http://www.paulpayton.com/financialcore.htm>