

STATE OF HAWAII
PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of)
)
HAWAII GOVERNMENT EMPLOYEES' ASSOCIATION,)
Local 152, HGEA/AFSCME,)
)
Petitioner.)
_____)

Case No. SF-06-2
Decision No. 11

DECISION AND ORDER

I. STATEMENT OF THE QUESTION

By petition filed on July 2, 1971, the Hawaii Government Employees' Association, Local 152, HGEA/AFSCME, hereinafter referred to as Petitioner, requested the Hawaii Public Employment Relations Board, hereinafter referred to as the Board, to certify its proposed service fee of fifty-four dollars (\$54.00) as reasonable pursuant to Section 89-4(a), Hawaii Revised Statutes.

Petitioner was certified by the Board on June 10, 1971, as the exclusive bargaining representative of Unit 6, comprised of:

"All full time educational officers under the same salary schedule pursuant to Section 297-33.1, Hawaii Revised Statutes, as amended."

In its memorandum to the Board in support of the proposed service fee, which is equivalent to its current membership dues, Petitioner argued the following:

"Since Section 4 provides for the check-off of union dues, etc., it is reasonable to conclude that the legislature contemplated that the service fee and the dues would, ordinarily at any rate, be the same."

"...the establishment of a service fee lower than regular dues is bound to be divisive and destructive of harmonious relations."

"Since it [the Act] does not modify 'costs for its services rendered in negotiating and administering an agreement', there is no legislative intent that the amount of those costs be questioned."

We find no merit in the above-cited arguments of Petitioner. The Board rejects such contentions by Petitioner for reasons discussed in an earlier decision and order on service fees for Unit 5, teachers and other personnel of the Department of Education under the same salary schedule.¹

II. EVALUATION OF COSTS FOR NEGOTIATION AND CONTRACT ADMINISTRATION.

In order to arrive at a decision and order as to the reasonableness of the proposed service fee of Petitioner, the Board held ex parte conferences over a period of several months and reviewed Petitioner's supporting documents prepared by its staff and its auditors, Touche Ross & Co. The Board concluded its investigation with a stenographic record on October 22, 1971, at which time Petitioner submitted a statement of its expenses incurred to date² for negotiating an agreement for its appropriate bargaining unit, Unit 6. In accordance with the Board's request, Petitioner subsequently submitted affidavits from its employees, showing the number of hours and the proportion of time they spent performing services for the educational officers bargaining unit, together with a supplemental memorandum, dated November 5, 1971.

Petitioner's supplemental memorandum showed that its expenses incurred for the period June through October 1971 total \$33,218, of which: (1) \$27,155 constituted salary costs and (2) \$6,063 was expended for other costs, including travel, per diem, postage, Xerox, legal fees, etc. Petitioner's budget for the remainder of the fiscal year ending June 1972³

¹In the Matter of the Hawaii State Teachers Association, Hawaii Public Employment Relations Board, Case Nos. SF-05-1 (October 27, 1971) and SF-05-1a (January 17, 1972).

²HGEA Expenses to Date for E. O. Unit (Submitted as Exhibit 7 into the stenographic record of the Board on October 22, 1971.)

³Hawaii Government Employees' Association, Budget, July 1971 to June 1972 (Submitted as Exhibit 4 into the stenographic record of the Board on October 22, 1971.)

shows that a considerable amount of additional expenditures will be necessary to complete negotiations and to administer the collective bargaining agreement for Unit 6. The proposed service fee of fifty-four dollars requested by Petitioner will provide an annual income of \$32,616.⁴

The Board is satisfied that the expenses already incurred by Petitioner in negotiating a collective bargaining agreement for Unit 6 exceed the amount of income that will accrue to Petitioner from its proposed service fee during the year. We feel no further justification or review is necessary to substantiate Petitioner's need for a service fee of fifty-four dollars and to determine that such service fee requested herein is reasonable.

III. CONCLUSION.

We hereby determine and certify as reasonable an annual service fee in the sum of \$54.00 for each employee in Unit 6, educational officers and other personnel of the Department of Education under the same salary schedule. Said certification shall be deductible in accordance with Section 89-4, Hawaii Revised Statutes, applied retroactively to June 15, 1971, or the date of employment, whichever is later.

In accordance with policy adopted by the Board, the initial certification of service fee for each appropriate bargaining unit shall be made for an interim period of one year. The certification of service fee made herein shall be effective for an interim period of one year from June 15, 1971. Upon the expiration of said one-year interim certification, the Board will undertake a further review of the reasonableness of said service fee, upon application of any one or more employees and/or of the exclusive representative. As the amount of service fee so reviewed shall be based upon a history of actual costs and expenditures incurred

⁴Computed on the present number of employees (604) in Petitioner's appropriate bargaining unit.

by the exclusive representative during said interim period, we direct Petitioner to maintain suitable accounting records of expenditures and to properly allocate and isolate general costs of collective bargaining as against purely institutional or membership benefit activities.

The Board suggests that the public employer and the exclusive representative negotiate a mutual agreement on methods and procedures to be followed in said service fee deduction. Failing such agreement, the parties may petition the Board for consideration concerning the mechanics of said service fee deduction. The public employer is requested to prepare and provide for said deductions and to commence making such deductions at the earliest possible payroll period achievable.

HAWAII PUBLIC EMPLOYMENT RELATIONS BOARD

By *Mack H. Hamada*
Mack H. Hamada, Chairman

Carl J. Guntert
Carl J. Guntert, Board Member

John E. Milligan
John E. Milligan, Board Member

Dated: April 20, 1972

Honolulu, Hawaii