I. Statement of the Question

By petition filed January 8, 1973, and amended during a hearing on the matter at hand on February 7, 1973, (Tr. p. 53), the HAWAII NURSES ASSOCIATION (hereinafter HNA) requested the Hawaii Public Employment Relations Board (hereinafter Board) to certify the reasonableness of its proposed service fee of $58.50 per year for the period from date of certification to April 1, 1973, and for a service fee of $75.00 per year thereafter for employees in Unit 9 (registered professional nurses) pursuant to Section 89-4(a), Hawaii Revised Statutes.

The question before the Board is whether the proposed service fee is reasonable.

In its presentation to the Board, Petitioner submitted a complete record of its financial transactions for the calendar year 1972. Board members conducted several informal investigatory meetings with the executive secretary of the HNA during which an examination of financial records was made. After the informal investigation, a public hearing was scheduled and conducted on February 7, 1973, at 9:00 a.m., at the Board's hearing room.
Notices of the hearing were mailed to the appropriate Public Employers designated in Section 89-2(9), Hawaii Revised Statutes, and also to the Hawaii Government Employees' Association and its attorney.

Only the representatives of HNA were present at the hearing.

No person in opposition to the petition appeared at the hearing.

II. Findings of Fact.

1. Petitioner, Hawaii Nurses Association, is an employee organization as defined in Chapter 89, Hawaii Revised Statutes.

2. Petitioner was certified by the Board as the exclusive bargaining representative for Unit 9 (registered professional nurses) on February 17, 1972.

3. HNA membership includes both public and private sector employees, membership being comprised as follows as of December, 1972:

   Total public sector HNA members . . . . . . . . . . . . 314
   Total private sector members . . . . . . . . . . . . . . 871

4. The total number of nurses in bargaining Unit 9 is 618.

5. HNA is affiliated with the American Nurses Association (hereinafter ANA).

6. HNA members currently pay membership dues of $58.50 per year.

7. A dues increase to $75.00 per year has been approved by proper authorities within HNA to become effective April 1, 1973.
8. HNA accounting records from March through December, 1972, indicate that fees in the amount of $85.56 per year would have been required to meet Unit 9 collective bargaining and contract administration expense for that period.

9. HNA receives some income from sources other than dues on a regular basis.

10. HNA received services from ANA in support of collective bargaining and contract administration activities in an amount valued at approximately $15,000.00 during 1972. ANA services are available, both on a regular and on an "as needed" basis.

11. Dues from private sector members of HNA and borrowed money were used to support collective bargaining in the public sector during 1972.

12. All service fees collected from non-members of HNA will be spent in support of Hawaii collective bargaining and contract administration activities.

13. Only members of HNA will be assessed for services rendered by ANA.

III. Conclusions

The Board finds that all items of expenditure claimed by Petitioner to be attributable to collective bargaining during the period of 1972 after certification to be proper and reasonable in accordance with Chapter 89.

The Board finds further that a service fee of $58.50 per year for the period from the date of certification (February 17, 1972) to April 1, 1973, and a service fee of $75.00 per year from April 1, 1973, forward is
reasonable and will be required to meet anticipated expen-
ditures for collective bargaining and contract administra-
tion.

IV. Order

We direct the Petitioner to maintain cost account-
ing records, including cost categories showing benefits to
all members of Unit 9, cost categories for benefits to mem-
bers of the Hawaii Nurses Association only, and cost cate-
gories for benefits which are not specifically identifiable
as being for either Unit 9 or Hawaii Nurses Association
members only. Because the latter mentioned cost category
cannot be specifically broken down between the two groups,
appropriate and reasonable basis for allocating such costs
to the aforementioned Unit 9 cost categories and the Hawaii
Nurses Association members only must be developed. We also
direct the Petitioner to maintain appropriate books to re-
cord all transactions -- benefits and expenditures. Fur-
ther, we direct the Petitioner to supply the Board annually
with the original and five copies of the financial reports
required to be supplied to its members pursuant to Section
89-15, Hawaii Revised Statutes.

In accordance with the policy adopted by the
Board, this certification of service fee shall be $58.50
per year for the period commencing from the date of cer-
tification (February 17, 1972), and $75.00 per year for
the interim period commencing on April 1, 1973, and con-
tinuing until altered or terminated by the Board. Here-
after, the Board may, upon application of any affected
employee, or of the Petitioner, or in the Board's discretion,
initiate a review of the service fee. Any such review will be based upon a history of actual costs and expenditures incurred by the Petitioner during said interim period.

The Board suggests that the appropriate Public Employers and Petitioner negotiate a mutual agreement on methods and procedures which are to be followed in deducting said service fees. Failing such agreement, the parties may petition the Board concerning the mechanics of said service fee deductions.

The appropriate Public Employers are hereby directed to commence such deductions at the earliest possible date and to continue such deductions until such time as this Board orders otherwise.

PUBLIC EMPLOYMENT RELATIONS BOARD

Mack H. Hamada, Chairman

Carl J. Guntert, Board Member

John E. Milligan, Board Member

Dated: March 7, 1973
Honolulu, Hawaii