

STATE OF HAWAII

PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of)	
)	
HAWAII STATE TEACHERS)	Case No. <u>SF-05-18</u>
ASSOCIATION,)	
)	Decision No. <u>47</u>
Petitioner,)	
)	
and)	
)	
HAWAII FEDERATION OF TEACHERS,)	
)	
Intervenor,)	
)	
and)	
)	
MR. J. S. WARRINER,)	
)	
Intervenor,)	
)	

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND ORDERS

The hearing in the instant case was held pursuant to paragraph 6 of the Orders in Decision No. 36 (September 13, 1973) entered in the above-entitled case.

Said paragraph stated, in part:

"The service fee certified as reasonable herein shall continue through June 30, 1974, only. The Board will review the financial situation of the HSTA at or about that time to see whether a continuation or alteration of the service fee is warranted."

The hearing was held before the entire Board on June 17 and 18, 1974, after due notice.

The Hawaii State Teachers Association (hereafter HSTA) participated in the hearing along with its national affiliate, the National Education Association (NEA). Also participating as intervenors with full rights to call or cross examine witnesses, and submit argument, were the Hawaii Federation

of Teachers and Mr. J. S. Warriner, a unit 5 member, representing himself individually.

Upon a full review of all exhibits and the official transcript of said hearing this Board makes the following findings of fact, conclusions of law and orders.

FINDINGS OF FACT

1. The HSTA was and is at all relevant times the certified exclusive representative for all personnel in bargaining unit 5 as defined in Section 89-6(a)(5), Hawaii Revised Statutes (hereafter HRS). Said personnel are referred to in said section as "Teachers and other personnel of the department of education under the same salary schedule."

2. In Decision No. 36 herein, this Board approved as reasonable an annual service fee of \$141 for all unit 5 members effective September 1, 1973.

3. During the instant hearing the HSTA moved that said service fee be reduced to \$120 per annum, effective July 1, 1974.

4. During the hearing, the HSTA introduced exhibits which demonstrated the following:

a. That for fiscal year 1973-1974, it anticipated service fee income in the total amount of \$1,240,800 and revenues from other income of \$10,000. The service fee anticipation was based upon the assumption that there would be 8,800 members in unit 5. It's anticipated expenditures for the same period were \$1,250,800.

b. The service fees it actually received through April, 1974, were \$1,039,366.34. There was an actual average unit member count of 8,410.

c. That for the fiscal year 1974-1975, its anticipated income is as follows:

Service Fees (based on 8,300 unit members x \$120.	\$ 996,000
Uniserv Grant	65,500
NEA Training Grant.	5,000
NEA Records Grant	2,900
	<u>\$1,069,400</u>

d. In general terms it expects its (1974-1975) expenditures to be:

HSTA.	\$ 970,010
Deficit Budget.	99,390
	<u>\$1,069,400</u>

e. The HSTA also submitted an itemized HSTA budget containing the 35 elements which were included in the aforementioned \$970,010. Of this amount \$207,500 are earmarked for payment to the NEA for services.

f. Other exhibits introduced by the HSTA were introduced in the prior hearing and were submitted to this Board for comparison purposes.

5. Mr. James Ferguson, NEA manager, testified in person as to the types of services the NEA is giving the HSTA in return for service fee monies. These were: direct staff assistance in negotiations, research assistance, provision of model contract language, data from its national negotiation research service, legal assistance concerning negotiations and contract implementation, assistance during the strike of last year, and help with legal fees incurred in connection with problems arising from said strike and the mediation-arbitration settlement of the strike.

6. HSTA dues for the 1974-1975 fiscal year have been set by its Board of Directors at \$120 per annum.

CONCLUSIONS OF LAW

1. The Board finds that the uncontroverted evidence presented during the hearing on this matter shows that the expenditures being made and intended to be made out of service fees are proper under the provisions of 89-4(a), HRS.

2. Further, this Board finds and hereby certifies that a service fee of \$120 per annum is reasonable.

ORDERS

1. An annual service fee of \$120 per employee will be deducted by the employer from the payroll of employees in bargaining unit 5 and transmitted to the HSTA. Such deductions shall be made each payroll period in an amount equal to the service fee divided by the number of payroll periods per year.

2. This service fee shall be effective as of July 1, 1974, for all employees on the payroll at that time. For all persons hired after such time it shall be effective as of the date of hire. The deductions shall commence at the earliest possible date.

3. The service fee certified herein as reasonable shall continue to be deducted until such time as this Board otherwise orders.

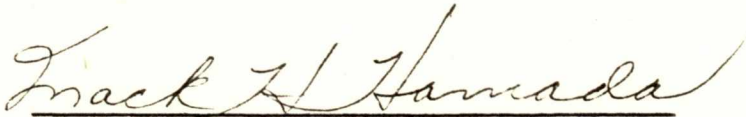
4. At any time when it deems it to be appropriate, this Board, upon its own motion or the petition of the HSTA or any affected employee may review the reasonableness of said service fee. Without limiting the foregoing, in view of the fact that the HSTA's expenditures include payments to retire a considerable deficit, this Board will conduct a review of the

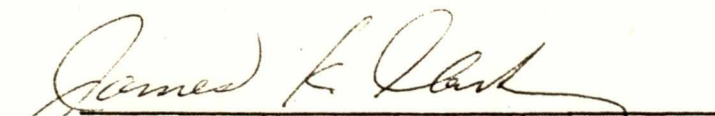
HSTA's financial position in July, 1975, to see if the service fee approved herein is still justified.

COMMENT

Decision No. 36 and particularly the concurring opinion, rather sternly criticized the fiscal management of the HSTA. It is gratifying at this time to see that since the rendition of Decision No. 36 more prudent stewardship is being exercised over service fee monies. It may have seemed to some that the criticism expressed in Decision No. 36 was gratuitous and excessive. We regret that some may have felt personally hurt by the stridency of certain remarks; to the extent that personal feelings were hurt, the remarks are regretted. However, if these criticisms, in any measure, served as a catalyst to bring about tighter fiscal controls, then the remarks even though harsh, did assist in the attainment of a worthwhile objective -- better management of service fee monies.

HAWAII PUBLIC EMPLOYMENT RELATIONS BOARD


Mack H. Hamada, Chairman


James K. Clark, Board Member


John E. Milligan, Board Member

Dated: June 28, 1974

Honolulu, Hawaii