

STATE OF HAWAII

PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of)	
)	
UNITED PUBLIC WORKERS, LOCAL)	Cases Nos. <u>SF-01-20</u>
646, AFSCME, AFL-CIO,)	<u>SF-10-21</u>
)	
Petitioner.)	Decision No. <u>51</u>
_____)	

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND ORDER

On August 1, 1974, the petitioner (also referred to herein as the UPW) filed petitions in the above-entitled and numbered cases for an increase of service fees for members of unit 1 (nonsupervisory employees in blue collar positions) and unit 10 (nonprofessional hospital and institutional workers). Presently members of units 1 and 10 pay a service fee of \$84 per year. The UPW requested an increase of thirty (30) cents per month for each person in units 1 and 10. This would bring the service fee for employees in said units to \$87.60 per year. The UPW asked that the subject increases become effective as of October 1, 1974.

The reason given in both petitions for the increase was that AFSCME, with which the UPW is affiliated, raised the amount of per capita paid to it by the UPW for each member in the units the UPW represents by thirty (30) cents per month.

A prehearing conference was held on the UPW's petitions on August 6, 1974.

A formal hearing after due notice was held before the entire Board on the aforesaid petitions on August 13, 1974. The only person appearing and speaking on the matter was Henry Epstein, State Director of the UPW.

Upon a 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 UPW is the exclusive representative for collective bargaining purposes for all employees in units 1 and 10.

2. The UPW is affiliated with AFSCME and is required to pay it a per capita tax.

3. At its convention held in Honolulu in June of this year, AFSCME voted to increase its monthly per capita assessment by thirty (30) cents from \$1.50 to \$1.80 per month.

4. An auditor's report prepared by Nagaue and Nagaue, Certified Public Accountants, Inc., dated July 22, 1974, revealed that the UPW's expenses were a fraction of one per cent less than the income during the 1973-1974 fiscal year and came very close to the budget submitted to this Board when it approved the \$84.00 annual service fee for units 1 and 10 on June 28, 1973, in Decision 34.

5. The UPW's operating budget for July 1, 1974, through December 31, 1974, is basically the same as that under which the UPW has been operating and which was approved by this Board in Decision 34. It varies in that it anticipates the requested service fee increase for the period October 1, 1974, through December 31, 1974. Even with this increase, there is an anticipated slight deficit for the October-December quarter.

More specifically, for the period July 1 through September 30, 1974, the estimated monthly income from all services is \$72,681.40 while the estimated monthly expenses are \$72,637.24. For the period from October 1 through December 31, 1974, the estimated monthly income is \$74,767.99 while the estimated monthly expenses for the same three months are \$75,528.44. Petitioner's Exhibit No. 2.

6. A part of the increases in expenditures are due to pay increases for UPW staff members. Mr. Epstein stated that these increases were being absorbed by "internal adjustments."

7. He further stated that the major change was the thirty (30) cents monthly increase in the AFSCME per capita assessment which becomes effective on October 1, 1974. Mr. Epstein stated that the AFSCME convention adopted the thirty (30) cents increase for a number of reasons, the main one being persistent inflation. He cited an AFSCME publication which said that since the \$1.50 monthly AFSCME per capita had been adopted in 1970, the cost of living had risen by 22.5 per cent. Petitioner's Exhibit No. 3.

8. Mr. Epstein stated that a new program started by AFSCME in the education field permits all unit 1 and 10 employees to attend classes at Honolulu Community College. AFSCME pays their tuition. This program, he stated, was open to all employees in units 1 and 10 regardless of whether they are members of the UPW.

CONCLUSIONS OF LAW

1. This Board finds that persistent inflation is a fact that cannot be ignored and justifies the increase requested. This does not mean that service fees may be used to support the whole range of AFSCME activities referred to by Mr. Epstein during the hearing such as organizing costs or political expenditures. No amount of unit 1 or unit 10 service fee monies, including the per capita assessment paid to AFSCME, whether paid by members or non-members of the UPW,* may be spent for contributions to political parties, candidates or incumbents. See Decision and Recommended Order rendered by Special Hearings Officer Ted Tsukiyama in Case No. SF-05-1a and affirmed by this Board.

2. The Board concludes that the increase requested by the UPW is for purposes which are proper under Section 89-4, Hawaii Revised Statutes.

3. Additionally, this Board finds and hereby certifies that a service fee of \$87.60 per year is reasonable for units 1 and 10.

ORDERS

1. An annual service fee of \$87.60 shall be deducted by the employer from the payroll of employees in bargaining units 1 and 10 and transmitted to the UPW. Such deductions shall be made each payroll period in an amount which, to the extent possible, is equal to the service fee divided by the number of payroll periods per year.


*All persons in units 1 and 10 pay service fees regardless of whether they are union members. Section 89-4(a), Hawaii Revised Statutes.

2. The increased service fee shall be effective as of October 1, 1974, for all of said 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.

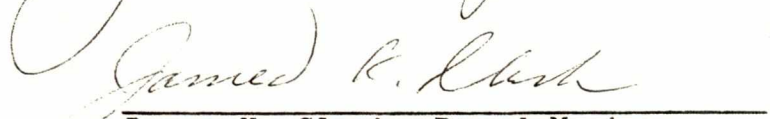
3. The service fee certified herein as reasonable shall continue to be deducted until such time as this Board otherwise orders.

4. At any time, when it deems it to be appropriate, this Board, upon its own motion or the petition of the UPW or any affected employee, may review the reasonableness of said service fee.

HAWAII PUBLIC EMPLOYMENT RELATIONS BOARD


Mack H. Hamada, Chairman


John E. Milligan, Board Member


James K. Clark, Board Member

Dated: August 28, 1974

Honolulu, Hawaii