

STATE OF HAWAII  
PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of	)	
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HAWAII NURSES' ASSOCIATION, INC.,	)	Case No. <u>SF-09-22</u>
(Constituent Organization of the	)	
American Nurses' Association),	)	Decision No. <u>55</u>
	)	
Petitioner.	)	
	)	
	)	

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FINDINGS OF FACT, CONCLUSIONS OF LAW  
AND ORDERS

On September 26, 1974, Petitioner HAWAII NURSES' ASSOCIATION (hereafter HNA) petitioned this Board for an increase of the service fee for unit 9 employees (registered professional nurses) to \$90 per annum retroactively to January 1, 1974. Nurses presently pay a service fee of \$75 per year.

A formal hearing after due notice was held before the entire Board on October 11, 1974. HNA's Executive Director Sandra Gresham, Associate Director Christine Taylor and Fiscal Coordinator Barbara Landesberg appeared on behalf of the HNA. No person in opposition to the HNA petition appeared at the hearing.

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

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## FINDINGS OF FACT

1. Petitioner HNA is the exclusive representative for all employees in bargaining unit 9 as defined in Subsection 89-6(a)(9), Hawaii Revised Statutes (hereafter HRS), and was certified as such by this Board on February 17, 1972. Case R-09-7, Decision 10.

2. The service fee for nurses had been \$58.50 per year since the date of HNA's certification until April 1, 1973. Thereafter, nurses have been paying a service fee of \$75 annually. Case SF-09-12, Decision 28.

3. The HNA membership includes nurses in both the public and private sectors. Of the 1,425 HNA members, 495 nurses are in the public sector (484 regular members and 11 associate members).

4. In addition to the 495 HNA members, the public sector component of the HNA includes 153 nurses in bargaining unit 9 who are not members of the HNA.

5. HNA membership dues were increased to \$90 per year by the HNA House of Delegates in November, 1973. Said increase was to be effective commencing January 1, 1974, but after completion of the CPA audit for 1973.

It was not until September 1, 1974, however, that the dues increase was implemented for nurses in the private sector and made retroactive to January 1, 1974. Subsequently, the HNA had to comply with an American Nurses' Association (hereafter ANA) requirement that three months notification be given prior to implementation of any dues change to allow sufficient time for central billing computerization.

6. The HNA devised a cost accounting structure pursuant to the Board's order in Decision 28 for the purpose

of allocating expenses to the cost categories it maintains, i.e., private sector collective bargaining, public sector collective bargaining and other expenses not related to collective bargaining. Where an expense concerned more than one cost category, it was prorated on the basis of either the percentage of nurses in each component (private sector 35%, public sector 40% and other members 25%) or by the nature of the activity involved as explained on each bill paid by the HNA.

7. Based on the above cost accounting structure, the HNA submitted data on its operating expenses for each month over a thirteen-month period, from April, 1973, through April, 1974. HNA expenses for that period amounted to \$86,097.64, of which \$42,439.51 or 49% was allocable to public sector collective bargaining activities.

8. In addition to HNA operating expenses, the HNA made a yearly payment of \$11,237.50 on behalf of its public sector nurses for services provided by the ANA, the national with which it is affiliated. All bargaining unit employees accrue the benefits and services provided by the ANA to the HNA, except services relating to central billing, national group insurance and individual issues of the national publication of the ANA, The American Nurse, which are for the benefit of members only. The HNA estimated that the value of services provided by the ANA is approximately \$30 per nurse per year, which exceeds the actual payment to the ANA made on behalf of each nurse in the public sector.

9. The HNA also made a yearly payment of \$4,895 to all five of its district nurses' associations on behalf of nurses in the public sector. The district associations



provide grassroots feedback to the HNA and ANA and furnish negotiating personnel, in addition to promoting the general welfare of the nursing profession. The HNA estimated that the district associations provide services valued at approximately \$10 per nurse per year, which is greater than the actual payment to the district associations made on behalf of each nurse in the public sector.

10. Thus, the HNA's total outlay for nurses in the public sector during the period April, 1973, to April, 1974, was \$58,572.01.

11. Based on the above thirteen-month period of experience under its cost accounting structure, the HNA projected that its operating expenses will be \$89,039.31 during 1975. Of this amount, the HNA estimated that \$43,399.84 or 49% will be expended for public sector collective bargaining. No change in yearly payments to the ANA or its district associations was anticipated. Therefore, an estimated \$59,532.34 will be the total outlay for public sector nurses during 1975.

12. At the time HNA made its decision to raise membership dues, its operating account showed a deficit of \$16,070.59. The HNA attributed this deficit to high levels of activity in the area of collective bargaining particularly in the public sector. It anticipated that a larger deficit would result because of an increase in the number of contract negotiations and increased costs in contract negotiation and administration.

13. A \$15 increase in annual membership dues, retroactively to January 1, 1974, and a concomittant increase in service fees for nurses in the public sector, would provide the HNA with an annual income of approximately \$58,320

from public sector nurses to defray expenditures already incurred during 1974 and to meet projected expenditures of \$59,532.34 during 1975 for public sector collective bargaining activities.

#### CONCLUSIONS OF LAW

1. Based on the uncontroverted evidence presented during the hearing on this matter, the Board finds that the expenditures being made and intended to be made out of service fees by the HNA are proper under the provisions of Subsection 89-4(a), HRS, and justify a \$15 increase in the annual service fee for employees in bargaining unit 9.

2. Although the HNA recognizes that the Board's policy is to approve an increase in service fees effective from the date of the petition for increase or at a time thereafter as may be specified by the petitioner, the HNA has requested this Board to consider the following special circumstances which prevented an earlier filing for a service fee increase and to approve said increase retroactive to January 1, 1974.

The membership dues increase, which was made retroactive to January 1, 1974, was not implemented in the private sector until September 1, 1974, even though it had been approved in November, 1973. The dues increase could not be implemented before completion of the 1973 CPA audit. Said audit was completed on April 24, 1974.

The entire HNA staff consists of only four individuals, who have responsibility for both private and public sector collective bargaining. The staff was involved in

concerted job actions by private sector nurses in four major hospitals from April through July, 1974, in addition to maintaining normal HNA operations. When the mechanism for implementing the dues increase in the private sector was being devised, HNA's executive director (who occupied the position on February 1, 1974, after it had been vacant since July, 1973) was on maternity leave for six weeks.

Additionally, the HNA had to comply with an ANA requirement of three-months notification prior to implementing any dues change to allow time for central billing computerization.

In view of the above circumstances which delayed the implementation of the dues increase in the private sector and, hence, precluded any service fee increase in the public sector until membership dues were first increased, the Board finds that HNA's request for a retroactive service fee increase to January 1, 1974, is justified.

3. This Board finds and hereby certifies that a service fee of \$90 per year is reasonable for employees in unit 9.

#### ORDERS

1. An annual service fee of \$90 shall be deducted by the employer from the payroll of employees in bargaining unit 9 and transmitted to the HNA. 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.



2. The increased service fee shall be retroactive to January 1, 1974, for all of said employees on the payroll at that time. For all persons hired after such time, it shall be retroactive to the date of hire or effective as of the date of hire, as the case may be. The deductions shall commence at the earliest date possible.

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

4. The Board may, upon its own motion or the petition of the HNA or any affected employee, review the reasonableness of said service fee whenever it deems such a review would be appropriate.

#### COMMENT

The Board commends the HNA for its efforts at devising a cost accounting structure which clearly differentiates between expenditures for the benefit of members only and those for the benefit of all employees in the bargaining unit. Where an expenditure concerned both, the HNA properly allocated expenditures according to the nature of activity involved or on the basis of the percentage of nurses benefiting therefrom.


With respect to projected expenditures for 1975, the HNA based its estimates on actual experience under its cost accounting structure over a thirteen-month period and minimized guesswork.

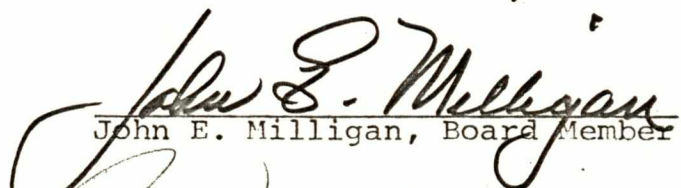
The resultant effect is that the Board's task of determining the reasonableness of the proposed service fee increase was an easier one. There was no question regarding

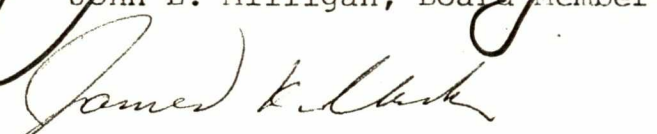
the authenticity of the data submitted and costly, lengthy proceedings were eliminated.

Moreover, the cost accounting data was prepared and compiled by the HNA staff members themselves. It reflected not only their good faith effort to comply with the Board's order in Decision 28, but their responsiveness to the members and non-members they represent and their concern to abide by the intent and spirit of the service fee provision to the best of their ability.

HAWAII PUBLIC EMPLOYMENT RELATIONS BOARD

  
Mack H. Hamada, Chairman

  
John E. Milligan, Board Member

  
James K. Clark, Board Member

Dated: November 8, 1974

Honolulu, Hawaii