

STATE OF HAWAII

PUBLIC EMPLOYMENT RELATIONS BOARD

|                        |   |                            |
|------------------------|---|----------------------------|
| In the Matter of       | ) |                            |
|                        | ) | Cases Nos. <u>SF-01-30</u> |
| UNITED PUBLIC WORKERS, | ) | <u>SF-10-31</u>            |
| LOCAL 646, AFSCME,     | ) |                            |
| AFL-CIO,               | ) | Decision No. <u>61</u>     |
|                        | ) |                            |
| Petitioner.            | ) |                            |
|                        | ) |                            |

FINDINGS OF FACT, CONCLUSIONS OF LAW  
AND ORDERS

On February 26, 1975, Petitioner UNITED PUBLIC WORKERS (hereafter UPW) requested the Hawaii Public Employment Relations Board (hereafter Board) to certify the reasonableness of its proposed increase in service fees for employees of unit 1 (nonsupervisory employees in blue collar positions) and unit 10 (nonprofessional hospital and institutional workers). UPW requested an increase of thirty-five cents (\$.35) per month for each employee in units 1 and 10, effective April 1, 1975. This would increase the service fee for said employees to \$91.80 annually (\$7.65 per month).

The reason for the increase is that the American Federation of State, County and Municipal Employees (hereafter AFSCME) with which UPW is affiliated, will increase its monthly per capita tax by thirty-five cents (\$.35) on April 1, 1975. UPW pays a per capita tax to AFSCME for each employee in units 1 and 10 which it represents.

A prehearing conference was held on UPW's petitions on March 6, 1975.

A formal hearing after due notice was held before Board Members Clark and Milligan on UPW's petitions on March 11, 1975. Chairman Hamada subsequently read the transcript of the hearing and reviewed the exhibits submitted by UPW.

Mr. Henry Epstein, State Director of UPW, testified on behalf of UPW's petitions. No person appeared at the hearing in opposition to UPW's petitions.

The entire Board, having reviewed the transcript and exhibits submitted by UPW, hereby makes the following findings of fact, conclusions of law and orders.

#### FINDINGS OF FACT

1. Petitioner UPW is the exclusive representative for all employees in bargaining units 1 and 10 as defined in §89-6(a), Hawaii Revised Statutes (hereafter HRS). Case R-01-4, Decision 3 and Case R-10-6, Decision 9.

2. The service fee for employees in said units is currently \$87.60 per year (\$7.30 a month). Said amount has been effective since October 1, 1974. Cases SF-01-10 and SF-10-21, Decision 51.

3. Petitioner UPW is affiliated with AFSCME and currently pays AFSCME a per capita tax of \$1.80 per month for each employee in the bargaining units it represents.

4. On February 8, 1975, in Washington, D. C., AFSCME's Special Convention increased the monthly per capita tax by thirty-five cents (\$.35), i.e., from \$1.80 to \$2.15, effective April 1, 1975.

An AFSCME letter to its international locals and councils, dated February 11, 1975, which UPW attached to its petitions, contained the following reason for the increase in per capita tax:

"The serious impact of inflation has hampered the ability of the International Union to move forward with its overall programs and its assistance to its subordinate bodies and membership. This Convention action was taken based



upon the need to sustain and strengthen the total program of the National Union in light of our worsening economy."

5. UPW's operating budget for the period January 1 through June 30, 1975 (Petitioner's Exhibit #1), shows that UPW is maintaining essentially the same level of operations as that of its prior budgetary period, July 1 to December 31, 1974, which was approved by this Board in Decision 51.

The only increases (January, 1975, as compared to December, 1974) were in the following expenses which UPW is attempting to absorb by internal adjustments: field staff expenses (+\$1,906.93), state director expenses (+\$92.08) and per capita to Hawaii State Federation of Labor (+\$87.30) and to AFSCME (+\$615.00).

6. Mr. Epstein stated that UPW's expenses have been approximating its income. Petitioner's Exhibit #2, an operating statement covering the period July 1, 1974, to January 31, 1975, supports Mr. Epstein's representation. Expenses for said period amounted to 95.8% of income received during that time.

Expenses for the then current month (January, 1975), however, exceeded monthly income by 5.1%. UPW anticipates that it will be able to absorb any future loss as it did in January, 1975, until such time when its 4.2% profit realized as of January 31, 1975, is exhausted.

7. The proposed service fee increase is for the sole purpose of meeting the increase in monthly per capita (April, 1975, as compared to March, 1975 -- +\$3,390.40) payable to AFSCME, commencing April 1, 1975.

8. Based on a monthly per capita payment of \$21,358.60 to AFSCME beginning April 1, 1975, and a monthly per capita payment of \$17,968.20 during the first quarter of 1975, approximately \$246,000.00 will be transmitted to AFSCME during calendar year 1975.

9. Petitioner's Exhibit #4 shows the services AFSCME has provided to the employees in units 1 and 10, which UPW represents and for whom UPW pays per capita taxes. Among the services provided by AFSCME were:

research and advice during all phases of negotiations (providing draft contract language and copies of contracts, reviewing proposals and tentative settlements, and preparing research exhibits for fact-finding);

publications (monthly newspaper to all employees and leadership bulletins);

AFSCME sponsored conferences (health care and leadership) and local education programs subsidized by AFSCME;

training on the Mainland at AFSCME's expense (contract negotiations, contract administration and arbitration);

lobbying activities (locally and nationally);

advice to local union attorneys; and

valuable information on EEOC guidelines and career development programs.

Additionally, financial assistance is available from AFSCME in the event of a strike and local resources are exhausted.

UPW estimated that the value of such AFSCME services is approximately \$277,000.00. Said amount exceeds the per capita payments transmitted to AFSCME.

UPW will continue to rely on AFSCME for such services. AFSCME has raised its per capita tax so that it can continue "its assistance to its subordinate bodies and membership."

#### CONCLUSIONS OF LAW

1. The Board finds that the impact of inflation has caused AFSCME to raise its per capita tax to enable it to provide necessary services to its subordinate bodies and membership. Employees in units 1 and 10, who have benefited from



the services rendered by AFSCME and who will continue utilizing AFSCME services for assistance in contract negotiation and contract administration, are being assessed their share of the inflationary costs for such services. The Board finds that it is reasonable to increase the service fee accordingly so long as the services rendered by AFSCME will continue to benefit the employees in units 1 and 10 and the value of such services will exceed, or at least equal, the amount of per capita transmitted to AFSCME.

2. The Board concludes that the increase in service fees requested by UPW to cover AFSCME's per capita increase of thirty-five cents (\$.35) per month is proper under §89-4, HRS.

3. Therefore, the Board finds and hereby certifies that a service fee of \$91.80 per year is reasonable for employees in units 1 and 10.

#### ORDERS

1. An annual service fee of \$91.80 shall be deducted by the employer from the payroll of employees in bargaining units 1 and 10 and transmitted to 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 in a year.


2. The increased service fee shall be effective on April 1, 1975, for all 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 date possible.

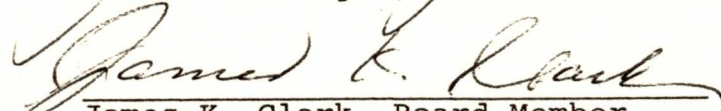
3. The service fee certified herein as reasonable shall continue to be deducted until such time as this Board directs otherwise.

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

HAWAII PUBLIC EMPLOYMENT RELATIONS BOARD

  
Mack H. Hamada, Chairman

  
John E. Milligan, Board Member

  
James K. Clark, Board Member

Dated: March 31, 1975

Honolulu, Hawaii