

STATE OF HAWAII
PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of)	
)	
HAWAII STATE TEACHERS)	Case No. <u>SF-05-42</u>
ASSOCIATION,)	
)	Decision No. <u>69</u>
Petitioner.)	
_____)	

FINDINGS OF FACT, CONCLUSIONS
OF LAW AND ORDERS

On June 10, 1976, the Hawaii State Teachers Association (hereafter HSTA or Petitioner) requested the Hawaii Public Employment Relations Board (hereafter Board) to certify as reasonable its proposed service fee increase for teachers in unit 5. The request is for an increase from \$120 to \$130 per annum, to be effective in two increments of \$5 -- an annual service fee of \$125 for the period July 1 through August 31, 1976, and an annual service fee of \$130 from September 1, 1976, onward.

A prehearing conference was held on July 1, 1976. A hearing was held before the entire Board, after publication of legal notice, on July 8, 1976. Thomas P. Gill, attorney for the Petitioner, presented the HSTA's case for the proposed service fee increase. Steven Nassau of the General Counsel's Office of the National Education Association (hereafter NEA), of which the HSTA is an affiliate, presented the NEA's reasons for increasing its per capita dues. No person appeared at the hearing in opposition to the HSTA petition.

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

FINDINGS OF FACT

Petitioner HSTA is the exclusive representative of teachers (unit 5) and was certified as such by this Board on May 21, 1971. (HPERB Case R-05-1a, Decision 1)

The current service fee for unit 5 is \$120 per annum. Said amount, which was a reduction from the prior service fee of \$141 per annum, has been in effect since July 1, 1974. (HPERB Case SF-05-18, Decision 47)

Teachers who are active members of the HSTA have been paying a membership dues differential of \$10.80 per year, in addition to the current service fee of \$120 per annum. The HSTA Board of Directors had authorized the differential for the repayment of a pre-certification loan and the accumulation of funds for organizational and political action purposes.

On May 15, 1976, the HSTA Board of Directors approved an increase in the membership dues differential to \$13.44 per year and set the total amount for the dues differential plus service fee at \$143.44 per annum. The \$13.44 for membership dues differential is in addition to the proposed service fee of \$130 per annum.

The HSTA maintains a membership account for non-service fee income and expenditures. Expenses which are not related to collective bargaining and, therefore, not legally chargeable to service fees, are paid for from the membership account receipts, i.e., the membership dues differential and other non-service fee income.

A separate account is maintained for service fee income and various NEA grants to pay for expenses which relate to negotiations and contract administration for employees in unit 5. Based on an estimated bargaining unit count of 8,600 and the service fee as proposed, the HSTA anticipates that it will receive

\$1,118,000 from service fees during fiscal year 1976-77. An additional \$71,150 is expected from NEA grants. Thus, the HSTA's estimated income from service fees and grants for fiscal year 1976-77 is \$1,189,150.

The HSTA requests that the \$10 increase in the annual service fee be made in two increments of \$5. The \$5 increase effective July 1, 1976, is to cover HSTA's increased operating costs. The \$5 increase effective September 1, 1976, is earmarked for an increase in NEA per capita dues.

HSTA projects an increase of \$53,235 in operating costs during fiscal year 1976-77. The increase is attributable to salary increments for its employees, fringe benefit commitments, increased arbitration workload and legal expenses, some of the expenses entailed in contract reopening, and normal inflationary increases. (HSTA Exhibit E)

The HSTA pays a per capita of \$25 per employee per year to the NEA. The NEA per capita dues will be increased to \$30 per employee per year on September 1, 1976. The increase in NEA per capita dues, the first since 1969, is necessary because of the expansion in support services, such as, collective bargaining research, communications and training, and inflation. Based on an estimated bargaining unit count of 8,600 and a \$5 increase in per capita dues, the NEA will receive \$258,000 from the HSTA annually. The NEA estimates that it will provide the HSTA support services and grants valued at \$291,250 during fiscal year 1976-77. Said amount exceeds the amount of per capita dues payments to the NEA.

The HSTA's estimate of expenditures to be incurred on behalf of unit 5 employees during fiscal year 1976-77, including per capita dues payments, is \$1,189,150. Said amount equals the estimated income the HSTA expects to receive from service fees and NEA grants.

CONCLUSIONS OF LAW

Based on the evidence presented during the hearing on this matter, the Board finds that the expenditures being made or intended to be made by the HSTA from service fees are proper under the provisions of HRS §89-4(a). Service fee monies are not being used for expenses which do not relate to collective bargaining, e.g., organizational and political action purposes, or which are for the benefit of members only. Such expenses are paid for from the separate membership account.

The \$1,189,150 estimated expenditures to be incurred during fiscal year 1976-77 for negotiations and contract administration on behalf of unit 5 employees equal the anticipated income from service fees and NEA grants for that period. Thus, a service fee of \$130 per annum, effective in two increments of \$5 on July 1, 1976, and September 1, 1976, as requested by Petitioner HSTA is justified.

The Board finds and hereby certifies that a service fee of \$125 per annum for the period July 1 through August 31, 1976, and a service fee of \$130 per annum from September 1, 1976, onward are reasonable for employees in unit 5.

ORDERS

An annual service fee of \$125 for the period July 1 through August 31, 1976, and an annual service fee of \$130, commencing September 1, 1976, per employee shall be deducted by the employer from the payroll of employees in unit 5 and transmitted to the HSTA. Such deductions shall be made each payroll period in an amount which, to the extent possible, is equal to the applicable annual service fee divided by the number of payroll periods per year.

The service fee of \$125 per annum shall be retroactive to July 1, 1976, and the service fee of \$130 per annum shall be effective on September 1, 1976, for all of said employees on the payroll on such dates. For all persons hired after such dates, the applicable service fee shall be effective as of the date of hire. The deductions shall commence at the earliest date possible.

The service fee of \$130 per annum certified herein as reasonable shall continue to be deducted until such time as this Board directs otherwise.

The Board may, upon its own motion or the petition of the HSTA 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


James K. Clark, Board Member


John E. Milligan, Board Member

Dated: July 21, 1976

Honolulu, Hawaii