

STATE OF HAWAII  
PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of	)	
	)	
HAWAII NURSES' ASSOCIATION,	)	Case No. <u>SF-09-43</u>
INC., (Constituent Organiza-	)	
tion of the American Nurses'	)	
ASSOCIATION),	)	Decision No. <u>71</u>
	)	
Petitioner.	)	
_____	)	

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDERS

On July 13, 1976, Petitioner HAWAII NURSES' ASSOCIATION (hereafter HNA) petitioned this Board for an increase of the service fee for unit 9 employees (registered professional nurses) to \$140 per annum retroactively to August 1, 1976. Nurses presently pay a service fee of \$90 per year.

A prehearing conference was held on HNA's petition on July 28, 1976.

A formal hearing after due notice was held before the entire Board on September 10, 1976. HNA's case was presented by Sandra L. Gresham, HNA's Executive Director. No person in opposition to the HNA petition appeared at the hearing.

On November 4, 1976, the HNA submitted a motion supported by an affidavit of Ms. Gresham to this Board for leave to correct errors in exhibits. Said motion was granted and the corrections are incorporated herein.

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

## FINDINGS OF FACT

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.

The service fee for nurses is currently \$90 per year. Said amount has been effective since January 1, 1974. Case SF-09-22, Decision 55.

The HNA membership includes nurses in both the public and private sectors. Of the 2,153 HNA members, 622 nurses are in the public sector (611 regular members and 11 associate members). Associate members pay the full amount of the service fee assessed against all members of the unit.

In addition to the 622 HNA members, the public sector component of the HNA includes 129 nurses in bargaining unit 9 who are not members of the HNA.

The House of Delegates of the HNA, which met in November, 1975, voted to raise its dues from \$90 to \$140 per year. Said increase will be implemented when the Board approves the proposed service fee.

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 45%, public sector

40% and other members 15%) or by the nature of the activity involved as explained on each bill paid by the HNA.

Based on the above cost accounting structure, the HNA submitted data on its monthly operating expenses for calendar year 1975. HNA expenses for that period amounted to \$107,203.30, of which \$52,900.24 or 49% was allocable to public sector collective bargaining activities.

In addition to HNA operating expenses, the HNA made a yearly payment of \$15,412.50 on behalf of its public sector nurses for services provided by the American Nurses Association (hereafter 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 \$37 per nurse per year, which exceeds the actual payment to the ANA made on behalf of each nurse in the public sector.

The HNA also made a yearly payment of \$6,165.00 to all five of its district nurses' associations (also referred to as DNA) 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.



Thus, the HNA's total outlay for nurses in the public sector during the period January, 1975, to December, 1975, was \$74,477.74.

Based on the above twelve-month period of experience under its cost accounting structure, the HNA projects that its operating expenses will be \$189,692.24 during FY 1976-77, which is an increase of \$39,319.60 over calendar year 1975. Aside from inflationary increases, the increase is mainly attributable to expenses related to the negotiations of a new contract, salary increments for the present 6-member staff, anticipated increases in arbitration workload and legal expenses, and staff expansion. The HNA testified that the salaries and the fringe benefits of the new staff members will be borne on a cost-sharing basis between the public and the private sector nurses. The HNA further testified that in many areas of priority involving public sector collective bargaining (i.e., the establishment of a Council on Collective Bargaining), objectives were not satisfactorily met heretofore because of financial constraints.

The ANA per capita dues were increased to \$35 per HNA-ANA-DNA member per year in June, 1976. Based on the estimated union membership count of 622, the HNA anticipates an annual payment of \$21,770 to the ANA for services available to all bargaining unit members.

No change in DNA per capita dues was anticipated. Based on the present formula used to calculate annual payments to the DNA (622 members x \$10 dues), the HNA will expend an estimated \$6,220 in annual payments to the DNA on behalf of all public sector nurses.

Based on the above, an estimated \$120,209.84 will be the total outlay for public sector nurses during FY 1976-77.

A \$50.00 increase in annual membership dues, retroactively to August 1, 1976, and a concomittant increase in service fees for nurses in the public sector, would provide the HNA with an annual income of approximately \$105,140 from public sector nurses to meet projected expenditures of \$120,209.84 during FY 1976-77 for public sector collective bargaining activities.

#### CONCLUSIONS OF LAW

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.

The \$120,209.84 estimated expenditures to be incurred during fiscal year 1976-77 for negotiations and contract administration on behalf of unit 9 employees exceed the anticipated income from service fees for that period. Thus a service fee of \$140 per annum, as requested by Petitioner HNA, is justified.

This Board finds and hereby certifies that a service fee of \$140 per year is reasonable for employees in unit 9.

#### ORDERS

An annual service fee of \$140 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.


The increased service fee shall be retroactive to August 1, 1976, 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.

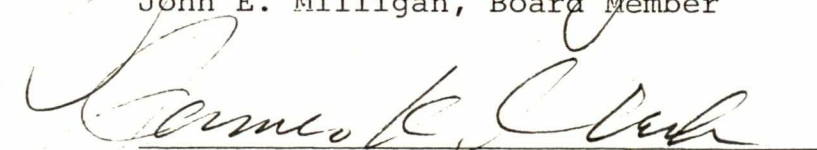
The service fee certified herein as reasonable shall continue to be deducted until such time as this Board directs otherwise.

The Board may, upon its own motion or the petition of the HNA 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: November 15, 1976

Honolulu, Hawaii