

Service workers union at Rady Children's Hospital fought to win contract, now fights for survival there

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Just four months after securing a first-ever contract for service workers at Rady Children's Hospital, the union that waged the hard-fought battle for the labor agreement is on the ropes.



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After securing a first-ever labor contract with Rady Children's Hospital four months ago, certified nurse assistant Macrina Cale and other members of the Service Employees International Union say there has been no peace at the San Diego facility.

Rady managers and some workers are pushing for a decertification vote that, if successful, would remove the Service Employees International Union from the hospital and nullify a two-year contract that covers 700 of Rady's 3,200 employees.

A defeat could stifle the union's plans to organize more service workers at other hospitals in San Diego County – a key part of the group's national strategy to boost membership.

Union leaders, meanwhile, have accused managers of violating contract provisions that allow union representatives to meet with workers at the hospital and to represent them in grievance proceedings.

Management has continued efforts to discredit the union and to sow discontent among its members, said Macrina Cale, a certified nurse assistant and union negotiator.

“Now, the employees are confused,” Cale said last week. “Everything is: They (managers) are good and SEIU is bad.”

A series of unfair labor practice complaints filed by the union against the hospital with the National Labor Relations Board must be investigated before the decertification vote is held.

The recent rancor has crushed any hopes that a cooling-off period would follow the contract ratification.

“The path they are going down right now doesn't sound like it will be productive for anyone,” said Craig Barkacs, a University of San Diego professor who teaches classes on business law, ethics and labor. “What it signals to me is that distrust and suspicion abound here.”

Hospital interpreter and union member Lucila Conde said she had hoped the signing of a contract would usher in an era of cooperation and coexistence, but that hasn't been the case.

“There has been no peace,” Conde said last week.

The national union, which represents 1.9 million workers, has made growth among health care workers a top priority. Local union leaders are hoping to hold up the Rady contract as an example of the benefits that the union could bring to workers at other hospitals.

Aside from Rady, SEIU's only other health care presence in the county is at Kaiser Permanente, where the union represents about 200 mental health workers. The union represents about 15,300 other people in the county, mostly janitors and government workers.

“The union definitely wants to grow in San Diego County,” said Richard Barrera, the regional political organizer for SEIU's United Healthcare Workers West division. “We're hoping Children's Hospital is a first successful effort to unionize workers in this category.”

But a vote by Rady workers to decertify the union could have the opposite effect on those goals, at least in the short term, said Barkacs. “It would certainly be seen as a setback,” he said.



The Service Employees International Union sought to delay the construction of Rady Children's

Hospital's new patient tower, shown above in an artist's rendering.

Service workers such as housekeepers, secretaries, janitors and cafeteria employees are attractive targets of labor organizers because they typically earn the lowest wages at hospitals, several labor experts said.

“People at the lower end of the compensation scale see unions as an opportunity to improve their compensation,” Barkacs said. “To the extent that unions can offer that, they will have people willing to listen.”

SEIU organizers see San Diego County as fertile ground for growth. “Our estimates are that there are probably over 20,000 people who work in service category jobs (in the county) that are unorganized,” Barrera said.

Rady managers are pushing for a decertification vote to be held by the end of September, but balloting cannot occur until the National Labor Relations Board reviews a series of unfair labor practice complaints filed by the union in recent weeks.

Sally James, a clinical assistant who is part of the bargaining unit represented by SEIU, said she started circulating a petition last fall seeking the vote because she believed the union was doing a poor job representing workers.

“I think the union is very bad,” she said last week. “It's too political. It's not a hometown union for our hometown hospital.”

Just as the petition was gaining steam among workers at the hospital, the union suffered a stinging defeat at the hands of the San Diego City Council.

Citing air pollution concerns, the union had asked the council to delay issuing a building permit to Rady for the construction of a six-floor, 116-bed patient tower until the hospital had further reviewed the project's effect on the environment. But union representatives found little support for their claims, and the brazen stand turned into a costly strategic blunder.

During a March 26 City Council meeting, union representatives argued that the hospital had not adequately measured the potential effect of exhaust that will be produced by construction vehicles and equipment used to build the facility.

However, project supporters said the complaints were baseless and were part of a campaign by the union to pressure managers back to the negotiating table after contract talks stalled last September. The campaign included appeals to some of the nonprofit hospital's donors and protests staged in front of the hospital and at several hospital fundraising events.

Rady Chief Executive Officer Kathleen Sellick told council members that the new tower was badly needed to relieve overcrowding in the hospital's main building, and that any delay would risk endangering the health of the county's sick children who rely on the hospital for care.

Sellick also said rising construction costs would add \$40,000 to the project's \$260 million price for each month that the work was postponed.

Some of the harshest criticism of SEIU's effort came from representatives of the United Nurses of Children's Hospital, a union that represents 850 nurses and 350 technical workers at the hospital, who compared the tactics to blackmail.

“The children of San Diego are not and should never be a bargaining chip,” said intensive care nurse Nichole Kennelly .

Councilman Jim Madaffer called SEIU's move “one of the most despicable hijackings of a public process that I've ever witnessed.”

The council unanimously rejected the union's request to postpone the construction project, mirroring an earlier vote by the city's Planning Commission.

Although SEIU's tactics were judged extreme by some, they didn't surprise Ken Jacobs, chairman of the University of California Berkeley's Institute for Research on Labor and Employment.

“They are a union that is both very effective on the organizing side and plays hardball when they need to,” Jacobs said.

In many cases, those tactics have paid off, making SEIU's United Healthcare Workers West one of the fastest-growing unions in the country in recent years, Jacobs said.

The union also has built cooperative relationships with some of the largest hospital operators in the state, including Kaiser Permanente and Catholic Healthcare West, Jacobs said.

“In a number of cases where there was heavy resistance (to unionizing efforts), once an agreement was reached, some very productive partnerships were created,” Jacobs said.

The defeat of the Rady union before the San Diego Council, coupled with the emergence of a decertification petition among dissatisfied SEIU members, marked a shift in the protracted local labor battle. Service workers at Rady voted to organize in January 2004.

After the council vote, union negotiators quickly shifted strategies, offering to return to a contract proposal that had been put forward by the hospital six months earlier but rejected by the union.

Within a few weeks, the two sides had reached an accord that included a minimum hourly wage of \$10 for all workers in the bargaining unit; raises ranging from 8 percent to 11 percent spread

over 14 months; monthly health insurance credits; and a promise from hospital managers not to outsource cafeteria and housekeeping jobs.

Workers approved the contract 161-47 on April 19, but neither side publicized the vote.

Five days later, Sellick sent a letter to employees announcing that the hospital had hired an “expert employment relations consulting firm” to work on the upcoming decertification vote.

The move signaled management's intent to continue waging battle against the union, Barrera said.

SEIU leaders suspect that the firm specializes in breaking unions, but hospital managers have rebuffed their requests for the consultant's name.

When asked last week about the identity of the consultant, Rady spokesman Ben Metcalf said, “I'd rather not go into that. It is what it is – a consultant who talks to us about how to go forward on union issues.”

Requests to interview Sellick and other hospital managers were denied.

One thing hospital managers have been clear on is their desire to see workers throw out the union. “We are encouraging employees to vote no in the decertification vote, which means voting against the union,” Metcalf said.

The union has been down this road before. Twice in early 2006, SEIU faced decertification votes at Rady and triumphed both times.

Conde said she hopes the third try will produce the same outcome and an end to the strife.

“I hope this doesn't drag on,” Conde said.

TIMELINE: SEIU AT RADY CHILDREN'S HOSPITAL

January 2004: Service workers at Rady Children's Hospital narrowly vote to join the Service Employees International Union after a yearlong organizing campaign.

February 2006: Workers vote against decertifying the union for the first time.

March 2006: Workers reject a second decertification effort.

September 2006: Negotiations between union and management collapse after the union rejects a contract offer from the hospital.

March 2007: San Diego City Council rejects SEIU's request to subject Rady's plans to build a new patient tower to further environmental reviews and clears the way for the \$260 million construction project to begin.

March 2007: Service workers who are unhappy with union representation file a decertification petition with federal labor regulators, setting the stage for a third vote that could remove SEIU from the hospital.

April 2007: Workers approve a labor contract after union leaders agree to resurrect the company's offer from six months earlier.

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