



560 Thomas L. Berkeley Way • Oakland, CA 94612 • 510-251-1250 • Fax 510-763-2680
 5480 Ferguson Drive • Los Angeles, CA 90022 • 323-734-8399 • Fax 323-721-3538

June 1, 2007

Dear Andy and Anna:

A number of recent developments make it necessary that I voice formally to you various concerns that are fundamental to SEIU-UHW's purpose, vision and values. These concerns relate to our inability to debate issues safely within SEIU, SEIU's decision-making process and the voice our members have in SEIU and in Employer Alliance Agreements. We have tried repeatedly to raise these concerns within SEIU, and at every turn we have found the leadership of our international union to be indifferent and, at times, even hostile. We again are seeking to raise these concerns in the spirit of working constructively to build the union we all have worked so hard to create over many years. It is precisely because we care so deeply about the future of SEIU – our union – that we must raise these issues and must ensure that they are not rejected out of hand or characterized as disloyal or misguided.

The key issues we need to raise are the following:

1. the lack of, and need for, a safe environment within SEIU to voice disagreement;
2. the response to the SF Weekly article; and
3. the process by which SEIU makes decisions that affect our members in Employer Alliance Agreements.

First, it seems self-evident that we need to create a safe environment within SEIU where we can raise and debate issues, disagree with one another, and constructively resolve differences. Struggle, debate and disagreement within SEIU are natural, predictable and valuable. Through such struggle, new ideas emerge and give rise to a vision, program and strategy beneficial to the members of SEIU. SEIU's history is rich with this process.

It is disappointing when the environment for such dialogue is not safe and instead it is considered disloyal, controversial, and destabilizing to offer constructive criticism. When independent and critical thinking is received as threatening, constructive dialogue is suppressed. That kind of environment does not foster new ideas or vision, but rather a fear of speaking out. We in SEIU-UHW value constructive criticism and believe SEIU should be the safest place in the world to disagree. Unfortunately, as evidenced by our efforts to raise and discuss issues related to Employer Alliance Agreements and most recently with the fallout from the SF Weekly article, we've seen quite clearly that it is not acceptable for leaders to disagree. Disagreement is equated with disloyalty.

Second, regarding the response to the SF Weekly article, I have made it categorically clear to both of you that neither I nor any leaders of SEIU-UHW had anything to do with the recent SF Weekly article. I ask that you accept this fact if we are to restore a level of trust between us.

Immediately after the article appeared, I was disappointed to learn that SEIU officers and senior staff began a campaign of character assassination directed towards me and the leadership of SEIU-UHW. This effort served to shift the focus of discussion to the character of our local

www.seiu-uhw.org

Sal Rosselli, *President*

Jorge Rodriguez, *Executive Vice President*

Joan Emslie, *Secretary-Treasurer*

leadership rather than foster discussion and debate about the critical issues related to Employer Alliance Agreements. The following statements were made systematically to numerous leaders and staff of SEIU and SEIU local unions:

- The information in the article was deliberately "leaked" by UHW
- UHW is categorically opposed to "employer agreements"
- UHW is only concerned about "polishing the apple" for its own members - not about organizing workers outside California
- UHW is not focused on new organizing in its jurisdiction and in fact is losing hospital union density
- All organizing growth in UHW was accomplished by SEIU - not local 250/399/UHW

Why would SEIU officers and senior staff participate in making these statements? Unfortunately, they've been spread systematically to dozens of leaders throughout SEIU. Consequently, we feel compelled to respond to them.

#1: The information in the SF Weekly article must have been deliberately "leaked" by UHW.
UHW was not in any way involved in the SF Weekly article. As you know, the same reporter who wrote the SF Weekly article attacked UHW and me personally a year ago. The reporter called me a month before the most recent article was printed, and I not only refused to talk to him, but also directed all of our staff and elected leaders not to respond. I also immediately warned your staff and 434B leadership of the inquiry and advised that no one talk to him. UHW did not have access to the Washington State Agreement. The UHW analysis of the California Alliance was produced at your request in January and was widely distributed throughout the Long Term Care Division and SEIU. The employer who is quoted in the article was present in Alliance negotiations. For your information, we have since been contacted by the Wall Street Journal, San Francisco Chronicle, Los Angeles Times, The Nation, The BNA, and Labor Notes regarding the issue. We responded that this is an internal debate and had no comment.

#2: UHW is categorically opposed to "employer agreements."

UHW supports employer agreements. UHW is the most successful healthcare union in the country in establishing Employer Alliance Agreements. Our leaders began the debate with Kaiser Permanente in 1990, which has forged the largest, most comprehensive and most effective labor/management partnership in the country. UHW began and continues to lead in the development of a strong relationship with Catholic Healthcare West. UHW has led in discussions with HCA, Daughters of Charity, Tenet, San Francisco City and County, and other partnership initiatives. In fact, UHW brought to the table three of the four employers participating in the recent Washington, D.C. launch of "Partnership for Quality Care" (Kaiser Permanente, Catholic Healthcare West and Daughters of Charity.)

Four years ago, our predecessor Local 250 led the negotiations with the California Nursing Home Alliance employers and Local 434B. At that time, Local 250 represented 95% of the unionized Alliance nursing home workers in California. We took the proposed Nursing Home Alliance Agreement to a membership vote and campaigned for its adoption. We continue to support renewal of the California Nursing Home Alliance Agreement and a National Agreement as long as our members have 1) a voice and vote on the outcome, 2) the Agreement does not

limit members from advocating for their patients and 3) any limitations on collective bargaining rights are explicitly temporary - not permanent.

We will not deny that we want to change the Alliance relationship from a business transaction to a truly mature, model employer relationship along the lines that we have established with health systems like Kaiser Permanente and CHW. We truly believe we can achieve those kinds of employer agreements in the long-term care industry and are in fact on the cusp of accomplishing such an agreement with the Windsor nursing home chain.

UHW has developed and is implementing an organizing plan (summary enclosed) that focuses on non-Alliance nursing homes in Northern California. Over a period of 18 months, we will organize 50 nursing homes by employing a 'referral model' that leverages our relationships with acute-care hospitals, which refer thousands of highly reimbursed patients to nursing homes for sub-acute care. Nursing home companies that join with SEIU-UHW will be required to establish superior standards of care and to meet industry bargaining standards in order to become providers of choice. Altogether, we have targeted five regional markets for organizing efforts under this model. Currently, Kaiser Permanente and Catholic Healthcare-West have partnered with us on this project and the Windsor nursing home chain (28 SNFs) has accepted our referral model approach. In the first stage of the project, Kaiser Permanente will work with SEIU-UHW and Windsor, affecting nine non-union homes.

Our organizing efforts will be carried out by both staff and member organizers. In order to free up additional staff resources for organizing, SEIU-UHW is recruiting and training 450 worksite leaders who will handle labor relations at existing worksites. To date, our Nursing Home Division has recruited and trained 222 new worksite leaders, thereby permitting us to dedicate more staff to new organizing.

#3: UHW is only concerned about "polishing the apple" for its own members - not about organizing workers outside California.

SEIU-UHW has consistently dedicated resources to organizing unorganized workers and improving standards outside of California, while also improving our members' own standards. During the past several years, UHW has contributed more than 70 staff and member organizers to organizing and contract campaigns conducted by SEIU locals outside of California. SEIU-UHW also has used its power with large California-based employers like Kaiser Permanente and CHW to deliver organizing rights and market-leading wages to workers in Nevada, Oregon and Colorado. SEIU-UHW is proud to have achieved among the highest standards for hospital workers in the country. We do not believe, nor are we willing to tell Kaiser Permanente members, that they should be satisfied with the wages and benefits we collectively have achieved. Our Kaiser Permanente members seek higher standards for their families and patients and continue to pool their dues dollars to improve their standards as well as the standards of other healthcare workers. For example, SEIU-UHW's Kaiser Permanente members invest 30% of their dues dollars (over and above the 20% new organizing dollars) to organize and represent UHW's long term care workers.

In addition to organizing resources, our Training and Education Department has been an instrumental source of assistance and guidance for many locals throughout the nation. Our contributions have included both curriculum and staff support.

Some examples of locals who have requested assistance include: 1107; 503; 535 and 1021; 660 and 721; 1199NW; and 1199NY.

UHW has also provided staff trainers to assist with other events, including the 2006 SEIU Social and Economic Justice Conference, SEIU training for leads, and SEIU Local 150 Annual Leadership Meeting in Madison, Wisconsin.

We've invited other locals to our Collective Bargaining Training. Participants have included Locals 49, 113, 1199 NW, 1199P and 1199 Florida, and Chicago Local 20.

#4 & #5: UHW is not focused on new organizing in its jurisdiction and in fact is losing hospital union density. All organizing growth in UHW was accomplished by SEIU – not local 250/399/UHW

UHW has the most successful local organizing record in SEIU in recent years.

- ◆ From 2001 to 2006, SEIU-UHW added more members (64,826) than did any other SEIU local in the nation.
- ◆ SEIU-UHW's organizing efforts have contributed to a significant increase in union density in California's hospital industry in recent years. As noted in the attached fact sheet, claims about California's declining union density contain fundamental methodological errors.
- ◆ Another measure of our successful organizing efforts is COPE. SEIU-UHW and before it, Local 250, always met or exceeded our International COPE quota. In 2006 (the last full year for which figures are available), SEIU-UHW raised \$1,324,822, which is 147% of its COPE quota and the second highest amount of COPE dollars among all SEIU locals nationwide. Since the turn of the year, SEIU-UHW has signed up thousands more members and is well on its way to meeting the more ambitious goals set by the Healthcare Division.

Enclosed is a fact sheet ("The Facts about SEIU-UHW's Growth and Union Density in California's Healthcare Industry") that describes SEIU-UHW's record on membership growth in our industry and our contributions to SEIU organizing outside of California

SEIU-UHW has worked actively for more than 10 years to carry out the mission and vision of your administration. SEIU-UHW members, staff and I personally have worked very hard to consistently lead on our collective vision. I was privileged to be a member of the President's Committee 2000, which recommended a significant dues increase and new collaboration among locals both for organizing and collective bargaining. This was during a time when SEIU's open and free thinking was encouraged. SEIU-UHW led on, and organized others to achieve, the overwhelming convention vote adopting the New Strength Unity Plan. Afterwards, SEIU-UHW again led on our collective SEIU vision to constitutionalize the organizing/bargaining coordination through Unity Councils and the mandatory 20% dedicated to new organizing. SEIU-UHW also led on establishing and accomplishing COPE quotas. After the 2004 Convention, SEIU-UHW wrote and SEIU's Executive Board adopted bylaws for Health System Unity Councils. We've taken every program – from NSUP to Seven Strengths – absolutely seriously and are proud of the fact that we consistently meet and exceed the expectations developed by our national union.

The final concern we need to raise involves the process by which SEIU makes decisions that affect our members in Employer Alliance Agreements and in bargaining. Two recent examples are instructive. First, we have never needed to take a per capita vote of all represented members (the mechanism for final resolution if consensus cannot be reached) with any of the employer councils. However, we came close to calling for a per capita vote in Tenet negotiations earlier this year. SEIU officers and senior staff decided to manipulate the process to achieve their desired outcome, which in this case consisted of ensuring that the position of SEIU-UHW and Local 121 would be voted down. The manipulation consisted of reinterpreting the bylaws governing the voting process in order to allow SEIU leaders to vote on behalf of unrepresented Tenet workers in Missouri and Texas. By counting the "votes" of the unrepresented workers, SEIU could outvote members of Local 121 and SEIU-UHW, who together account for 80% of all represented Tenet workers nationally. This action would have had the effect of silencing the voice of thousands of SEIU Tenet members.

Similarly, SEIU-UHW represents 80% of the nursing home workers in the California Nursing Home Alliance, with 6434B representing the remaining 20%. Despite our local's overwhelming majority, SEIU-UHW lost vote after vote because SEIU created a system by which each local union and the Long Term Care Division receive an equal vote. This is not member democracy. Our 3,500 Alliance nursing home members now have no voice in bargaining with their employers for a renewal of the California Alliance Agreement, and this is not acceptable. Over 3,200 of these members have petitioned you to intervene with the SEIU Long Term Care Division to correct this problem, and yet our members, staff, and elected officers continue to be excluded from the table.

Due to our concern about these profoundly important issues, SEIU-UHW's Executive Board unanimously adopted the enclosed Resolution on May 19, 2007. At the same meeting, the SEIU-UHW Executive Board unanimously voted to implement an internal education program to inform our members about the significant differences between our local union and some officers in SEIU. Our member leaders are currently collecting signatures on a petition to the SEIU Executive Board (enclosed). In the first week of distribution, 50% of our 50,000 Kaiser members have signed the petition.

These issues resonate highly with our members. They value the real voice they have at their workplace and in their union. Our members want ours to be a union of member leaders who have and can exercise their voice, build power, and build a workers movement.

In the early 1990s, our Kaiser leaders adopted a plan to recruit members to organize Kaiser's competition. It is our Kaiser members who were the foundation of the CHW organizing campaign. They were motivated by the reality that to improve their standards, they had to organize Kaiser's competitors. It worked and was a valuable lesson that led to a movement to organize Tenet, HCA, and numerous independent hospitals. It is that movement today that is organizing St. Joseph Health System, smaller systems and independent hospitals in the Inland Empire. We believe empowering rank-and-file members is the only way to build permanent power for our union. The top-down union/employer relationships in the long term diminish the union's power, our ability to improve standards and organize other workers.

SEIU-UHW members recognize perhaps more than anyone that we can pursue a path that is very different from the one reflected in the recent California Nursing Home Alliance and Tenet

actions. We can simultaneously organize workers, improve standards for workers and patients and raise member involvement in decision making. Indeed, our local's history of success and growth is a testament to the fact that these goals not only can go hand in hand, they must.

The attacks on my leadership and SEIU-UHW have gone too far. We can no longer continue to let them go unanswered. Accordingly, I ask that you take this letter in the spirit of open and constructive criticism. We remain committed to working together to build our union and the labor movement. To do that, we must create an environment where we can constructively work through our differences. In our urgent efforts to be a voice for unorganized workers, we cannot abandon the vision and democratic principles that have made us the largest, most successful labor union in the nation.

In Unity,



Sal Rosselli

cc: SEIU-UHW Executive Board
SEIU Executive Board