



LINDA LINGLE
GOVERNOR

MARIE C LADERTA
CHIEF NEGOTIATOR

HAROLD DeCOSTA
DEPUTY CHIEF NEGOTIATOR

**STATE OF HAWAII
OFFICE OF COLLECTIVE BARGAINING
EXECUTIVE OFFICE OF THE GOVERNOR
235 S. BERETANIA STREET, SUITE 1201
HONOLULU, HAWAII 96813**

March 31, 2008

TESTIMONY to be PRESENTED to the
HOUSE COMMITTEE ON FINANCE
For Hearing on Tuesday, April 1, 2008
2:00 P.M., Conference Room 308

By

MARIE C. LADERTA
CHIEF NEGOTIATOR

on

**Senate Bill No. 1780 S.D. 2, Proposed H.D. 2
Relating to Employment**

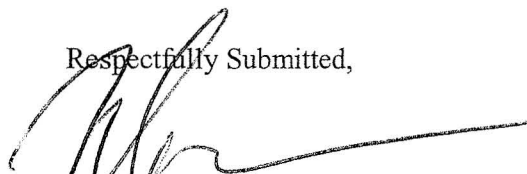
CHAIR OSHIRO AND MEMBERS OF THE HOUSE COMMITTEE ON FINANCE:

The Office of Collective Bargaining is in opposition to S. B. No. 1780 S.D. 2, Proposed H.D. 2 which is to amend Section 89-10 subsection (c) to require the public employer and the exclusive representative for each bargaining unit to include provisions in their respective collective bargaining agreement that provide for a duration not exceeding two years.

This does not allow public employers and exclusive representatives the flexibility to negotiate terms and packages that cover wages, hours, and conditions of employment for time periods as is deemed necessary by the parties. We also understand the concern to ensure fiscal viability and recommend replacing the language with administration bill S.B. 3106 Relating to Interest Arbitration. This is a better approach to a balanced and sound financial plan as required by the official revenue forecasts of the Council on Revenues.

Thank you for this opportunity to testify on this measure.

Respectfully Submitted,



MARIE C. LADERTA

LINDA LINGLE
GOVERNOR



MARIE C. LADERA
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

March 31, 2008

WRITTEN COMMENTS TO THE
HOUSE COMMITTEE ON FINANCE
For Hearing on Tuesday, April 1, 2008
2:00 p.m., Conference Room 308

BY

MARIE C. LADERA, DIRECTOR

Senate Bill No. 1780, SD2, proposed HD2
Relating to Employment

TO CHAIRPERSON MARCUS R. OSHIRO AND MEMBERS OF THE
COMMITTEE:

The purpose of S.B. No. 1780, SD2, proposed HD2 is to amend Section 89-10(c), Hawaii Revised Statutes, to require public employers and exclusive representatives for each bargaining unit to include provisions in their respective collective bargaining agreements that provide for a duration not exceeding two years.

The State **opposes** the proposed HD2.

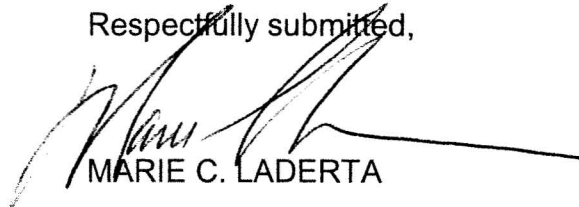
This bill would take away the flexibility that the public employers and employee unions currently have in negotiations. Under the present law, the parties are free to negotiate the duration of the contracts based on our respective

interests. For example, on some occasions the public employers may be willing to negotiate a contract of longer duration to get union agreement on critical terms in a contract. A contract of longer duration may also be desirable for labor stability and the ability to plan long-term operations and future expenditures. Mandating a two-year duration for all public employee contracts would remove the parties' ability to give and take from their respective positions in order to arrive at a mutually agreeable contract.

In light of our foregoing concern, we believe that Section 89-10(c), HRS, should not be amended as proposed in this bill.

Thank you for the opportunity to submit comments on this matter.

Respectfully submitted,



MARIE C. LADERTA

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 1780, S.D. 2, PROPOSED H.D. 2

April 1, 2008

RELATING TO EMPLOYMENT

The purpose of Senate Bill No. 1780, S.D. 2, Proposed H.D. 2, is to limit the duration of collective bargaining agreements negotiated between the employer and the exclusive representative of each bargaining unit to two years.

We do not support this bill. The ability to fashion agreements longer than two years has been used successfully in the past to reach terms acceptable to both the employer and to unions. This bill unnecessarily limits the flexibility in designing compensation and benefit packages in the course of collective bargaining negotiations.



THE JUDICIARY, STATE OF HAWAII

Testimony to the Twenty-Fourth State Legislature, 2008 Session

House Committee on Finance

The Honorable Marcus R. Oshiro, Chair

The Honorable Marilyn B. Lee, Vice Chair

Tuesday, April 1, 2008, 200 p.m.
State Capitol, Conference Room 308

By

Sharen M. Tokura

Human Resources Director

WRITTEN TESTIMONY

Bill No. and Title: Senate Bill No. 1780, S. D. 2, Proposed H. D. 2, Relating to Employment.

Purpose: Requires the public employer and the exclusive representative for each bargaining unit to include provisions in their respective collective bargaining agreement that provide for a duration not exceeding two years.

Judiciary's Position:

The Judiciary opposes this proposed legislation as it would restrict the employers' ability and flexibility to negotiate the various collective bargaining agreements. The length or duration of a collective bargaining agreement is a bargaining tool to derive the benefit of a long term contract without the threat of a strike or costly binding arbitration every two years.

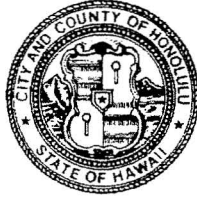
It would not be in the employers' best interest to have such flexibility curtailed as proposed by this legislation. As such, the Judiciary does not support the passage of this bill.

Thank you for the opportunity to testify on Senate Bill 1780, S.D. 2, Proposed H.D. 2.

DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 10th Floor
HONOLULU, HAWAII 96813

MUFI HANNEMANN
MAYOR



KENNETH Y. NAKAMATSU
DIRECTOR

March 31, 2008

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
The House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members of the Committee:

Subject: S.B. 1780, SD 2, with the proposed HD 2 Relating to Employment

The Department of Human Resources, City & County of Honolulu, **strongly opposes** S.B. 1780, SD 2, with the proposed HD 2, which seeks to limit the extent of collective bargaining agreements between the public employer and the exclusive representative for each bargaining unit. By amending HRS §89-10, the bill would unnecessarily interfere with the public employer's and the public unions' ability to negotiate the duration of collective bargaining agreements. Moreover, placing limitations on the duration of collective bargaining agreements could result in higher costs associated with interest arbitration as the parties would be forced to renegotiate their respective contracts every two (2) years, regardless of whether or not the parties collectively desire to do so.

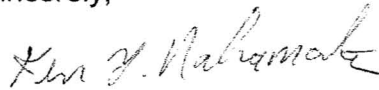
The limitations S.B. 1780, SD 2, with the proposed HD2, seeks can be addressed through collective bargaining. The current collective bargaining agreements contain provisions that provide dates that are negotiated. By allowing the parties to freely negotiate the duration of the agreements, it would ensure that the effectiveness and orderly operations of government are first and foremost.

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
March 31, 2008
Page 2

In addition, the passage of S.B. 1780, SD 2, with the proposed HD 2, would erode the intent and spirit of the Hawaii Public Employee Collective Bargaining Law if the parties were allowed to seek the enactment of laws relative to wages, hours and conditions of employment rather than addressing them through collective bargaining.

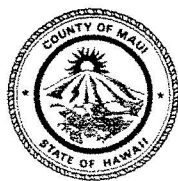
Based on the foregoing reasons, the City strongly opposes S.B. 1780, SD 2, with the proposed HD2.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Y. Nakamatsu". The signature is written in a cursive, flowing style.

KEN Y. NAKAMATSU
Director of Human Resources

CHARMAINE TAVARES
Mayor



LYNN G. KRIEG
Director

LANCE T. HIROMOTO
Deputy Director

COUNTY OF MAUI
DEPARTMENT OF PERSONNEL SERVICES

200 SOUTH HIGH STREET • WAILUKU, MAUI, HAWAII 96793-2155
PHONE (808) 270-7850 • FAX (808) 270-7969

Website: www.mauicounty.gov/departments/Personnel • Email: personnel.services@mauicounty.gov

March 31, 2008

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
The House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Representative Oshiro and Members of the Committee:

RE: SB1780, SD2, HD1, Relating to Employment (Proposed HD 2)

I am Lynn G. Krieg, Director of Personnel Services for the County of Maui, and we are not in favor of the proposed draft language.

This proposal would tie the hands of both parties at the negotiations table. Currently, duration can be used as a bargaining tool and it affords flexibility in fashioning various offers. Depending on the economic forecasts and the offers that are packaged, just because a contract extends beyond two years does not necessarily have to result in across-the-board increases for everyone at the same time in each year, etc. If you lock the parties in to a two-year contract, chances are you will lock in the thinking and the expectations.

While we understand that there may be concerns re contract commitments for future years without economic assurances, we would submit that the chief executives of each jurisdiction decide on the ability of their jurisdiction to commit to whatever offer is put across, including duration. These decisions are made in consultation with their financial advisors from their budget and finance offices. No one has a crystal ball, but the offers are based on the best information available at the time. Fear of "...what could happen if..." is present in every aspect of life, but it should not stop us from moving forward.

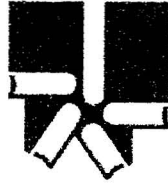
Based on the foregoing, we recommend that the proposal be tabled.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn G. Krieg".

LYNN G. KRIEG
Director of Personnel Services

cc: Mayor Charmaine Tavares



House of Representatives
Committee on Finance
April 1, 2008
2:00 p.m.

S.B. No. 1780 S.D.2, H.D.2 Relating to Employment

The University of Hawaii Professional Assembly strongly opposes S.B. 1780, S.D.2, H.D.2.

The premise upon which it is based is that it is good public policy and in the public interest that in the course of collective bargaining, the public employer and the exclusive representative for each bargaining unit limit their respective collective bargaining agreements to a duration not exceeding two years and ending on June 30th of an odd-numbered year.

However, that is not a sound premise. Collective bargaining is a dynamic process that includes the idea that the parties to a contract have rights, as does, in the case of public contracts, the public. The proposal does not say what happens when, as has happened on numerous occasions, the employers simply fail to agree. The proposal does not contemplate strikes, as have occasionally happened in Hawaii. The proposal simply puts forth the premise that two years are better than any other duration. That a two year contract is the "best." There is no evidence to substantiate that.

Respectfully Submitted,

J.N. Musto
Executive Director

UNIVERSITY OF HAWAII
PROFESSIONAL ASSEMBLY

1017 Palm Drive · Honolulu, Hawaii 96814-1928
Telephone: (808) 593-2157 · Facsimile: (808) 593-2160
Web Page: <http://www.uhpa.org>



The Twenty Fourth Legislature
House of Representatives
Committee on Finance

Testimony on behalf of
Hawaii Fire Fighters Association, IAFF, AFL-CIO, Local 1463

S.B. 1780, Proposed H.D. 2 Relating to Employment

My name is Robert H. Lee and I am the President of the Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO. On behalf of the 1,800 professional and 800 retired fire fighters throughout the State, the Hawaii Fire Fighters Association opposes S.B. 1780, Proposed H.D. 2, which requires the public employer and the exclusive representative for each bargaining unit to include provisions in their respective collective bargaining agreement that provide for a duration not to exceed two years.

The HFFA opposes the Proposed House Draft 2. While we have had a number of two year contracts and currently we are completing the first year of the four year contract. This measure usurps the ability of the employers to enter into mutually agreed terms with respect to the duration of the contract. As you know, contract negotiations and arbitrations are processes which require much resources which is best directed as the employers see fit.

Thank you for the opportunity to testify in opposition of this proposal. We urge the committee to reconsider the proposal and hold the bill in committee.