

STAND. COM. REP. NO. 1208

Honolulu, Hawaii

March 25, 2009

RE: S.B. No. 642  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 642, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,"

begs leave to report as follows:

The purpose of this bill is to provide fairness in health and retirement benefits for excluded employees in the excluded managerial compensation plan by requiring:

- (1) Adjustments for excluded civil service employees to be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded; and
- (2) Adjustments for excluded employees in the excluded managerial compensation plan to be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded.

The Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO testified in support of this bill. The Judiciary did not

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support this measure. The Department of Human Resources of the County of Hawaii provided comments and amendments to this bill.

Your Committee understands that concerns have been raised regarding the broad interpretation of current statutory language regarding collective bargaining that may be interpreted in such a way that, in essence, a union would become a de-facto negotiating body for excluded employees. This measure addresses this issue and ensures fairness for public employees excluded from collective bargaining.

However, concerns continued to be raised about the references to changes in health or retirement benefits contained in this measure since these items are not subject to negotiations under current law. As such, your Committee has amended this measure by:

- (1) Clarifying that the required adjustments for excluded civil service employees and excluded employees in the excluded managerial compensation plan apply to wage increases or reductions, step movements, and employer contributions for health benefits as provided for under the collective bargaining agreements under which these employees are excluded;
- (2) Changing its effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee also notes that according to the Judiciary, after having discussions with the union representative testifying in support of this measure regarding the proposed amendments, the Judiciary withdrew its opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 642, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 642, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,

*Karl Rhoads*

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KARL RHOADS, Chair



