

Honolulu, Hawaii

FEB 20 2009

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

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Labor, to which was referred S.B. No. 642
entitled:

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

begs leave to report as follows:

The purpose of this measure is to require that adjustments for excluded employees in the excluded managerial compensation plan be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining to employees in the bargaining unit from which the employees in the excluded managerial compensation plan are excluded.

This measure seeks to clarify the application of:

- (1) Section 89C-2(5), Hawaii Revised Statutes, which states that adjustments for certain excluded employees shall "to the extent practicable, uniformly apply to every excluded employee within a homogeneous grouping, such as, cabinet members or managerial employees, to ensure fairness"; and
- (2) Section 89C-3(b)(2), Hawaii Revised Statutes, which states that the personnel director of each jurisdiction shall provide recommendations to the appropriate authority that shall "ensure that adjustments for excluded civil service employees result in compensation and benefit packages that are at least equal to the



compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction."

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency, one county agency, one organization, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current application of section 89C-2(5), Hawaii Revised Statutes, and section 89C-3(b)(2), Hawaii Revised Statutes, allows excluded employees in the excluded managerial compensation plan to receive adjustments, including overtime compensation, equal to those provided to their non-excluded counterparts through collective bargaining agreements.

Your Committee believes that this measure is necessary to revise the current application of sections 89C-2 and 89C-3, Hawaii Revised Statutes, to an application that is fair for employees included in and excluded from bargaining units.

Your Committee has accordingly amended this measure as follows:

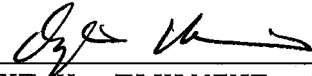
- (1) By deleting section 1 of the measure, which amended the definition of "adjustment";
- (2) By adding a provision to section 89C-2, Hawaii Revised Statutes, and similar amendments to section 89C-3, Hawaii Revised Statutes, that require adjustments for excluded employees in the excluded managerial 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;
- (3) By amending section 89C-3(b)(2), Hawaii Revised Statutes, to provide similar conforming adjustments to excluded civil service employees under the same classification systems as employees within collective bargaining units; and



- (4) By amending the effective date to July 1, 2050, for the purpose of encouraging further discussion.

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

Respectfully submitted on
behalf of the members of the
Committee on Labor,




DWIGHT Y. TAKAMINE, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* SB 042	Committee Referral: LBR, WAM	Date: 2-17-89		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TAKAMINE, Dwight Y. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BUNDA, Robert	✓			
HEE, Clayton	✓			
SLOM, Sam		✓		
TOTAL	4	1	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes