

SB 518



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

February 12, 2009

TESTIMONY TO THE
SENATE COMMITTEES ON HEALTH & LABOR
For Hearing on Friday, February 13, 2009
2:45 p.m., Conference Room 016

By

MARIE C. LADERTA
CHIEF NEGOTIATOR

**Senate Bill No. 518
Relating to Collective Bargaining**

WRITTEN TESTIMONY ONLY

CHAIRPERSONS IGE AND TAKAMINE AND MEMBERS OF THE SENATE
COMMITTEES ON HEALTH & LABOR:


The purpose of S. B. No. 518 is to establish seven (7) separate collective bargaining units for employees of the Hawaii Health Systems Corporation ("HHSC").

The Office of Collective Bargaining has **strong concerns** with the proposed amendments to Chapter 89, HRS.

In this bill it is unclear how many votes the Governor would have, versus the six votes that she now has for the similar bargaining units. In order to maintain continuity between similar bargaining units, fiscal control over cost items, and ensure the continued viability of management rights, the Governor should have a majority vote on collective bargaining negotiations for similar bargaining units.

Thank you for the opportunity to testify on this measure.

Respectfully Submitted,



MARIE C. LADERTA

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON HEALTH AND LABOR
ON
SENATE BILL NO. 518

February 13, 2009

RELATING TO COLLECTIVE BARGAINING

The purpose of Senate Bill No. 518 is to establish seven new collective bargaining units for employees of the Hawaii Health Systems Corporation.

Currently, the Hawaii Health Systems Corporation has employees in bargaining units: (1) Nonsupervisory employees in blue collar positions; (2) Supervisory employees in blue collar positions; (3) Nonsupervisory employees in white collar positions; (4) Supervisory employees in white collar positions; (9) Registered Professional Nurses; (10) Institutional, Health, and Correctional workers; and (13) Professional and Scientific employees, who cannot be included in any of the other bargaining units. Senate Bill No. 518 creates bargaining units (14) through (20) for employees of the Hawaii Health Systems Corporation in each of the above classes.

While we support forming separate bargaining units for the Hawaii Health Systems Corporation employees, we cannot support the bill in its current form due to the employer approval voting structure it implements.

Because the Hawaii Health Systems Corporation has been operating under a revenue shortfall, collective bargaining agreements for the Hawaii Health Systems Corporation employees have been funded out of the State general fund. Assuming this practice continues, this bill would place the Governor in the position of having no vote in the



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

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Joint Hearing

Committee on Health
Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair

Committee on Labor
Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

Friday, February 13, 2009
2:45 PM
Conference Room 016
Hawaii State Capitol

SB 518 RELATING TO COLLECTIVE BARGAINING

Creates seven (7) new collective bargaining units for HHSC employees with voting rights provided to the HHSC Corporate Board and Regional System Boards.

Thomas M. Driskill, Jr.
President & Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Board of Directors, thank you for the opportunity to provide testimony in support of SB 518.

SB 518 provides for the creation of seven (7) new collective bargaining units specifically for HHSC employees with the Hawaii Government Employees Association and United Public Workers unions. We appreciate that this bill will provide the Hawaii Health Systems Corporation and its regions the autonomy to negotiate directly with the respective unions that would help to further address our own healthcare and system needs separately from the other Public Employers.

We appreciate the intent of this bill; we hope that it will get further discussion but we also ask that you carry these thoughts into support of SB 1138 which provides for grandfathering of employees through the creation of two new separate bargaining units.

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www.hhsc.org <<http://www.hhsc.org>>



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

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The Twenty-Fifth Legislature, State of Hawaii
Hawaii State Senate
Committee on Labor
Committee on Health

Testimony by
Hawaii Government Employees Association
February 13, 2009

S.B. 518 – RELATING TO
COLLECTIVE BARGAINING

The Hawaii Government Employees Association opposes the purpose and intent of S.B. 518. The bill proposes to amend Chapter 89, HRS, to establish seven separate bargaining units comprised of Hawaii Health Systems Corporation employees. Doing so will complicate negotiations considerably. The current collective bargaining system allows for supplemental agreements and memoranda of understanding to address specific situations and problems within a particular jurisdiction that affects their employees.

Thank you for the opportunity to express our opposition about S.B. 518.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director

The Twenty-Fifth Legislature
Regular Session of 2009

THE SENATE

Committee on Health

Sen. David Y. Ige, Chair
Sen. Josh Green, M.D., Vice Chair

Committee on Labor

Sen. Dwight Y. Takamine, Chair
Sen. Brian T. Taniguchi, Vice Chair

State Capitol, Conference Room 016
Friday, February 13, 2009; 2:45 p.m.

STATEMENT OF THE ILWU LOCAL 142 ON S.B. 61, S.B. 1136, S.B. 1138, S.B. 518

The ILWU Local 142 wishes to express concerns and questions about S.B. 61, S.B. 1136, S.B. 1138, and S.B. 518, all related to Hawaii Health Systems Corporation. We comment on these bills as the representative of thousands of ILWU members and retirees who are consumers of services provided by Hawaii Health Systems Corporation.

S.B. 61 will permit Hawaii Health Systems Corporation to be a private nonprofit entity, presumably able to raise its own funds and continue to be the health care safety net by providing affordable, accessible and quality health care. But what happens if the nonprofit corporation is not financially viable? Can the corporation close up shop? What then happens to the "safety net" of services for those in remote areas of the neighbor islands?

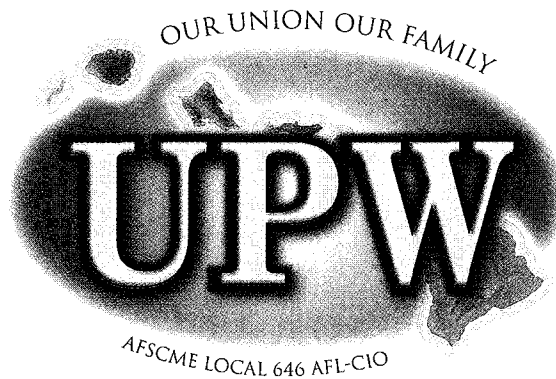
S.B. 1136 proposes to outsource certain services of HHSC. The bill does not specify what services would be outsourced, but it is likely that civil service positions would be lost. Yet no one has been able to say, definitively, that outsourcing will produce better, more cost-effective outcomes. In order for HHSC to save money, the workers retained by the outsourcing entity must pay them less than current workers are paid, a distasteful likelihood. In addition, HHSC will be paying the outsourcing entity for management services.

S.B. 1138 and S.B. 518 appears designed to diminish collective bargaining, which we are opposed to on principle. Setting up separate retirement and personnel systems and bargaining units seem unnecessary and costly but are likely mechanisms to eliminate collective bargaining altogether.

The ILWU requests that the Committees consider our concerns and the potential that needed safety net services will be jeopardized by these proposals. Thank you for the opportunity to testify on these measures.

approval of Hawaii Health Systems collective bargaining agreements, yet having to fund the cost of any agreement agreed to by the Hawaii Health Systems Corporation and the regional boards. This voting arrangement would also allow the Hawaii Health Systems Corporation to unilaterally create precedents for similar public employees in other bargaining units. A voting arrangement giving the Governor at least an equal number of votes as the Hawaii Health Systems Corporation/regional boards needs to be incorporated to preserve the fiscal integrity of the State.

The bill also changes the voting structure for bargaining units (1), (2), (3), (4), (9), (10), and (13) to an unspecified number of votes for the Governor. In order for the current balance to be maintained, the Governor needs to have at least five votes under the new structure.



The Senate
The Twenty-Fifth Legislature
Regular Session of 2009

Committee on Health
Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair

Committee on Labor
Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

DATE: Friday, February 13, 2009
TIME: 2:45 p.m.
PLACE: Conference Room 016
State Capitol
415 South Beretania Street

**TESTIMONY OF THE UNITED PUBLIC WORKERS, AFSCME, LOCAL 646,
AFL-CIO ON S.B. 518 RELATING TO COLLECTIVE BARGAINING**

My name is Dayton M. Nakanelua, and I am the state director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). In behalf of approximately 500 blue collar, non-supervisory employees from bargaining unit 1 and 2,900 institutional, health, and correctional workers from bargaining unit 10 who are currently employed by the Hawaii Health Systems Corporation (HHSC), the UPW strenuously opposes Senate Bill No. 518 which proposes to combine employees in bargaining units 1, 2, 3, 4, 9, 10, and 13 who are employed by HHSC into a single bargaining unit to be designated as bargaining unit 14. This measure disregards more than thirty-seven years of a stable collective bargaining relationship for health care in Hawaii,

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HAWAII - 362 East Lanikaula Street ♦ Hilo, Hawaii 96720-4336 ♦ Phone: (808) 961-3424
KAUAI - 4211 Rice Street ♦ Lihue, Hawaii 96766-1325 ♦ Phone: (808) 245-2412
MAUI - 841 Kolu Street ♦ Wailuku, Hawaii 96793-1436 ♦ Phone: (808) 244-0815
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pits one union against another, and effectively encourages a decertification process affecting exclusive bargaining representatives, without justification or good cause.

When collective bargaining was authorized in the public sector in 1970 lawmakers decided to establish thirteen bargaining units¹ by "occupational categories" based on "existing compensation plans, the nature of work involved, and the essentiality of services provided to the public" in part to maintain the merit principles and the principle of equal pay for equal work and to minimize jurisdictional disputes. See Sen. Stand. Comm. Rep. No. 745-70, 1970 Senate Journal. Following elections in bargaining units 1 and 10 in 1971 and 1972 the UPW was certified as the exclusive representative of employees in the State of Hawaii and the various counties in both units. Since then more than 16 successive agreements have been negotiated with public employers setting forth wages, hours, and other terms and conditions of employment for employees, and a stable relationship has evolved.

After HHSC was established in 1996 (through chapter 323F), the collective bargaining statute was amended to include the board of directors of HHSC with a full vote under Section 89-6 (d) HRS, in the multi-employer bargaining process. In addition, HHSC was granted authority to negotiate supplemental agreements separately with the exclusive representatives under Section 89-6 (e), HRS. The involvement of HHSC in the multi-employer bargaining process to negotiate the master agreements has been highly productive because it includes HHSC in a broader inter-governmental context. At the same time the right to negotiate supplemental agreements affords the HHSC the required flexibility it needs to meet its special needs. We have worked

¹ The number of employees by bargaining units as reported by the Hawaii Labor Relations Board is attached.

cooperatively with HHSC over the past 12 years recognizing the value of both uniformity and flexibility.

In the past two years we have had ongoing discussions with HHSC over their budget shortfalls. They have done extensive studies to indicate the basic reasons for the present fiscal crisis in health care. Public hearings have been held to discuss these causes. At no time has any HHSC official ever suggested that the fiscal challenge confronting HHSC is in any way linked to the collective bargaining process or the structure of the bargaining units established in 1970 under chapter 89. There is no evidence of any past jurisdictional conflicts in HHSC which has disrupted public services.

However, if this measure is adopted it places employees who do not share a community of interest in the same bargaining unit, and pits employee against employee, and union against union. For employees who have previously been in bargaining unit 1 it eliminates the right to strike. Professional registered nurses will be placed in the same bargaining unit with blue collar, non-supervisory employees in spite of their obvious differences in role, training, and interests. It will cause a jurisdictional conflict between existing exclusive bargaining representatives, and will result in a decertification process of at least one of the labor organizations. The realignment of bargaining units will significantly and materially change the rights of employees when the threat to job security is greatest. This is an unprecedented course of action for the legislature, and we respectfully urge you not to adopt Senate Bill No. 518.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 12, 2009 9:40 AM
To: HTHTestimony
Cc: jwalker1@hhsc.org
Subject: Testimony for SB518 on 2/13/2009 2:45:00 PM

Categories: Green Category, Blue Category

Testimony for HTH-LBR 2/13/2009 2:45:00 PM SB518

Conference room: 016
Testifier position: support
Testifier will be present: No
Submitted by: Jerry Walker
Organization: West Kauai Medical Center
Address: 4643 Waimea Canyon Drive Waimea, Hi 96796
Phone: 808-338-9422
E-mail: jwalker1@hhsc.org
Submitted on: 2/12/2009

Comments:

The Kauai Region includes the West Kauai Medical Center / KVMH; West Kauai Clinics - Waimea, Eleele, Kalaheo; Mahelona Medical Center / SMMH, supports SB518. The bill would create new collective bargaining units for HHSC reducing the current six units to two.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 12, 2009 4:42 PM
To: HTHTestimony
Cc: egreenia@hhsc.org
Subject: Testimony for SB518 on 2/13/2009 2:45:00 PM

Categories: Green Category, Blue Category

Testimony for HTH-LBR 2/13/2009 2:45:00 PM SB518

Conference room: 016
Testifier position: support
Testifier will be present: No
Submitted by: Earl Greenia
Organization: Kona Community Hospital
Address:
Phone:
E-mail: egreenia@hhsc.org
Submitted on: 2/12/2009

Comments:

This important bill will provide HHSC hospitals greater flexibility to manage personnel expenses.