
A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The purpose of this Act is to address certain
2 public employment issues by, among other things:
- 3 (1) Dividing certain public employees' collective
4 bargaining units into state and county units;
- 5 (2) Repealing, for certain collective bargaining units,
6 mandatory arbitration to resolve an impasse in
7 negotiation for a collective bargaining agreement;
- 8 (3) Requiring, in mandatory or voluntary arbitration, the
9 arbitration panel or arbitrator to select one party's
10 final position in its entirety as the final agreement;
- 11 (4) Making the amount of health fund contributions for
12 active employees arbitrable for collective bargaining
13 units without the right to strike; and
- 14 (5) Requiring a public employer and collective bargaining
15 unit to agree to a single flat dollar amount as the
16 employer's health fund contribution for every employee
17 in the unit who enrolls in a health benefits plan.



1 The legislature finds that the current system of
2 different public employers' health benefits plan
3 contributions for public employees is not equitable.
4 Public employees who enroll in more costly plans
5 receive higher public employers' contributions than
6 public employees enrolled in less costly plans or not
7 enrolled at all. This Act seeks to rectify the
8 inequity; and

9 (6) Repeals the group life insurance benefits.

10 The legislature intends that, for a collective bargaining
11 unit not subject to mandatory arbitration, this Act shall not
12 prohibit voluntary arbitration upon agreement between the
13 pertinent exclusive representative and public employer.

14 SECTION 2. Section 87A-31, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§87A-31 Trust fund; purpose.** (a) The fund shall be used
17 to provide employee-beneficiaries and dependent-beneficiaries
18 with health and other benefit plans, and to pay administrative
19 and other expenses of the fund. All assets of the fund are and
20 shall be dedicated to providing health and other benefits plans
21 to the employee-beneficiaries and dependent-beneficiaries in
22 accordance with the terms of those plans and to pay



1 administrative and other expenses of the fund, and shall be used
2 for no other purposes except for those set forth in this
3 section.

4 (b) The fund, including any earnings on investments, and
5 rate credits or reimbursements from any carrier or self-insured
6 plan and any earning or interest derived therefrom, may be used
7 to stabilize health and other benefit plan rates; provided that
8 the approval of the governor and the legislature shall be
9 necessary to fund administrative and other expenses necessary to
10 effectuate these purposes.

11 ~~[(e) The fund may be used to provide group life insurance~~
12 ~~benefits to employees to the extent that contributions are~~
13 ~~provided for group life insurance benefits in sections 87A-32~~
14 ~~and 87A-37.~~

15 ~~+(d)]~~ (c) The fund may assist the State and the counties to
16 implement and administer cafeteria plans authorized under Title
17 26 United States Code section 125, the Internal Revenue Code of
18 1986, as amended~~[, and part II of chapter 78].~~

19 ~~[(e)]~~ (d) At the discretion of the board, some or all of
20 the fund may be used as a reserve against or to pay the fund's
21 future costs of providing health and other benefits plans
22 established under sections 87A-23 and 87A-37 and any other



1 benefits plans the board establishes for retired employees and
2 their beneficiaries. The board may create separate funds within
3 the fund for this purpose. Each separate fund shall be subject
4 to all of the provisions of this chapter."

5 SECTION 3. Section 87A-32, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[~~f~~]**§87A-32**[~~f~~] **State and county contributions**[~~f~~] **for**
8 **health benefits plan; active employees.** [~~a~~] The State,
9 through the department of budget and finance, and the counties,
10 through their respective departments of finance, shall pay to
11 the fund a monthly contribution equal to the amount established
12 under chapter 89C or specified in the applicable public sector
13 collective bargaining agreements, whichever is appropriate, for
14 each of their respective employee-beneficiaries and employee-
15 beneficiaries with dependent-beneficiaries, which shall be used
16 toward the payment of the costs of [~~a~~] the health benefits
17 plan[~~f~~] in which the employee-beneficiary is enrolled; provided
18 that:

- 19 (1) The monthly contribution shall be a specified dollar
20 amount;



1 (2) The monthly contribution shall not exceed the actual
2 cost of [a] the health benefits plan in which the
3 employee-beneficiary is enrolled;

4 (3) If both husband and wife are employee-beneficiaries,
5 and they select a two-party or family plan, the total
6 monthly contribution for them by the State or the
7 county shall not exceed the [~~monthly contribution for~~
8 ~~a family plan~~] lesser of the following:

9 (A) Sum of the contributions to which both are
10 entitled under the applicable collective
11 bargaining agreement or chapter 89C, as
12 applicable; or

13 (B) Actual cost of the plan; and

14 (4) If the State or any of the counties establish
15 cafeteria plans in accordance with Title 26, United
16 States Code section 125, the Internal Revenue Code of
17 1986, as amended, [~~and part II of chapter 78,~~] the
18 monthly contribution for those employee-beneficiaries
19 who participate in a cafeteria plan shall be made
20 through the cafeteria plan, and the payments made by
21 the State or counties shall include their respective
22 contributions to the fund and their employee-



1 beneficiary's share of the cost of the employee-
2 beneficiary's health benefits plan.

3 ~~[(b) The State, through the department of budget and~~
4 ~~finance, and the counties, through their respective departments~~
5 ~~of finance, shall pay to the fund a monthly contribution equal~~
6 ~~to the amount established under chapter 89C or specified in the~~
7 ~~applicable public sector collective bargaining agreement,~~
8 ~~whichever is applicable, for each of their respective employees,~~
9 ~~to be used toward the payment of group life insurance benefits~~
10 ~~for each employee.]"~~

11 SECTION 4. Section 89-2, Hawaii Revised Statutes, is
12 amended as follows:

13 1. By amending the definition of "collective bargaining"
14 to read:

15 ""Collective bargaining" means the performance of the
16 mutual obligations of the public employer and an exclusive
17 representative to meet at reasonable times, to confer and
18 negotiate in good faith, and to execute a written agreement with
19 respect to wages, hours, ~~[amounts of contributions]~~ amount of
20 contribution by the State ~~[and]~~ or counties to the Hawaii
21 ~~[public employees health fund,]~~ employer-union health benefits
22 trust fund, and other terms and conditions of employment, except



1 that by any such obligation neither party shall be compelled to
2 agree to a proposal, or be required to make a concession. For
3 the purposes of this definition, "wages" includes the number of
4 incremental and longevity steps, the number of pay ranges, and
5 the movement between steps within the pay range and between the
6 pay ranges on a pay schedule under a collective bargaining
7 agreement."

8 2. By amending the definition of "employee organization"
9 to read:

10 ""Employee organization" means any organization of any kind
11 in which public employees participate and which exists for the
12 primary purpose of dealing with public employers concerning
13 grievances, labor disputes, wages, hours, [~~amounts of~~
14 ~~contributions~~] amount of contribution by the State [~~and~~] or
15 counties to the Hawaii [~~public employees health fund,~~] employer-
16 union health benefits trust fund, and other terms and conditions
17 of employment of public employees."

18 SECTION 5. Section 89-6, Hawaii Revised Statutes, is
19 amended as follows:

20 1. By amending subsections (a) and (b) to read:



1 "(a) All employees throughout the State within any of the
2 following categories shall constitute an appropriate bargaining
3 unit:

- 4 (1) (A) Nonsupervisory employees in blue collar
5 positions[+] under the state government;
6 (B) Nonsupervisory employees in blue collar positions
7 under any county government;
8 (2) (A) Supervisory employees in blue collar positions[+]
9 under the state government;
10 (B) Supervisory employees in blue collar positions
11 under any county government;
12 (3) (A) Nonsupervisory employees in white collar
13 positions[+] under the state government;
14 (B) Nonsupervisory employees in white collar
15 positions under any county government;
16 (4) (A) Supervisory employees in white collar
17 positions[+] under the state government;
18 (B) Supervisory employees in white collar positions
19 under any county government;
20 (5) Teachers and other personnel of the department of
21 education under the same pay schedule, including part-



- 1 time employees working less than twenty hours a week
2 who are equal to one-half of a full-time equivalent;
- 3 (6) Educational officers and other personnel of the
4 department of education under the same pay schedule;
- 5 (7) Faculty of the University of Hawaii and the community
6 college system;
- 7 (8) Personnel of the University of Hawaii and the
8 community college system, other than faculty;
- 9 (9) (A) Registered professional nurses[+] under the state
10 government;
- 11 (B) Registered professional nurses under any county
12 government;
- 13 (10) (A) Institutional, health, and correctional
14 workers[+] under the state government;
- 15 (B) Institutional, health, and correctional workers
16 under any county government;
- 17 (11) (A) Firefighters[+] under the state government;
18 (B) Firefighters under any county government;
- 19 (12) Police officers; [and]
- 20 (13) (A) Professional and scientific employees[+] under
21 the state government who cannot be included in



1 any of the other bargaining units~~[-]~~ comprised of
2 state employees; and

3 (B) Professional and scientific employees under any
4 county government who cannot be included in any
5 of the other bargaining units comprised of county
6 employees.

7 (b) Because of the nature of the work involved and the
8 essentiality of certain occupations that require specialized
9 training, supervisory employees who are eligible for inclusion
10 in bargaining units (9) (A) through (13) (B) shall be included in
11 bargaining units (9) (A) through (13) ~~[-]~~ (B), respectively,
12 instead of bargaining unit (2) (A), (2) (B), (4) (A), or
13 (4) ~~[-]~~ (B)."

14 2. By amending subsection (d) to read:

15 "(d) For the purpose of negotiating a collective
16 bargaining agreement, the public employer of an appropriate
17 bargaining unit shall mean the governor together with the
18 following employers:

19 (1) For bargaining units (1) ~~[-]~~ (A), (2) ~~[-]~~ (A), (3) ~~[-]~~ (A),
20 (4) ~~[-]~~ (A), (9) ~~[-]~~ (A), (10) ~~[-]~~ (A), and (13) ~~[-]~~ (A), the
21 governor shall have ~~[six]~~ two votes and ~~[the mayors]~~
22 the chief justice~~[-]~~ and the Hawaii health systems



1 corporation board shall each have one vote if they
2 have employees in the particular bargaining unit;

3 (2) For bargaining units (1) (B), (2) (B), (3) (B), (4) (B),
4 (9) (B), (10) (B), (11) (B), (12), and (13) (B), each
5 mayor shall have one vote;

6 [~~2~~] (3) For bargaining [~~units (11) and (12),~~] unit
7 (11) (A), the governor shall have [~~four votes and the~~
8 ~~mayors shall each have one~~] the only vote;

9 [~~3~~] (4) For bargaining units (5) and (6), the governor
10 shall have three votes, the board of education shall
11 have two votes, and the superintendent of education
12 shall have one vote; and

13 [~~4~~] (5) For bargaining units (7) and (8), the governor
14 shall have three votes, the board of regents of the
15 University of Hawaii shall have two votes, and the
16 president of the University of Hawaii shall have one
17 vote.

18 Any decision to be reached by the applicable employer group
19 shall be on the basis of simple majority [~~, except when a~~
20 ~~bargaining unit includes county employees from more than one~~
21 ~~county. In such case, the simple majority shall include at~~
22 ~~least one county]."~~

1 SECTION 6. Section 89-9, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) Negotiations relating to contributions to the Hawaii
4 employer-union health benefits trust fund shall be for the
5 purpose of agreeing upon the ~~[amounts which]~~ amount that the
6 State [and] or counties shall contribute under [section 87-4,]
7 section 87A-32, toward the payment of the costs for a health
8 benefits plan, as defined in section ~~[87-1(8), and group life~~
9 ~~insurance benefits, and the]~~ 87A-1. A public employer and
10 collective bargaining unit shall agree to a single dollar amount
11 as the health benefits plan monthly contribution for every
12 member of the unit who enrolls in a health benefits plan. The
13 parties shall not be bound by the amounts contributed under
14 prior agreements~~[/ provided that section 89-11 for the~~
15 ~~resolution of disputes by way of arbitration shall not be~~
16 ~~available to resolve impasses or disputes relating to the~~
17 ~~amounts the State and counties shall contribute to the Hawaii~~
18 ~~employer-union health benefits trust fund]."~~

19 SECTION 7. Section 89-10, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:

21 "(b) All cost items shall be subject to appropriations by
22 the appropriate legislative bodies. The employer shall submit



1 within ten days of the date on which the agreement is ratified
2 by the employees concerned, all cost items contained therein to
3 the [~~appropriate~~] state legislature or the appropriate county
4 legislative [~~bodies,~~] body, as the case may be, except that if
5 any cost items require appropriation by the state legislature
6 and it is not in session at the time, the cost items shall be
7 submitted for inclusion in the governor's next operating budget
8 within ten days after the date on which the agreement is
9 ratified. The state legislature or the legislative bodies of
10 the counties [~~acting in concert~~], as the case may be, may
11 approve or reject the cost items submitted to them, as a whole.
12 If the state legislature or the legislative body of any county
13 rejects any of the cost items submitted to them, all cost items
14 submitted shall be returned to the parties for further
15 bargaining."

16 SECTION 8. Section 89-11, Hawaii Revised Statutes, is
17 amended as follows:

18 1. By amending subsection (a) to read:

19 "(a) A public employer and an exclusive representative may
20 enter, at any time, into a written agreement setting forth an
21 alternate impasse procedure culminating in an arbitration
22 decision pursuant to subsection (f), to be invoked in the event



1 of an impasse over the terms of an initial or renewed agreement.
2 The alternate impasse procedure shall specify whether the
3 parties desire an arbitrator or arbitration panel, how the
4 neutral arbitrator is to be selected or the name of the person
5 whom the parties desire to be appointed as the neutral
6 arbitrator, and other details regarding the issuance of an
7 arbitration decision. When an impasse exists, the parties shall
8 notify the board if they have agreed on an alternate impasse
9 procedure. The board shall permit the parties to proceed with
10 their procedure and assist at times and to the extent requested
11 by the parties in their procedure. If the alternative impasse
12 procedure is to culminate in an arbitration decision, the
13 procedure shall require the arbitration panel or arbitrator to
14 select one party's final position as the final arbitration
15 decision in the manner provided under subsection (e) (2) (D).

16 In the absence of an alternate impasse procedure, the board
17 shall assist in the resolution of the impasse at times and in
18 the manner prescribed in subsection (d) or (e), as the case may
19 be. If the parties subsequently agree on an alternate impasse
20 procedure, the parties shall notify the board. The board shall
21 immediately discontinue the procedures initiated pursuant to



1 subsection (d) or (e) and permit the parties to proceed with
2 their procedure."

3 2. By amending subsections (d), (e), (f), and (g) to read:

4 "(d) If an impasse exists between [a] the applicable
5 public employer and the exclusive bargaining representative of
6 bargaining unit (1) [~~7~~] (A) or (B), nonsupervisory employees in
7 blue collar positions [~~7~~] under the state government or county
8 governments, respectively; bargaining unit (2) (A) or (B),
9 supervisory employees in blue collar positions under the state
10 government or county governments, respectively; bargaining unit
11 (3) (A) or (B), nonsupervisory employees in white collar
12 positions under the state government or county governments,
13 respectively; bargaining unit (4) (A) or (B), supervisory
14 employees in white collar positions under the state government
15 or county governments, respectively; bargaining unit (5),
16 teachers and other personnel of the department of education;
17 [~~or~~] bargaining unit (6), educational officers and other
18 personnel of the department of education under the same salary
19 schedule; bargaining unit (7), faculty of the University of
20 Hawaii and the community college system [~~7~~]; bargaining unit (8),
21 personnel of the University of Hawaii and the community college
22 system, other than faculty; bargaining unit (9) (A) or (B),



1 registered professional nurses under the state government or
2 county governments, respectively; or bargaining unit (13)(A) or
3 (B), professional and scientific employees under the state
4 government or county governments, respectively; the board shall
5 assist in the resolution of the impasse as follows:

- 6 (1) Voluntary mediation. During the first twenty days of
7 the date of impasse, either party may request the
8 board to assist in a voluntary resolution of the
9 impasse by appointing a mediator or mediators,
10 representative of the public from a list of qualified
11 persons maintained by the board;
- 12 (2) Mediation. If the impasse continues more than twenty
13 days, the board shall appoint a mediator or mediators
14 representative of the public from a list of qualified
15 persons maintained by the board, to assist the parties
16 in a voluntary resolution of the impasse. The board
17 may compel the parties to attend mediation, reasonable
18 in time and frequency, until the fiftieth day of
19 impasse. Thereafter, mediation shall be elective with
20 the parties, subject to the approval of the board;



1 (3) Report of the board. The board shall promptly report
2 to the appropriate legislative body or bodies the
3 following circumstances as each occurs:

4 (A) The date of a tentative agreement and whether the
5 terms thereof are confidential between the
6 parties;

7 (B) The ratification or failure of ratification of a
8 tentative agreement;

9 (C) The signing of a tentative agreement;

10 (D) The terms of a tentative agreement; or

11 (E) On or about the fiftieth day of impasse, the
12 failure of mediation.

13 The parties shall provide the board with the requisite
14 information; and

15 (4) After the fiftieth day of impasse, the parties may
16 resort to such other remedies that are not prohibited
17 by any agreement pending between them, other
18 provisions of this chapter, or any other law.

19 (e) If an impasse exists between a public employer and the
20 exclusive representative of [~~bargaining unit (2), supervisory~~
21 ~~employees in blue collar positions; bargaining unit (3),~~
22 ~~nonsupervisory employees in white collar positions; bargaining~~



1 ~~unit (4), supervisory employees in white collar positions;~~
2 ~~bargaining unit (6), educational officers and other personnel of~~
3 ~~the department of education under the same salary schedule;~~
4 ~~bargaining unit (8), personnel of the University of Hawaii and~~
5 ~~the community college system, other than faculty; bargaining~~
6 ~~unit (9), registered professional nurses;] bargaining unit~~
7 ~~(10) [7] (A) or (B), institutional, health, and correctional~~
8 ~~workers[7] under the state government or county governments,~~
9 ~~respectively; bargaining unit (11) [7] (A) or (B), firefighters[7]~~
10 ~~under the state government or county governments, respectively;~~
11 ~~or bargaining unit (12), police officers[7; or bargaining unit~~
12 ~~(13), professional and scientific employees], the board shall~~
13 assist in the resolution of the impasse as follows:

14 (1) Mediation. During the first twenty days after the
15 date of impasse, the board shall immediately appoint a
16 mediator, representative of the public from a list of
17 qualified persons maintained by the board, to assist
18 the parties in a voluntary resolution of the impasse.

19 (2) Arbitration. If the impasse continues twenty days
20 after the date of impasse, the board shall immediately
21 notify the employer and the exclusive representative
22 that the impasse shall be submitted to a three-member



1 arbitration panel who shall follow the arbitration
2 procedure provided herein.

3 (A) Arbitration panel. Two members of the
4 arbitration panel shall be selected by the
5 parties; one shall be selected by the employer
6 and one shall be selected by the exclusive
7 representative. The neutral third member of the
8 arbitration panel, who shall chair the
9 arbitration panel, shall be selected by mutual
10 agreement of the parties. In the event that the
11 parties fail to select the neutral third member
12 of the arbitration panel within thirty days from
13 the date of impasse, the board shall request the
14 American Arbitration Association, or its
15 successor in function, to furnish a list of five
16 qualified arbitrators from which the neutral
17 arbitrator shall be selected. Within five days
18 after receipt of such list, the parties shall
19 alternately strike names from the list until a
20 single name is left, who shall be immediately
21 appointed by the board as the neutral arbitrator
22 and chairperson of the arbitration panel.



1 (B) Final positions. Upon the selection and
2 appointment of the arbitration panel, each party
3 shall submit to the panel, in writing, with copy
4 to the other party, a final position which shall
5 include all provisions in any existing collective
6 bargaining agreement not being modified, all
7 provisions already agreed to in negotiations, and
8 all further provisions which each party is
9 proposing for inclusion in the final agreement.
10 The final position shall include each party's
11 proposed amount of employer's health benefits
12 plan contribution for each member of the unit who
13 enrolls in a health benefits plan.

14 (C) Arbitration hearing. Within one hundred twenty
15 days of its appointment, the arbitration panel
16 shall commence a hearing at which time the
17 parties may submit either in writing or through
18 oral testimony, all information or data
19 supporting their respective final positions. The
20 arbitrator, or the chairperson of the arbitration
21 panel together with the other two members, are
22 encouraged to assist the parties in a voluntary



1 resolution of the impasse through mediation, to
2 the extent practicable throughout the entire
3 arbitration period until the date the panel is
4 required to issue its arbitration decision.

5 (D) Arbitration decision. Within thirty days after
6 the conclusion of the hearing, a majority of the
7 arbitration panel ~~[shall reach a decision~~
8 ~~pursuant to]~~, after complying with subsection (f)
9 ~~[on all provisions that each party proposed in~~
10 ~~its respective]~~, shall select one party's final
11 position [for inclusion] in its entirety as the
12 final agreement [and]. The selected final
13 position shall be deemed the decision of the
14 arbitration panel, and the panel shall transmit
15 ~~[a preliminary draft of its]~~ this decision to the
16 parties. ~~[The parties shall review the~~
17 ~~preliminary draft for completeness, technical~~
18 ~~correctness, and clarity and may mutually submit~~
19 ~~to the panel any desired changes or adjustments~~
20 ~~that shall be incorporated in the final draft of~~
21 ~~its decision. Within fifteen days after the~~
22 ~~transmittal of the preliminary draft, a majority~~



1 ~~of the arbitration panel shall issue the~~
2 ~~arbitration decision.]~~ The arbitration panel
3 shall not reach a decision that combines the
4 terms and conditions of both parties' final
5 positions.

6 (f) An arbitration panel in reaching its decision shall
7 give weight to the following factors and shall include in its
8 written report or decision an explanation of how the factors
9 were taken into account:

- 10 (1) The lawful authority of the employer, including the
11 ability of the employer to use special funds only for
12 authorized purposes or under specific circumstances
13 because of limitations imposed by federal or state
14 laws or county ordinances, as the case may be;
- 15 (2) Stipulations of the parties;
- 16 (3) The interests and welfare of the public;
- 17 (4) The financial ability of the employer to meet these
18 costs; provided that the employer's ability to fund
19 cost items shall not be predicated on the premise that
20 the employer may increase or impose new taxes, fees,
21 or charges, or develop other sources of revenues;



1 (5) The present and future general economic condition of
2 the counties and the State;

3 (6) Comparison of wages, hours, and conditions of
4 employment of the employees involved in the
5 arbitration proceeding with the wages, hours, and
6 conditions of employment of other persons performing
7 similar services, and of other state and county
8 employees in Hawaii;

9 (7) Comparison of the public employer's health benefits
10 plan contribution for the employees involved in the
11 arbitration proceeding with the public employer's
12 health benefits plan contributions for other state and
13 county employees;

14 [~~7~~] (8) The average consumer prices for goods or
15 services, commonly known as the cost of living;

16 [~~8~~] (9) The overall compensation presently received by
17 the employees, including direct wage compensation,
18 vacation, holidays and excused time, insurance and
19 pensions, medical and hospitalization benefits, the
20 continuity and stability of employment, and all other
21 benefits received;



- 1 ~~[(9)]~~ (10) Changes in any of the foregoing circumstances
2 during the pendency of the arbitration proceedings;
3 ~~[and]~~
- 4 (11) The impact on the public employer's contributions to
5 the employees' retirement system for the employees
6 involved in the arbitration proceeding;
- 7 (12) The completeness of each party's final position that
8 was submitted to arbitration; and
- 9 ~~[(10)]~~ (13) Such other factors, not confined to the
10 foregoing, which are normally or traditionally taken
11 into consideration in the determination of wages,
12 hours, and conditions of employment through voluntary
13 collective bargaining, mediation, arbitration, or
14 otherwise between the parties, in the public service
15 or in private employment.
- 16 (g) The decision of the arbitration panel shall be final
17 and binding upon the parties on all provisions submitted to the
18 arbitration panel. ~~[If the parties have reached agreement with~~
19 ~~respect to the amounts of contributions by the State and~~
20 ~~counties to the Hawaii employer union health benefits trust fund~~
21 ~~by the tenth working day after the arbitration panel issues its~~
22 ~~decision, the final and binding agreement of the parties on all~~



1 ~~provisions shall consist of the panel's decision and the amounts~~
2 ~~of contributions agreed to by the parties. If the parties have~~
3 ~~not reached agreement with respect to the amounts of~~
4 ~~contributions by the State and counties to the Hawaii employer-~~
5 ~~union health benefits trust fund by the close of business on the~~
6 ~~tenth working day after the arbitration panel issues its~~
7 ~~decision, the parties shall have five days to submit their~~
8 ~~respective recommendations for such contributions to the~~
9 ~~legislature, if it is in session, and if the legislature is not~~
10 ~~in session, the parties shall submit their respective~~
11 ~~recommendations for such contributions to the legislature during~~
12 ~~the next session of the legislature. In such event, the final~~
13 ~~and binding agreement of the parties on all provisions shall~~
14 ~~consist of the panel's decision and the amounts of contributions~~
15 ~~established by the legislature by enactment, after the~~
16 ~~legislature has considered the recommendations for such~~
17 ~~contributions by the parties. It is strictly understood that no~~
18 ~~member of a bargaining unit subject to this subsection shall be~~
19 ~~allowed to participate in a strike on the issue of the amounts~~
20 ~~of contributions by the State and counties to the Hawaii~~
21 ~~employer-union health benefits trust fund.] The parties shall~~
22 take whatever action is necessary to carry out and effectuate



1 the final and binding agreement. The parties may, at any time
2 and by mutual agreement, amend or modify the panel's decision.

3 Agreements reached pursuant to the decision of an
4 arbitration panel [~~and the amounts of contributions by the State~~
5 ~~and counties to the Hawaii employer-union health benefits trust~~
6 ~~fund, as provided herein,~~] shall not be subject to ratification
7 by the employees concerned. All items requiring any moneys for
8 implementation, including employers' health fund contributions,
9 shall be subject to appropriations by the appropriate
10 legislative bodies [~~and the employer~~]. The employers shall
11 submit all such items within ten days after the date on which
12 the agreement is entered into as provided herein, to the
13 appropriate legislative bodies."

14 SECTION 9. Section 87A-17, Hawaii Revised Statutes, is
15 repealed.

16 ["~~[§87A-17] Group life insurance benefits or group life~~
17 ~~insurance program. The board may provide benefits under a group~~
18 ~~life insurance benefits program or group life insurance program~~
19 ~~to employees.~~"]

20 SECTION 10. Section 87A-37, Hawaii Revised Statutes, is
21 repealed.



1 ~~["§87A-37] Group life insurance benefits plans for~~
2 ~~retired employees; contributions.~~ (a) ~~The State, through the~~
3 ~~department of budget and finance, and the counties, through~~
4 ~~their respective departments of finance, shall pay to the fund a~~
5 ~~monthly contribution for each retired employee enrolled in the~~
6 ~~fund's group life insurance benefits plan under section 87A-34,~~
7 ~~87A-35, and 87A-36.~~

8 ~~(b) Effective July 1, 2003, there is established a base~~
9 ~~monthly contribution of \$4.16 for each retired employee enrolled~~
10 ~~in a group life insurance plan; provided that the monthly~~
11 ~~contribution shall not exceed the actual cost of the group life~~
12 ~~insurance benefits plan. The base composite monthly~~
13 ~~contribution shall be adjusted annually beginning July 1, 2004.~~
14 ~~The adjusted base composite monthly contribution for each new~~
15 ~~plan year shall be calculated by increasing or decreasing the~~
16 ~~base composite monthly contribution in effect through the end of~~
17 ~~the previous plan year by the percentage increase or decrease in~~
18 ~~the medicare part B premium rate for those years. The~~
19 ~~percentage shall be calculated by dividing the medicare part B~~
20 ~~premium rate in effect at the beginning of the new plan year by~~
21 ~~the rate in effect through the end of the previous plan year.~~



1 ~~As used in this subsection, "medicare part B premium rate"~~
2 ~~means the rate published in the Federal Register each year on~~
3 ~~November 1 or on the business day closest to November 1 of each~~
4 ~~year after the medicare part B premium rate has been established~~
5 ~~by the Secretary of Health and Human Services and approved by~~
6 ~~the United States Congress."]~~

7 SECTION 11. (a) For the purpose of this section:

8 "New collective bargaining unit" means the collective
9 bargaining unit resulting from the division of a previous
10 collective bargaining unit. A "new collective bargaining unit"
11 is identified by a numeral and alphabet.

12 "Previous collective bargaining unit" means a collective
13 bargaining unit that was in existence on the day before the
14 effective date of this Act, which is divided into two separate
15 collective bargaining units by this Act. The term does not
16 include collective bargaining unit (5), (6), (7), (8), or (12).

17 (b) On the effective date of this Act:

18 (1) Collective bargaining unit (1) shall be divided into
19 collective bargaining unit (1)(A) and collective
20 bargaining unit (1)(B);



- 1 (2) Collective bargaining unit (2) shall be divided into
2 collective bargaining unit (2) (A) and collective
3 bargaining unit (2) (B);
- 4 (3) Collective bargaining unit (3) shall be divided into
5 collective bargaining unit (3) (A) and collective
6 bargaining unit (3) (B);
- 7 (4) Collective bargaining unit (4) shall be divided into
8 collective bargaining unit (4) (A) and collective
9 bargaining unit (4) (B);
- 10 (5) Collective bargaining unit (9) shall be divided into
11 collective bargaining unit (9) (A) and collective
12 bargaining unit (9) (B);
- 13 (6) Collective bargaining unit (10) shall be divided into
14 collective bargaining unit (10) (A) and collective
15 bargaining unit (10) (B);
- 16 (7) Collective bargaining unit (11) shall be divided into
17 collective bargaining unit (11) (A) and collective
18 bargaining unit (11) (B);
- 19 (8) Collective bargaining unit (13) shall be divided into
20 collective bargaining unit (13) (A) and collective
21 bargaining unit (13) (B); and



1 (9) After the divisions described under paragraphs (1) to
2 (8) are completed, collective bargaining units (1),
3 (2), (3), (4), (9), (10), (11), and (13) shall cease
4 to exist as single bargaining units.

5 (c) On the effective date of this Act, the exclusive
6 representative of a previous collective bargaining unit shall
7 become, without necessity of petition or election, the exclusive
8 representative of the two new collective bargaining units
9 resulting from the division of the previous collective
10 bargaining unit. The exclusive representative of the new
11 collective bargaining unit shall remain the same unless and
12 until changed in accordance with chapter 89, Hawaii Revised
13 Statutes.

14 (d) Any new, renewed, or extended collective bargaining
15 agreement, supplemental agreement, or memorandum of agreement in
16 effect for a previous collective bargaining unit on the day
17 before the effective date of this Act shall continue in effect
18 for the new collective bargaining units resulting from the
19 division of the previous collective bargaining unit. The new,
20 renewed, or extended collective bargaining agreement,
21 supplemental agreement, or memorandum of agreement shall be in



1 effect from the effective date of this Act until terminated,
2 expired, or superseded.

3 SECTION 12. The amendments made to section 89-9(e), Hawaii
4 Revised Statutes by section 6 of this Act shall be retained when
5 section 89-9(e) is reenacted on July 1, 2010 by section 1 of Act
6 5, Special Session Laws of Hawaii 2008.

7 SECTION 13. This Act shall to apply amounts of employers'
8 health fund contributions to be effective from July 1, 2011.

9 SECTION 14. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 15. This Act shall take effect on January 1, 2011.

12

INTRODUCED BY:

Calvin M. Ay

JAN 27 2010



Report Title:

Collective Bargaining Units; Arbitration; Health Fund
Contributions

Description:

Divides pertinent public employees' collective bargaining units into separate state and county units. Removes, for certain collective bargaining units, the provision for mandatory arbitration to resolve an impasse over negotiations. Requires an arbitration panel or arbitrator to select one party's final position in its entirety as the final agreement. Requires a public employer and collective bargaining unit to agree to a single dollar amount as the health benefits plan contribution for every employee in the unit. Repeals group life insurance benefit provisions.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

