

Honolulu, Hawaii

Feb 12, 2010

RE: H.B. No. 2541  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2541 entitled:

"A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS,"

begs leave to report as follows:

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs contained in the agreement with the exclusive bargaining representative for the employees in collective bargaining unit (10). Specifically, this bill funds the EUTF costs of:

- (1) Employees of collective bargaining unit (10) for fiscal biennium 2009-2011; and
- (2) State officers and employees who are excluded from collective bargaining, authorized by Chapter 89C, Hawaii Revised Statutes.

The Department of Budget and Finance testified in support of this bill. The United Public Workers opposed this measure.

The Current fiscal situation facing the State resulted in ongoing negotiations with the exclusive bargaining representative of the various public sector collective bargaining units over salaries and benefits. Although the parties involved with the negotiations concerning bargaining unit (10) reached agreement on



numerous issues through the arbitration process, they were unable to resolve differences concerning the contribution amounts paid by the employers (State and counties) toward health benefit plan costs. While current law allows negotiations over these amounts to occur, it also prohibits the use of binding arbitration to resolve disputes relating to employer contributions to the EUTF.

Since the parties are at an impasse with regard to the employer contributions, pursuant to section 89-11(g), Hawaii Revised Statutes, the parties are required to submit their respective contribution recommendations to the Legislature for action. This measure represents the State's recommendations.

Your Committee has amended this bill by:

- (1) Requiring the employer to pay 100 percent of the EUTF's monthly administrative fees;
- (2) Clarifying that funds not expended or encumbered by September 30, 2010, for fiscal year 2009-2010 rather than June 30, 2010, shall lapse as of that date to ensure that delays in the enactment of this bill do not result in the loss of employer contributions for fiscal year 2009-2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Yet, your Committee also recognizes that public employees have also faced an approximately 24 percent increase in health care premiums while also experiencing furlough days which have resulted in reduced salaries. As such, your Committee respectfully requests that the Committee on Finance consider a cost sharing split for health premium costs of 55 percent and 45 percent for employers and employees respectively when determining the exact amount of funds to be placed in this measure for the 2009-2011 fiscal biennium. Future percentage divisions for health premiums can be decided through collective bargaining.

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 H.B. No. 2541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2541, 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



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 358-10

**Record of Votes of the Committee on Labor & Public Employment**

<b>Bill/Resolution No.:</b> HB 2541	<b>Committee Referral:</b> LAB, FIN	<b>Date:</b> 2-9-2016		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>LAB Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. AWANA, Karen Leinani		/		
5. HANOHANO, Faye P.		/		
6. KEITH-AGARAN, Gilbert S.C.	/			
7. LEE, Marilyn B.	/			
8. NAKASHIMA, Mark M.	/			
9. SAIKI, Scott K.	/			
10. SOUKI, Joseph M.		/		
11. TAKUMI, Roy M.		/		
12. PINE, Kymberly Marcos	/			
<b>TOTAL (12)</b>	8	4	—	—
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <span style="margin-left: 150px;">committee acronym(s)</span>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				