

Honolulu, Hawaii

Feb 12, 2010

RE: H.B. No. 2937
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. 2937 entitled:

"A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING,"

begs leave to report as follows:

The purpose of this bill is to bring equality to the negotiating process while allowing negotiators to meet the needs of public employees by including the negotiation of health plan benefits as part of the collective bargaining process.

The Hawaii Government Employees Association, University of Hawaii Professional Assembly, Hawaii Fire Fighters Association, and a concerned individual testified in support of this bill. The Office of Collective Bargaining, Department of the Attorney General, Department of Budget and Finance, Department of Human Resources of the City and County of Honolulu, and Department of Personnel Services of the County of Maui testified in opposition to this measure. The Hawaii State Teachers Association provided comments.

Currently, Hawaii's public employees negotiate compensation and benefits packages through the collective bargaining process. However, health plan benefits are excluded from negotiations under current law. With rising health care costs and insurance premiums, health care is becoming less affordable for Hawaii's workers, especially those employees who need family coverage or who receive lower pay. As benefits are part of an employee's



compensation, allowing for health benefits to be negotiated seems reasonable.

However, your Committee notes that including health plan benefits as a negotiable item in the collective bargaining process may bog down negotiations and make the process more cumbersome and difficult. Accordingly, your Committee has amended this bill by:

- (1) Removing language that includes the negotiation of health plan benefits as a part of the collective bargaining process;
- (2) Allowing the parties to submit recommendations for EUTF contribution amounts to the arbitration panel for bargaining units subject to arbitration;
- (3) Specifying that the arbitration panel has authority to render a final and binding decision with respect to the amounts of contributions by the State and counties to the EUTF; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2937, 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, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 359-10

Record of Votes of the Committee on Labor & Public Employment

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------|-------------|----------------|
| Bill/Resolution No.: HB 2937 | Committee Referral: LAB, FIN | Date: 2-5-2010 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | |
| The recommendation is to: <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) | | | | |
| LAB Members | Ayes | Ayes (WR) | Nays | Excused |
| 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 | | | | / |
| TOTAL (12) | 9 | 1 | — | 2 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s) | | | | |
| Vice Chair's or designee's signature: _____ | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |