

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 696

February 6, 2009

RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT

The purpose of House Bill No. 696 is to establish a new collective bargaining unit 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. House Bill No. 696 combines all the Hawaii Health Systems Corporation employees into one new bargaining unit (14).

While we support forming a separate bargaining unit and restoring the right to strike for 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 only one

vote compared to the Hawaii Health Systems Corporation's three votes, yet having to fund any agreement agreed to by the Hawaii Health Systems Corporation. 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 needs to be incorporated to preserve the fiscal integrity of the State.



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 5, 2009

TESTIMONY to the
HOUSE COMMITTEE ON HEALTH
For Hearing on Friday, February 6, 2009
8:30 a.m., Conference Room 329

By

MARIE C. LADERTA
CHIEF NEGOTIATOR

House Bill No. 696
Relating to Collective Bargaining in Public Employment

WRITTEN TESTIMONY ONLY

CHAIRPERSON YAMANE AND MEMBERS OF THE HOUSE COMMITTEE ON
HEALTH:

The purpose of H. B. No. 696 is to create a separate collective bargaining unit 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.

Under the current law, each HHSC employee subject to collective bargaining is included in one of the existing bargaining units 1, 2, 3, 4, 9, 10, and 13. This bill would create a new bargaining unit 14 exclusively for HHSC employees, regardless of their job classifications or professions. As applied, the public employer would have to negotiate wages, hours, and conditions of work for a widely diverse range of professions,

including nurses, custodians, clerical staff, and dieticians, which could have significant cost ramifications.

This bill also provides that the governor would have only 1 vote versus 3 votes for the HHSC. In order to maintain fiscal control over cost items, and ensure the continued viability of management rights, the governor should have a majority vote on collective bargaining negotiations.

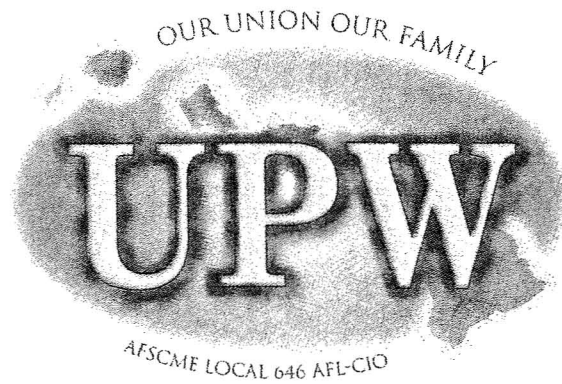
Thank you for the opportunity to testify on this measure.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Marie C. Laderta".

MARIE C. LADERTA

ERD



The House of Representatives
The Twenty-Fifth Legislature
Regular Session of 2009

Committee on Health

Rep. Ryan I. Yamane, Chair
Rep. Scott Y. Nishimoto, Vice Chair

DATE: Friday, February 6, 2009
TIME: 8:30 a.m.
PLACE: House Conference Room 329
State Capitol
415 South Beretania Street

**TESTIMONY OF THE UNITED PUBLIC WORKERS, AFSCME,
LOCAL 646, AFL-CIO ON H.B. 696 RELATING TO
COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT**

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 House Bill No. 696 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, 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. 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. This is an unprecedented course of action for the legislature, and we respectfully urge you not to adopt House Bill No. 696.

LINDA LINGLE
GOVERNOR

DARWIN L.D. CHING
DIRECTOR

COLLEEN Y. L. CLAIR
DEPUTY DIRECTOR



JAMES B. NICHOLSON
CHAIR

EMORY J. SPRINGER
BOARD MEMBER

SARAH R. HIRAKAMI
BOARD MEMBER

STATE OF HAWAII
HAWAII LABOR RELATIONS BOARD
830 PUNCHBOWL STREET, ROOM 434
HONOLULU, HAWAII 96813
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March 3, 2008

HLRB INFORMATIONAL BULLETIN NO. 46

This is the thirty-fifth annual informational bulletin issued by the Hawaii Labor Relations Board providing, by employing jurisdictions, the number of public employees included in each of the 13 collective bargaining units established by Hawaii Revised Statutes § 89-6(a). The figures reported are correct as of December 31, 2007.

The 13 collective bargaining units are:

- 01 Nonsupervisory employees in blue collar positions;
- 02 Supervisory employees in blue collar positions;
- 03 Nonsupervisory employees in white collar positions;
- 04 Supervisory employees in white collar positions;
- 05 Teachers and other personnel of the department of education under the same salary schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent;
- 06 Educational officers and other personnel of the department of education under the same salary schedule;
- 07 Faculty of the University of Hawaii and the community college system;
- 08 Personnel of the University of Hawaii and the community college system, other than faculty;
- 09 Registered professional nurses;
- 10 Institutional, health, and correctional workers;
- 11 Firefighters;
- 12 Police Officers; and
- 13 Professional and scientific employees, who cannot be included in any other bargaining units.

NUMBER OF EMPLOYEES

The following figures indicate the number of employees who are included in the respective bargaining units by employing jurisdictions.

| Unit | State of Hawaii | C. & C | County of Hawaii | County of Maui | County of Kauai | Dept. of Education | Judiciary | UH | HHSC | TOTAL |
|-------|-----------------|--------|------------------|----------------|-----------------|--------------------|-----------|-------|-------|--------|
| 01 | 1,983 | 1,914 | 500 | 548 | 354 | 2,319 | 70 | 513 | 498 | 8,699 |
| 02 | 182 | 226 | 51 | 40 | 14 | 265 | 3 | 19 | 30 | 830 |
| 03 | 4,423 | 1,707 | 604 | 527 | 241 | 4,298 | 853 | 873 | 668 | 14,194 |
| 04 | 281 | 142 | 41 | 24 | 16 | 259 | 52 | 28 | 22 | 865 |
| 05 | 0 | 0 | 0 | 0 | 0 | 13,328 | 0 | 0 | 0 | 13,328 |
| 06 | 0 | 0 | 0 | 0 | 0 | 812 | 0 | 0 | 0 | 812 |
| 07 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,810 | 0 | 3,810 |
| 08 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,011 | 0 | 2,011 |
| 09 | 368 | 0 | 1 | 0 | 0 | 2 | 2 | 8 | 1,056 | 1,437 |
| 10 | 1,513 | 201 | 0 | 0 | 0 | 26 | 43 | 2 | 1,077 | 2,862 |
| 11 | 135 | 1,005 | 322 | 273 | 119 | 0 | 0 | 0 | 0 | 1,854 |
| 12 | 0 | 1,995 | 383 | 292 | 116 | 0 | 0 | 0 | 0 | 2,786 |
| 13 | 4,103 | 1,010 | 251 | 211 | 118 | 929 | 557 | 0 | 267 | 7,446 |
| TOTAL | 12,988 | 8,200 | 2,153 | 1,915 | 978 | 22,238 | 1,580 | 7,264 | 3,618 | 60,934 |

CHANGES IN NUMBER OF EMPLOYEES

The following figures indicate the changes in the number of public employees as reported in HLRB Informational Bulletin No. 44, dated April 5, 2006, and the figures reported in the foregoing section.

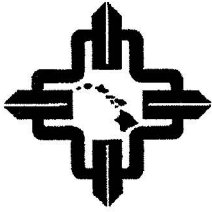
| Unit | State of Hawaii | C & C | County of Hawaii | County of Maui | County of Kauai | Dept. of Education | Judiciary | UH | HHSC | TOTAL |
|-------|-----------------|-------|------------------|----------------|-----------------|--------------------|-----------|------|------|-------|
| 01 | (1) | 68 | 33 | 14 | 18 | (33) | N/C | 4 | 56 | 159 |
| 02 | 2 | 3 | 1 | 1 | (2) | N/C | N/C | 1 | 6 | 12 |
| 03 | (61) | 50 | 37 | 13 | 12 | 311 | 33 | (15) | 40 | 420 |
| 04 | (2) | N/C | 2 | (1) | 3 | 2 | 3 | (2) | (1) | 4 |
| 05 | / | / | / | / | / | 307 | / | / | / | 307 |
| 06 | / | / | / | / | / | 16 | / | / | / | 16 |
| 07 | / | / | / | / | / | / | / | 99 | / | 99 |
| 08 | / | / | / | / | / | / | / | 144 | / | 144 |
| 09 | (42) | / | 1 | / | / | N/C | 1 | N/C | 153 | 113 |
| 10 | (45) | (5) | / | / | / | N/C | (3) | (1) | 114 | 60 |
| 11 | (28) | 4 | 1 | 10 | 4 | / | / | / | / | (9) |
| 12 | / | (9) | 9 | (7) | (14) | / | / | / | / | (21) |
| 13 | (491) | 26 | 13 | 16 | 43 | 53 | 21 | / | 19 | (300) |
| TOTAL | (668) | 137 | 97 | 46 | 64 | 656 | 55 | 230 | 387 | 1,004 |

N/C: No change

/: Not applicable

(): Denotes a Negative Number

We are grateful to the following individuals and their respective staffs for providing the reports which made it possible to present this data to you: Marie C. Laderta, Esq., Director of Human Resources Development, State of Hawaii; Sharen Tokura, Director of Human Resources, The Judiciary, State of Hawaii; Kenneth Nakamatsu, Director of Human Resources, City and County of Honolulu; Michael R. Ben, Director of Personnel, Department of Civil Service, County of Hawaii; Lynn G. Krieg, Director of Personnel Services, County of Maui; Malcolm C. Fernandez, Director of Personnel Services, County of Kauai; Bruce Shimomoto, Personnel Director, Department of Education, State of Hawaii; Brenna Hashimoto, System Director of Human Resources, University of Hawaii; and Henry Kanda, Personnel Program Manager, Hawaii Health Systems Corporation.



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

"Touching Lives Every Day"

**The House of Representatives
Committee on Health
Representative Ryan I. Yamane, Chair
Representative Scott Y. Nishimoto, Vice Chair**

Friday, February 6, 2009
8:30 a.m.
Conference Room 329

HB 696 RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT
Creates one (1) new collective bargaining unit for all HHSC employees with voting rights provided to the Governor and the HHSC Corporate Board.

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

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to provide testimony in support of HB 696.

HB 696 provides for the creation of one (1) new collective bargaining unit specifically for HHSC employees and establishes HHSC as the Public Employer. We appreciate that this bill will provide the Hawaii Health Systems Corporation (HHSC) and its regions the autonomy to negotiate directly with a union that would help to further address our own healthcare and system needs separately from the other Public Employers. Please note that HHSC included employees are currently represented through seven collective bargaining contracts with the Hawaii Government Employees Association and the United Public Workers unions. Therefore, it would be more appropriate to create at a minimum, two (2) new collective bargaining units for HHSC to provide for continuity and ease of transition for current employees.

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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HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • WAILUKU • KULA • LANAI • HONOLULU
www.hhsc.org <<http://www.hhsc.org>>



**The House of Representatives
Committee on Health
Representative Ryan I. Yamane, Chair
Representative Scott Y. Nishimoto, Vice Chair**

Friday, February 6, 2009
8:30 a.m.
Conference Room 329

HB 696 RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT
Creates one (1) new collective bargaining unit for all HHSC employees with voting rights provided to the Governor and the HHSC Corporate Board.

On behalf of the West Hawaii Region of HHSC, thank you for the opportunity to provide testimony in support of HB 696.

As currently written, this bill provides for the creation of one new collective bargaining unit specifically for HHSC employees and establishes HHSC as the Public Employer. This will afford HHSC and its five regions the autonomy to negotiate directly with a union which could help address our specific needs separately from the other public employers.

Please note that HHSC included employees are currently represented through seven collective bargaining contracts with the Hawaii Government Employees Association (HGEA) and the United Public Workers (UPW) unions. Therefore, it would be more useful to allow the creation of at least two new collective bargaining units – one for HGEA and one for UPW to provide for continuity and ease of transition for current employees.

I greatly appreciate the intent of this bill and hope that it will get further discussion.

Respectfully submitted,

Earl Greenia
Chief Executive Officer
West Hawaii Region - Hawaii Health Systems Corporation
Kona Community Hospital and Kohala Hospital

KONA COMMUNITY HOSPITAL
Hawaii Health Systems Corporation
79-1019 Haukapila Street
Kealahou, HI 96750
(808) 322-9311

nishimoto2-Bryce

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 05, 2009 1:44 PM
To: HLTtestimony
Cc: jwalker1@hhsc.org
Subject: Testimony for HB696 on 2/6/2009 8:30:00 AM

Testimony for HLT 2/6/2009 8:30:00 AM HB696

Conference room: 329
Testifier position: support
Testifier will be present: No
Submitted by: Jerry Walker
Organization: West Kauai Medical Center / KVMH
Address: 4643 Waimea Canyon Drive Waimea, HI 96796
Phone: 808-338-9431
E-mail: jwalker1@hhsc.org
Submitted on: 2/5/2009

Comments:

The Kauai Region which includes the West Kauai Medical Center / KVMH; West Kauai Clinics - Waimea, Eleele, Kalaheo; Mahelona Medical Center / SMMH, supports HB696. We recommend that the bill to be amended to add another collective bargaining unit for United Public Workers.