

# **TESTIMONY**

**SB 2393**



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

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

Testimony by  
Hawaii Government Employees Association  
February 2, 2010

S.B. 2393 – MAKING AN  
APPROPRIATION FOR COLLECTIVE  
BARGAINING COST ITEMS

The Hawaii Government Employees' Association, AFSCME Local 152, **AFL-CIO** strongly supports the purpose and intent of S.B. 2393, which allows the legislature to resolve the differences between the HGEA and the administration over the amount of employer contributions to the Employer-Union Health Benefits Trust Fund (EUTF). The state and union are not permitted to use the binding arbitration process to resolve their differences over EUTF contributions. It was agreed through a letter of understanding that the legislature would make the final decision in this matter.

Historically, the employer paid 60% of the premium and the employee the remaining 40%. However, since the beginning of the current fiscal year, employees have been forced to pay a higher percentage of the health insurance premiums. A recent increase of almost 24% came entirely from state employees, making it difficult for some to afford health insurance.

According to the National Conference of State Legislatures, in 2009, states paid an average of 89% of the health insurance premium. Fourteen states paid 100% of the monthly premium costs for a basic or standard plan for some or all of individual employees. Seven states paid 100% of the "defined standard" monthly premium costs for at least some families of state employees.

In comparison, many Hawaii state employees are now paying between 45 - 47% of their premiums at the same time their pay is being reduced by approximately 8%. The state lacked awareness about limits on employees' ability to absorb radical cost increases in years without pay increases. Under these circumstances, premium cost increases should be shared proportionally or paid entirely by the employer. Therefore, it is extremely important that employee (individual) and family health care premiums remain affordable.

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We are also supporting legislation that will modernize public employee health insurance through the negotiation of employer contributions and benefits, similar to the private sector. Benefits such as health insurance are an integral part of total compensation and should be negotiated.

Thank you for the opportunity to testify in support of S.B. 2393.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nora A. Nomura', with a long horizontal flourish extending to the right.

Nora A. Nomura

Deputy Executive Director