

**TESTIMONY**

**SB 2881**

**LATE**

TESTIMONY BY **GEORGINA K. KAWAMURA**  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON LABOR  
ON  
SENATE BILL NO. 2881

February 2, 2010

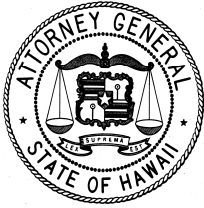
RELATING TO COLLECTIVE BARGAINING

The purpose of Senate Bill No. 2881 is to include the negotiation of health benefits plans in collective bargaining.

**We oppose this bill.** The amendments to Chapter 89, Hawaii Revised Statutes, are in conflict with Chapter 87A, Hawaii Revised Statutes, which tasks the Hawaii Employer-Union Health Benefits Trust Fund Board of providing health and other benefit plans at a cost affordable to both the public employers and the public employees.

Allowing each bargaining unit to negotiate benefit plans to be offered further complicates health benefit negotiations which have already proven difficult in recent times. In addition, allowing individual units to negotiate benefit plans and allowing arbitration panels to award specific benefits undermines the design of the Hawaii Employer-Union Health Benefits Trust Fund as a large group purchasing pool.

Finally, removing the Legislature's ability to establish contribution rates for arbitrated units unable to reach an agreement with the employer and allowing an arbitrator to make such determinations takes away a valuable health benefit cost control tool.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-FIFTH LEGISLATURE, 2010**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2881, RELATING TO COLLECTIVE BARGAINING.

**BEFORE THE:**

SENATE COMMITTEE ON LABOR

**DATE:** Tuesday, February 02, 2010 **TIME:** 3:00 p.m.

**LOCATION:** State Capitol, Room 224

**TESTIFIER(S):** Mark J. Bennett, Attorney General, or  
James E. Halvorson, Deputy Attorney General, or  
Maria Cook, Deputy Attorney General

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Chair Takamine and Members of the Committee:

**The Department of the Attorney General opposes this bill.**

The purpose of this bill is to include benefits in collective bargaining.

The bill usurps the primary statutory power of the board of trustees of the Employer-Union Health Benefits Trust Fund ("EUTF") under chapter 87A, Hawaii Revised Statutes (HRS), to establish health benefit plans at a cost affordable to both the public employers and public employees. If the bill is passed in its current form, it will create confusion regarding how benefits will be established unless chapter 87A, HRS, is also amended to remove the authority to establish benefits from the EUTF board of trustees.

We respectfully ask the Committee to hold this bill in its current form.