

STAND. COM. REP. NO.

420

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1078
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 1078 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to specify that the
benefits of the Hawaii Employer-Union Health Benefits Trust Fund
are subject to negotiation, clarify that a decision of an
arbitration panel shall be final, update statutory references, and
make conforming amendments.

Your Committee received testimony in support of this measure
from the Hawaii Government Employees Association and the
University of Hawaii Professional Assembly. Your Committee
received testimony in opposition to this measure from the
Department of the Attorney General; the Department of Budget and
Finance; and the Department of Human Resources, City and County of
Honolulu.

Your Committee finds that health care costs to public
employees are increasingly unaffordable and that by allowing
negotiation of both premiums and benefits between unions and
employers, benefit features that can be reduced or restructured
without compromising key coverage areas can be identified. Your
Committee recognizes, however, that allowing each bargaining unit
to independently negotiate benefits may further complicate
negotiations that have already proven to be difficult, lead to
higher administrative burdens to unions and employers, and



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undermine the design of the Hawaii Employer-Union Health Benefits Trust Fund as a large group purchasing pool.

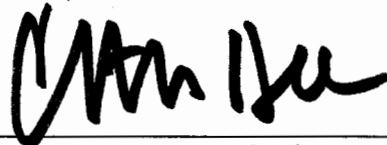
Your Committee further finds that this measure is one of a number of measures aimed at reforming the Hawaii Employer-Union Health Benefits Trust Fund, which your Committee understands has a current unfunded liability of \$10,000,000,000, and that certain reforms are likely necessary to maintain the financial viability of the Trust Fund. Your Committee anticipates more discussions between the Hawaii Government Employees Association, other stakeholders, and subsequent committees hearing this measure in order to define workable solutions to the issues facing the Trust Fund.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1078, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* <i>SB 1078</i>	Committee Referral: <i>JDL, JAM</i>	Date: <i>2/15/11</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike				✓
IHARA, Jr., Les	✓			
SLOM, Sam				✓
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes