



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Twenty-Sixth Legislature, State of Hawaii Hawaii State House of Representatives Committee on Finance

Testimony by
Hawaii Government Employees Association
April 7, 2011

S.B. 1078, S.D. 2, H.D. 1 – RELATING TO COLLECTIVE BARGAINING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 1078, S.D. 2, H.D. 1, which will permit unions to negotiate not only the contributions to the Employer-Union Health Benefits Trust Fund (EUTF), but also the benefits provided through the health plans.

The EUTF as presently structured does not provide the Employers and Employees to jointly develop plans that meet employee beneficiary needs while ensuring that both parties can control costs. By allowing for the bargaining over benefits, the Legislature would empower the parties to achieve, through bargaining, a benefits package that suits both employers and employees. Collective bargaining over medical benefits is commonly found in private sector unionized companies. In these circumstances, both parties have a stake in the outcome of negotiations, which has generally resulted in the development of medical coverage options of mutual benefit to employees and employers.

The present law governing the EUTF provides that while the premiums paid by employees are subject to collective bargaining, any dispute in bargaining is not subject to the impasse procedure outlined in Chapter 89, HRS. As a result, there is no consistent means of resolving bargaining disputes, putting employees at a distinct disadvantage in the bargaining process. This bill proposes to allow disputes about the bargaining of premiums to be subject to impasse, including strikes and arbitration. Such a change would level the bargaining playing field in the same fashion as in private sector bargaining.

Thank you for the opportunity to testify in support of S.B. 1078, S.D. 2, H.D. 1.

Respectfully submitted,


Randy Perreira
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WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 1078, S.D. 2, H.D. 1

April 7, 2011

RELATING TO COLLECTIVE BARGAINING

The purpose of Senate Bill No. 1078, S.D. 2, H.D. 1, is to include the negotiation of health benefit plans in collective bargaining.

Allowing each bargaining unit to negotiate benefit plans would further complicate health benefit contribution negotiations which have already proven difficult in recent times. It would make it more difficult to provide a uniform benefit package to employees that will promote fairness and consistency among employees in the workplace. In addition, allowing individual units to negotiate benefit plans and allowing arbitration panels to award specific benefits diminishes the leverage of the Hawaii Employer-Union Health Benefits Trust Fund as a large group purchasing pool.