

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 1848
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 1848, H.D. 2, 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 amend the
process by which public sector health benefits contributions are
negotiated under the State's public sector collective bargaining
laws. Specifically, this measure:

- (1) Repeals the prohibition of using arbitration to resolve
impasses or disputes relating to public employer
contributions to the Hawaii employer-union health
benefits trust fund (EUTF);
- (2) Authorizes the arbitration panel to make a final and
binding decision on EUTF contributions;
- (3) Authorizes the parties to arbitration to submit
recommendations for public employer contribution amounts
to the Legislature;
- (4) Authorizes the Legislature to approve, reject, or modify
public employer contribution amounts; and
- (5) Makes various housekeeping amendments to remove obsolete
language.



Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comments. This proposed measure deletes the contents of this measure and inserts language that:

- (1) Establishes that a public employer and an exclusive representative shall negotiate the state and county contribution amounts to the EUTF for health benefit plans and group life insurance benefits for active employees;
- (2) Removes the prohibition against applying the impasse procedures under section 89-11, Hawaii Revised Statutes, to negotiations relating to public employer contribution amounts to the EUTF;
- (3) Establishes that a decision of an arbitration panel is final and binding when the parties cannot reach an agreement with respect to public employer contribution amounts to the EUTF;
- (4) Repeals the legislative relief option to determine EUTF contributions when an impasse exists regarding the negotiation of public employer contribution amounts to the EUTF; and
- (5) Repeals the prohibition against striking over the issue of public employer contribution amounts to the EUTF.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and United Public Workers, AFSCME Local 646, AFL-CIO. Testimony in opposition to the proposed S.D. 1 was submitted by the Department of Budget and Fiscal Services of the City and County of Honolulu. The Department of Budget and Finance submitted comments.

Your Committee finds that the existing collective bargaining laws lack a dispute resolution procedure to resolve disagreements over the contributions to the Hawaii employer-union benefits trust fund. Existing law requires that if the employer and exclusive representative cannot agree on the amount of contributions, then the pro rata share will be determined by the Legislature while all other negotiable items may proceed to impasse. This measure will allow disputes over contributions to be treated similarly to other



negotiable items and resolved through impasse procedures, such as arbitration or striking, depending on the bargaining unit involved.

Your Committee has amended this measure by adopting the proposed S.D. 1.

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 H.B. No. 1848, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848, H.D. 2, 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



