

Honolulu, Hawaii

Feb 17 , 2012

RE: H.B. No. 2493
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2493 entitled:

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

begs leave to report as follows:

The purpose of this measure is to fund the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for plan years 2011-2012 and 2012-2013 for the employees of collective bargaining unit (9) and for state officers and employees excluded from collective bargaining unit (9) due to an impasse in negotiations. Specifically, this measure provides employer plan contributions of a specific dollar amount equivalent to 50 percent of the premium rates established by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund for the respective health benefit plan plus 50 percent of all administrative fees.

The Department of Budget and Finance testified in support of this measure. The Hawaii Government Employees Association testified in opposition to this measure.

Currently, the Hawaii Labor Relations Board has declared an impasse between public employers and the Hawaii Government Employees Association, the exclusive representative of bargaining unit (9). Under current Hawaii law, public employer contributions for Hawaii Employer-Union Health Benefits Trust Fund benefits are not determined by an arbitration panel and must be determined by

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an agreement reached separate from the arbitration decision; or if no agreement has been reached within ten working days after the arbitration decision has been issued, then the public employers and the respective union each submits its recommendations for contributions directly to the Legislature for legislative determination and enactment. The public employer's proposed contributions are being submitted through this measure.

Your Committee notes that the contribution amounts specified for bargaining unit (9) in this measure are equivalent to the contributions agreed to by other bargaining units represented by the Hawaii Government Employees Association. Nevertheless, your Committee understands that negotiations are continuing over terms and conditions of employment between the public employers and the exclusive representative of bargaining unit (9). As such, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (9) will hopefully produce a settlement.

Your Committee has amended this measure by:

- (1) Removing language referencing a dollar amount equivalent to 50 percent of the premium rates established by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund for the respective health benefit plan plus 50 percent of the administrative fees was being provided by this measure;
- (2) Removing all contribution amounts for the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for plan years 2011-2012 and 2012-2013; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2493, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,

Karl Rhoads

KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

H6CR551-12

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 2493	Committee Referral: LAB, FIN	Date: 2-14-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.				/
7. LUKE, Sylvia	/			
8. OKAMURA, Tom				
9. SAIKI, Scott K.	/			/
10. SOUKI, Joseph M.	/			
11. TAKUMI, Roy M.				/
12. FONTAINE, George R.	/			
13. JOHANSON, Aaron Ling	/			
TOTAL (13)	10	1	1	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				