

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 2494, H.D. 1

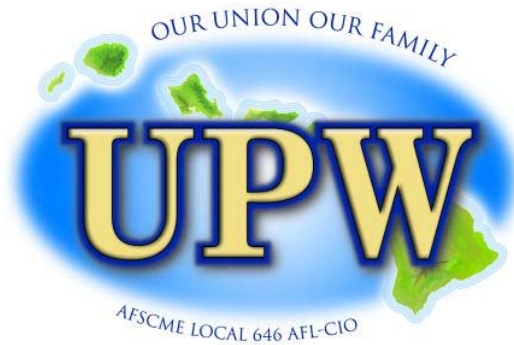
March 29, 2012

RELATING TO COLLECTIVE BARGAINING COST ITEMS

House Bill No. 2494, H.D. 1, establishes public employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund (EUTF) premiums for public officers and employees pursuant to Section 89-11(g), HRS, due to an impasse in negotiations with the exclusive representative of bargaining unit 10 (institutional workers).

Under the binding arbitration provisions of Chapter 89, HRS, Collective Bargaining in Public Employment, public employer contributions for EUTF benefits are not determined by an arbitration panel. Contributions are determined by either: 1) an agreement reached separate from the arbitration decision; or 2) 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.

Currently, the public employers and the United Public Workers, the union representing bargaining unit 10, are at impasse. An arbitration hearing has been scheduled for July 17 to July 25, 2012, and it is anticipated that no agreement will be reached on EUTF contributions. Since this will be well after the end of this session, this issue will likely be presented again to the Legislature next session.



THE HAWAII STATE SENATE  
The Twenty-Sixth Legislature  
Regular Session of 2012

COMMITTEE ON WAYS AND MEANS  
The Honorable Sen. David Y. Ige, Chair  
The Honorable Sen. Michelle N. Kidani, Vice Chair

DATE OF HEARING: Thursday, March 29, 2012  
TIME OF HEARING: 9:00 a.m.  
PLACE OF HEARING: Conference Room 211

**TESTIMONY ON HB 2494 HD1 RELATING TO COLLECTIVE BARGAINING**

By DAYTON M. NAKANELUA,  
State Director of the United Public Workers,  
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

UPW supports the intent of HB 2494 HD1, which provides employer contribution amounts for plan years 2011-2012 and 2012-2013 for the Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for employees in collective bargaining unit 10 and their excluded counterparts.

Thank you for the opportunity to testify on this measure.