

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON
HOUSE BILL NO. 2494

February 14, 2012

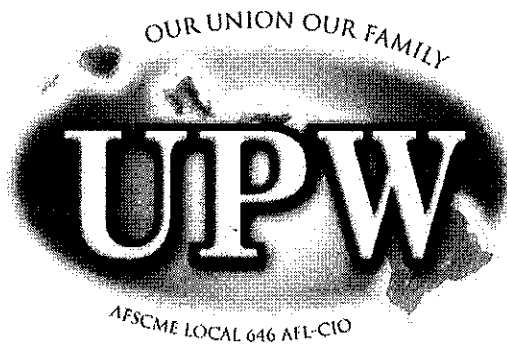
RELATING TO COLLECTIVE BARGAINING COST ITEMS

House Bill No. 2494 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). The dollar amounts specified in the bill are equivalent to 50 percent of the respective plan year premium rates for the various EUTF health benefit plans plus 50 percent of all administrative fees.

The Department of Budget and Finance supports this Administration proposal.

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 (UPW), the union representing bargaining unit 10, are at impasse. While an arbitration hearing has not yet been scheduled, it is anticipated that no agreement will be reached on EUTF contributions. The contributions amounts specified in the bill for bargaining unit 10 are equivalent to what the other UPW bargaining unit has agreed to.



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Sixth Legislature
Regular Session of 2012

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
The Honorable Rep. Karl Rhoads, Chair
The Honorable Rep. Kyle T. Yamashita, Vice Chair

DATE OF HEARING: Tuesday, February 14, 2012
TIME OF HEARING: 9:30 a.m.
PLACE OF HEARING: Conference Room 309

TESTIMONY ON HB 2494 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 HB 2494, 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.