

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. 2495

February 14, 2012

RELATING TO COLLECTIVE BARGAINING COST ITEMS

House Bill No. 2495 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 11 (firefighters). 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 Hawaii Fire Fighters Association (HFFA), the union representing bargaining unit 11, 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 11 are equivalent to what the HGEA bargaining units have agreed to.