

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON
SENATE BILL NO. 1078, S.D. 2

March 18, 2011

RELATING TO COLLECTIVE BARGAINING

The purpose of Senate Bill No. 1078, S.D. 2, is to include the negotiation of health benefit plans in collective bargaining.

We oppose this bill. The amendments to Chapter 89, Hawaii Revised Statutes, are in conflict with Chapter 87A, Hawaii Revised Statutes, which tasks the Hawaii Employer-Union Health Benefits Trust Fund Board with providing health and other benefit plans at a cost affordable to both the public employers and the public employees.

Allowing each bargaining unit to negotiate benefit plans would further complicate health benefit contribution negotiations which have already proven difficult in recent times. It would make it more difficult to provide a uniform benefit package to employees that will promote fairness and consistency among employees in the workplace. In addition, allowing individual units to negotiate benefit plans and allowing arbitration panels to award specific benefits diminishes the leverage of the Hawaii Employer-Union Health Benefits Trust Fund as a large group purchasing pool.



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The Twenty-Sixth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii Government Employees Association
March 18, 2011

S.B. 1078, S.D. 2 – RELATING TO COLLECTIVE BARGAINING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 1078, S.D. 2, which will permit unions to negotiate not only the contributions to the Employer-Union Health Benefits Trust Fund (EUTF), but also the benefits provided through the health plans.

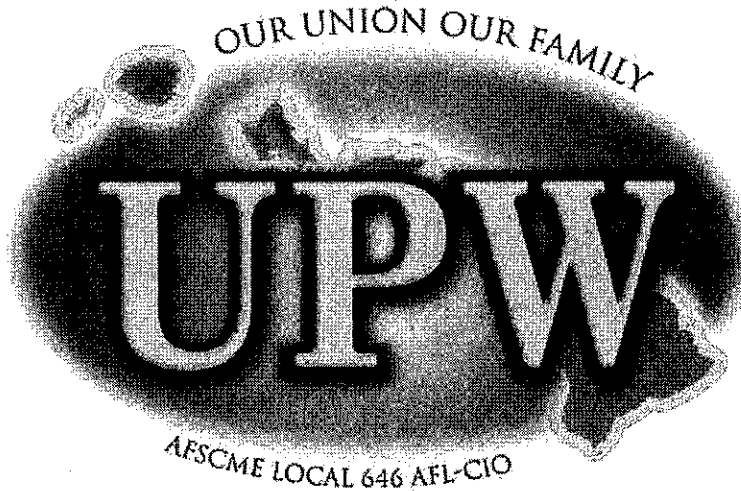
This bill is part of a larger effort to reform the EUTF by changing the composition of the board and imposing stricter requirements on board members to fulfill their fiduciary responsibilities. We believe that benefits are an integral part of employee compensation and should be negotiated between unions and employers. Other reform efforts through negotiation must include effective mechanisms for controlling costs, requiring information on provider performance and enhancing efficiency.

As presently organized, the EUTF is not providing affordable health care to public employees, especially for employees who need family coverage and who are at lower pay range. By negotiating both premiums and benefits, unions can identify benefit features that can be reduced or restructured without eliminating key coverage areas. Another objective of negotiating benefits is to promote preventive care while discouraging care that is not needed. Through negotiations, there will be greater incentives to implement wellness programs, which can help control plan costs over the long-term.

Thank you for the opportunity to testify in support of S.B. 1078, S.D. 2.

Respectfully submitted,

Randy Perreira
Executive Director



**Twenty-Sixth Legislature, State of Hawaii
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
Hearing Date: March 18, 2011**

Testimony By United Public Workers

Re: SB 1078, SD2 (SSCR731) - RELATING TO COLLECTIVE BARGAINING

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO. The UPW is the exclusive bargaining representative for public employees in bargaining Unit 1 blue collar non-supervisory and Unit 10 institutional, health and correctional facilities.

The United Public Workers strongly support S.B. 1078, SD2, which allows labor unions to negotiate contributions to the Employer Union Health Benefit Trust Fund (EUTF) and the benefits provided through the health plans. This bill is also part of a larger effort to improve the current situation regarding the EUTF.

We believe that the rising cost of health care can be better addressed through negotiations. Parties are able to adjust the benefit plan and come up with something that is affordable, comprehensive and promotes healthy individuals through preventative measures.

Thank you for the opportunity to testify in support of S.B. 1078, SD2.

yamashita2 ---Tannya

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 13, 2011 5:09 PM
To: LABtestimony
Cc: swartzg001@hawaii.rr.com
Subject: Testimony for SB1078 on 3/18/2011 10:00:00 AM

Testimony for LAB 3/18/2011 10:00:00 AM SB1078

Conference room: 309
Testifier position: support
Testifier will be present: No
Submitted by: gregory swartz
Organization: Individual
Address:
Phone:
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Submitted on: 3/13/2011

Comments:

It should be made clear that the benefits of current retirees are not subject to negotiation, unless, of course, it is enhanced benefits.