



GOV. MSG. NO. 1175

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 30, 2014

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

Re: HB1977 HD2 SD1

HB1977 HD2 SD1, entitled "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING" will become law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to amend statutory provisions pertaining to interest arbitration to provide that the "final positions" submitted to arbitration panels by public employers and exclusive representatives may only include proposals that were previously exchanged by the parties and fully "bargained" to impasse.

As this bill went through the legislative process, several departments and agencies expressed serious concerns regarding this measure. I encourage the Legislature to further review this issue next session.

Because of this, HB1977 HD2 SD1 will become law as ACT 075 (14), Session Laws of Hawaii 2014, effective April 30, 2014, without my signature.

14 MAY -1 18:47

RECEIVED
THE SEATTLE
CLERK'S OFFICE
STATE OF WASHINGTON

Sincerely,

A handwritten signature in black ink, appearing to read "Neil Abercrombie". The signature is fluid and cursive, with the first name "Neil" being more prominent than the last name "Abercrombie".

NEIL ABERCROMBIE
Governor, State of Hawaii

A BILL FOR AN ACT

RELATING TO COLLECTIVE BARGAINING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 89-11, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) If an impasse exists between a public employer and
4 the exclusive representative of bargaining unit (2), supervisory
5 employees in blue collar positions; bargaining unit (3),
6 nonsupervisory employees in white collar positions; bargaining
7 unit (4), supervisory employees in white collar positions;
8 bargaining unit (6), educational officers and other personnel of
9 the department of education under the same salary schedule;
10 bargaining unit (8), personnel of the University of Hawaii and
11 the community college system, other than faculty; bargaining
12 unit (9), registered professional nurses; bargaining unit (10),
13 institutional, health, and correctional workers; bargaining unit
14 (11), firefighters; bargaining unit (12), police officers;
15 bargaining unit (13), professional and scientific employees; or
16 bargaining unit (14), state law enforcement officers and state
17 and county ocean safety and water safety officers, the board
18 shall assist in the resolution of the impasse as follows:



1 (1) Mediation. During the first twenty days after the
2 date of impasse, the board shall immediately appoint a
3 mediator, representative of the public from a list of
4 qualified persons maintained by the board, to assist
5 the parties in a voluntary resolution of the impasse.

6 (2) Arbitration. If the impasse continues twenty days
7 after the date of impasse, the board shall immediately
8 notify the employer and the exclusive representative
9 that the impasse shall be submitted to a three-member
10 arbitration panel who shall follow the arbitration
11 procedure provided herein.

12 (A) Arbitration panel. Two members of the
13 arbitration panel shall be selected by the
14 parties; one shall be selected by the employer
15 and one shall be selected by the exclusive
16 representative. The neutral third member of the
17 arbitration panel, who shall chair the
18 arbitration panel, shall be selected by mutual
19 agreement of the parties. In the event that the
20 parties fail to select the neutral third member
21 of the arbitration panel within thirty days from
22 the date of impasse, the board shall request the



1 American Arbitration Association, or its
2 successor in function, to furnish a list of five
3 qualified arbitrators from which the neutral
4 arbitrator shall be selected. Within five days
5 after receipt of the list, the parties shall
6 alternately strike names from the list until a
7 single name is left, who shall be immediately
8 appointed by the board as the neutral arbitrator
9 and chairperson of the arbitration panel.

10 (B) Final positions. Upon the selection and
11 appointment of the arbitration panel, each party
12 shall submit to the panel, in writing, with copy
13 to the other party, a final position ~~[which]~~ that
14 shall include all provisions in any existing
15 collective bargaining agreement not being
16 modified, all provisions already agreed to in
17 negotiations, and all further provisions which
18 each party is proposing for inclusion in the
19 final agreement[-]; provided that such further
20 provisions shall be limited to those specific
21 proposals that were submitted in writing to the
22 other party and were the subject of collective



1 bargaining between the parties up to the time of
2 the impasse, including those specific proposals
3 that the parties have decided to include through
4 a written mutual agreement. The arbitration
5 panel shall decide whether final positions are
6 compliant with this provision and which proposals
7 may be considered for inclusion in the final
8 agreement.

9 (C) Arbitration hearing. Within one hundred twenty
10 days of its appointment, the arbitration panel
11 shall commence a hearing at which time the
12 parties may submit either in writing or through
13 oral testimony, all information or data
14 supporting their respective final positions. The
15 arbitrator, or the chairperson of the arbitration
16 panel together with the other two members, are
17 encouraged to assist the parties in a voluntary
18 resolution of the impasse through mediation, to
19 the extent practicable throughout the entire
20 arbitration period until the date the panel is
21 required to issue its arbitration decision.



1 (D) Arbitration decision. Within thirty days after
2 the conclusion of the hearing, a majority of the
3 arbitration panel shall reach a decision pursuant
4 to subsection (f) on all provisions that each
5 party proposed in its respective final position
6 for inclusion in the final agreement and transmit
7 a preliminary draft of its decision to the
8 parties. The parties shall review the
9 preliminary draft for completeness, technical
10 correctness, and clarity and may mutually submit
11 to the panel any desired changes or adjustments
12 that shall be incorporated in the final draft of
13 its decision. Within fifteen days after the
14 transmittal of the preliminary draft, a majority
15 of the arbitration panel shall issue the
16 arbitration decision."

17 SECTION 2. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 3. This Act shall take effect on July 1, 2014.



H.B. NO. 1977
H.D. 2
S.D. 1

APPROVED this day of , 2014

GOVERNOR OF THE STATE OF HAWAII