

Honolulu, Hawaii

MAR 21 2014

RE: H.B. No. 1977
H.D. 2
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 1977, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the
collective bargaining laws to:

- (1) Require parties in arbitration to include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached; and
- (2) Authorize the arbitration panel to decide whether final positions comply with all requirements and which proposals may be considered for inclusion in the final agreement.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; and University of Hawaii Professional Assembly. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance, Department of Education, Office of Collective Bargaining, and Department of Human Resources of the City and County of Honolulu.



Your Committee finds that this measure clarifies the procedures for final positions in arbitration proceedings by requiring parties in arbitration to include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached. Furthermore, the Hawaii Government Employees Association testified that this measure creates a cost-effective dispute resolution mechanism to determine whether final positions can be included in the final agreement by authorizing the arbitration panel, rather than the Hawaii Labor Relations Board, to make such a determination.

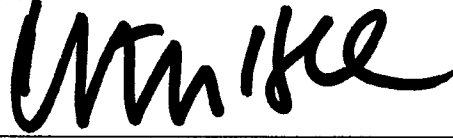
Your Committee has amended this measure by adopting the language suggested by the Hawaii Government Employees Association to:

- (1) Delete language that requires parties in arbitration to include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached, and insert language that allows the inclusion of all further provisions in a final position if such further provisions are limited to those specific proposals that were submitted in writing to the other party and were the subject of collective bargaining between the parties up to the time of the impasse, including specific proposals that the parties have decided to include through a written mutual agreement;
- (2) Change the effective date from July 1, 2030, to July 1, 2014; and
- (3) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1977, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1977, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor



CLAYTON HEE, Chair



