

STAND. COM. REP. NO. **2438**

Honolulu, Hawaii

FEB 14 2014

RE: S.B. No. 2259
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 S.B. No. 2259 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) Prohibit parties in arbitration from including in their final positions any proposals that were not previously submitted in writing before impasse and about which an impasse in collective bargaining has not 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; and United Public Workers, AFSCME Local 646, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of the Attorney General, Department of Budget and Finance, Department of Education, University of Hawaii, Office of Collective Bargaining, Hawaii Health Systems Corporation, and Department of Human Resources of the City and County of Honolulu.

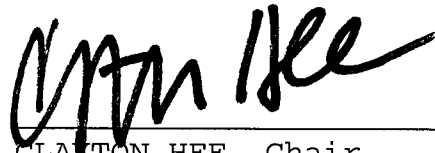


Your Committee finds that this measure clarifies the procedures for final positions in arbitration proceedings by prohibiting parties in arbitration from including in their final positions any proposals that were not previously submitted in writing before impasse and about which an impasse in collective bargaining has not 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. However, your Committee notes the concerns raised by a number of state and county entities who serve as public employers and believes that this measure merits further discussion as it moves through the legislative process.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

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 S.B. No. 2259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2259, 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



