

**HB1977**

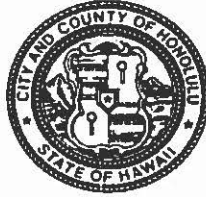
**HD2**

DEPARTMENT OF HUMAN RESOURCES

**CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL  
MAYOR



CAROLEE C. KUBO  
DIRECTOR

NOEL T. ONO  
ASSISTANT DIRECTOR

March 18, 2014

The Honorable Clayton Hee, Chair  
and Members of the Committee  
on Judiciary & Labor  
The Senate  
State Capitol, Room 016  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Hee and Members of the Committee:

**SUBJECT: House Bill No. 1977, HD2  
Relating to Collective Bargaining**

The Department of Human Resources, City & County of Honolulu, opposes H.B. 1977, HD2, which seeks to restrict the final position in a collective bargaining arbitration to include only proposals that were submitted before impasse. Since impasse occurs early in the collective bargaining process, as early as 90 days after written notice to initiate negotiations, the passage of this bill will create a rigid system which may preclude necessary changes to a party's contract proposals caused by unforeseen factors, such as a drastic change in our economy. Many times, the parties have not begun to meet at the negotiations table when impasse is declared. Moreover, the parties may proceed to arbitration years after impasse is declared. Based on the foregoing reasons, the City & County of Honolulu again respectfully opposes H.B. 1977, HD2 and respectfully requests that the matter be deferred.

Thank you for giving us the opportunity to testify on this matter.

Sincerely,

Handwritten signature of Carolee C. Kubo in black ink.

Carolee C. Kubo  
Director



## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Seventh Legislature, State of Hawaii  
The Senate  
Committee on Judiciary and Labor

Testimony by  
Hawaii Government Employees Association  
March 18, 2014

### H.B. 1977, H.D. 2 – RELATING TO COLLECTIVE BARGAINING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 1977, H.D. 2, which amends a provision of the final positions in a collective bargaining arbitration, but respectfully requests two amendments to the current draft of the bill. We request the proposed language, below, replace the current language contained in H.B. 1977, H.D. 2, in addition to an effective date of July 1, 2014, in a Senate Draft:

(B) Final positions. Upon the selection and appointment of the arbitration panel, each party shall submit to the panel, in writing, with copy to the other party, a final position ~~which that~~ shall include all provisions in any existing collective bargaining agreement not being modified, all provisions already agreed to in negotiations, and all further provisions which each party is proposing for inclusion in the final agreement. ~~Absent agreement by the parties, lack of objection, or good cause, the parties are prohibited from including in their final positions any proposals that were not previously submitted in writing before impasse and about which an impasse in bargaining has not been reached. It is provided that such further provisions shall be limited to those specific proposals which 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 those specific proposals which the parties have decided to include through a written mutual agreement. The arbitration panel shall decide whether final positions are compliant with this provision and which proposals may be considered for inclusion in the final agreement.~~

As currently written, Ch. 89-11(e), Hawaii Revised Statutes, regarding the Employer and the Exclusive Representative's final positions in an arbitration proceeding, is vague and unclear. The purpose of S.B. 2259 and the intent behind our suggested amendment is to clarify that the final positions submitted by both the Employer and the Exclusive Representative shall include only proposals that were previously exchanged in writing. This amendment creates a cost-effective dispute resolution mechanism to determine whether final positions can be included in the final agreement by determination of the arbitration panel, versus awaiting a decision from a potentially lengthy Hawaii Labor Relations hearing. Adoption of this proposed amendment to Ch. 89, HRS is a cost containment measure since arbitration hearings will not be unduly and unexpectedly lengthened, mutually beneficial to both the Employer and the Exclusive Representative and ensures collective bargaining is conducted in good faith.

Thank you for the opportunity to testify in support of H.B. 1977, H.D. 2 with the requested amended language.

Respectfully submitted,

Wilbert Holck, Jr.  
Deputy Executive Director



## HAWAII FIRE FIGHTERS ASSOCIATION

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 1463, AFL-CIO  
1018 PALM DRIVE, HONOLULU, HAWAII 96814-1929  
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The Senate  
THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2014  
March 18, 2014

Committee on Judiciary and Labor

Testimony by  
Hawaii Fire Fighters Association

H.B. No. 1977, H.D. 2      Relating to Collective Bargaining

My name is Robert H. Lee and I am the President of the Hawaii Fire Fighters Association (HFFA), Local 1463, IAFF, AFL-CIO. The HFFA represents approximately 2,100 active-duty professional fire fighters throughout the State. HFFA supports H.B. No. 1977, H.D. 2, which amends Section 89-11 to provide that the final positions in collective bargaining arbitration include only proposals that were submitted before impasse and provides the arbitration panels with the authority to determine if the final positions submitted are compliant with statutory requirements.

H.B. No. 1977, H.D. 2, provides both the employee representatives and employers assurances that final proposals submitted by the parties to the arbitration panel be limited to written proposals previously submitted in writing prior to impasse. The caveat which provides the arbitration panel with the authority to determine if final provisions are compliant with Section 89-11, is a balanced approach for both the employers and exclusive employee representatives.

HFFA appreciates your support of H.B. No. 1977, H.D. 2 and requests that the effective date be amendment to reflect July 1, 2014.



Senate Committee on Judiciary and Labor  
Tuesday, March 18, 2014  
10:00 a.m.

**H.B. 1977, H.D. 2, Relating to Collective Bargaining.**

Dear Committee Chair Hee and Committee Members:

The University of Hawaii Professional Assembly (UHPA) supports the passage of H.B. 1977, H.D. 2 with the recommended changes presented in the testimony of the Hawaii Government Employees Association. If interest arbitration is to work, the parties need a set of procedures that requires a complete effort at negotiating all of the items that the union and the employer wish to address in the contract prior to those issues going before an interest arbitrator should there be an impasse. The position of the various public employers, including the Governor's Office, to allow an entirely new set of proposals to be constructed as a result of an impasse promotes "sand bagging" and surface bargaining prior to interest arbitration. There is nothing in such an interest arbitration procedure that would encourage settlement prior to impasse. Further, "last, best, and final offers" can only come after good-faith bargaining and they should be the basis by which proposals are set forth before the interest arbitration panel. This is the accept standard by which interest arbitrations in the both the public and private sectors are conducted.

Respectfully submitted,

J.N. Musto, Ph.D.  
Executive Director and Chief Negotiator

**UNIVERSITY OF HAWAII  
PROFESSIONAL ASSEMBLY**

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