

STAND. COM. REP. NO.

2454

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2435  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 2435 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:

- (1) Repeal the exclusion of benefits of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) from the subjects of collective bargaining negotiation;
- (2) Repeal the prohibition of using arbitration to resolve impasses or disputes relating to the amounts the State and counties must contribute to the EUTF; and
- (3) Clarify that a decision of an arbitration panel is final by repealing the Legislature's role in recommending employer contributions to the EUTF if the negotiating parties are unable to agree on contribution amounts.

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



of the Executive Office of the Governor, Department of the Attorney General, and University of Hawai'i System.

Your Committee finds that efforts are necessary to implement reforms to the EUTF to address various concerns. However, as raised in testimony, allowing each bargaining unit to negotiate its own benefits and use arbitration to decide EUTF disputes or impasses creates uncertainty and may have a negative financial impact on public employers and employees.

Accordingly, your Committee has amended this measure by:

- (1) Deleting section 1, relating to the exclusion of benefits of the EUTF from negotiation and use of arbitration to resolve impasses or disputes relating to the amounts the State and counties must contribute to the EUTF;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (3) Making 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 S.B. No. 2435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2435, S.D. 1, and be referred to your Committee on Ways and Means.

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



GILBERT S.C. KEITH-AGARAN, Chair



