

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR
ON
SENATE BILL NO. 163

February 10, 2015

RELATING TO COLLECTIVE BARGAINING

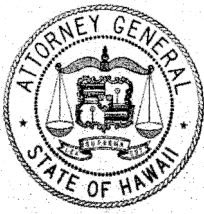
This measure changes the employer voting structure for certain public sector bargaining units (BU) by amending Section 89-6, HRS. A vote for the chair of the State Public Charter School Commission (SPCSC) is added for BUs (5) and (6). For BU (9), the number of votes for the Governor is reduced from six to three; the vote for the Chief Justice is removed; and the vote for the Hawaii Health Systems Corporation (HHSC) board is increased from one to two. In addition, the criteria for each of the mayors having a vote is changed from, if a county has employees in the BU, to if HHSC operates a facility in the county and has employees in the BU.

The Department of Budget and Finance has concerns with this measure. For BUs 5 and 6, we do not have an issue with the chair of the SPCSC having a vote if the current voting balance is maintained. This would require adding an additional vote for the Governor, so the Governor's voice is not diminished.

The issue is with the proposed voting structure of BU (9). This reduction in the number of votes for the Governor, elimination of the vote for the Judiciary (which employees are members of the BU), and the addition of votes for the counties regardless of whether they have employees in the BU (they currently do not), are all problematic. It is not clear why individuals who have no direct stake in the

negotiations (the mayors in this case) should be given a vote in negotiations. Given the Governor's continued responsibility to balance the State budget, a continued strong voice for the Governor consistent with the voting structure for other BUs is extremely important.

Thank you for the opportunity to testify on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2015**

ON THE FOLLOWING MEASURE:

S.B. NO. 163, RELATING TO COLLECTIVE BARGAINING.

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY AND LABOR

DATE: Tuesday, February 10, 2015 **TIME:** 9:15 a.m.

LOCATION: State Capitol, Room 016

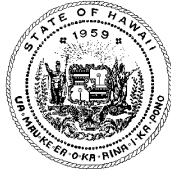
TESTIFIER(S): Russell A. Suzuki, Attorney General, or
Richard H. Thomason, Deputy Attorney General

Chair Keith-Agaran and Members of the Committee:

The Department of the Attorney General (“the Department”) has reservations about several provisions of this bill.

The first reservation concerns the proposal to give the chair of the state public charter school commission one vote for bargaining units (5) and (6) master agreements. While the Department strongly supports the idea of giving charter schools a voice in the negotiation of these two master agreements, it seems preferable to achieve this end by permitting the charter schools to elect their own representative. Not only would this give charter schools their own representative at the table, it would prevent possible conflicts of interest that could arise in circumstances where the chair is both overseeing the regulation of charter schools, while at the same time bargaining on their behalf.

The second reservation concerns the proposal to dilute the voting power of the Governor with regard to units (5), (6), and (9). At present, the Governor may not be out-voted in negotiations involving any bargaining unit, but this proposal would permit that to happen for all 3 units.



**STATE OF HAWAII
OFFICE OF COLLECTIVE BARGAINING
EXECUTIVE OFFICE OF THE GOVERNOR**
235 S. BERETANIA STREET, SUITE 1201
HONOLULU, HAWAII 96813-2437

February 9, 2015

**TESTIMONY TO THE
SENATE COMMITTEE ON JUDICIARY AND LABOR**

For Hearing on Tuesday, February 10, 2015
9:15 a.m., Conference Room 016

By

**JAMES K. NISHIMOTO
OFFICE OF COLLECTIVE BARGAINING, CHIEF NEGOTIATOR**

**Senate Bill No. 163
Relating to Collective Bargaining**

(WRITTEN TESTIMONY ONLY)

CHAIRPERSON KEITH-AGARAN, VICE CHAIR SHIMABUKURO AND MEMBERS OF
THE SENATE COMMITTEE ON JUDICIARY AND LABOR:

Thank you for the opportunity to provide testimony on S.B. No. 163.

The purpose of S.B. No. 163 is to authorize the chair of the state public charter school commission to vote on collective bargaining agreements for bargaining units (5) and (6). It also requires collective bargaining agreements for bargaining unit (9) to provide three votes for the governor, one for the Hawaii Health Systems Corporation (HHSC), and one for each mayor.

The Office of Collective Bargaining (OCB) **does not support** S.B. No. 163.

This measure would change the current voting structure for bargaining units (5) and (6) by providing that the governor shall have three votes, the board of education shall have two votes, the superintendent of education shall have one vote, and the chair of the state public charter school commission shall have one vote. This change in the voting structure would result in the board of education, the superintendent and the charter school commission having more votes than the governor for bargaining units (5)

and (6), which is inconsistent with the existing voting structure for the other collective bargaining units. This is particularly problematic because only a majority vote is required for decision-making.

With respect to bargaining unit (9), HHSC is already recognized as an employer with voting status, along with the mayors and chief justice. Changing the voting structure by providing that the governor shall have three votes, the Hawaii health systems corporation board shall have two votes, and the mayor of each county in which the Hawaii health systems corporation operates a facility shall each have one vote would result in the mayors and HHSC having more votes than the governor when again, only a majority vote is required for decision-making.

Based on the foregoing, OCB respectfully requests that this measure be held.

DAVID IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

<http://CharterCommission.Hawaii.Gov>
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: 808-586-3775 Fax: 808-586-3776

FOR: SB163 Relating to Collective Bargaining
DATE: Tuesday, February 10, 2015
TIME: 9:15 a.m.
COMMITTEE(S): Senate Committee on Judiciary and Labor
ROOM: Conference Room 016
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Chair Keith-Agaran, Vice Chair Shimabukuro, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this written testimony in support of the intent of Senate Bill 163, “Relating to Collective Bargaining,” which would provide for the representation of charter schools by the Commission in the negotiating of the collective bargaining agreements for employees in Bargaining Units (5) and (6).

Under the bill and its companion House Bill 676, for purposes of negotiating these collective bargaining agreements, the “public employer” would mean the Governor, who would have three votes; the Hawaii Board of Education, with two votes; the Superintendent of the Department of Education, with one vote; and the chair of the Commission, with one vote.

The Commission supports the intent of the proposal, which recognizes the shortcomings of Hawaii’s current collective bargaining process for its public charter school employees. Under that process, master agreements negotiated between the Department of Education and the exclusive representatives of these bargaining units apply to employees serving in charter schools as well as in Department of Education schools. There is no formal mechanism in that process for direct representation by public charter schools, and negotiators for employer and employee alike have acknowledged that charter schools are, at best, an afterthought in what already is an enormously complicated undertaking for the Department of Education schools alone.

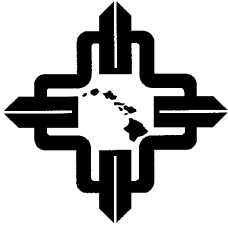
Under Sections 302D-1 and 302-D12(e), Hawaii Revised Statutes (“HRS”), charter school governing boards are empowered to negotiate supplemental collective bargaining agreements with exclusive representatives of their employees. In theory, this allows for modifications to provisions in the master agreements that were not developed with charter school realities in mind and may not be workable in such a different context.

As a practical matter, however, the process of negotiating up to 34 supplemental agreements has proved very challenging for the exclusive representatives. As of this writing, some 18 months after the master agreement with the Hawaii State Teachers Association (HSTA) was finalized, only three supplemental agreements with charter schools have been executed. Because no charter school opted into the Department of Education’s Educator Effectiveness System, every charter school must negotiate a supplemental agreement on that issue, if on no other. The news that negotiations over the master agreement will reopen may entail additional delay for the negotiation of the remaining supplemental agreements.

The Commission has not yet had the opportunity to consider this proposal, and the Commission staff has not had the opportunity to fully vet the proposal or to discuss this particular approach to the problem with the exclusive representatives of these employees. Our latest understanding is that the Hawaii Public Charter Schools Network and HSTA have discussed holding off on this legislation for now while they attempt to collaborate to address the problem via other means, such as having schools collectively negotiate a master supplement agreement with HSTA. If so, we would defer to their wishes at this time. Otherwise, we would urge this Committee to report the bill out for further consideration.

We also note that two other sets of companion bills also address this topic. House Bill 666 and Senate Bill 621 would add two votes for “the charter schools,” without further explanation, to the definition of public employer for purposes of negotiating agreement for bargaining units (5) and (6). House Bill 678 and Senate Bill 837 would provide for separate negotiation of the collective bargaining agreements for charter school employees in Bargaining Units (4), (5), and (6) by including two charter school representatives as part of the “public employer” on matters related to charter schools. Of these three proposals, at this time we believe HB 678/SB 837 is the preferable approach.

Thank you for the opportunity to provide this testimony.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

**Senate Committee on Judiciary and Labor
Senator Gilbert S.C. Keith-Agaran, Chair
Senator Maile S.L. Shimabukuro, Vice Chair**

February 10, 2015
Conference Room 016
9:15 a.m.
Hawaii State Capitol

**Testimony Supporting Senate Bill 163,
Relating To Collective Bargaining.
Creates a separate subsection for Bargaining Unit 09 under Section 89-6, of the
Hawaii Revised Statutes.**

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony in **support** of SB 163 that creates seven separate bargaining units exclusively for HHSC employees.

Bargaining unit 09 is comprised almost entirely of nurses from the HHSC facilities statewide. Being lumped together with the other bargaining units stifles their ability to focus on critical issues unique to their working environment. As such, these HHSC nurses need more equitable representation, and a stronger voice at the negotiating table. Passage of this bill would allow our nurses better control over the terms and conditions of their collective-bargaining agreements. It would allow HHSC to work more collaboratively with them in the negotiating process. The overall working relationship between HHSC and the nurses would be strengthened as would our ability to focus on key issues affecting the cost of doing business in our fast-paced and fiscally challenging environment.

Thank you for the opportunity to testify before this committee. We would respectfully recommend the Committee's support of this measure.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: ecabatu@hhsc.org
Subject: Submitted testimony for SB163 on Feb 10, 2015 09:15AM
Date: Monday, February 09, 2015 10:14:33 AM

SB163

Submitted on: 2/9/2015

Testimony for JDL on Feb 10, 2015 09:15AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Elena Cabatu	East Hawaii Region of Hawaii Health Systems Corporation	Support	No

Comments: Please accept this late testimony in support of SB163 on behalf of the East Hawaii Region of HHSC.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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