

# HB468, HD 1

RELATING TO COLLECTIVE  
BARGAINING IN PUBLIC  
EMPLOYMENT.

HLT, LAB, FIN

# HB468 HD1



[Submit Testimony](#)

**Measure Title:** RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT.  
**Report Title:** Hawaii Health Systems Corporation; Collective Bargaining Units  
**Description:** Establishes collective bargaining unit (15) for employees with the Hawaii Health Systems Corporation. (HD1)  
**Companion:**  
**Package:** None  
**Current Referral:** HLT, LAB, FIN  
**Introducer(s):** LUKE

<a href="#">Sort by Date</a>		Status Text
1/20/2017	H	Pending introduction.
1/23/2017	H	Pass First Reading
1/23/2017	H	Referred to HLT, LAB, FIN, referral sheet 2
1/27/2017	H	Bill scheduled to be heard by HLT on Tuesday, 01-31-17 8:30AM in House conference room 329.
1/31/2017	H	The committee(s) on HLT recommend(s) that the measure be deferred until 02-02-17 at 8:30AM.
1/31/2017	H	Bill scheduled for decision making on Thursday, 02-02-17 8:30AM in conference room 329.
1/31/2017	H	Broadcast of hearing/briefing available. See: <a href="http://www.capitoltv.org">www.capitoltv.org</a>
2/2/2017	H	The committees on HLT recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 7 Ayes: Representative(s) Belatti, Kobayashi; Ayes with reservations: Representative(s) Har, Morikawa, Oshiro, Todd, Tupola; Noes: none; and Excused: none.
2/7/2017	H	Reported from HLT (Stand. Com. Rep. No. 89) as amended in HD 1, recommending passage on Second Reading and referral to LAB.
2/7/2017	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on LAB with Representative(s) Har, Morikawa, Onishi, Tupola voting aye with reservations; none voting no (0) and Representative(s) Oshiro excused (1).
2/10/2017	H	Bill scheduled to be heard by LAB on Tuesday, 02-14-17 10:00AM in House conference room 309.

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# A BILL FOR AN ACT

RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

- 1           SECTION 1. Section 89-6, Hawaii Revised Statutes, is  
2 amended as follows:
- 3           1. By amending subsections (a) and (b) to read:
- 4           "(a) All employees throughout the State within any of the  
5 following categories shall constitute an appropriate bargaining  
6 unit:
- 7           (1) Nonsupervisory employees in blue collar positions;  
8           (2) Supervisory employees in blue collar positions;  
9           (3) Nonsupervisory employees in white collar positions;  
10           (4) Supervisory employees in white collar positions;  
11           (5) Teachers and other personnel of the department of  
12 education under the same pay schedule, including part-  
13 time employees working less than twenty hours a week  
14 who are equal to one-half of a full-time equivalent;  
15           (6) Educational officers and other personnel of the  
16 department of education under the same pay schedule;



- 1 (7) Faculty of the University of Hawaii and the community
- 2 college system;
- 3 (8) Personnel of the University of Hawaii and the
- 4 community college system, other than faculty;
- 5 (9) Registered professional nurses;
- 6 (10) Institutional, health, and correctional workers;
- 7 (11) Firefighters;
- 8 (12) Police officers;
- 9 (13) Professional and scientific employees, who cannot be
- 10 included in any of the other bargaining units; ~~[and]~~
- 11 (14) State law enforcement officers and state and county
- 12 ocean safety and water safety officers~~[-]~~; and
- 13 (15) Employees of the Hawaii health systems corporation.

14 (b) Because of the nature of work involved and the  
 15 essentiality of certain occupations that require specialized  
 16 training, supervisory employees who are eligible for inclusion  
 17 in units (9) through ~~[(14)]~~ (15) shall be included in units (9)  
 18 through ~~[(14)]~~, (15), respectively, instead of unit (2) or (4)."

19 2. By amending subsection (d) to read:

20 "(d) For the purpose of negotiating a collective  
 21 bargaining agreement, the public employer of an appropriate



1 bargaining unit shall mean the governor together with the  
2 following employers:

3 (1) For bargaining units (1), (2), (3), (4), (9), (10),  
4 (13), and (14), the governor shall have [~~six~~] five  
5 votes and the mayors[~~7~~] and the chief justice[~~7~~ ~~and~~  
6 ~~the Hawaii health systems corporation board~~] shall  
7 each have one vote if they have employees in the  
8 particular bargaining unit;

9 (2) For bargaining units (11) and (12), the governor shall  
10 have four votes and the mayors shall each have one  
11 vote;

12 (3) For bargaining units (5) and (6), the governor shall  
13 have three votes, the board of education shall have  
14 two votes, and the superintendent of education shall  
15 have one vote; [~~and~~]

16 (4) For bargaining units (7) and (8), the governor shall  
17 have three votes, the board of regents of the  
18 University of Hawaii shall have two votes, and the  
19 president of the University of Hawaii shall have one  
20 vote [~~-~~]; and



1        (5) For bargaining unit (15), the governor shall have one  
2                    vote and the Hawaii health systems corporation board  
3                    shall have one vote.

4 Any decision to be reached by the applicable employer group  
5 shall be on the basis of simple majority, except when a  
6 bargaining unit includes county employees from more than one  
7 county. In that case, the simple majority shall include at  
8 least one county."

9        SECTION 2. Section 89-11, Hawaii Revised Statutes, is  
10 amended by amending subsection (e) to read as follows:

11        "(e) If an impasse exists between a public employer and  
12 the exclusive representative of bargaining unit (2), supervisory  
13 employees in blue collar positions; bargaining unit (3),  
14 nonsupervisory employees in white collar positions; bargaining  
15 unit (4), supervisory employees in white collar positions;  
16 bargaining unit (6), educational officers and other personnel of  
17 the department of education under the same salary schedule;  
18 bargaining unit (8), personnel of the University of Hawaii and  
19 the community college system, other than faculty; bargaining  
20 unit (9), registered professional nurses; bargaining unit (10),  
21 institutional, health, and correctional workers; bargaining unit



1 (11), firefighters; bargaining unit (12), police officers;  
2 bargaining unit (13), professional and scientific employees;  
3 [~~or~~] bargaining unit (14), state law enforcement officers and  
4 state and county ocean safety and water safety officers[~~7~~];  
5 bargaining unit (15), employees with the Hawaii health systems  
6 corporation, the board shall assist in the resolution of the  
7 impasse as follows:

8 (1) Mediation. During the first twenty days after the  
9 date of impasse, the board shall immediately appoint a  
10 mediator, representative of the public from a list of  
11 qualified persons maintained by the board, to assist  
12 the parties in a voluntary resolution of the impasse.

13 (2) Arbitration. If the impasse continues twenty days  
14 after the date of impasse, the board shall immediately  
15 notify the employer and the exclusive representative  
16 that the impasse shall be submitted to a three-member  
17 arbitration panel who shall follow the arbitration  
18 procedure provided herein.

19 (A) Arbitration panel. Two members of the  
20 arbitration panel shall be selected by the  
21 parties; one shall be selected by the employer



1 and one shall be selected by the exclusive  
2 representative. The neutral third member of the  
3 arbitration panel, who shall chair the  
4 arbitration panel, shall be selected by mutual  
5 agreement of the parties. [~~In the event that~~] If  
6 the parties fail to select the neutral third  
7 member of the arbitration panel within thirty  
8 days from the date of impasse, the board shall  
9 request the American Arbitration Association, or  
10 its successor in function, to furnish a list of  
11 five qualified arbitrators from which the neutral  
12 arbitrator shall be selected. Within five days  
13 after receipt of the list, the parties shall  
14 alternately strike names from the list until a  
15 single name is left, who shall be immediately  
16 appointed by the board as the neutral arbitrator  
17 and chairperson of the arbitration panel.

18 (B) Final positions. Upon the selection and  
19 appointment of the arbitration panel, each party  
20 shall submit to the panel, in writing, with copy  
21 to the other party, a final position that shall





1 include all provisions in any existing collective  
2 bargaining agreement not being modified, all  
3 provisions already agreed to in negotiations, and  
4 all further provisions [~~which~~] that each party is  
5 proposing for inclusion in the final agreement;  
6 provided that such further provisions shall be  
7 limited to those specific proposals that were  
8 submitted in writing to the other party and were  
9 the subject of collective bargaining between the  
10 parties up to the time of the impasse, including  
11 those specific proposals that the parties have  
12 decided to include through a written mutual  
13 agreement. The arbitration panel shall decide  
14 whether final positions are compliant with this  
15 provision and which proposals may be considered  
16 for inclusion in the final agreement.

17 (C) Arbitration hearing. Within one hundred twenty  
18 days of its appointment, the arbitration panel  
19 shall commence a hearing at which time the  
20 parties may submit either in writing or through  
21 oral testimony, all information or data



1 supporting their respective final positions. The  
2 arbitrator, or the chairperson of the arbitration  
3 panel together with the other two members, are  
4 encouraged to assist the parties in a voluntary  
5 resolution of the impasse through mediation, to  
6 the extent practicable throughout the entire  
7 arbitration period until the date the panel is  
8 required to issue its arbitration decision.

9 (D) Arbitration decision. Within thirty days after  
10 the conclusion of the hearing, a majority of the  
11 arbitration panel shall reach a decision pursuant  
12 to subsection (f) on all provisions that each  
13 party proposed in its respective final position  
14 for inclusion in the final agreement and transmit  
15 a preliminary draft of its decision to the  
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17 preliminary draft for completeness, technical  
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20 that shall be incorporated in the final draft of  
21 its decision. Within fifteen days after the



1 transmittal of the preliminary draft, a majority  
2 of the arbitration panel shall issue the  
3 arbitration decision."

4 SECTION 3. This Act does not affect rights and duties that  
5 matured, penalties that were incurred, and proceedings that were  
6 begun before its effective date.

7 SECTION 4. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect on July 1, 2090, and  
10 shall apply to collective bargaining agreements negotiated after  
11 that date.



**Report Title:**

Hawaii Health Systems Corporation; Collective Bargaining Units

**Description:**

Establishes collective bargaining unit (15) for employees with the Hawaii Health Systems Corporation. (HD1)

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14 who are equal to one-half of a full-time equivalent;

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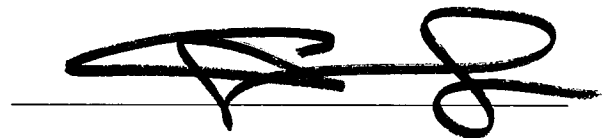
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9 SECTION 5. This Act shall take effect on July 1, 2017, and  
10 shall apply to collective bargaining agreements negotiated after  
11 that date.

12

INTRODUCED BY:

A handwritten signature in black ink, appearing to be 'A. J.', written over a horizontal line.

JAN 20 2017



# H.B. NO. 468

**Report Title:**

Hawaii Health Systems Corporation; Collective Bargaining Units

**Description:**

Establishes collective bargaining unit (15) for employees with the Hawaii Health Systems Corporation.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*



DAVID Y. IGE  
GOVERNOR



JAMES K. NISHIMOTO  
CHIEF NEGOTIATOR

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

February 10, 2017

TESTIMONY TO THE  
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT  
For Hearing on Tuesday, February 14, 2017  
10:00 a.m., Conference Room 309

By

JAMES K. NISHIMOTO  
OFFICE OF COLLECTIVE BARGAINING, CHIEF NEGOTIATOR

**House Bill No. 468, H.D. 1  
Relating to Collective Bargaining in Public Employment**

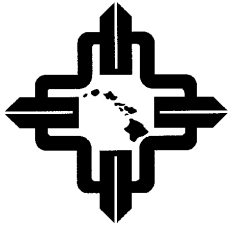
**(WRITTEN TESTIMONY ONLY)**

CHAIRPERSON JOHANSON, VICE CHAIR HOLT AND MEMBERS OF THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT:

H.B. No. 468, H.D. 1, proposes the establishment of collective bargaining unit (15) for employees with the Hawaii Health Systems Corporation (HHSC).

The Office of Collective Bargaining (OCB) **has concerns**. As HHSC employees are currently assigned to one of 14 existing collective bargaining units, it is unclear which HHSC employees would be included in the proposed bargaining unit 15. Further, this bill could have significant cost increases resulting from negotiations on mandatory subjects of collective bargaining covering wages, hours, conditions of employment, and fringe benefits.

Thank you for the opportunity to testify on this important measure.



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

*"Quality Healthcare For All"*

**House Committee on Labor & Public Employment**  
**Rep. Aaron Ling Johanson, Chair**  
**Rep. Daniel Holt, Vice Chair**

February 14, 2017  
Conference Room 309  
10:00 a.m.  
Hawaii State Capitol

**Testimony Supporting House Bill 468, HD1 Relating to Collective Bargaining in Public Employment. Establishes collective bargaining unit (15) for employees with the Hawaii Health Systems Corporation**

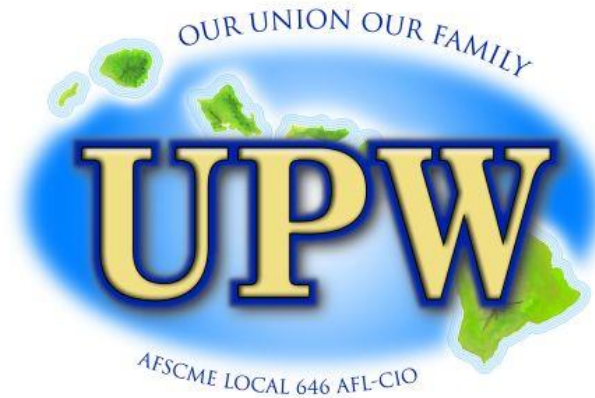
Linda Rosen, M.D., M.P.H.  
Chief Executive Officer  
Hawaii Health Systems Corporation

The HHSC Corporate Board **strongly supports** this measure. Healthcare today is a very complex, highly regulated, and rapidly changing business with constant pressure from payors to deliver higher quality care at a lower cost. As one of the largest public health care providers in the nation, HHSC employs nearly 4,000 workers in acute and long term care facilities that operate continuously 24 hours a day across the state.

The bargaining units that encompass HHSC employees also include employees from other state and county agencies, most of whom have a work environment significantly different from our public hospital operations. While HHSC does have statutory authority to negotiate specific memorandums of understanding under the current system, and has been successful in some areas, HHSC has not been able to effectively address key issues that affect our cost of doing business. HHSC's current inability to negotiate master agreements for our employees has resulted in increasing costs without any leverage to make specific changes that would benefit hospital operations. This measure would enable HHSC to address our specific labor needs and therefore supports our ability to effectively and efficiently provide high quality patient care to the communities we serve.

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





THE HAWAII STATE HOUSE OF REPRESENTATIVES  
The Twenty-Ninth Legislature  
Regular Session of 2017

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Representative Aaron Ling Johanson, Chair  
Representative Daniel Holt, Vice Chair

DATE OF HEARING: Tuesday, February 14, 2017  
10:00 a.m.

PLACE OF HEARING: State Capitol, Rm. 309  
415 South Beretania Street

**TESTIMONY ON HOUSE BILL 468 HD1 RELATING TO COLLECTIVE BARGAINING  
IN PUBLIC EMPLOYMENT**

By DAYTON M. NAKANELUA,  
State Director of the United Public Workers,  
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive bargaining representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

HB468 HD1 proposes to establish collective bargaining unit 15 for employees of the Hawaii Health System Corporation. The UPW strongly opposes the separation of any BU-01 and BU-10 UPW member in the HHSC from the greater statewide body of the BU-01 and BU-10 units. The HHSC does have the ability to negotiate and address issues. Pursuant to HRS 89-

8.5 Negotiating authority; Hawaii health systems corporation “...the HHSC or any of the regional boards, as a sole employer negotiator, may negotiate with the exclusive representative of any appropriate bargaining unit and execute memorandums of understanding for employees under its control ...”

The UPW humbly requests the committee to hold the bill.

Thank you for the opportunity to submit this testimony.

# HB468, HD 1

## Late Testimony

**LATE**

DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

LAUREL A. JOHNSTON  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT  
ON  
HOUSE BILL NO. 468, H.D. 1

**LATE**

**February 14, 2017  
10:00 a.m.  
Room 309**

**LATE**

RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT

This measure establishes a new Collective Bargaining Unit 15 for employees of the Hawaii Health Systems Corporation (HHSC).

The Department of Budget and Finance has serious concerns about this measure as follows: there are cost implications to the State of creating a new bargaining unit; and should there be a disagreement between the employers, who each have one vote, these units would be subject to mandatory arbitration to resolve negotiation impasse matters. Past arbitrations of cost items have not favored the state's fiscal condition, and could potentially jeopardize the ongoing subsidy that the State provides for the continuing operations of HHSC health care facilities.

Thank you for your consideration of our comments.

**LATE**

**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 13, 2017 2:22 PM  
**To:** LABtestimony  
**Cc:** ecabatu@hhsc.org  
**Subject:** \*Submitted testimony for HB468 on Feb 14, 2017 10:00AM\*

**LATE**

**HB468**

Submitted on: 2/13/2017

Testimony for LAB on Feb 14, 2017 10:00AM in Conference Room 309

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

**Comments:**

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.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

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

**LATE**

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The Twenty-Ninth Legislature, State of Hawaii  
House of Representatives  
Committee on Labor and Public Employment

Testimony by  
Hawaii Government Employees Association

February 14, 2017

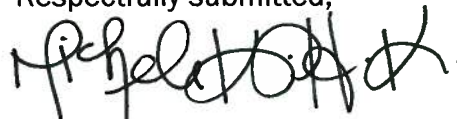
H.B. 468, H.D. 1 - RELATING TO  
COLLECTIVE BARGAINING IN  
PUBLIC EMPLOYMENT

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes the purpose and intent of H.B. 468, H.D. 1, which establishes a separate bargaining unit for employees of the Hawaii Health Systems Corporation.

While we understand the intent of the measure, we respectfully emphasize that the HHSC already has the ability to negotiate and execute separate memorandums of understanding for employees under its jurisdiction, pursuant to §89-8.5, Hawaii Revised Statutes. Therefore, we respectfully request the Committee defer this measure.

Thank you for the opportunity to testify in opposition of the above legislation.

Respectfully submitted,



for Randy Perreira  
Executive Director

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 13, 2017 7:15 PM  
**To:** LABtestimony  
**Cc:** adrenalinrod@yahoo.com  
**Subject:** Submitted testimony for HB468 on Feb 14, 2017 10:00AM

**HB468**

Submitted on: 2/13/2017

Testimony for LAB on Feb 14, 2017 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Drena L. Rodrigues	Individual	Oppose	No

Comments: I oppose this bill as it wants to separate HHSC workers from state workers, yet HHSC workers have moved laterally into other state jobs in the past that are the same. I believe this bill is intended to create a separate bargaining unit for HHSC workers because they would like to give us a different, less favorable contract than we have enjoyed with our other bargaining units. Why else would they want to separate us and give us different contracts than before? Also with the threat of privatization would we lose the right to RIF into our previous bargaining units? Hearing HHSC state that they need leverage for their employee agreements just did not sit right with me; this bill cannot be a good thing for HHSC employees. In fact, one testimony goes on to say with the bill passed, HHSC would be able to address labor needs. What is HHSC planning to cut from their employees, because you know this change is not to give their employees more. How can you have quality care by cutting employees and their pay? This is just another way of privatizing the hospital or some of its departments. I keep going back to Louisiana, when they thought that getting rid of their workers and privatizing was the solution and now they are short 142 million and short 56 million in legacy cost. It didn't work for Louisiana and it will not work for us. HHSC has been trying to cut cost in all the wrong places. The extended care, home health care, and mental health care were cut, and it has had a negative effect on our community. This bill will allow HHSC to make more cuts to the employees who contribute and add to our community. Passing this bill, will be one more bad decision in a line of many. We need to take a real good look at our health care system, but taking from the little man is not the way to do it. We are still a safety net hospital who the state said they would help, whether we made money or not. Balancing the budget on blue collar workers is discriminating, unfair, and just not smart. Taking money from the lowest paid workers and letting the guys at the top reap the benefit has been the new American way, but this is not the Hawaiian way. Please reconsider what this would do to our small community and the local people who are employed at HHSC. Hilo Medical Center is the biggest employer here in Hilo, if you pass this bill, people will lose their jobs, benefits, and future retirement. There will be less jobs in Hilo and more people will move to the mainland, which has become a trend to those who can no longer afford to stay in the island.

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