

# HB 810

RELATING TO COLLECTIVE BARGAINING

LAB, FIN

# HB810



Submit Testimony

**Measure Title:** RELATING TO COLLECTIVE BARGAINING.  
**Report Title:** Collective Bargaining; Impasse; Employer-Union Health Benefits Trust Fund  
**Description:** Allows EUTF to resolve impasse contribution disputes through binding arbitration.  
**Companion:**  
**Package:** None  
**Current Referral:** LAB, FIN  
**Introducer(s):** JOHANSON, HOLT

<u>Sort by Date</u>		Status Text
1/23/2017	H	Pending introduction.
1/25/2017	H	Pass First Reading
1/27/2017	H	Referred to LAB, FIN, referral sheet 4
2/3/2017	H	Bill scheduled to be heard by LAB on Tuesday, 02-07-17 10:00AM in House conference room 309.

**S** = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment  
Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

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## A BILL FOR AN ACT

RELATING TO COLLECTIVE BARGAINING.

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

1           SECTION 1. Section 89-9, Hawaii Revised Statutes, is  
2 amended as follows:

3           1. By amending subsection (a) to read:

4           "(a) The employer and the exclusive representative shall  
5 meet at reasonable times, including meetings sufficiently in  
6 advance of the February 1 impasse date under section 89-11, and  
7 shall negotiate in good faith with respect to wages, hours, the  
8 amounts of contributions by the State and respective counties to  
9 the Hawaii employer-union health benefits trust fund to the  
10 extent allowed in subsection (e), and other terms and conditions  
11 of employment [~~which~~] that are subject to collective bargaining  
12 and [~~which~~] that are to be embodied in a written agreement as  
13 specified in section 89-10 [~~, but such~~]; provided that the  
14 obligation [~~does~~] to meet and negotiate shall not compel either  
15 party to agree to a proposal or make a concession."

16           2. By amending subsection (e) to read:



1           "(e) Negotiations relating to contributions to the Hawaii  
2 employer-union health benefits trust fund shall be for the  
3 purpose of agreeing upon the amounts [~~which~~] that the State and  
4 counties shall contribute under section 87A-32, toward the  
5 payment of the costs for a health benefits plan, as defined in  
6 section 87A-1, and group life insurance benefits [~~, and~~];  
7 provided that the parties shall not be bound by the amounts  
8 contributed under prior agreements [~~, provided that section 89-11~~  
9 ~~for the resolution of disputes by way of arbitration shall not~~  
10 ~~be available to resolve impasses or disputes relating to the~~  
11 ~~amounts the State and counties shall contribute to the Hawaii~~  
12 ~~employer union health benefits trust fund]~~."

13           SECTION 2. Section 89-11, Hawaii Revised Statutes, is  
14 amended by amending subsection (g) to read as follows:

15           "(g) The decision of the arbitration panel shall be final  
16 and binding upon the parties on all provisions submitted to the  
17 arbitration panel. [~~If the parties have reached agreement with~~  
18 ~~respect to the amounts of contributions by the State and~~  
19 ~~counties to the Hawaii employer union health benefits trust fund~~  
20 ~~by the tenth working day after the arbitration panel issues its~~  
21 ~~decision, the final and binding agreement of the parties on all~~



## H.B. NO. 810

1 ~~provisions shall consist of the panel's decision and the amounts~~  
2 ~~of contributions agreed to by the parties. If the parties have~~  
3 ~~not reached agreement with respect to the amounts of~~  
4 ~~contributions by the State and counties to the Hawaii employer-~~  
5 ~~union health benefits trust fund by the close of business on the~~  
6 ~~tenth working day after the arbitration panel issues its~~  
7 ~~decision, the parties shall have five days to submit their~~  
8 ~~respective recommendations for such contributions to the~~  
9 ~~legislature, if it is in session, and if the legislature is not~~  
10 ~~in session, the parties shall submit their respective~~  
11 ~~recommendations for such contributions to the legislature during~~  
12 ~~the next session of the legislature. In such event, the final~~  
13 ~~and binding agreement of the parties on all provisions shall~~  
14 ~~consist of the panel's decision and the amounts of contributions~~  
15 ~~established by the legislature by enactment, after the~~  
16 ~~legislature has considered the recommendations for such~~  
17 ~~contributions by the parties. It is strictly understood that no~~  
18 ~~member of a bargaining unit subject to this subsection shall be~~  
19 ~~allowed to participate in a strike on the issue of the amounts~~  
20 ~~of contributions by the State and counties to the Hawaii~~  
21 ~~employer union health benefits trust fund.] The parties shall~~



1 take whatever action is necessary to carry out and effectuate  
2 the final and binding agreement. The parties may, at any time  
3 and by mutual agreement, amend or modify the panel's decision.

4 Agreements reached pursuant to the decision of an  
5 arbitration panel and the amounts of contributions by the State  
6 and counties to the Hawaii employer-union health benefits trust  
7 fund, as provided [~~herein,~~] in this section, shall not be  
8 subject to ratification by the employees concerned. All items  
9 requiring any moneys for implementation shall be subject to  
10 appropriations by the appropriate legislative bodies and the  
11 employer shall submit all [~~such~~] required items within ten days  
12 after the date on which the agreement is entered into as  
13 provided [~~herein,~~] in this section, to the appropriate  
14 legislative bodies."

15 SECTION 3. This Act does not affect rights and duties that  
16 matured, penalties that were incurred, and proceedings that were  
17 begun before its effective date.

18 SECTION 4. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

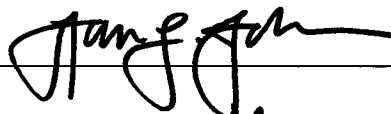



# H.B. NO. 810

1 SECTION 5. This Act shall take effect upon its approval.

2

INTRODUCED BY:

JAN 23 2017



# H.B. NO. 810

**Report Title:**

Collective Bargaining; Impasse; Employer-Union Health Benefits Trust Fund

**Description:**

Allows EUTF to resolve impasse contribution disputes through binding arbitration.

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







## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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

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

Testimony by  
Hawaii Government Employees Association

February 7, 2017

### H.B. 810 – RELATING TO COLLECTIVE BARGAINING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 810, which allows contributions to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) be subject to the impasse procedure as delineated in Ch. 89, Hawaii Revised Statutes, and makes other technical, conforming amendments.

As currently written, Ch. 89, HRS lacks a dispute resolution mechanism to address the Employee and Employer share of the contributions to medical premiums in the EUTF. If the Employer and the Exclusive Representative cannot agree on the contribution amount, then the pro-rata share shall be determined by the Legislature, while all other negotiable items can proceed to impasse. The amendments contained in H.B. 810 allow for the dispute over contributions to be inclusively – similarly to any other negotiable item – resolved via the impasse procedure and subsequently by either interest arbitration or strike, depending upon the bargaining unit. Adoption of this language increases conformity between public-sector and private-sector employee bargaining, as both parties can fully utilize their dispute resolution mechanisms for all negotiable items, and also allows for the consideration of a full benefits and compensation package.

Thank you for the opportunity to testify in strong support of H.B. 810.

Respectfully submitted,

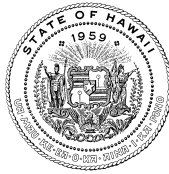
Randy Perreira  
Executive Director

**HB 810**

**LATE TESTIMONY**

DAVID Y. IGE  
GOVERNOR

**LATE**



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 COMMENTS**

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT  
ON  
HOUSE BILL NO. 810

**LATE**

**February 7, 2017**  
**10:00 a.m.**  
**Room 309**

**LATE**

**RELATING TO COLLECTIVE BARGAINING**

House Bill No. 810 amends Chapter 89, HRS, by repealing the prohibition of using arbitration to resolve impasses or disputes relating to Hawaii Employer-Union Health Benefits Trust Fund (EUTF) contributions, allowing arbitration panels to decide on EUTF matters.

The Department of Budget and Finance opposes this bill because it takes away control from the executive branch to determine the State's ability to pay for cost items that are directly linked to the State's overall fiscal condition. Arbitration panels are not often prepared to understand the complexities of the State budget. While difficult fiscal conditions can make it challenging to reach resolutions in collective bargaining negotiations, allowing binding arbitration would take this critical decision out of the hands of elected leadership and put it in the hands of unelected and unaccountable arbitrators.

Further, although the legislature would still have the authority to reject an arbitration award, it appears all cost items would be rejected, not just EUTF

contributions. This would seem to give the legislature a choice of fully conceding control of this significant portion of the budget to arbitration panels or risk unending collective bargaining negotiations. Finally, the bill does not provide a resolution mechanism if the strike units (1, 5, and 7) cannot come to an agreement in negotiations on EUTF matters.

Thank you for your consideration of our comments.

**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET 10<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
TELEPHONE: (808) 768-8500 • FAX: (808) 768-5563 • INTERNET: www.honolulu.gov/hr

KIRK CALDWELL  
MAYOR



CAROLEE C. KUBO  
DIRECTOR

NOEL T. ONO  
ASSISTANT DIRECTOR

**LATE**

February 7, 2017

The Honorable Aaron Ling Johanson, Chair  
The Honorable Daniel Holt, Vice Chair  
and Members of the Committee on  
Labor and Public Employment  
House of Representatives  
State Capitol  
Room 426  
415 South Beretania Street  
Honolulu, Hawaii 96813

**LATE**

**LATE**

Dear Chair Johanson, Vice Chair Holt, and Members of the Committee:

SUBJECT: House Bill No. 810  
Relating to Collective Bargaining

The Department of Human Resources, City & County of Honolulu would like to share our comments with this measure. H.B. 810 would dilute the statutory authority and obligations already vested with the Employer-Union Health Benefits Trust Fund ("EUTF"). Moreover, if passed, the measure would likely have an unforeseen negative financial impact to both the public employer and employees due to fragmentation as health care and administrative costs will likely increase if health care providers are required to craft separate health care plans for the various bargaining units.

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

Sincerely,

A handwritten signature in black ink that reads "Carolee C. Kubo".

Carolee C. Kubo  
Director

**LATE**

**LATE**



**LATE**

The House Committee on Labor & Public Employment  
Tuesday, February 7, 2017  
10:00 am, Room 309

**RE: Relating to Collective Bargaining**

Attention: Chair Aaron Ling Johanson, Vice Chair Daniel Holt and  
Members of the Committee

The University of Hawaii Professional Assembly (UHPA) urges the committee to  
**support passage of HB 810.**

Chapter 89-9, Hawaii Revised Statutes, outlines the scope of negotiations and  
consultation and Chapter 89-11, Hawaii Revised Statutes, outlines the resolution of  
disputes and impasse procedures between the exclusive representative and the  
employer. The amendments to these respective sections outlined in HB 810 will  
provide the appropriate pathway for resolving disputes between the exclusive  
representative and the employer regarding contributions to the Hawaii Employer-Union  
Health Benefits Trust Fund (EUTF).

UHPA urges the committee to **support HB 810.**

Respectfully Submitted,

Kristeen Hanselman  
Executive Director

**University of Hawaii  
Professional Assembly**



## HAWAII FIRE FIGHTERS ASSOCIATION

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 1463, AFL-CIO  
1018 PALM DRIVE, HONOLULU, HAWAII 96814-1929  
TELEPHONE (808) 949-1566 FAX: (808) 952-6003  
WEBSITE: [www.hawaiifirefighters.org](http://www.hawaiifirefighters.org)

THE HOUSE OF REPRESENTATIVES  
THE TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2016  
February 7, 2107

Committee on Labor and Public Employment

Testimony by  
Hawaii Fire Fighters Association

LATE

**LATE**

**LATE**

H.B. No. 810 RELATING TO COLLECTIVE BARGAINING

The Hawaii Fire Fighters Association (HFFA), Local 1463, IAFF, AFL-CIO, represents more than 1,900 professional and 800 retired fire fighters throughout the State. The HFFA, on behalf of our members, strongly supports H.B. No. 810 Relating to Collective Bargaining, which would allow the arbitration panels to resolve EUTF contributions disputes.

HFFA has struggled with ensuring that medical premiums provided through the collective bargaining agreement remains affordable while being unable to participate in the design plan to meet the needs of the membership. This measure provides greater flexibility by allowing the arbitration panel to determine the contributions in addition to the other terms and conditions of the collective bargaining agreements .

HFFA appreciates your Committee's favorable consideration of this measure and thank you for the opportunity to testify.