

Honolulu, Hawaii

FEB 05 , 2020

RE: H.B. No. 1960
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1960 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE COMPENSATION,"

begs leave to report as follows:

The purpose of this measure is to establish within the Department of Accounting and General Services a public employees' compensation appeals board to hear appeals on the repricing of classes.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received testimony in opposition to this measure from the Department of Human Resources Development and Hawaii Health Systems Corporation. Your Committee received comments on this measure from the Department of Human Resources of the City and County of Honolulu.

Your Committee notes that Act 253, Session Laws of Hawaii 2000, repealed a similar public employees' compensation appeals board that had been in existence since 1961. Elimination of the board made the repricing of classifications a negotiable item between unions and each jurisdiction. Under existing law, the exclusive representative may request the negotiation of repricing



with the employer under the collective bargaining agreement. If repricing has not been negotiated, the employer is required to periodically review the repricing of classifications at least once every five years. Despite having these processes in place, employees have sought to reprice their classifications with limited success. Your Committee finds that statutorily establishing a public employees' compensation appeals board will provide an avenue for determining just and reasonable wages through appeals on the repricing of classes.

Your Committee has amended this measure by:

- (1) Clarifying the composition of the public employees' compensation appeals board by specifically listing out the number of members each bargaining unit will have on the board;
- (2) Changing its effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1960, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,


AARON LING JOHANSON, Chair

