

JOSH GREEN, M. D.
GOVERNOR
KE KIA'ĀINA

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA



BRENN A H. HASHIMOTO
DIRECTOR
KA LUNA HO'OKELE

RYAN YAMANE
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

Statement of
BRENN A H. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS
Tuesday, January 30, 2024
9:30 a.m.
State Capitol, Conference Room 309 and Videoconference

In consideration of
HB 1640, RELATING TO COLLECTIVE BARGAINING

Chair Matayoshi, Vice Chair Garrett, and the members of the committee.

The Department of Human Resources Development (DHRD) appreciates the intent of HB 1650 which requires the employer to initiate negotiations on repricing of classes within thirty days of a written request by the exclusive representative to negotiate and if an agreement is not reached within 90 days, the impasse procedures in HRS §89-11 will apply. However, we must respectfully oppose this measure.

DHRD is concerned for the following reasons:

1. Mandating unresolved repricing requests to the impasse procedures jeopardizes the employer's ability to maintain an equitable pay system and pay relationships. It exposes the employer to serious claims of unequal pay or discrimination.
 - An objective, consistent system of pricing and repricing classes of work protects the employer who is required to comply with federal and state laws that prohibit discrimination in compensation.
 - There will no longer be a consistent application of criteria if multiple arbitration panels make repricing determinations. Repricing requires a technical analysis and the decision maker should be knowledgeable about the subject class and related classes, and be trained in the factors that determine pricing.

2. The existing statute already provides unions with the opportunity to negotiate the repricing of classes at times allowed under the collective bargaining agreement. They can choose to submit these requests to arbitration in accordance with HRS §89-11 without the amendments made in this bill.
3. This bill may lead to costly arbitration hearings and it is not clear when repricing requests may be submitted.

Thank you for the opportunity to provide testimony and comments on this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

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

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS
ON
HOUSE BILL NO. 1640

January 30, 2024
9:30 a.m.
Room 309 and Videoconference

RELATING TO COLLECTIVE BARGAINING

The Department of Budget and Finance (B&F) offers comments on this bill.

This measure amends Chapter 89, HRS, to require the employer to negotiate repricing within 30 days of receipt of a written request from the unions, provided that a repricing request can only be submitted once per occupation in any 18-month period. In addition, the measure implements impasse procedures if the employer fails to timely initiate a negotiation in compliance with paragraph (1) or the parties cannot reach an agreement within 90 days after the exclusive representative's written request to negotiate or by January 31st of a year in which the agreement is due to expire, whichever is earlier.

B&F has serious operational concerns with this measure. Under the terms of this measure, soon after a collective bargaining agreement is reached or an arbitration award is issued, unions could request repricing negotiations with impasse following 90 days after that. In addition to the direct costs of repricing arbitration awards, there are concerns with the increasing administrative costs and complexities of a potential endless cycle of contract negotiations and arbitrations.

Thank you for your consideration of our comments.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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

The Thirty-Second Legislature, State of Hawaii
The House of Representatives
Committee on Labor and Government Operations

Testimony by
Hawaii Government Employees Association

January 30, 2024

H.B. 1640 — RELATING TO COLLECTIVE BARGAINING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 1640 which requires the employer to initiate negotiations on repricing of classes within a bargaining unit within thirty days of its receipt of the exclusive representative's written request to negotiate. Establishes that the employer's failure to initiate the negotiation within such time frame and the parties' failure to reach an agreement within ninety days of the exclusive representative's written request to negotiate or by January 31 of a year in which the collective bargaining agreement is due to expire, whichever is earlier, constitute an impasse to which the impasse procedures in section 89-11, Hawai'i Revised Statutes, shall apply.

This measure is a novel approach and viable alternative to address the repricing of classes within state government. In the past twenty years since the civil service reform, employees have sought to reprice their classifications with very limited success. Employers deny repricing requests and claim that upon their review, they have determined that all current position pricing is appropriate, however they do not proffer the basis of that determination. The current process is clearly lopsided and unfair: it fails to include any appeal mechanism or adjudication via impartial review and empowers the employer to arbitrarily rule against employees without recourse. This unbalance has adversely impacted governmental operations, as the high vacancy rates and use of long-term shortage differentials clearly refutes the employer's claim that all classifications are priced at market rates.

It is our hope that the passage of this measure will assist in properly pricing classes of employees and that paying a competitive salary will be one of many tools utilized in reducing the state's and counties high turnover and vacancy rates. This measure represents the beginning of a long overdue conversation, and we look forward to working with all stakeholders to establish a fair process to reprice employees.

Thank you for the opportunity to provide testimony in strong support of H.B. 1640.

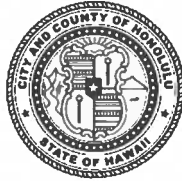
Respectfully submitted,

Randy Perreira
Executive Director

**DEPARTMENT OF HUMAN RESOURCES
KA 'OIHANA HO'OMOHALA LIMAHANA
CITY AND COUNTY OF HONOLULU**

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RICK BLANGIARDI
MAYOR
MEIA



NOLA N. MIYASAKI
DIRECTOR
PO'O

FLORENCIO C. BAGUIO, JR.
ASSISTANT DIRECTOR
KOKUA PO'O

January 29, 2024

The Honorable Scot Z. Matayoshi, Chair
The Honorable Andrew Takuya Garrett, Vice Chair
and Members of the Committee on Labor & Government Operations
415 South Beretania Street
Honolulu, Hawaii'i 96813

Dear Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

**SUBJECT: House Bill No. 1640
Relating to Collective Bargaining**

House Bill 1640 requires the employer to initiate negotiations on repricing of classes within a bargaining unit within thirty days of its receipt of the exclusive representative's written request to negotiate; in addition, the bill establishes that if the employer fails to initiate the negotiation within such time frame and the parties fail to reach an agreement by the earlier of the following: (1) within ninety days of the exclusive representative's written request to negotiate or (2) by January 31 of a year in which the collective bargaining agreement is due to expire, this will constitute an impasse to which the impasse procedures in Section 89-11, Hawaii'i Revised Statutes, shall apply.

The City and County of Honolulu, Department of Human Resources, respectfully opposes this measure.

First, the Unions currently have the ability to negotiate the actual pay rate of employees through the determination of the salary schedules for the various bargaining units. Vacancy rates, retention issues, cost of living, market rate and comparable salaries for similarly functioning positions/classes are factors that are required to be considered in the collective bargaining of salaries. This bill would allow the unions to also negotiate pricing, which could significantly increase the employer's overall payroll cost beyond what it already bargained for in the statutorily-prescribed collective bargaining process.

The Honorable Scot Z. Matayoshi, Chair
The Honorable Andrew Takuya Garrett, Vice Chair
and Members of the Committee on Labor & Government Operations
January 29, 2024
Page 2

Second, the short timelines for employer to respond to requests and reach agreement compromises the employer's ability to assess its ability to maintain its internal structure and hierarchy of classes within a jurisdiction. This problem would be compounded by decisions rendered by multiple independent arbitration panels which may not be consistent with each other. Repricing changes ordered by the arbitration panels will also directly impact the City's ability to comply with federal and state laws that prohibit discrimination as the City will no longer be pricing classes based on a consistent application of well-defined criteria or a fair and impartial evaluation of jobs.

Finally, this significant expansion of existing impasse procedures to pricing/repricing will require significant additional staffing capacity that the City does not have due to existing budget and staffing constraints

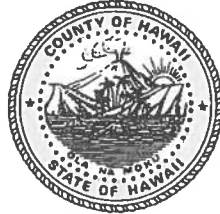
Thank you for allowing the City to testify in respectful opposition to this measure.

Sincerely,

A handwritten signature in black ink that reads "Nola N. Miyasaki". The signature is written in a cursive style with a large, stylized initial "N".

Nola N. Miyasaki
Director

Mitchell D. Roth
Mayor



Sommer J. Tokihiro
Director of Human Resources

Danny B. Patel
Deputy Director of Human Resources

County of Hawai'i
Department of Human Resources

Aupuni Center * 101 Pauahi Street, Suite 2 * Hilo, Hawai'i 96720 * (808) 961-8361 * Fax (808) 961-8617
website: <http://hawaiicounty.gov/human-resources> e-mail: jobs@hawaiicounty.gov

January 29, 2024

The Honorable Scot Z. Matayoshi, Chair
The Honorable Andrew Takuya Garrett, Vice chair
and Members of the Committee on Labor & Government Operations

SUBJECT: **House Bill ("H.B.") No. 1640 – Testimony in Opposition
Relating to Collective Bargaining**

Dear Chair Matayoshi, Vice Chair Garrett, and the Members of the Committee:

H.B. 1640 requires the employer to initiate negotiations on repricing of classes within a bargaining unit within 30 days of its receipt of the exclusive representative's written request to negotiate and if an agreement is not reached within 90 days, the impasse procedures in HRS § 89-11 will apply. The County of Hawai'i, Department of Human Resources, respectfully opposes this measure.

Mandating repricing requests to impasse procedures jeopardizes the employer's ability to maintain a fair and equitable pay system and exposes the employer to claims of unequal pay or discrimination. It will undermine the current classification and pricing system, which is an objective, consistent system of pricing and repricing classes of work in compliance with federal and State laws.

Repricing requires a technical analysis. The decision maker must be knowledgeable not only about the subject class but, also, related classes and pricing criteria. This assessment of internal relationships between classes of work is the foundation for the employer's entire classification and pricing system. H.B. 1640 will result in subjective, inconsistent application of criteria when arbitration panels make piecemeal repricing determinations.

In sum, H.B. 1640 will significantly alter and weaken the current objective, fair and equitable system of job evaluation and pricing relationships. Thank you for the opportunity to testify on this matter.

Sincerely,

Sommer J. Tokihiro, Director
Department of Human Resources

Hawai'i County is an Equal Opportunity Provider and Employer.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2024**

COMMITTEE ON LABOR & GOVERNMENT OPERATIONS

Rep. Scot Z. Matayoshi, Chair
Rep. Andrew Takuya Garrett, Vice Chair

Tuesday, January 30, 2024, 9:30 AM
Conference Room 309 & Videoconference

Re: Testimony on HB1640 – RELATING TO COLLECTIVE BARGAINING

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **supports** HB1640, which requires the employer to initiate negotiations on repricing of classes within a bargaining unit within thirty days of its receipt of the exclusive representative's written request to negotiate. This measure also establishes that the employer's failure to initiate the negotiation within such time frame and the parties' failure to reach an agreement within ninety days of the exclusive representative's written request to negotiate or by January 31 of a year in which the collective bargaining agreement is due to expire, whichever is earlier, constitute an impasse to which the impasse procedures in section 89-11, Hawaii Revised Statutes, shall apply.

Having a reasonable timetable to negotiate repricing of classes within a bargaining unit will help to ensure that public employees are being paid competitive and fair wages. By promoting access to fair and competitive wages, the State and Counties would be able to recruit and retain workers to help to address any outstanding vacancies and prevent high turnover for these positions.

Mahalo for the opportunity to testify on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kalani Werner", is written over a light blue horizontal line.

Kalani Werner
State Director

HEADQUARTERS

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Aloha Legislators:

The Hawai'i Association of School Psychologists (HASP) **supports** HB1640. This legislation requires employers to initiate negotiations on repricing of classes within a bargaining unit within 30 days of receiving the exclusive representative's written request to negotiate. This legislation is crucial for ensuring fair and timely negotiation processes that uphold the rights and interests of workers.

First and foremost, this legislation promotes fairness and equity in labor negotiations. By mandating that employers promptly engage in negotiations upon receiving a request from the exclusive representative, the bill ensures that employees' concerns regarding repricing of classes within a bargaining unit are addressed in a timely manner. This proactive approach fosters a more collaborative and transparent negotiation process, ultimately leading to more equitable outcomes for workers.

Furthermore, the provision stipulating that failure to initiate negotiations within the specified timeframe constitutes an impasse underscores the importance of timely action in labor relations. Delays in negotiation processes can have detrimental effects on workers, leading to prolonged uncertainty and potential hardships. By establishing clear timelines and consequences for non-compliance, this legislation encourages both parties to engage in negotiations promptly and in good faith.

Additionally, the inclusion of specific timeframes for reaching an agreement further strengthens the effectiveness of the legislation. By setting a deadline for reaching an agreement, the bill creates a sense of urgency and accountability, encouraging both parties to work towards a resolution within a reasonable timeframe. This helps prevent negotiations from dragging on indefinitely and ensures that workers are not left in limbo awaiting decisions on repricing of classes within their bargaining unit.

Finally, this legislation will strengthen collective bargaining for unique cases where an employee contract is not directly negotiated with the employer. For example, DHRD is the primary negotiator for bargaining Unit 13, and the needs of educators (i.e., School Psychologists, Speech and Language Pathologists, School Social Workers, etc.) represented by the Unit have historically not been properly addressed. Despite the best efforts of the Hawai'i Government Employees Association (HGEA) to resolve this issue through initiating negotiation with the Hawai'i Department of Education (DOE), the DOE has routinely failed to meet negotiation timelines or take corrective action without consequence.

In conclusion, this legislation is a necessary and important step towards promoting fairness, transparency, and efficiency in labor negotiations. By mandating timely initiation of negotiations and establishing clear timelines for reaching agreements, the bill serves to protect the rights and interests of workers while fostering a more collaborative and productive bargaining process. I urge you to support this legislation for the benefit of workers across our state.

Respectfully Submitted:

Alec Marentic, Ed.S., NCSP

HASP, Legislative Chair

DEPARTMENT OF HUMAN RESOURCES

ANNETTE L. ANDERSON, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Annette L. Anderson
Director, Department of Human Resources
Before the

LATE

Committee on Labor & Government Operations

January 30, 2024; 9:30 a.m.

Conference Room 309

Via Videoconference

In consideration of
House Bill 1640
Relating to Collective Bargaining

The Honorable Chair Matayoshi, Vice Chair Garrett and Members of the Committee:

The County of Kaua'i respectfully submits the following **comments**:

- 1) Currently, HRS Section 89-9(f)(1)(2) allows the unions to request to negotiate the repricing of classes within the time allowed under the collective bargaining agreement, and if not negotiated then the employer of each jurisdiction will periodically review at least once in five years the repricing of classes. House Bill 1640 will impose timelines for bargaining as well as impasse procedures and arbitrations should the parties not reach agreement. These requirements will negatively impact the employers in that the cost may increase well beyond the costs negotiated or arbitrated for salary schedules, multiple arbitrators could make inconsistent awards,
- 2) Pricing and repricing of classes is beyond the scope of one particular bargaining unit in that various factors must be considered in determining the initial pricing of a class or the repricing. Human resources professionals review "benchmark" classes and other related classes to establish base relationships. They must consider kind and scope of work, nature and

extent of supervision over others, special working conditions plus other factors when considering pricing of classes and to ensure internal alignment and compliance with HRS §76-1(5) which states “equal pay for equal work shall apply between classes in the same bargaining unit among jurisdictions for those classes determined equal through systematic classification of positions based on objective criteria and adequate job evaluation...”

Sincerely,

A handwritten signature in black ink, appearing to read "Annette L. Anderson", with a long horizontal flourish extending to the right.

Annette L. Anderson

Director