

collective bargaining requirements could hinder the ability of OHA's Trustees to fulfill their fiduciary obligation in this regard.

For example, with OHA pressed to negotiate union matters, the resources of the Native Hawaiian Trust Fund may be significantly strained. OHA moneys would be constantly needed to support the collective bargaining process, from preliminary negotiations to repeated legal analyses of draft collective bargaining agreements. Any resulting higher wages and benefits would also have a direct impact on the OHA trust. In addition, additional resources would be needed to orchestrate the major administrative changes in OHA's personnel system, policies, and procedures that collective bargaining could bring. All these tasks would further burden the OHA trust, and its Trustees' ability to fulfill their fiduciary responsibilities to OHA's beneficiaries.

In light of the above, we ask that your committee **HOLD** this bill.

Mahalo for the opportunity to testify on this matter.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

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

February 8, 2016

TESTIMONY TO THE
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
For Hearing on Tuesday, February 9, 2016
9:30 a.m., Conference Room 309

By

JAMES K. NISHIMOTO
OFFICE OF COLLECTIVE BARGAINING, CHIEF NEGOTIATOR

**House Bill No. 665, H.D. 1
Relating to Collective Bargaining**

WRITTEN TESTIMONY ONLY

CHAIRPERSON NAKASHIMA, VICE CHAIR KEOHOKALOOLE, AND MEMBERS OF
THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT:

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

H.B. No. 665, H.D. 1, would amend §10-12, HRS and §89-6, HRS to grant Office of Hawaiian Affairs (OHA) officers and employees collective bargaining rights, and also to give OHA voting rights as a public employer.

The Office of Collective Bargaining has **CONCERNS** regarding this bill and requests that the bill be held.

Pursuant to §10-12, HRS, all OHA officers and employees are exempt from civil service, since they are hired “without regard to chapter 76.” Despite their exempt status, H.B. No. 665, H.D. 1, would grant all of these employees collective bargaining

rights under Chapter 89, which would essentially make their wages, hours and conditions of employment mandatory subjects of negotiation.

By extending the provisions of Chapter 89 to all OHA officers and employees, the potential exists that as a consequence of negotiating wages, hours and conditions of employment, there would be significant changes in the current policies, procedures and operating practices at OHA. For instance, current discretion exercised in accordance with OHA's authority to make appointments exempt from the civil service may be amended to more closely reflect civil service policies and procedures, e.g., recruitment and appointments, wages, working conditions, etc.

In addition, the bill's proposed amendment to §89-6, HRS, grants the OHA Board of Trustees status as a public employer for purposes of negotiating a collective bargaining agreement for bargaining units (1), (2), (3), (4), (9), (10), (13) and (14) without amending the number of votes afforded the Governor. Under the new scheme, the Governor would continue to have only six (6) votes, whereas the mayors, the chief justice, the Hawai'i health systems corporation board and the board of trustees of OHA would each have one vote for a total of seven (7) votes. The proposed voting structure would create the situation that for the cited bargaining units, the governor (with 6 votes) could be out-voted by the other jurisdictions (with a potential total of 7 votes), since only a simple majority is required. This is inconsistent with the voting structure for the remaining bargaining units, and would diminish the voting power of the governor, who has statutory responsibility to maintain a balanced budget for the State.

Based upon the above, the Office of Collective Bargaining respectfully requests that this measure **be held**.

LABtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 09, 2016 12:34 AM
To: LABtestimony
Cc: kamakane73@gmail.com
Subject: *Submitted testimony for HB665 on Feb 9, 2016 09:30AM*



HB665

Submitted on: 2/9/2016

Testimony for LAB on Feb 9, 2016 09:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Kama Hopkins	Individual	Oppose	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.

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HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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

LATE

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

Testimony by
Hawaii Government Employees Association

February 9, 2016

H.B. 665, H.D. 1 – RELATING TO
COLLECTIVE BARGAINING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of granting officers and employees within the Office of Hawaiian Affairs collective bargaining rights, as proposed in H.B. 665.

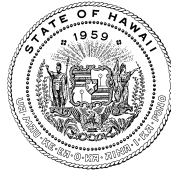
HGEA represents more than 42,000 members employed by the state and county, in eight bargaining units and also serves a large associate membership composed of retirees, other state and county employees and officials, and federal and private sector employees. As the state's largest labor organization, we firmly believe in the fundamental right for employees, like those employed by the Office of Hawaiian Affairs, to have the right to collectively bargain their wages, benefits, and terms and conditions of employment. These beliefs concur with and are upheld by the Hawaii State Constitution, Article XIII, Section 2, which states, "Persons in public employment shall have the right to organize for the purpose of collective bargaining as provided by law."

Thank you for the opportunity to provide our support on the passage of H.B. 665, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director

DAVID Y. IGE
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
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)

**TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON
HOUSE BILL NO. 665, H.D. 1**

February 9, 2016
9:30 a.m.

RELATING TO COLLECTIVE BARGAINING

This measure gives the Office of Hawaiian Affairs (OHA) officers and employees collective bargaining rights and gives OHA voting rights as a public employer.

The Department of Budget and Finance takes no position of giving OHA employees collective bargaining rights. However, if OHA is going to be given a vote as a public employer, the number of votes for the Governor should be increased from six to seven to maintain existing voting balance.