

Honolulu, Hawaii

March 19, 2014

RE: S.B. No. 2259
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2259, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING,"

begs leave to report as follows:

The purpose of this measure is to prohibit parties in the arbitration phase of public sector collective bargaining from including in their final positions any proposals that were not previously submitted in writing before impasse and about which an impasse in bargaining has not been reached.

The Hawaii Fire Fighters Association, Local 1463 and University of Hawaii Professional Assembly provided testimony in support of this measure. The Department of the Attorney General, Department of Budget and Finance, Office of Collective Bargaining, Department of Education, and City and County of Honolulu, Department of Human Resources provided testimony in opposition to this measure. The Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO and United Public Workers, AFSCME, Local 646, AFL-CIO (UPW) provided comments on this measure.



Your Committee has amended this measure by specifying that:

- (1) The final positions submitted by each party shall include only those specific proposals that have been previously submitted in writing to the other party before impasse and about which an impasse in bargaining has been reached; and
- (2) The arbitration panel shall decide whether the final positions submitted are compliant with statutory requirements and which proposals may be considered in the final agreement.

Your Committee is concerned that employers and exclusive representatives of collective bargaining units are apparently unwilling or unable to meet the legislative deadline for finalized collective bargaining agreements of February 1 of any odd year as required under section 89-9, Hawaii Revised Statutes. Your Committee notes that the Legislature specified a deadline of February 1 of each odd year to allow the House of Representatives to thoughtfully deliberate on the State's financial obligations and formulate a meaningful state budget. Beginning the arbitration process when the parties are unable to reach a final position prior to entering into an impasse only serves to further delay the resolution of a collective bargaining agreement. Allowing the final positions of the parties to be set so late in the process further delays the Legislature's ability to accurately plan for its financial obligation. Your Committee further notes that as of today, there are collective bargaining units that have completed the arbitration process over a year after the legislative deadline. Meanwhile, another unit waits for its arbitration process to begin.

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 S.B. No. 2259, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2259, S.D. 1, H.D. 1, and be referred to the Committee on Finance.



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



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSR 1015-14

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: <i>HB 2269, SD1</i>	Committee Referral: <i>LAB, FIN</i>	Date: <i>3-11-14</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. YAMASHITA, Kyle T. (VC)		/		
3. AQUINO, Henry J.C.	/			
4. ICHIYAMA, Linda				/
5. TAKAYAMA, Gregg	/			
6. ING, Kaniela	/			
7. TAKUMI, Roy M.	/			
8. YAMANE, Ryan I.	/			
9. JOHANSON, Aaron Ling	/			
TOTAL (9)	7	1	-	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				