STAND. COM. REP. NO. 1208

Honolulu, Hawaii Merch 75 , 2009

RE: S.B. No. 642 S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 642, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,"

begs leave to report as follows:

The purpose of this bill is to provide fairness in health and retirement benefits for excluded employees in the excluded managerial compensation plan by requiring:

- (1) Adjustments for excluded civil service employees to be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded; and
- (2) Adjustments for excluded employees in the excluded managerial compensation plan to be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded.

The Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO testified in support of this bill. The Judiciary did not



STAND. COM. REP. NO. 1208 Page 2

support this measure. The Department of Human Resources of the County of Hawaii provided comments and amendments to this bill.

Your Committee understands that concerns have been raised regarding the broad interpretation of current statutory language regarding collective bargaining that may be interpreted in such a way that, in essence, a union would become a de-facto negotiating body for excluded employees. This measure addresses this issue and ensures fairness for public employees excluded from collective bargaining.

However, concerns continued to be raised about the references to changes in health or retirement benefits contained in this measure since these items are not subject to negotiations under current law. As such, your Committee has amended this measure by:

- (1) Clarifying that the required adjustments for excluded civil service employees and excluded employees in the excluded managerial compensation plan apply to wage increases or reductions, step movements, and employer contributions for health benefits as provided for under the collective bargaining agreements under which these employees are excluded;
- (2) Changing its effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee also notes that according to the Judiciary, after having discussions with the union representative testifying in support of this measure regarding the proposed amendments, the Judiciary withdrew its opposition to this measure.

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. 642, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 642, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



STAND. COM. REP. NO. 1208 Page 3

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

KARL RHOADS, Chair



## HSCR 1208

## State of Hawaii House of Representatives The Twenty-fifth Legislature

## Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 642 SD2	Committee Referral: LAB, FIN			Date: 3 · 20 - 09		
The committee is reconsidering its previous decision on the measure.						
The recommendation is to:  □  Pass, unamended (as is)  □  Pass, with amendments (HD)  □  Hold    □  Pass short form bill with HD to recommit for future public hearing (recommit)						
LAB Members		Ayes	Ayes (W	<b>R</b> )	Nays	Excused
1. RHOADS, Karl (C)			÷			
2. YAMASHITA, Kyle T. (VC)						
3. AQUINO, Henry J.C.		/				
4. AWANA, Karen Leinani		~				
		and the second				
5. HANOHANO, Faye P.						
6. KEITH-AGARAN, Gilbert S.C.		$\checkmark$				
7. LEE, Marilyn B.						
		-				
8. NAKASHIMA, Mark M.		/				
		/				
9. SAIKI, Scott K.		r				
10. SOUKI, Joseph M.						5
11. TAKUMI, Roy M.		~				
		/				
12. PINE, Kymberly Marcos						
<b>TOTAL (12)</b>	22	11	_			1
The recommendation is:  Adopted  Not Adopted    If joint referral,						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						