# HB 310

## RELATING TO COLLECTIVE BARGAINING

## LAB, FIN

HEARING\_LAB\_02-07-17\_2



<u>S</u>ubmit Testimony

| Measure Title:    | RELATING TO COLLECTIVE BARGAINING.   |
|-------------------|--|
| Report Title:     | Hawaii State Association of Counties Package; Collective Bargaining;<br>Counties; Mayors; Nonvoting Representative   |
| Description:      | Authorizes a nonvoting county representative to participate in<br>collective bargaining negotiations for county employees. Reduces<br>the number of votes the governor has from 4 to 1 for negotiations<br>involving police officers and firefighters. Requires the respective<br>Mayor to provide timely collective bargaining negotiation updates to<br>the applicable county council. |
| Companion:        |  |
| Package:          | Hawaii State Association of Counties   |
| Current Referral: | LAB, FIN   |
| Introducer(s):    | SOUKI (Introduced by request of another party)   |

| Sort by<br>Date |   | Status Text  |
|-----------------|---|--|
| 1/20/2017       | Н | Pending introduction.  |
| 1/23/2017       | Н | Pass First Reading   |
| 1/23/2017       | Н | Referred to LAB, FIN, referral sheet 2   |
| 2/3/2017        | Н | Bill scheduled to be heard by LAB on Tuesday, 02-07-17 10:00AM in House conference room 309. |

S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment Some of the above items require Adobe Acrobat Reader. Please visit <u>Adobe's download page</u> for detailed instructions.

H.B. NO. *η*ΙΟ

## A BILL FOR AN ACT

RELATING TO COLLECTIVE BARGAINING.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purpose of this Act is to allow a
 representative of each county council to be present as a
 nonvoting participant in negotiations with bargaining units if
 the relevant county has employees in the particular bargaining
 unit.

6 County councils have the duty to appropriate funds for 7 their counties. Therefore, it is essential that county councils 8 are provided with relevant information regarding bargaining unit 9 negotiations and associated costs in order to carry out 10 effective financial planning for the counties.

SECTION 2. Section 89-6, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows: "(d) For the purpose of negotiating a collective bargaining agreement, the public employer of an appropriate bargaining unit shall mean the governor together with the following employers:



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# H.B. NO. 310

| 1  | (1) | For bargaining units (1), (2), (3), (4), (9), (10),               |
|----|-----|---|
| 2  |     | (13), and (14), the governor shall have six votes and             |
| 3  |     | the mayors, the chief justice, and the Hawaii health              |
| 4  |     | systems corporation board shall each have one vote if             |
| 5  |     | they have employees in the particular bargaining unit;            |
| 6  |     | provided that one representative from each county                 |
| 7  |     | council shall be allowed to attend as a nonvoting                 |
| 8  |     | participant during negotiations if their county has               |
| 9  |     | employees in the particular bargaining unit;                      |
| 10 | (2) | For bargaining units (11) and (12), the governor shall            |
| 11 |     | have [ <del>four votes</del> ] one vote and the mayors shall each |
| 12 |     | have one vote; provided that one representative from              |
| 13 |     | each county council shall be allowed to attend as a               |
| 14 |     | nonvoting participant during negotiations if their                |
| 15 |     | county has employees in the particular bargaining                 |
| 16 |     | unit;   |
| 17 | (3) | For bargaining units (5) and (6), the governor shall              |
| 18 |     | have three votes, the board of education shall have               |
| 19 |     | two votes, and the superintendent of education shall              |
| 20 |     | have one vote; and  |



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| 1  | (4) For bargaining units (7) and (8), the governor shall         |
|----|--|
| 2  | have three votes, the board of regents of the                    |
| 3  | University of Hawaii shall have two votes, and the               |
| 4  | president of the University of Hawaii shall have one             |
| 5  | vote.  |
| 6  | Any decision to be reached by the applicable employer group      |
| 7  | shall be on the basis of simple majority, except when a          |
| 8  | bargaining unit includes county employees from more than one     |
| 9  | county. In that case, the simple majority shall include at       |
| 10 | least one county. If the negotiation of a collective bargaining  |
| 11 | agreement involves county employees, the applicable mayor or the |
| 12 | mayor's representative shall provide timely updates relating to  |
| 13 | bargaining unit negotiations to the respective county council in |
| 14 | an executive meeting."   |
| 15 | SECTION 3. New statutory material is underscored.                |
| 16 | SECTION 4. This Act shall take effect upon its approval.         |
| 17 |  |
|    | INTRODUCED BY:   |

By Request

JAN 2 0 2017



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## H.B. NO. 310

#### Report Title:

Hawaii State Association of Counties Package; Collective Bargaining; Counties; Mayors; Nonvoting Representative

#### Description:

Authorizes a nonvoting county representative to participate in collective bargaining negotiations for county employees. Reduces the number of votes the governor has from 4 to 1 for negotiations involving police officers and firefighters. Requires the respective Mayor to provide timely collective bargaining negotiation updates to the applicable county council.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



DAVID Y. IGE GOVERNOR



JAMES K. NISHIMOTO CHIEF NEGOTIATOR

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

February 3, 2017

## TESTIMONY TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT For Hearing on Tuesday, February 7, 2017 10:00 a.m., Conference Room 309

By

## JAMES K. NISHIMOTO OFFICE OF COLLECTIVE BARGAINING, CHIEF NEGOTIATOR

## House Bill No. 310 Relating to Collective Bargaining

(WRITTEN TESTIMONY ONLY)

## CHAIRPERSON JOHANSON, VICE CHAIR HOLT AND MEMBERS OF THE COMMITTEE:

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

H.B. No. 310 proposes to authorize a nonvoting county representative to participate in collective bargaining negotiations for county employees. Reduces the number of votes the governor has from 4 to 1 for negotiations involving police officers and firefighters. Requires the respective Mayor to provide timely collective bargaining negotiation updates to the applicable county council.

The Office of Collective Bargaining (OCB) **has concerns**. The bill proposes to allow the county councils to attend negotiations which could confuse the traditional definition of separation of powers, whereby responsibilities are divided among the legislative and executive branches. Each county council has the final authority for

negotiations based on the county council's authority to either appropriate or not appropriate funding to support the negotiated agreement.

Thank you for this opportunity to testify on this measure.

## Hawai'i State Association of Counties (HSAC)

Counties of Kaua'i, Maui, Hawai'i and City & County of Honolulu www.hicounties.com

200 S. High Street, Wailuku, Hawaii 96793 (808) 270-7665



February 3, 2017

The Honorable Aaron Ling Johanson, Chair House Committee on Labor and Public Employment

Sprinello Stacy Crivello FROM: HSAC President

TO:

HEARING OF FEBRUARY 7, 2017; TESTIMONY IN SUPPORT OF HB SUBJECT: **310, RELATING TO COLLECTIVE BARGAINING** 

Thank you for the opportunity to testify on behalf of the Hawaii State Association of Counties in **support** of this measure. The purpose of this measure is to authorize a nonvoting county council representative to participate in collective bargaining negotiations for county employees.

This measure is in the 2017 Hawaii State Association of Counties Legislative Package. Therefore, I submit this testimony on HSAC's behalf.

HSAC **supports** this measure for the following reasons:

- 1. County councils have expressed frustration with the current process of approving collective bargaining agreements and related cost items because the councils have no part in negotiating and determining whether they are sustainable for the counties' taxpayer base.
- 2. This measure would allow a county council representative to attend as a nonvoting participant if the respective county has employees in the particular bargaining unit.
- 3. In addition, state government should have equal votes as the county mayors for negotiations involving police officers and firefighters, which are funded and operated under the jurisdiction of the counties.

Mahalo for your consideration.

HSAC:FY2017:17Testimony:HB310a\_mkz

#### OFFICE OF THE COUNTY CLERK

COUNTY COUNCIL Mel Rapozo, Chair Ross Kagawa, Vice Chair Arthur Brun Mason K. Chock Arryl Kaneshiro Derek S.K. Kawakami JoAnn A. Yukimura



**Council Services Division** 4396 Rice Street, Suite 209 Līhu'e, Kaua'i, Hawai'i 96766

February 6, 2017

## TESTIMONY OF MEL RAPOZO COUNCIL CHAIR, KAUA'I COUNTY COUNCIL ON HB 310, RELATING TO COLLECTIVE BARGAINING House Committee on Labor & Public Employment Tuesday, February 7, 2017 10:00 a.m. Conference Room 309

Dear Chair Johanson and Members of the Committee:

Thank you for this opportunity to provide testimony in support of HB 310, Relating to Collective Bargaining, which is included in the 2017 Hawai'i State Association of Counties (HSAC) Legislative Package. My testimony is submitted in my individual capacity as Council Chair of the Kaua'i County Council and as Secretary of the Hawai'i State Association of Counties.

The purpose of this measure is to authorize a nonvoting county council representative to participate in collective bargaining negotiations for county employees. The current process of approving collective bargaining agreements and related cost items does not provide opportunity for county councils to participate which negatively affects their ability to determine whether requested cost increases are sustainable for county taxpayers. Additionally, counties fund the operations of police and firefighters in the respective counties and should have an equal number of votes as the State when negotiating the respective union agreements.

For the reasons stated above, I urge the House Committee on Labor & Public Employment to support this measure. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

MEL RAPOZO Council Chair, Kaua'i County Council

Jade K. Fountain-Tanigawa, County Clerk Scott K. Sato, Deputy County Clerk

 Telephone:
 (808) 241-4188

 Facsimile:
 (808) 241-6349

 E-mail:
 cokcouncil@kauai.gov

AMK:aa

AN EQUAL OPPORTUNITY EMPLOYER

Council Chair Mike White

Vice-Chair Robert Carroll

Presiding Officer Pro Tempore Stacy Crivello

Councilmembers Alika Atay Elle Cochran Don S. Guzman Riki Hokama Kelly T. King Yuki Lei K. Sugimura



Director of Council Services Sandy K. Baz

**COUNTY COUNCIL** 

COUNTY OF MAUI 200 S. HIGH STREET WAILUKU, MAUI, HAWAII 96793 www.MauiCounty.us

February 6, 2017

TO: The Honorable Aaron Ling Johanson, Chair House Committee on Labor & Public Employment

FROM: Mike White Council Chair

SUBJECT: HEARING OF FEBRUARY 7, 2017; TESTIMONY IN SUPPORT OF HB 310, RELATING TO COLLECTIVE BARGAINING

Thank you for the opportunity to testify in **support** this important measure.

The Maui County Council supports this bill and **concurs** with the testimony as provided by Hawaii State Association of Counties President Stacy Crivello.

I urge you to **support** this measure.

## holt1 - Joyleanne

| From:    | mailinglist@capitol.hawaii.gov                         |
|----------|--|
| Sent:    | Monday, February 6, 2017 9:07 AM                       |
| То:      | LABtestimony   |
| Cc:      | yukilei.sugimura@mauicounty.us                         |
| Subject: | *Submitted testimony for HB310 on Feb 7, 2017 10:00AM* |

## <u>HB310</u>

Submitted on: 2/6/2017 Testimony for LAB on Feb 7, 2017 10:00AM in Conference Room 309

| Submitted By      | Organization        | <b>Testifier Position</b> | Present at Hearing |  |
|-------------------|---------------------|---------------------------|--------------------|--|
| Yuki Lei Sugimura | Maui County Council | Support                   | 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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THE HAWAII STATE HOUSE OF REPRESENTATIVES The Twenty-Ninth Legislature Regular Session of 2017

### <u>COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT</u> The Honorable Representative Aaron Ling Johanson, Chair The Honorable Representative Daniel Holt, Vice Chair

| DATE OF HEARING:  | Tuesday, February 7, 2017  |
|-------------------|----------------------------|
| TIME OF HEARING:  | 10:00 a.m.                 |
| PLACE OF HEARING: | State Capitol, Rm. 309     |
|                   | 415 South Beretania Street |

## **TESTIMONY ON HOUSE BILL 310 RELATING TO COLECTIVE BARGAINING**

By DAYTON M. NAKANELUA, State Director of the United Public Workers, AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive bargaining representative for approximately 14,000 public employees, which include blue collar, nonsupervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

HB310 proposes to authorize a nonvoting county representative(s) to participate in collective bargaining; reduce the number of votes the governor has from 4 to 1 for negotiations involving police officers and firefighters; and requires the respective Mayor to provide timely collective bargaining negotiations updates to the applicable county council.

The UPW speaks only to the role of a nonvoting council representative in collective bargaining negotiations.

The political doctrine of Separation of Powers is a basic precept of our democracy and government where each branch of government, the executive, the legislative and the judicial, would have defined abilities to check the powers of the other branches. It is a way in which power is not centralized thereby, allowing checks and balances to be made. It also limits one branch from exercising the core functions of another.

The Hawaii collective bargaining law reflects this doctrine. HRS-89-1 *Statement of Findings and Policy (b) (2)* provide for the, "... employers to negotiate with and enter into written agreement with the exclusive representatives on matters of wages, hours, and other conditions of employment.....".

The term "employer" is defined in HRS 89-2 *Definitions,* as the governor in the case of the State, the respective mayors in the case of the counties, the chief justice of the supreme court in the case of the judiciary..." The "exclusive representative" means the employee organization under section 89-2 as the collective bargaining agent to represent all employees in an appropriate bargain unit...".

The UPW respectfully opposes the presence and participation of nonvoting council representatives at collective bargaining negotiations. We ask the committee to hold this bill.

Thank you for the opportunity to submit this testimony.

# HB 310

# LATE TESTIMONY

DAVID Y. IGE GOVERNOR





WESLEY K. MACHIDA DIRECTOR

LAUREL A. JOHNSTON 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)

### WRITTEN ONLY TESTIMONY BY WESLEY K. MACHIDA DIRECTOR, DEPARMENT OF BUDGET AND FINANCE TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT ON HOUSE BILL NO. 310



February 7, 2017

ebruary 7, 2017 10:00 a.m. Room 309



## RELATING TO COLLECTIVE BARGAINING

House Bill No. 310 amends Chapter 89-6, HRS, to: 1) allow one representative from each county council to attend as a non-voting participant during negotiations and requires mayors or mayor's representative to provide timely updates relating to bargaining unit (BU) negotiations to the respective county councils in an executive meeting; and 2) reduce the Governor's vote from four votes to one in negotiations for BUs 11 and 12.

The Department of Budget and Finance opposes this measure.

Legislative bodies, including the county councils, play an important role in the collective bargaining process. However, taking an active role in collective bargaining negotiations would seem to be beyond the legislative role in the process.

The new voting structure would give the counties a clear majority vote exceeding the authority of the Governor. Even though the State has only a few special-funded employees in BU 11 and no employees in BU 12, arbitration awards and negotiated agreements often set precedents for later awards and agreements. Given these cost implications, the voting balance should be maintained so the Governor can continue to have an active voice in these negotiations.

Thank you for your consideration of our comments.





THE HAWAII STATE HOUSE OF REPRESENTATIVES The Twenty-Ninth Legislature Regular Session of 2017

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