



GOV. MSG. NO. 1400

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2707 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB2707 SD1 HD1 CD1

RELATING TO COLLECTIVE BARGAINING.

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

July 12, 2022

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2707

Honorable Members
Thirty-First Legislature
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2707, entitled "A Bill for an Act Relating to Collective Bargaining."

The purposes of this bill are to require the employer to initiate negotiations on repricing of classes within a bargaining unit within thirty days of the employer's receipt of the exclusive representative's written request to negotiate and to establish that an employer's failure to initiate the requested negotiations within such time frame or 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, constitutes an impasse to which the impasse procedures in section 89-11, Hawaii Revised Statutes (HRS), shall apply.

This bill is objectionable because it creates a very short timeline within which to negotiate and agree on repricing. Because repricing is a highly technical and often contentious matter, this bill may result in inability to reach agreement within the new timelines, thus necessitating a resolution of an impasse by an arbitration panel. Mandating unresolved repricing requests to the impasse procedures would jeopardize an employer's ability to create and maintain a pay structure and pay relationships that are equitable for all classes of work by evaluating jobs based on a consistent set of criteria. If multiple arbitration panels make repricing determinations, there will no longer be a consistent application of repricing criteria.

This bill undermines the current classification and pricing system, eliminates the employer's discretion in repricing matters, and will lead to costly

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SENATE BILL NO. 2707
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arbitration. An arbitration panel, which might lack the necessary repricing expertise, could render a decision that could impact not only the classes of work for which negotiations had been demanded, but could also impact other related classes of work, thereby significantly altering and potentially weakening the current system of job evaluation and pricing relationships.

The existing negotiated repricing process already provides the unions with the opportunity to submit negotiated repricing requests, and they can also choose to submit these requests to arbitration in accordance with section 89-11, HRS, in its current form without this bill.

Additionally, while current impasse procedures under chapter 89, HRS, are lengthy, expensive, and unpredictable, they only occur every few years. Such would not be the case with this bill.

Finally, the bill is not clear on when the repricing requests may be submitted, or who would pay any additional arbitrator's fees.

For the foregoing reasons, I am returning Senate Bill No. 2707 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "David Y. Ige", with a stylized flourish at the end.

DAVID Y. IGE
Governor of Hawai'i

A BILL FOR AN ACT

RELATING TO COLLECTIVE BARGAINING.

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

1 SECTION 1. Section 89-9, Hawaii Revised Statutes, is
2 amended by amending subsection (f) to read as follows:

3 "(f) The repricing of classes within an appropriate
4 bargaining unit ~~[may]~~ shall be negotiated and determined as
5 follows~~[+]~~; provided that the parties may mutually agree on
6 repricing procedures in conformance with this section:

7 (1) ~~[At the request of]~~ Within thirty days of receipt of a
8 written request from the exclusive representative to
9 negotiate and at times allowed under the collective
10 bargaining agreement, the employer shall negotiate the
11 repricing of classes within the bargaining unit. The
12 negotiated repricing actions that constitute cost
13 items shall be subject to the requirements in section
14 89-10; and

15 (2) ~~[If repricing has not been negotiated under the~~
16 ~~employer of each jurisdiction shall ensure~~
17 ~~establishment of procedures to periodically review, at~~
18 ~~least once in five years, unless otherwise agreed to~~



1 ~~by the parties, the repricing of classes within the~~
2 ~~bargaining unit. The repricing of classes based on~~
3 ~~the results of the periodic review shall be at the~~
4 ~~discretion of the employer. Any appropriations~~
5 ~~required to implement the repricing actions that are~~
6 ~~made at the employer's discretion shall not be~~
7 ~~construed as cost items.] If the employer fails to~~
8 ~~timely initiate a negotiation in compliance with~~
9 ~~paragraph (1) or the parties cannot reach an agreement~~
10 ~~within ninety days after the exclusive~~
11 ~~representative's written request to negotiate or by~~
12 ~~January 31 of a year in which the agreement is due to~~
13 ~~expire, whichever is earlier, an impasse exists and~~
14 ~~the impasse procedures in section 89-11 shall apply."~~

15 SECTION 2. Section 89-11, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) An impasse during the term of a collective bargaining
18 agreement on reopened items or items regarding a supplemental
19 agreement shall not be subject to the impasse procedures in this
20 section[-]; provided that an employer's failure to timely
21 initiate a negotiation on repricing of classes within a



1 bargaining unit pursuant to section 89-9(f)(1) or the parties'
2 failure to reach an agreement on repricing within the timeframe
3 set forth in section 89-9(f)(2) shall constitute an impasse, to
4 which the impasse procedures in this section shall apply. The
5 parties may mutually agree on an impasse procedure, but if the
6 procedure culminates in an arbitration decision, the decision
7 shall be pursuant to subsection (f)."

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on July 1, 2022.



S.B. NO. 2707
S.D. 1
H.D. 1
C.D. 1

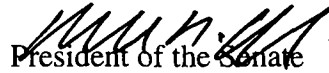
APPROVED this day of , 2022


GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAII

Date: May 3, 2022
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-First Legislature of the State of Hawai'i, Regular Session of 2022.


President of the Senate


Clerk of the Senate

SB No. 2707, SD 1, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 03, 2022
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives