

Honolulu, Hawaii

MAR 22 2023

RE: H.B. No. 163
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred H.B. No. 163, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require a public employer to initiate negotiations on repricing of classes within a bargaining unit within thirty days of its receipt of the exclusive representative's written request to negotiate; and
- (2) Establish that the public employer's failure to initiate the negotiation within such time frame and 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, constitute an impasse to which the impasse procedures in section 89-11, Hawaii Revised Statutes, shall apply.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO; State of Hawaii Organization of Police Officers; Hawaii Government



Employees Association, AFSCME Local 152, AFL-CIO; and Hawai'i Psychological Association. Your Committee received testimony in opposition to this measure from the Department of Human Resources Development, Department of Public Safety, and Department of Human Resources of the City and County of Honolulu. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that Act 253, Session Laws of Hawaii 2000 (Act 253), in part, repealed chapter 77, Hawaii Revised Statutes, regarding the state compensation law, and with it, the public employee compensation appeals board that heard and made decisions on repricing requests. Repricing is the reassignment of an existing class from one pay range to another without a change in duties when it has been found that the class is not in proper internal alignment with other classes in the same bargaining unit. Act 253 also established the repricing processes in section 89-9, Hawaii Revised Statutes, in which the exclusive representative may negotiate the repricing of classes. If repricing is not negotiated, a five-year periodic repricing review is conducted by each jurisdiction.

Your Committee recognizes that it is extremely difficult for employees to seek the repricing of their classifications under the existing process as an employer may deny the employees' repricing requests by merely announcing its determination that all current position pricing is appropriate without providing a basis to which there is no recourse for the employees to appeal or adjudicate the employer's determination. Your Committee further recognizes that this measure seeks to ensure that public employees are being paid competitive and fair wages, which will allow public employers to better recruit and retain qualified workers.

While your Committee understands these concerns, your Committee additionally recognizes that providing mandatory timeframes within which repricing negotiations must be initiated and an agreement reached, the failure of which would cause impasse procedures to apply, may jeopardize an employer's ability to maintain an equitable pay system and pay relationships; expose an employer to serious claims of unequal pay or discrimination; and lead to costly arbitration hearings.

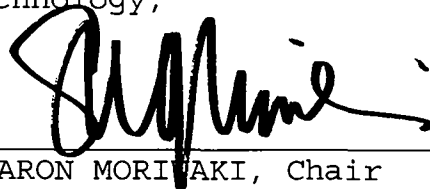


Therefore, your Committee has amended this measure by deleting its contents and replacing it with language that requires the Department of Human Resources Development to:

- (1) Conduct a study to review the repricing processes in section 89-9, Hawaii Revised Statutes, to allow for timely appeal and determination within state and federal law;
- (2) In conducting the study, work with other state and county employers and unions, including the Hawaii Government Employees Association and United Public Workers; and
- (3) Submit a report of its findings and recommendations, including proposed legislation, to the Legislature prior to the convening of the Regular Session of 2024.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 163, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 163, H.D. 1, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,




SHARON MORIWAKI, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:*	Committee Referral:	Date:		
HIB163 HD1	LBT, WAM/JDC	3/17/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)	✓			
LEE, Chris (VC)	✓			
IHARA, Jr., Les	✓			
KEITH-AGARAN, Gilbert S.C.				✓
FEVELLA, Kurt				X
TOTAL	3			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes