
A BILL FOR AN ACT

RELATING TO EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
CONTRIBUTIONS.

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

1 SECTION 1. Section 87A-32, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§87A-32 State and county contributions; active employees.**

4 (a) The State, through the department of budget and finance,
5 and the counties, through their respective departments of
6 finance, shall pay to the fund a monthly contribution equal to
7 ~~[the amount established under chapter 89C or specified in the~~
8 ~~applicable public sector collective bargaining agreements,~~
9 ~~whichever is appropriate, for]~~ per cent of the total
10 premium for providing a health benefit plan to each of their
11 respective employee-beneficiaries and employee-beneficiaries
12 with dependent-beneficiaries, which shall be used toward the
13 payment of costs of a health benefits plan; provided that:

14 ~~[-(1) The monthly contribution shall be a specified dollar~~
15 ~~amount;~~



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1 ~~(2) The monthly contribution shall not exceed the actual~~
2 ~~cost of a health benefits plan;~~

3 ~~(3)]~~ (1) If two employee-beneficiaries are married or in a
4 civil union, the total contribution by the State or
5 the county shall not exceed the monthly contribution
6 for a family plan; and

7 ~~[(4)]~~ (2) If the State or any of the counties establish
8 cafeteria plans in accordance with Title 26, United
9 States Code section 125, the Internal Revenue Code of
10 1986, as amended, and section 78-30, the monthly
11 contribution for those employee-beneficiaries who
12 participate in a cafeteria plan shall be made through
13 the cafeteria plan, and the payments made by the State
14 or counties shall include their respective
15 contributions to the fund and their employee-
16 beneficiary's share of the cost of the employee-
17 beneficiary's health benefits plan.

18 (b) The State, through the department of budget and
19 finance, and the counties, through their respective departments
20 of finance, shall pay to the fund a monthly contribution equal
21 to ~~[the amount established under chapter 89C or specified in the~~



1 ~~applicable public sector collective bargaining agreement,~~
 2 ~~whichever is applicable, for] _____ per cent of the total premium~~
 3 ~~for providing a life insurance plan and any administrative fees~~
 4 ~~to each of their respective employees, to be used toward the~~
 5 ~~payment of group life insurance benefits for each employee."~~

6 SECTION 2. Section 89-2, Hawaii Revised Statutes, is
 7 amended as follows:

8 1. By amending the definition of "collective bargaining"
 9 to read:

10 ""Collective bargaining" means the performance of the
 11 mutual obligations of the public employer and an exclusive
 12 representative to meet at reasonable times, to confer and
 13 negotiate in good faith, and to execute a written agreement with
 14 respect to wages, hours, ~~[amounts of contributions by the State~~
 15 ~~and counties to the Hawaii employer-union health benefits trust~~
 16 ~~fund,]~~ and other terms and conditions of employment, except that
 17 by ~~[any such]~~ this obligation neither party shall be compelled
 18 to agree to a proposal or be required to make a concession. For
 19 the purposes of this definition, "wages" includes the number of
 20 incremental and longevity steps, the number of pay ranges, and
 21 the movement between steps within the pay range and between the



1 pay ranges on a pay schedule under a collective bargaining
2 agreement."

3 2. By amending the definition of "employee organization"
4 to read:

5 ""Employee organization" means any organization of any kind
6 in which public employees participate and which exists for the
7 primary purpose of dealing with public employers concerning
8 grievances, labor disputes, wages, hours, [~~amounts of~~
9 ~~contributions by the State and counties to the Hawaii employer-~~
10 ~~union health benefits trust fund,~~] and other terms and
11 conditions of employment of public employees."

12 SECTION 3. Section 89-9, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§89-9 Scope of negotiations; consultation.** (a) The
15 employer and the exclusive representative shall meet at
16 reasonable times, including meetings sufficiently in advance of
17 the February 1 impasse date under section 89-11, and shall
18 negotiate in good faith with respect to wages, hours, [~~the~~
19 ~~amounts of contributions by the State and respective counties to~~
20 ~~the Hawaii employer-union health benefits trust fund to the~~
21 ~~extent allowed in subsection (e),~~] and other terms and



1 conditions of employment [~~which~~] that are subject to collective
2 bargaining and [~~which~~] that are to be embodied in a written
3 agreement as specified in section 89-10, but [~~such~~] the
4 obligation does not compel either party to agree to a proposal
5 or make a concession.

6 (b) The employer or the exclusive representative desiring
7 to initiate negotiations shall notify the other party in
8 writing, setting forth the time and place of the meeting desired
9 and the nature of the business to be discussed, sufficiently in
10 advance of the meeting.

11 (c) Except as otherwise provided in this chapter, all
12 matters affecting employee relations, including those that are,
13 or may be, the subject of a rule adopted by the employer or any
14 director, shall be subject to consultation with the exclusive
15 representatives of the employees concerned. The employer shall
16 make every reasonable effort to consult with exclusive
17 representatives and consider their input, along with the input
18 of other affected parties, prior to effecting changes in any
19 major policy affecting employee relations.

20 (d) Excluded from the subjects of negotiations are matters
21 of classification, reclassification, benefits of [~~but not~~



1 ~~contributions to~~] the Hawaii employer-union health benefits
2 trust fund, recruitment, examination, initial pricing, and
3 retirement benefits except as provided in section 88-8(h). The
4 employer and the exclusive representative shall not agree to any
5 proposal that would be inconsistent with the merit principle or
6 the principle of equal pay for equal work pursuant to section
7 76-1 or that would interfere with the rights and obligations of
8 a public employer to:

- 9 (1) Direct employees;
- 10 (2) Determine qualifications, standards for work, and the
11 nature and contents of examinations;
- 12 (3) Hire, promote, transfer, assign, and retain employees
13 in positions;
- 14 (4) Suspend, demote, discharge, or take other disciplinary
15 action against employees for proper cause;
- 16 (5) Relieve an employee from duties because of lack of
17 work or other legitimate reason;
- 18 (6) Maintain efficiency and productivity, including
19 maximizing the use of advanced technology, in
20 government operations;



1 (7) Determine methods, means, and personnel by which the
2 employer's operations are to be conducted; and

3 (8) Take actions as may be necessary to carry out the
4 missions of the employer in cases of emergencies.

5 This subsection shall not be used to invalidate provisions
6 of collective bargaining agreements in effect on and after June
7 30, 2007, and except as otherwise provided in this chapter,
8 shall not preclude negotiations over the implementation of
9 management decisions that affect terms and conditions of
10 employment that are subject to collective bargaining. Further,
11 this subsection shall not preclude negotiations over the
12 procedures and criteria on promotions, transfers, assignments,
13 demotions, layoffs, suspensions, terminations, discharges, or
14 other disciplinary actions as subjects of bargaining during
15 collective bargaining negotiations or negotiations over a
16 memorandum of agreement, memorandum of understanding, or other
17 supplemental agreement; provided that [~~such~~] the obligation
18 shall not compel either party to agree to a proposal or make a
19 concession.



1 Violations of the procedures and criteria so negotiated may
2 be subject to the grievance procedure in the collective
3 bargaining agreement.

4 ~~[(e) Negotiations relating to contributions to the Hawaii
5 employer-union health benefits trust fund shall be for the
6 purpose of agreeing upon the amounts which the State and
7 counties shall contribute under section 87A-32, toward the
8 payment of the costs for a health benefits plan, as defined in
9 section 87A-1, and group life insurance benefits, and the
10 parties shall not be bound by the amounts contributed under
11 prior agreements; provided that section 89-11 for the resolution
12 of disputes by way of arbitration shall not be available to
13 resolve impasses or disputes relating to the amounts the State
14 and counties shall contribute to the Hawaii employer-union
15 health benefits trust fund.~~

16 ~~(f)]~~ (e) The repricing of classes within an appropriate
17 bargaining unit shall be negotiated and determined as follows:

- 18 (1) Within thirty days of receipt of a written request
19 from the exclusive representative to negotiate and at
20 times allowed under the collective bargaining
21 agreement, the employer shall negotiate the repricing



1 of classes within the bargaining unit. The negotiated
2 repricing actions that constitute cost items shall be
3 subject to the requirements in section 89-10; and
4 (2) If the employer fails to timely initiate a negotiation
5 in compliance with paragraph (1) or the parties cannot
6 reach an agreement within one hundred fifty days after
7 the exclusive representative's written request to
8 negotiate or by January 31 of a year in which the
9 agreement is due to expire, whichever is earlier, an
10 impasse exists and the impasse procedures in section
11 89-11 shall apply;
12 provided that the parties may mutually agree on repricing
13 procedures in conformance with this section; provided further
14 that a repricing request can only be submitted once per
15 occupation in any eighteen-month period; provided further that
16 impasse procedures shall not apply if the impasse occurs within
17 one hundred eighty days after a collective bargaining agreement
18 has been reached between the employer and the exclusive
19 representative of the bargaining unit. Notwithstanding the
20 foregoing, no more than fifteen repricing impasse procedures
21 shall be active at any time. If an impasse procedure would have



1 triggered, but cannot begin because it would exceed the maximum
2 fifteen active repricing impasse procedures, the parties shall
3 continue to negotiate until such time as the repricing impasse
4 procedure begins; provided that preference for new repricing
5 impasse procedures shall be given to repricings in the order in
6 which they began."

7 SECTION 4. Section 89-11, Hawaii Revised Statutes, is
8 amended by amending subsection (g) to read as follows:

9 "(g) The decision of the arbitration panel shall be final
10 and binding upon the parties on all provisions submitted to the
11 arbitration panel. [~~If the parties have reached agreement with
12 respect to the amounts of contributions by the State and
13 counties to the Hawaii employer-union health benefits trust fund
14 by the tenth working day after the arbitration panel issues its
15 decision, the final and binding agreement of the parties on all
16 provisions shall consist of the panel's decision and the amounts
17 of contributions agreed to by the parties. If the parties have
18 not reached agreement with respect to the amounts of
19 contributions by the State and counties to the Hawaii employer-
20 union health benefits trust fund by the close of business on the
21 tenth working day after the arbitration panel issues its~~]



1 ~~decision, the parties shall have five days to submit their~~
2 ~~respective recommendations for such contributions to the~~
3 ~~legislature, if it is in session, and if the legislature is not~~
4 ~~in session, the parties shall submit their respective~~
5 ~~recommendations for such contributions to the legislature during~~
6 ~~the next session of the legislature. In such event, the final~~
7 ~~and binding agreement of the parties on all provisions shall~~
8 ~~consist of the panel's decision and the amounts of contributions~~
9 ~~established by the legislature by enactment, after the~~
10 ~~legislature has considered the recommendations for such~~
11 ~~contributions by the parties. It is strictly understood that no~~
12 ~~member of a bargaining unit subject to this subsection shall be~~
13 ~~allowed to participate in a strike on the issue of the amounts~~
14 ~~of contributions by the State and counties to the Hawaii~~
15 ~~employer-union health benefits trust fund.] The parties shall~~
16 ~~take whatever action is necessary to carry out and effectuate~~
17 ~~the final and binding agreement. The parties [may], at any time~~
18 ~~and by mutual agreement, may amend or modify the panel's~~
19 ~~decision.~~

20 Agreements reached pursuant to the decision of an
21 arbitration panel [~~and the amounts of contributions by the State~~



1 ~~and counties to the Hawaii employer-union health benefits trust~~
2 ~~fund, as provided herein,]~~ shall not be subject to ratification
3 by the employees concerned. All items requiring any moneys for
4 implementation shall be subject to appropriations by the
5 appropriate legislative bodies and the employer shall submit all
6 ~~[such]~~ items within ten days after the date on which the
7 agreement is entered into as provided herein, to the appropriate
8 legislative bodies."

9 SECTION 5. Act 234, Session Laws of Hawaii 2024, is
10 amended by amending section 4 to read as follows:

11 "SECTION 4. This Act shall take effect July 1, 2024, and
12 shall be repealed on June 30, 2029; provided that ~~[any]~~:

13 (1) Section 88-9 and Section 88-11, Hawaii Revised
14 Statutes, shall be reenacted in the form in which it
15 read on the day prior to the effective date of this
16 Act;

17 (2) Any negotiations on repricing pursuant to this Act
18 that started prior to June 30, 2029, may continue
19 after this Act is repealed."

20 SECTION 6. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



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1 SECTION 7. This Act shall take effect upon its approval;
2 provided that the amendments made to sections 89-9 and 89-11,
3 Hawaii Revised Statutes, by sections 3 and 4 of this Act shall
4 not be repealed when those sections are repealed and reenacted
5 on June 30, 2029, pursuant to Act 234 Session Laws of Hawaii
6 2024.

7

INTRODUCED BY:



JAN 21 2025



H.B. NO. 848

Report Title:

EUTF; Collective Bargaining; Employer Contribution

Description:

Sets the amount of the employer contribution to the Hawaii employer-union health benefits trust fund as a fixed percentage of the health benefits plan or life insurance plan premium cost. Makes conforming amendments.

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