THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2115 S.D. 1

A BILL FOR AN ACT

RELATING TO COLLECTIVE BARGAINING.

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

SECTION 1. Section 89-9, Hawaii Revised Statutes, is amended to read as follows:

"**§89-9 Scope of negotiations; consultation**[~~.~~]**; impasse procedure for repricing.** (a) The employer and the exclusive representative shall meet at reasonable times, including meetings sufficiently in advance of the February 1 impasse date under section 89-11, and shall negotiate in good faith with respect to wages, hours, the amounts of contributions by the State and respective counties to the Hawaii employer-union health benefits trust fund to the extent allowed in subsection (e), and other terms and conditions of employment which are subject to collective bargaining and which are to be embodied in a written agreement as specified in section 89-10[~~, but such~~]; provided that this obligation does not compel either party to agree to a proposal or make a concession.

(b) The employer or the exclusive representative desiring to initiate negotiations shall notify the other party in

writing, setting forth the time and place of the meeting desired and the nature of the business to be discussed, sufficiently in advance of the meeting.

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

(d) Excluded from the subjects of negotiations are matters of classification, reclassification, benefits of but not contributions to the Hawaii employer-union health benefits trust fund, recruitment, examination, initial pricing, and retirement benefits except as provided in section 88-8(h). The employer and the exclusive representative shall not agree to any proposal that would be inconsistent with the merit principle or the principle of equal pay for equal work pursuant to section 76-1

or that would interfere with the rights and obligations of a public employer to:

(1) Direct employees;

(2) Determine qualifications, standards for work, and the nature and contents of examinations;

(3) Hire, promote, transfer, assign, and retain employees in positions;

(4) Suspend, demote, discharge, or take other disciplinary action against employees for proper cause;

(5) Relieve an employee from duties because of lack of work or other legitimate reason;

(6) Maintain efficiency and productivity, including maximizing the use of advanced technology, in government operations;

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

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

This subsection shall not be used to invalidate provisions of collective bargaining agreements in effect on and after June 30, 2007, and except as otherwise provided in this chapter,

shall not preclude negotiations over the implementation of management decisions that affect terms and conditions of employment that are subject to collective bargaining. Further, this subsection shall not preclude negotiations over the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions as subjects of bargaining during collective bargaining negotiations or negotiations over a memorandum of agreement, memorandum of understanding, or other supplemental agreement; provided that [~~such~~] this obligation shall not compel either party to agree to a proposal or make a concession.

Violations of the procedures and criteria [~~so~~] negotiated may be subject to the grievance procedure in the collective bargaining agreement.

(e) Negotiations relating to contributions to the Hawaii employer-union health benefits trust fund shall be for the purpose of agreeing upon the amounts which the State and counties shall contribute under section 87A-32, toward the payment of the costs for a health benefits plan, as defined in section 87A-1, and group life insurance benefits, and the

parties shall not be bound by the amounts contributed under prior agreements; provided that section 89-11 for the resolution of disputes by way of arbitration shall not be available to resolve impasses or disputes relating to the amounts the State and counties shall contribute to the Hawaii employer-union health benefits trust fund.

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

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

(2) If the employer fails to timely initiate a negotiation in compliance with paragraph (1) or the parties cannot reach an agreement within [~~one hundred fifty~~] ninety days after the exclusive representative's written request to negotiate or by January 31 of a year in which the agreement is due to expire, whichever is

earlier, an impasse exists and the impasse procedures in [~~section 89-11~~] subsection (g) shall apply; provided that the parties may mutually agree on repricing procedures in conformance with this section; provided further that a repricing request can only be submitted once per occupation in any eighteen-month period; provided further that impasse procedures shall not apply if the impasse occurs within one hundred eighty days after a collective bargaining agreement has been reached between the employer and the exclusive representative of the bargaining unit. Notwithstanding the foregoing, [~~no~~] not more than fifteen repricing impasse procedures shall be active at any time. If an impasse procedure would have triggered, but cannot begin because it would exceed the maximum fifteen active repricing impasse procedures, the parties shall continue to negotiate until [~~such~~] the time [~~as~~] the repricing impasse procedure begins; provided that preference for new repricing impasse procedures shall be given to repricings in the order in which they began.

(g) Within ten days of the date of impasse, the exclusive representative may send a written notice to the employer that the impasse shall be submitted to a final and binding

arbitration by a single arbitrator. The single arbitrator shall be selected by mutual agreement of the parties; provided that if the parties fail to select an arbitrator within ten days of the exclusive representative's written notice of arbitration, either party may request the board to furnish a list of five qualified and experienced interest arbitrators from which the arbitrator shall be selected. Within ten days after receipt of the list, the parties shall alternately strike names from the list until a single name is left, whom shall be immediately appointed by the board as the arbitrator; provided that the first party to strike a name from the list shall be determined by lot. The arbitrator shall follow the arbitration procedure as follows:

(1) Arbitration hearing. Within ninety days of appointment, the arbitrator shall commence a hearing; and

(2) Arbitration decision. Within thirty days after the conclusion of the hearing, the arbitrator shall reach and transmit a written decision to the parties for inclusion in the final agreement.

Any deadline or procedure in this subsection may be waived or modified by mutual agreement of the employer and the exclusive representative."

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

"(b) An impasse during the term of a collective bargaining agreement on reopened items or items regarding a supplemental agreement shall not be subject to the impasse procedures in this section[~~; provided that an employer's failure to timely initiate a negotiation on repricing of classes within a bargaining unit pursuant to section 89-9(f)(1) or the parties' failure to reach an agreement on repricing within the timeframe set forth in section 89-9(f)(2) shall constitute an impasse, to which the impasse procedures in this section shall apply~~]. The parties may mutually agree on an impasse procedure, but if the procedure culminates in an arbitration decision, the decision shall be reached pursuant to subsection (f)."

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

SECTION 4. This Act shall take effect on January 1, 2077, and shall be repealed on June 30, 2029; provided that:

(1) Sections 89-9(f) and 89-11(b), Hawaii Revised Statutes, shall be reenacted in the form in which they read on June 30, 2024; and

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

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Report Title:
Collective Bargaining in Public Employment; Repricing of Classes; Negotiations; Impasse Procedures; Arbitration

Description:
Amends the collective bargaining negotiation procedure on the repricing of classes within a bargaining unit for public employees. Establishes an impasse procedure to be applied when an employer fails to initiate the negotiation or the parties fail to reach an agreement within 90 days. Repeals existing law that requires a different impasse procedure to apply in those situations. Sunsets 6/30/2029. Effective 1/1/2077. (SD1)

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