

STAND. COM. REP. NO. 2119

Honolulu, Hawaii

FEB 06 2026

RE: S.B. No. 2117
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred
S.B. No. 2117 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow impasses and disputes relating to the amounts of
State and county contributions to the Hawaii
Employer-Union Health Benefits Trust Fund to be resolved
by arbitration; and
- (2) Repeal the prohibition against strikes by members of
bargaining units on the issue of the amounts of state
and county contributions to the Trust Fund.

Your Committee received testimony in support of this measure
from the Hawai'i State Teachers Association; University of Hawaii
Professional Assembly; Hawaii Government Employees Association,
AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME Local
646, AFL-CIO.

Your Committee received testimony in opposition to this
measure from the Department of Budget and Finance, Office of



Collective Bargaining, Office of the Mayor of the County of Maui,
and Libertarian Party of Hawaii.

Your Committee received comments on this measure from the
Department of Human Resources Development.

Your Committee finds that the Hawaii Employer-Union Health
Benefits Trust Fund plays a critical role in providing health care
benefits to public employees and their dependents, and that
contributions by public employers to the Trust Fund on behalf of
their employees are an important component of a public employee's
compensation package. Your Committee finds, however, that under
existing law, collective bargaining disputes over these
contribution amounts are excluded from final and binding
arbitration and instead are subject to a separate process that
allows the parties to submit recommendations to the Legislature
for final determination, while also prohibiting strikes over those
contribution amounts. This bifurcated dispute-resolution
framework limits the effectiveness of binding arbitration and can
delay final resolution of collective bargaining impasses.
Accordingly, this measure will allow impasses over contribution
amounts to be resolved through the same binding arbitration
process applicable to other negotiable terms, thereby promoting
timely resolution of disputes, strengthening the collective
bargaining process, and providing greater predictability for both
public employers and employees.

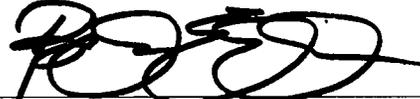
Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2077, to
encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the
purposes of clarity and consistency.

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 S.B.
No. 2117, as amended herein, and recommends that it pass Second
Reading in the form attached hereto as S.B. No. 2117, S.D. 1, and
be referred to your Committees on Judiciary and Ways and Means.



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



BRANDON J.C. ELEFANTE, Chair



