



**STATE OF HAWAII**  
**OFFICE OF COLLECTIVE BARGAINING**  
**EXECUTIVE OFFICE OF THE GOVERNOR**  
235 S. BERETANIA STREET, SUITE 1201  
HONOLULU, HAWAII 96813-2437

Wil Okabe, President  
Hawaii State Teachers Association  
1200 Ala Kapuna Street  
Honolulu, HI 96819

July 25, 2012

Dear Mr. Okabe,

I received the letter dated July 17, 2012 that you sent to me, Board of Education Chairperson Donald Horner, Board of Education Member Jim Williams, and Department of Education Superintendent Kathryn Matayoshi, regarding negotiations between the Hawaii State Teachers Association (HSTA) and the Employer. This responds to your letter.

For many years, HSTA and the Employer have conducted and successfully concluded negotiations over collective bargaining agreements. Such negotiations have been conducted pursuant to accepted collective bargaining practices and contract law principles. These practices and laws exist for a reason. In fact, HSTA has insisted that these laws and practices be followed, and in the past, filed prohibited practice complaints when it believed that the Employer was in violation.

As you know, in January 2012, the Employer and HSTA reached a tentative agreement. HSTA members voted on the tentative agreement and rejected it. Pursuant to accepted collective bargaining practices and contract law principles, the rejection rendered the tentative agreement invalid. HSTA recognized and accepted this fact by formally making a subsequent proposal in February and participating in negotiations. The Employer also made a March contract proposal, and in April, both parties amended their proposals. In other words, negotiations were continuing.

HSTA's continued negotiations after the rejection of the January tentative agreement constituted a recognition that circumstances had changed, requiring such continued negotiations. Among other changed circumstances, the Employer lost the opportunity to request funding from the Legislature. HSTA opposed legislation regarding teacher performance evaluations.

While there are signs of economic improvement, there remains uncertainty regarding revenues, especially from the federal government in light of its budgetary challenges. The Employer is also facing tens of billions of dollars of unfunded liabilities for pensions and medical benefits. The financial challenges facing the Employer are real and enormous.

Furthermore, in April 2012, the Board of Education passed policies regarding teacher and principal development, compensation, and evaluation.

Then in May 2012, four months after it rejected the January tentative agreement and

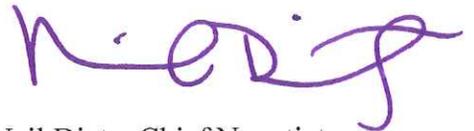
in the midst of good faith negotiations, HSTA suddenly announced its desire to accept the rejected tentative agreement, and claimed that this was legally binding. This is not how collective bargaining or contract negotiation works.

HSTA's rejection of the January tentative agreement rendered it invalid. The Employer and HSTA must resume bargaining in order to reach a new tentative agreement. Nothing precludes the parties from considering the provisions of prior tentative agreements as part of the bargaining. In conformance with the law and past practice, once the Employer and the HSTA reach a new tentative agreement, then HSTA would seek its members' ratification of the agreement.

On April 3, 2012, you wrote to President Obama about these negotiations and said, "We share your belief in the positive power of collective bargaining - renewed negotiations are the best path forward and in the best interest of Hawaii's students."

The Employer agrees, and urges you to renew negotiations.

Sincerely,



Neil Dietz, Chief Negotiator

cc: Don Horner, Chairperson, Board of Education  
Jim Williams, Board of Education  
Kathryn Matayoshi, Superintendent, Department of Education  
Annette Anderson, Negotiator, Department of Education