

Date of Hearing: March 26, 2008

Committee: House Finance

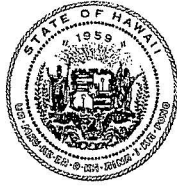
Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: S.B. 2493, HD1 (HSCR1301), Making an appropriation for collective bargaining cost items

Purpose: To provide fund authorizations and appropriations for salary increases for unit 5 employees for fiscal year 2008-2009. Effective 07/01/2009

Department's Position: The Department of Education opposes S.B. 2493, HD1 (HSCR1301-08), which appropriates unidentified sums in fiscal year 2009 to fund collective bargaining cost items contained in the agreement negotiated with the exclusive bargaining representative for collective bargaining unit 5. This measure is unnecessary as \$43.9 million for fiscal year 2008 and \$75.5 million for fiscal year 2009 have already been appropriated by Act 132, SLH 2007, to cover unit 5 collective bargaining costs.



LINDA LINGLE  
GOVERNOR

MARIE C LADERTA  
CHIEF NEGOTIATOR

HAROLD DeCOSTA  
DEPUTY CHIEF NEGOTIATOR

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

March 24, 2008

TESTIMONY to be PRESENTED to the  
HOUSE COMMITTEE ON FINANCE  
For Hearing on Wednesday, March 26, 2008  
2:00 P.M., Conference Room 308

By

MARIE C. LADERTA  
CHIEF NEGOTIATOR

on

**Senate Bill No. 2493 H. D. 1**  
**Making An Appropriation for Collective Bargaining Cost Items**

CHAIR OSHIRO AND MEMBERS OF THE HOUSE COMMITTEE ON FINANCE:

The purpose of S. B. No. 2493 H.D.1 is to provide appropriations for fiscal biennium 2008 to 2009 to fund collective bargaining cost items contained in agreement negotiated with the exclusive bargaining representative for collective bargaining unit (5).

This measure is unnecessary as this issue has already been addressed in HB No.1568, S.D.1, C.D.1, which was passed as Act 132, SLH 2007.

The Employers believe we did meet all of the funding requirements for BU 05 imposed by Chapter 89, HRS, during the 2007 Legislative Session.

The Statute referenced by HSTA in regard to longevity increases is §302A-626, HRS. This provision was previously §297-34, HRS which was initially passed in 1962 and later amended in 1965. This provided longevity wage increases to teachers prior to the advent of collective bargaining. The creation of chapter 89, HRS concerning public sector bargaining changed the manner in how employees received longevity increases.

Act 164, Session Laws of Hawaii enacted in 1975 amended §89-9(d) and specified that “Effective July 1, 1976 an employee shall not be entitled to his normal annual increment or longevity increase, as the case may be, in any fiscal year that an increase in the applicable salary or wage board schedule is effected...”

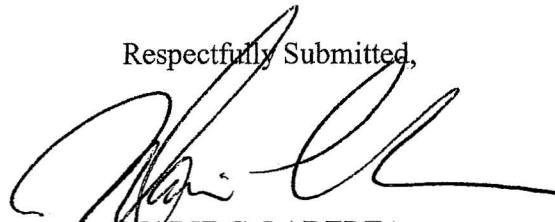
§89-9(d) was later amended to specify that “movement between steps within the salary range shall be negotiable.” Also §89-9(a) specified that the parties “shall negotiate in good faith with respect to wages, hours, the number of incremental and longevity steps and movement between the steps within the salary range...”

Today §89-2, HRS defines “collective bargaining” and further defines “wages” as including the number of incremental and longevity steps, the number of pay ranges and the movement between the steps within the pay range and between the pay ranges on a pay schedule under a collective bargaining agreement.

Since 1976, all step movements have been negotiated. The history of BU 5 negotiations is attached and clearly reflects this. Furthermore, §89-10(b) requires that “The **employer** shall submit **within ten days of the date on which the agreement is ratified** by the employees concerned **all cost items contained therein** to the appropriate legislative bodies...” (emphasis added.) The employer fulfilled this requirement last year by timely submitting to the legislature all cost items that were negotiated for the July 1, 2007 - June 30, 2009 contract period, which included a single step movement. The legislature appropriated funding for those cost items under Act 132, SLH 2007. Inasmuch as no additional step movements have been negotiated, no additional step movements need to be funded this fiscal year.

To the extent that §302A-626 has created confusion or ambiguity we suggest that the section be repealed outright.

Respectfully Submitted,

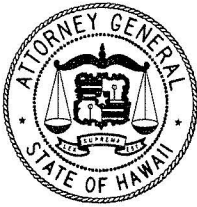


MARIE C. LADERTA

**RECORDS SECTION Teacher Salary Placement History: School Years 1976-77 to 2008-09**

Year	Eff.Date	Negotiated Pay Raises	New Hire Step Placement	SR Step	Monthly
1976-77	09-01-76	Normal Increment	0		
1977-78	09-01-77	Step Movement	0		
1978-79	09-01-78	Step Movement	0		
1979-80	09-01-79	% Increase	-1		
1980-81	09-01-80	% Increase	-2		
1981-82	09-01-81	% Increase	-3		
1982-83	09-01-82	% Increase	-4		
1983-84	09-01-83	-0-	-5		
	04-15-84	% Increase	-5		
1984-85	09-01-84	-0-	-6		
	02-01-85	% Increase	-6		
1985-86	09-01-85	% Increase & Step Movement	-6		
1986-87	09-01-86	% Increase & Step Movement	-6		
1987-88	09-01-87	% Increase	-7 (-6)		
	02-01-88	Step Movement & Compression	-7 (-6)		
1988-89	08-30-88	% Increase (Renumbered steps and ranges)	0 - 9 yrs.....Step 1 10-11 yrs.....Step 2 12+ yrs...Step 3		
	02-01-89	% Increase			
1989-90	08-30-89	% Increase & Step Movement	0 yr.....Step 1 1-11 yrs....Step 2 12+ yrs...Step 3		
1990-91	08-30-90	% Increase	0 - 1 yr.....Step 1 2+ yrs...Step 2		
	02-01-91	% Increase and Step Movement (Shredding)	0 yr.....Step 1 1 yr.....Step 2 2 - 4 yrs....Step 3 5+ yrs...Step 4		
1991-92	08-29-91	% Increase and Step Movement	0 yr.....Step 1 1 yr.....Step 2 2 yrs...Step 3 3 - 5 yrs...Step 4 6+ yrs...Step 5		
1992-93	08-28-92	Conversion to New Schedule & % Increase	0 - 1 yr....Step 1 2 yrs...Step 2 3 yrs...Step 3 4+ yrs...Step 4		
1993-94	08-30-93	No change			
	01-01-94	Conversion to New Schedule & % increase			
1994-95	08-30-94	% increase for Step 14 only			
	01-16-95	Step movement for 1-13; Step 14 no change	0 yr.....Step 1 1 - 4 yrs...Step 2 5 yrs...Step 3 6 + yrs...Step 4		
1995-96	08-30-95	No change			
1996-97	08-29-96	No change			
	02-01-97	% increase; Salary Schedule (classification renumbered)	0-1 yrs...Step 1 2-5 yrs...Step 2 6 yrs...Step 3 6+ yrs...Step 4		
1997-98	8-28-97	% increase	0-2 yrs...Step 1 3-6 yrs...Step 2 6+yrs...Step 3		

Year	Eff.Date	Negotiated Pay Raises	New Hire Step Placement	SR Step	Monthly
1998-99	8-18-98	% increase, Step Movement			
	2-1-99	% increase			
1999-00	8-18-99	No change			
2000-01	8-21-00	No change			
2001-02	8-21-01	2% increase, Step Movement (for Steps 1-14); dropped Step 1 from salary schedule	0-3 yrs...Step 2 4-6 yrs...Step 3		
	1-22-02	2% increase			
2002-03	8-20-02	3% increase, Step Movement (for Steps 2-14);dropped Step 2 from salary schedule	0-4 yrs..Step 3 5-6+ yrs..Step 4		
	1-21-03	3% increase			
2003-04	8-19-03	No Change	0-5 yrs. Step 3 6-6+ yrs Step 4		
	08-18-04	3% increase for Step 14A only; Step Movements (for Steps 3 to 14); dropped Step 3; Classes renumbered (ie Class I to II)	0-6 yrs Step 4		
	01-24-05	1% increase across-the-board; Step Movement for Steps 4-14); dropped Step 5	0-6 yrs Step 5		
2005-06	11-16-05	Effective the 6 <sup>th</sup> Pay Period of 05-06 SY 3.5% increase across-the-board; % chgs between Classes; Movement from Step 14A to Step 14B.	0 - 7 yrs Step 5 8 - 10 yrs Step 6		
2006-07	07-25-06	2% increase across-the-board for Steps 1 to 14A. 5% increase for Step 14B; plus 3% increase Step 1-3; 5-14A; 6% increase between Steps 14A & 14B; 1 step movement for Step 1-2; 5 to 14A.	0-Yrs - Step 5 1-6 Yrs - Step 6		
	07-26-07	4% increase across-the-board for Steps 1 to 14B.	0-1 Yrs - Step 5 2-7 Yrs. - Step 6		
2007-08	01-14-08	1 Step Movement for those on Steps 1-2; 5-14A except New Employees entering into service 2007-08 SY and Step 3 and 14B.	0-1 Yrs - Step 5 2-7 Yrs. - Step 6		
	07- -08	No Change			
2008-09	01- -09	4% increase across-the-board on Steps 1 to 14B			



## TESTIMONY OF THE STATE ATTORNEY GENERAL TWENTY-FOURTH LEGISLATURE, 2008

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**ON THE FOLLOWING MEASURE:**

S.B. No. 2493, H.D. 1, MAKING AN APPROPRIATION FOR COLLECTIVE BARGAINING COST ITEMS.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Wednesday, March 26, 2008 **TIME:** 2:00 PM

**LOCATION:** State Capitol, Room 308

*Deliver to: State Capitol, Room 306, 2 copies*

**TESTIFIER(S):** Mark J. Bennett, Attorney General  
or James Halvorson, Deputy Attorney General

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Chair Oshiro and Members of the Committee:

The Department of the Attorney General requests that this bill be deferred pending the outcome of the litigation on the issue of negotiated cost items. On March 12, 2008, the Hawaii State Teachers Association filed a prohibited practice complaint before the Hawaii Labor Relations Board against Governor Linda Lingle, Superintendent Patricia Hamamoto, the Board of Education, and the Director of Human Resources Development, Marie Laderta, relating to additional step movements. We concur with the Department of Education, the Department of Budget and Finance, and the Office of Collective Bargaining that all negotiated cost items, including step movements, for the 2007-2009 biennium were already appropriated under Act 132, Sessions Laws of Hawaii 2007.

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 2493, H.D. 1

March 26, 2008

MAKING AN APPROPRIATION FOR COLLECTIVE BARGAINING COST ITEMS

The purpose of Senate Bill No. 2493 is to provide appropriations for FY 09 to fund collective bargaining cost items contained in the agreement negotiated with the exclusive bargaining representative for Collective Bargaining Unit 5.

This measure is unnecessary as \$43.9 million for FY 08 and \$75.5 million for FY 09 has already been appropriated by House Bill No. 1568, S.D. 1, C.D. 1, which was passed as Act 132, SLH 2007.

The annual incremental step movements referred to in the Hawaii State Teachers Association testimony to the Senate Committee on Judiciary and Labor on February 4, 2008, were not part of the collective bargaining process. This provision is not new to the current contract and implementing the funding of this provision was not included as part of the package agreed to during the negotiations already concluded for Fiscal Biennium 2008-09. A single step movement was included for the second semester of the 2007-08 school year, which has already been funded under Act 132, SLH 2007.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
FINANCE

RE: SB 2493, HD 1 – MAKING AN APPROPRIATION FOR  
COLLECTIVE BARGAINING COSTS

WEDNESDAY, MARCH 26, 2008

ROGER TAKABAYASHI, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Marcus Oshiro, and Members of the Committee:

The Hawaii State Teachers Association supports SB 2493, HD 1, making an appropriation for collective bargaining costs. The teachers contract between HSTA and the DOE/BOE states “increments are important to retain and attract public school teachers and teachers shall have an annual increment subject to funding.”

This bill is the vehicle HSTA needs to fund our collective bargaining agreement for the school year 2008-09 so teachers will be able to receive their annual increments as agreed to by all parties.

Please keep this bill alive for further discussion.

Thank you for the opportunity to testify.



## FINTestimony

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**From:** Linda Mew [mewg002@hawaii.rr.com]  
**Sent:** Tuesday, March 25, 2008 2:26 PM  
**To:** FINTestimony  
**Cc:** Justin Wong; Michael McCartney; Bcâ€|mmorita@hsta.org  
**Subject:** SB 2493, HD 1

Linda Mew  
Retired Teacher  
House Committee on Finance  
Agenda #4  
Wednesday, March 26, 2008  
Conference Room 308  
2:00 p.m.

SB 2493, HD 1

Chair Marcus Oshiro, and Members of the Committee:

My name is Linda and I am a retired teacher. I support SB 2493 HD 1 to make an appropriation for HSTA'S collective bargaining costs.

I support this bill because I remember how important increments were for me when I was teaching. Each one meant that I was a more experienced and/or had received more education which meant that I was more updated on teaching materials or methods. The extra money was important too. It went toward building a home for our family or other important life needs. Life was harder when our increments were taken away. This is why it is important to fund increments for today's teachers.

Thank you for the opportunity to testify.



2:00 p.m.

SB \_2493, HD1\_\_\_\_\_

Chair Marcus Oshiro, and Members of the Committee:

My name is \_Carlo Marchetti and I am a teacher at \_\_Kamalii Elementary School. I support SB 2493 , HD1\_ to make an appropriation for our collective bargaining costs because funding full collective bargained terms is necessary to stop the teacher shortage and necessary to keep teachers. Increments reward teachers for staying in Hawaii, and reward teachers for experience with our mulit-cultural student body within our public schools. This will help retain and attract teachers to Hawaii. Please fund the collective bargained terms of our contract by supporting 2493, HD1.

Thank you for the opportunity to testify.  
From Carlo Marchetti

2. SB 2262, SD 1, HD 1 – RELATING TO HEALTH  
(This is the bill to repeal the sunset on our VEBA Trust pilot. Teachers **who submit testimonies should state why the VEBA Trust is important to them via cost savings, better benefits, etc.**)

To...[FINtestimony@capitol.hawaii.gov](mailto:FINtestimony@capitol.hawaii.gov)

Cc...

Bc...[mmorita@hsta.org](mailto:mmorita@hsta.org)

Subject: SB 2262, SD 1, HD 1

From Carlo Marchetti, teacher at Kamalii Elementary School  
to the  
House Committee on Finance  
Agenda #4  
Wednesday, March 26, 2008  
Conference Room 308  
2:00 p.m.

SB \_2262, SD 1, HD1\_\_\_\_\_

Chair Marcus Oshiro, and Members of the Committee:

My name is Carlo Marchetti, special education teacher and I am a teacher at Kamalii Elementary School. I support SB \_2262, SD1, HDA to repeal the sunset of our VEBA Trust pilot.

The VEBA Trust Pilot needs to be made permanent for HSTA public teacher employees. The HSTA/VEBA trust has shown much savings over the last several years, and has enabled teachers to reduce their out of pocket cost for medical benefits, and health costs. The administrative savings in this trust will lead to better medical and cheaper medical cost for teachers, and lead to attracting and retaining teachers in Hawaii.

Currently families pay over 300 a month out of pocket cost for medical and health insurance, and that is a crime. To punish teachers in Hawaii with such costs, leads to teachers leaving the profession. Keeping VEBA will help retain teachers in Hawaii. The VEBA trust saves cost for the state and helps retain teachers.

from Carlo Marchetti, Kamalii Elementary School Special Education teacher, on Maui

Thank you for the opportunity to testify.

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## **FINTestimony**

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**From:** louise cayetano [louise\_cayetano@members.hsta.org]  
**Sent:** Tuesday, March 25, 2008 10:59 PM  
**To:** FINTestimony  
**Subject:** SB 2493, HD 1 – Making an Appropriation for Collective Bargaining Costs

Louise Cayetano

Teacher at Fern Elementary School

House Committee on Finance

Agenda #4

Wednesday, March 26, 2008

Conference Room 308

2:00 p.m.

SB 2493, HD 1

Chair Marcus Oshiro, and Members of the Committee:

My name is Louise Cayetano and I am a teacher at Fern Elementary School. I support SB 2493, HD 1 to make an appropriation for our collective bargaining costs because incremental step movements provide incentives for teachers to remain in the teaching profession. It recognizes and acknowledges the work they do each year. Incremental step movements also make the teaching profession attractive to high school and college students who are undecided about their future careers.

The teaching profession has become less attractive for me over the past eight years and I am sure I speak for many in the profession. I ask for your support in making an appropriation for collective bargaining costs in this legislative session.

Thank you for the opportunity to testify.

## FINTestimony

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**From:** Plaut [plaut@hawaii.rr.com]  
**Sent:** Tuesday, March 25, 2008 9:28 AM  
**To:** FINTestimony  
**Subject:** SB 2262, SD 1, HD 1 OR SB 2493, HD 1

To...FINtestimony@capitol.hawaii.gov

From...Woody Plaut, library media specialist

Konawaena High School

House Committee on Finance

Agenda #4

Wednesday, March 26, 2008

Conference Room 308

2:00 p.m.

SB 2493, HD 1 - MAKING AN APPROPRIATION FOR COLLECTIVE BARGAINING COSTS

\*/There is a national teacher shortage and Hawaii is dithering over incremental pay increases, something that almost all other states have for their teachers, and is yet another reason why we have such a hard time attracting and keeping our teachers. Pass this obvious move toward reciprocity with other states./\*

;B 2262, SD 1, HD 1 - RELATING TO HEALTH \*/Considering our low salaries, the VEBA trust helps us pay our high standard of living costs. We need more benefits, not less.  
/\*

\*\*\* \*

Chair Marcus Oshiro, and Members of the Committee:

My name is \*Woody Plaut\* and I am a teacher at \*Konawaena High School\*.  
I support \*SB 2262, SD 1, HD 1\* and \*SB 2493, HD 1\* to make an appropriation for our collective bargaining costs and to repeal the sunset of our VEBA Trust pilot.

Thank you for the opportunity to testify.