



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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The Twenty-Sixth Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association
February 28, 2012

S.B. 2750, S.D. 1 – RELATING TO THE
EMPLOYEES’ RETIREMENT SYSTEM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of S.B. 2750, S.D. 1, which attempts to prevent unexpected increases in pension benefits and the unfunded actuarial accrued liability of the Employees’ Retirement System (ERS) by defining and limiting the amount of compensation included in the average final compensation calculation.

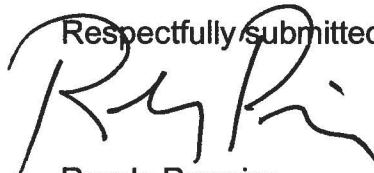
First and foremost, overtime, and therefore by default any definition of “spiking,” is strictly an Employer issue, whereby the Employer has direct oversight and control of whom, how much and when overtime is granted to. If the Employer perceives a situation in which an Employee is intentionally attempting to boost their average final compensation, then the Employer has the purview to cease authorizing the overtime. Within the Personal Rights and Representation article in our mutually agreed upon Collective Bargaining Agreements is language that states “the Employee shall have the right to refuse for good cause as determined by the Employer to work overtime” [emphasis added]. Per contract, it is the Employer’s prerogative, not the Employee’s, to determine if the refusal is for good cause. In some cases, our members are not afforded the option to refuse overtime, and are required to work half-shifts prior to or after their regular shift. In other cases, Employees are required to work back-to-back double shifts due to staff shortages, health and safety compliance, or to staff a 24/7 facility. Our members provide critical services to the community and should be adequately compensated; both immediately in compensatory time off or overtime pay, and also in retirement benefit calculations that accurately reflect the Employee’s work. We find it incongruous to force an individual to work overtime and not count the overtime hours toward their final retirement calculation.

However, understanding that the ERS is a singular entity that collects contributions from each Employer and furnishes the retirement benefits to all beneficiaries, we support the provision that the specific Employer who authorizes increased overtime also increase their contribution accordingly, in an effort to curb the unfunded liability. If the Employer authorizes the overtime, it is incumbent upon them to pay all additional costs. It is our utmost desire that the fund remain solvent and structurally in tact for all current and future beneficiaries.

Finally, while we realize and understand the need to address the Employees' Retirement System's unfunded liability, we respectfully request the Committee to consider the percentage of the unfunded actuarial accrued liability that is directly attributed to "spiking" and whether or not the Employer could implement cost-containment measures independent of the Legislature statutorily intervening. If it becomes law, S.B. 2750, S.D. 1, in concert with the omnibus changes provided in Act 163, Session Laws of Hawaii 2011 will leave your government workforce with two separate and distinct tiers of employee benefits.

We respectfully urge the committee to defer this measure. Thank you for the opportunity to testify in strong opposition of S.B. 2750, S.D. 1.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "RyP", is written over the typed name and title.

Randy Perreira
Executive Director



HAWAII FIRE FIGHTERS ASSOCIATION

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The Senate
The Twenty-Sixth Legislature
Regular Session of 2012
Committee on Ways and Means
February 28, 2012

Testimony by
Hawaii Fire Fighters Association

S.B. No. 2750, S.D. 1 RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

My name is Robert H. Lee and I am the President of the Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO. HFFA represents the 2,800 active and retired professional fire fighters throughout the State. HFFA opposes S.B. No. 2750, S.D. 1.

Employee contributions to the ERS and pension calculations are based on work performed inclusive of hours worked in addition to their normal scheduled work shifts as directed by management to meet appropriate staffing levels for the safety of the community and our members. This bill penalizes employees who fulfill work schedules assigned and unfairly impacts all public employees.

HFFA appreciates the efforts to ensure the fiscal stability of the Employees' Retirement System for all current and prospective members and strongly believe that engaging in meaningful discussions among the stakeholders, public employers and exclusive representatives would best serve all beneficiaries. Thank you for the opportunity to testify.

February 27, 2012

The Honorable David Y. Ige, Chair
The Honorable Michelle N. Kidani, Vice Chair
Senate Committee on Ways and Means
Hawai'i State Senate
The Twenty-Sixth Legislature
Regular Session 2012
State Capitol
Honolulu, Hawaii 96813

Dear Chairman Ige, Vice Chair Kidani and Members of the Committee:

Re: SB 2750 SD1 RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

This testimony is submitted on behalf of the City and County of Honolulu Emergency Services Department ("ESD") and its Divisions, Emergency Medical Services ("EMS") and Ocean Safety. My name is Mark K. Rigg, and I am the Deputy Director of ESD. Prior to this appointment, I worked for EMS since 1983, from the time of my internship as an entry level EMT, on through the management ranks, most recently as a District Chief. As a result of my experiences as field level personnel, a line operations supervisor, and today as a cabinet-level administrator, I believe I am well versed in the issues concerning ESD with respect to this proposed legislation.

While ESD and its Divisions support the intent of SB 2750 in theory, the Department has concerns regarding the impact that passage of such a measure might have on a number of critical elements in our public service agency, including the possible effect on current personnel, retirees, and upon departmental budget and operations. In so much as ESD has only recently seen this bill, and has not been privy to the financial models and analysis employed in support of the proposed legislation, we are unable to effectively evaluate the potential impact upon our Department. As with many of our fellow public service agencies, ESD would like to be involved in any future discussions concerning this issue in order to effectuate a fair and equitable solution.

Due to the nature of our work, we will always incur some degree of overtime. Both EMS and Ocean Safety provide critical services to our community. The delivery of these services is expected by the public and necessary for the well-being and safety of our community. Our operations proceed 24 hours a day, seven days a week, without regard for time, weather, or a litany of other known and unknown conditions that may impact the public. The very nature of staffing a public safety function with a workforce that is primarily subject to a collective bargaining agreement has many built-in constraints. From first-hand experience, I can attest that managing an around-the-clock public safety function while attempting to control and mitigate overtime, is difficult.

Because of the highly inflexible nature of our staffing needs, the line supervisor's toughest decisions often come in the form of deciding which personnel may be "stuck" or unable to leave at the end of their eight-hour shift due to the unavailability of personnel. When faced with the choice between cost containment and the delivery of critical public safety functions, EMS and Ocean Safety management has chosen to permit use of overtime rather than risk the public's health, safety or welfare.

Overtime is also necessary since we have been unable to find sufficient qualified personnel to fill vacant positions. Kapiolani Community College graduates up to 40 EMT students a year and many of them apply to Honolulu City and County EMS for jobs. Unfortunately, after the interview process, suitability, and physical examinations, we are only able to hire between 20 and 25 EMT's a year.

Also, every January the division pulls about 15 EMT's out of field operations to send them to paramedic school for a year. This loss of field personnel has an immediate effect on increasing our overtime. There is usually a gap of 2 - 3 months that takes place between the start of this class and the finishing of the class that preceded it. It is during this time that the staffing in the department is critically challenged.

It has not helped that attrition rate has been so high for EMT's. (This is a training level just below paramedic). From 2008 to 2009 although we hired 34 EMT's but lost 37 EMT's during the same period, resulting in a net loss of 3 EMT's.

Furthermore, we are recovering from a huge loss of paramedic personnel in 2005 and 2006 when a "perfect storm" of conditions led to the loss of 15 paramedics to Honolulu Fire Department, plus Hickam Fire/EMS Department and Federal Fire Department when those agencies started up EMS Advanced Life Support ambulance services on the military bases. Honolulu EMS reeled for many years with the loss of so many paramedic level personnel at one time. Rebuilding the paramedic roster is, and will continue to be a challenge as other agencies "shop" for the best personnel to suit their respective organizations. In 2010, Federal Fire Department again recruited away from Honolulu EMS to the tune of seven paramedics.

I would also like to mention that our overtime management is also constrained by our collective bargaining agreements. Simply put, there is little to no management discretion or leeway with respect to the protocol for extending offers of overtime. Any diversion from the specific process, either intentional or as a result of operational necessity, the departments are automatically subject to a potential grievance.

Using EMS as an example, Unit assignments are based upon seniority, as determined through an annual bid. Certain units, often in the more rural or more remote parts of the island, are statistically less busy than their more urban counterparts. In theory, personnel with greater seniority have the ability to choose locations where the pace of work may be slower and more conducive to maintaining the mental and physical energy needed to work overtime assignments. Likewise, there is issue of filling vacant shifts, which may arise due to sickness, vacation, or industrial injury. EMS and Ocean Safety are physically and emotionally demanding job functions, and it is often difficult, at best, to find individuals who are even willing to accept an overtime offer due to fatigue, family obligations or other competing interests.

In closing, we are actively monitoring our use of overtime and taking steps to recruit and train additional personnel in order to reduce the necessity for overtime. However, because we must respond with sufficient personnel whenever an emergency or natural disaster strikes, some degree of overtime is inevitable.

Together with the other public safety agencies, ESD will be seeking further dialogue with ERS board representatives in order to gain a better understanding of this proposal and its impact on our Department and we hope to actively participate in future discussions on this bill.

Thank you for the opportunity to provide this testimony on behalf of ESD.

Sincerely,



MARK K. RIGG
DEPUTY DIRECTOR
CITY AND COUNTY OF HONOLULU
EMERGENCY SERVICES DEPARTMENT