



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

**GOV. MSG. NO. 1236**

June 20, 2013

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,  
Speaker and Members of  
the House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

Pursuant to Section 16 of Article III of the State Constitution, I am transmitting herewith the following bill with a specific appropriation item stricken or reduced and my official statement of objections to that specific appropriation item contained in the bill.

SB909 SD1 HD1 CD1

MAKING APPROPRIATIONS FOR COLLECTIVE  
BARGAINING COST ITEMS

Sincerely,

NEIL ABERCROMBIE  
Governor, State of Hawaii

EXECUTIVE CHAMBERS

HONOLULU

June 20, 2013

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 909

Honorable Members  
Twenty-Seventh Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 909, entitled "A Bill for an Act Making Appropriations for Collective Bargaining Cost Items."

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for employees in unit 13 and its excluded counterparts, including salary increases and contributions to the Hawaii employer-union health benefits trust fund negotiated between the State and the Hawaii Government Employees Association for fiscal biennium 2013-2015.

The amounts appropriated for state employees included in bargaining unit 13 were placed in the bill in anticipation of ratification by the unit 13 members of the public employers' last collective bargaining offer including pay raises. The state employees included in unit 13 failed to ratify the proposal and thus the employer and the exclusive representative remain in negotiations. It is a well settled labor law that the employer may not unilaterally implement a non-negotiated pay raise during negotiations. Therefore, to avoid the possibility of subsequent administrative actions that may constitute committing a prohibited practice under chapter 89, Hawaii Revised Statutes, I cannot approve those parts of the bill that would appropriate funds for such a pay raise.

Section 16 of Article III of the State Constitution provides that, "[e]xcept for items appropriated to be expended by the judicial and legislative branches, the governor may veto any specific item or items in any bill which appropriates money for specific purposes by striking out or reducing the same."

STATEMENT OF OBJECTIONS  
SENATE BILL NO. 909  
Page 2

Because of the foregoing objections, pursuant to my line item veto authority, I have stricken by drawing a line through each of the appropriation amounts in sections 1, 9, and 13 of this bill.

For the foregoing reasons, I am returning Senate Bill No. 909 with the appropriations in sections 1, 9, and 13 stricken as set forth above.

  
Respectfully,



NEIL ABERCROMBIE  
Governor of Hawaii

# A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

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

PART I

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to departmental administration and budget division (BUF 101) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2013-2015 all collective bargaining cost items contained in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (13):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	<del>9,497,359</del> (M)	<del>19,600,222</del> (M)
Special Funds	<del>1,841,479</del> (M)	<del>3,895,654</del> (M)
General Obligation		
Bond Funds	<del>863,921</del> (M)	<del>1,865,311</del> (M)
Federal Funds	<del>2,290,808</del> (M)	<del>4,746,440</del> (M)
Trust Funds	<del>155,409</del> (M)	<del>334,864</del> (M)
Interdepartmental		
Transfers	<del>66,359</del> (M)	<del>134,578</del> (M)
Revolving Funds	<del>328,050</del> (M)	<del>682,914</del> (M)



1 Other Funds ~~129,562~~ ~~286,810~~

2 Of the above amounts, the following amounts are for the  
3 department of education:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
4 General Funds	<del>\$2,682,067</del>	<del>\$5,511,338</del>
5 Special Funds	<del>10,235</del>	<del>23,492</del>
6 General Obligation		
7 Bond Funds	<del>86,898</del>	<del>174,417</del>
8 Federal Funds	<del>45,658</del>	<del>94,043</del>
9 Revolving Funds	<del>8,666</del>	<del>19,863</del>

11 SECTION 2. Funds appropriated or authorized by this part  
12 shall be allotted by the director of finance to the appropriate  
13 state departments for expenditure in the respective fiscal year  
14 for the purposes of this part.

15 PART II

16 SECTION 3. There are appropriated or authorized from the  
17 sources of funding indicated below to administration (JUD 601)  
18 the following sums or so much thereof as may be necessary to  
19 fund for fiscal biennium 2013-2015 all collective bargaining  
20 cost items contained in the agreement negotiated with the  
21 exclusive bargaining representative of collective bargaining  
22 unit (13):



	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>	
1			
2	General Funds	\$1,097,070	\$2,291,376
3	Special Funds	23,981	52,939

4 SECTION 4. Funds appropriated or authorized by this part  
5 shall be allotted by the chief justice for expenditure in the  
6 respective fiscal year for the purposes of this part.

7 PART III

8 SECTION 5. There are appropriated or authorized from the  
9 sources of funding indicated below to departmental  
10 administration and budget division (BUF 101) the following sums  
11 or so much thereof as may be necessary to fund for fiscal  
12 biennium 2013-2015 the salary increases and other cost  
13 adjustments authorized by chapter 89C, Hawaii Revised Statutes,  
14 for state officers and employees excluded from collective  
15 bargaining who belong to the same compensation plans as those  
16 officers and employees within bargaining unit (13):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>	
17			
18	General Funds	\$3,033,468	\$6,671,683
19	Special Funds	615,884	1,376,724
20	General Obligation		
21	Bond Funds	74,572	173,373
22	Federal Funds	290,888	630,917



1	Trust Funds	83,573	190,153
2	Interdepartmental		
3	Transfers	271,142	574,215
4	Revolving Funds	54,184	134,314
5	Other Funds	23,197	62,577

6 Of the above amounts, the following amounts are for the  
7 department of education:

8		<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
9	General Funds	\$191,651	\$395,756
10	General Obligation		
11	Bond Funds	2,661	19,052
12	Federal Funds	9,264	18,308
13	Revolving Funds	936	5,770

14 SECTION 6. Funds appropriated or authorized by this part  
15 shall be allotted by the director of finance to the appropriate  
16 state departments for expenditure in the respective fiscal year  
17 for the purposes of this part.

18 PART IV

19 SECTION 7. There are appropriated or authorized from the  
20 sources of funding indicated below to administration (JUD 601)  
21 the following sums or so much thereof as may be necessary to  
22 fund for fiscal biennium 2013-2015 the salary increases and





1 other cost adjustments authorized by chapter 89C, Hawaii Revised  
2 Statutes, for state officers and employees excluded from  
3 collective bargaining who belong to the same compensation plans  
4 as those officers and employees within bargaining unit (13)  
5 assigned to the judiciary:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
7 General Funds	\$211,439	\$573,022
8 Special Funds	4,861	10,340

9 SECTION 8. Funds appropriated or authorized by this part  
10 shall be allotted by the chief justice for expenditure in the  
11 respective fiscal year for the purposes of this part.

12 PART V

13 SECTION 9. There are appropriated or authorized from the  
14 source of funding indicated below to Hawaii health systems  
15 corporation - corporate office (HTH 210) the following sums or  
16 so much thereof as may be necessary to fund for fiscal biennium  
17 2013-2015 the collective bargaining cost items contained in the  
18 agreement negotiated for state employees in collective  
19 bargaining unit (13) assigned to the Hawaii health systems  
20 corporation:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
22 Special Funds	<del>\$790,150</del> 	<del>\$1,676,586</del> 





1 SECTION 10. Funds appropriated or authorized by this part  
2 shall be allotted by the director of finance to the Hawaii  
3 health systems corporation for expenditure in the respective  
4 fiscal year for the purposes of this part.

5 PART VI

6 SECTION 11. There are appropriated or authorized from the  
7 source of funding indicated below to Hawaii health systems  
8 corporation - corporate office(HTH 210) the following sums or so  
9 much thereof as may be necessary to fund for fiscal biennium  
10 2013-2015 the collective bargaining cost items authorized by  
11 chapter 89C, Hawaii Revised Statutes, for state officers and  
12 employees excluded from collective bargaining who belong to the  
13 same compensation plans as those officers and employees within  
14 bargaining unit (13) assigned to the Hawaii health systems  
15 corporation:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
16 Special Funds	\$1,211,155	\$2,600,070

17  
18 SECTION 12. Funds appropriated or authorized by this part  
19 shall be allotted by the director of finance to the Hawaii  
20 health systems corporation for expenditure in the respective  
21 fiscal year for the purposes of this part.



PART VII

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SECTION 13. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2013-2015 the Hawaii employer-union health benefits trust fund costs contained in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (13):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	<del>\$3,677,446</del> <i>NA</i>	<del>\$2,374,460</del> <i>NA</i>

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	<del>\$696,507</del> <i>NA</i>	<del>\$442,947</del> <i>NA</i>

PART VIII

SECTION 14. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2013-2015 the Hawaii employer-union health benefits trust fund costs for state officers and employees excluded from collective bargaining who belong to the same



1 compensation plans as those officers and employees within  
2 bargaining unit (13):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
4 General Funds	\$1,309,139	\$851,379

5 Of the above amounts, the following amounts are for the  
6 department of education:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
8 General Funds	\$93,257	\$61,566

9 SECTION 15. Funds appropriated or authorized by this part  
10 shall be allotted by the director of finance to the appropriate  
11 state departments for expenditure in the respective fiscal year  
12 for the purposes of this part.

13 PART IX

14 SECTION 16. Salary increases and cost adjustments provided  
15 in this Act for any officer or employee whose compensation is  
16 paid, in whole or in part, from federal, special, or other funds  
17 shall be paid wholly or proportionately, as the case may be,  
18 from the respective funds.

19 SECTION 17. Funds appropriated or authorized by this Act  
20 that are not expended or encumbered by June 30, 2014, and June  
21 30, 2015, of the respective fiscal years, shall lapse as of  
22 those dates.



1 SECTION 18. This Act shall take effect on July 1, 2013.

APPROVED this                      day of                      , 2013

GOVERNOR OF THE STATE OF HAWAII