

STATE OF HAWAII
LEGISLATURE



GOV. MSG. NO. 264

19:39 01 07A 01

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 19, 2013

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

Dear President Kim:

The United Public Workers (UPW) and the employer have reached a tentative agreement concerning Collective Bargaining Unit 1 (Blue Collar Non-Supervisory). Ratification of the collective bargaining agreement is expected on April 26, 2013. In accordance with Section 89-10(b), cost items must be submitted to the Legislature for appropriation within ten days of ratification. While this agreement has not yet been ratified, the following summaries of the included and excluded requirements of the settlement for the upcoming fiscal biennium are being transmitted to the Legislature for authorization in anticipation of union ratification to facilitate meeting the legislative timetable:

| | <u>FY 14</u> | <u>FY 15</u> | <u>Biennium</u> |
|----------------------------|---------------|---------------|-----------------|
| <u>Salaries and Fringe</u> | | | |
| General | \$2,566,568 | \$ 8,645,514 | \$11,212,082 |
| Special | 1,421,271 | 4,800,897 | 6,222,168 |
| G.O. Bond | 5,490 | 19,043 | 24,533 |
| Federal | 118,237 | 399,659 | 517,896 |
| Trust | 2,220 | 7,699 | 9,919 |
| Interdept. Transfer | 5,469 | 18,534 | 24,003 |
| Revolving | <u>18,571</u> | <u>63,423</u> | <u>81,994</u> |
| Total | \$4,137,826 | \$13,954,769 | \$18,092,595 |

An agreement with UPW regarding Employer-Union Trust Fund contribution amounts has also been reached:

| | <u>FY 14</u> | <u>FY 15</u> | <u>Biennium</u> |
|---------|--------------|--------------|-----------------|
| General | \$1,343,726 | \$450,992 | \$1,794,718 |


Because the tentative agreement covers four years, the following amounts are provided for your information:

| | <u>FY 16</u> | <u>FY 17</u> | <u>Biennium</u> |
|----------------------------|----------------|----------------|-----------------|
| <u>Salaries and Fringe</u> | | | |
| General | \$15,009,041 | \$21,604,217 | \$36,613,258 |
| Special | 8,338,035 | 12,006,510 | 20,344,545 |
| G.O. Bond | 33,004 | 47,779 | 80,783 |
| Federal | 694,617 | 999,976 | 1,694,593 |
| Trust | 13,403 | 19,360 | 32,763 |
| Interdept. Transfer | 32,216 | 46,395 | 78,611 |
| Revolving | <u>110,438</u> | <u>159,106</u> | <u>269,544</u> |
| Total | \$24,230,754 | \$34,883,343 | \$59,114,097 |

Employer-Union Trust Fund contribution amounts

| | <u>FY 16</u> | <u>FY 17</u> | <u>Biennium</u> |
|---------|--------------|--------------|-----------------|
| General | \$444,711 | \$430,898 | \$875,609 |

Attached is a proposed draft bill which amends House Bill No. 816, S.D. 1, in its entirety, to fund the settlement.

Aloha
Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Y. Ige