



GOV. MSG. NO. 265

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 decision of the arbitration panel appointed pursuant to Section 89-11, HRS, for Bargaining Unit 9 (Nurses), represented by the Hawaii Government Employees Association, was received on April 5, 2013. In accordance with Section 89-11(g), all items requiring funds for implementation must be submitted to the Legislature for appropriation. The following summarizes the included and excluded requirements of the arbitration award for the current fiscal biennium:

Salaries and Fringe

Restoration of Unit 9 share of \$88.2 million reduction

FY 13

General \$6,095,504

4% across-the-board increases beginning January 1, 2013 and April 1, 2013 + Full Catch-up of Step Movements retroactive to January 1, 2013 + \$0.50 hr increase in working condition differential retroactive to January 1, 2013

FY 13

General \$2,244,140

Other 4,839,788

Total \$7,083,928


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Total

	<u>FY 13</u>
General	\$ 8,339,644
Other	<u>4,839,788</u>
Total	\$13,179,432

Please note that most of the "other" fund cost is attributable to the Hawaii Health Systems Corporation (HHSC). It is our understanding that HHSC cannot absorb these additional salary costs and will be requesting an increase in its general fund subsidy for this purpose.

Attached is a proposed draft bill which amends Senate Bill No. 908, S.D. 1, H.D. 1, in its entirety, to fund the arbitration award.

Aloha
Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Y. Ige