



GOV. MSG. NO. 267

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:

Transmitted herewith are proposed changes to the FB 2013-15 Executive Budget for the Department of Budget and Finance (B&F).


Your consideration is requested for the attached budget items to add \$6,595,277 in general funds and \$14,793,152 in other funds for FY 14 and FY 15 to cover carryover costs of the 8.16% across the board wage increase and catch-up step movements directed in the Unit 9 arbitration award for FB 2011-13. Pursuant to Chapter 89, HRS, the costs for the contract period ending June 30, 2013 were submitted to the Legislature for insertion into an appropriate collective bargaining bill. These costs represent the carryover costs after the contract period and are being included in a budget message because the costs were not known at the time the Executive Budget was being drafted.

Two related budget provisos are also included to allow transfers to the affected State agencies.

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.

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Your staff may contact B&F for additional information. Your understanding and assistance is appreciated.

Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Y. Ige