

LATE

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 833

February 25, 2013

MAKING EMERGENCY APPROPRIATIONS FOR COLLECTIVE BARGAINING
COST ITEMS

House Bill No. 833 is a vehicle bill to appropriate and authorize funds for collective bargaining cost items for arbitrated settlement for collective Bargaining Unit 10 and their excluded counterparts for Fiscal Biennium 2011-13.

The Department of Budget and Finance supports the intent of this Administration proposal but recommends replacing the current draft of the bill in its entirety with the attached proposed H.D. 1 to reflect the costs of the actual award. Interest arbitration proceedings were held in November 2012 and an arbitration award was received on January 10, 2013. The award included no wage reductions for the entire contract period and a 3.2% across the board increase beginning January 16, 2013. The Governor submitted these cost items to the Legislature on January 28, 2013, pursuant to Section 89-11, HRS.

Please note that while the arbitration panel cannot make an award concerning Employer-Union Trust contributions, Section 89-11(g) requires the employer to submit its recommendation for contributions to the Legislature. Section 89-11(g) states that the parties shall submit their recommendations for contributions to the Legislature and that the final and binding agreement of the parties on all provisions shall consist of the panel's decision and the amounts of contributions established by

the Legislature by enactment, after the Legislature has considered the recommendations for such contributions by the parties. Senate Bill No. 827, S.D. 1, is a separate Administration bill addressing this matter.

Attachment

A BILL FOR AN ACT

MAKING EMERGENCY APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

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

PART I

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Hawaii State Constitution.

PART II

SECTION 2. There are appropriated or authorized from the sources of funding indicated below to program planning, analysis, budgeting (BUF 101) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2011-2013 all collective bargaining cost items for salary increases and other wage related costs in the arbitrated settlement for collective bargaining unit 10:

	<u>FY 2012-2013</u>
General Funds	5,111,047
Special Funds	21,164
Federal Funds	90,220

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

FY 2012-2013

General Funds 54,675

SECTION 3. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART III

SECTION 4. There are appropriated or authorized from the sources of funding indicated below to administrative director services (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2011-2013 all collective bargaining cost items for salary increases and other wage related costs in the arbitrated settlement for collective bargaining unit 10:

FY 2012-2013

General Funds 32,479

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

PART IV

SECTION 6. There are appropriated or authorized from the sources of funding indicated below to program planning, analysis, budgeting (BUF 101) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2011-2013, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes,

for state officers and employees excluded from collective bargaining:

	<u>FY 2012-2013</u>
General Funds	105,715
Federal Funds	3,853
Interdepartmental Transfers	14,483

SECTION 7. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART V

SECTION 8. There are appropriated or authorized from the sources of funding indicated below to administrative director services (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2011-2013, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, by the chief justice for state officers and employees excluded from collective bargaining:

	<u>FY 2012-2013</u>
General Funds	2,395

SECTION 9. The sums appropriated or authorized by this part shall be allotted by the chief justice for expenditure in the respective fiscal year for the purposes of this part.

PART VI

SECTION 10. There are appropriated or authorized from the sources of funding indicated below to program planning, analysis, and budgeting (BUF 101) the following sums, or so much

thereof as may be necessary, to fund for fiscal biennium 2011-2013, the collective bargaining cost items in the agreement negotiated for state employees in collective bargaining unit 10 assigned to the Hawaii health systems corporation:

	<u>FY 2012-2013</u>
General Funds	2,207,391
Special Funds	638,705

PART VII

SECTION 11. There are appropriated or authorized from the sources of funding indicated below to program planning, analysis, budgeting (BUF 101) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2011-2013, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining assigned to the Hawaii health systems corporation:

	<u>FY 2012-2013</u>
General Funds	55,438
Special Funds	11,112

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

PART VIII

SECTION 13. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is

paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 14. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2013 shall lapse as of that date.

SECTION 15. This Act shall take effect upon its approval.

Report Title:

Appropriations for Collective Bargaining Cost Items

Description:

Provides fund authorizations and appropriations for all collective bargaining cost items for salary increases and other wage related costs in the arbitrated settlement for Unit 10 and its excluded counterparts for fiscal biennium 2011-2013.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.