

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT  
ON  
SENATE BILL NO. 2074, S.D. 1

March 11, 2014

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS

This measure is a vehicle bill to appropriate and authorize funds for collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefit Trust costs for public employees represented by the Hawaii Government Employees Association (HGEA) belonging to Bargaining Unit 9 (registered nurses) and their excluded counterparts for Fiscal Biennium 2013-15.

HGEA and the public employers have reached a tentative agreement concerning Collective Bargaining Unit 9 (registered nurses). The State received notification of ratification on February 27, 2014. Notification of cost item amounts was submitted to the Legislature on February 28, 2014.

The attached Proposed H.D. 1 contains the appropriation amounts required to fund the agreement. Please note that a small correction has been made to the FY 2014-2015 included Hawaii Employer-Union Health Benefits Trust Fund costs in the attached bill compared to the February 28 submittal.

It should be noted that most of special fund costs for this agreement are to be borne by the Hawaii Health Systems Corporation (HHSC). HHSC has indicated that it cannot absorb these additional salary costs and will be requesting an increase in its general fund subsidy from the Legislature for this purpose.

Attachment

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# A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

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

1 PART I

2 SECTION 1. There are appropriated or authorized from the  
3 sources of funding indicated below to departmental  
4 administration and budget division (BUF 101) the following sums,  
5 or so much thereof as may be necessary, to fund for fiscal  
6 biennium 2013-2015 all collective bargaining cost items for  
7 salary increases and other wage related costs in the agreement  
8 negotiated with the exclusive bargaining representative of  
9 collective bargaining unit (9):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
10 General Funds	\$1,491,419	\$6,534,256
11 Special Funds	9,685	45,547
12 Federal Funds	34,357	170,068
13 Interdepartmental Transfers	2,336	10,609
14 Revolving Funds	16,380	72,440

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

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
17 General Funds	\$3,233	\$15,709

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

5 PART II

6 SECTION 3. There are appropriated or authorized from the  
7 sources of funding indicated below to administration (JUD 601)  
8 the following sums, or so much thereof as may be necessary, to  
9 fund for fiscal biennium 2013-2015 all collective bargaining  
10 cost items for salary increases and other wage related costs in  
11 the agreement negotiated with the exclusive bargaining  
12 representative for collective bargaining unit (9):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
14 General Funds	\$5,604	\$25,522

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

18 PART III

19 SECTION 5. There are appropriated or authorized from the  
20 sources of funding indicated below to departmental  
21 administration and budget division (BUF 101) the following sums,  
22 or so much thereof as may be necessary, to fund for fiscal  
23 biennium 2013-2015, the salary increases and other cost  
24 adjustments authorized by chapter 89C, Hawaii Revised Statutes,  
25 for state officers and employees excluded from collective

1 bargaining who belong to the same compensation plans as those  
 2 officers and employees within collective bargaining unit (9):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
4 General Funds	\$22,253	\$92,911

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

9 PART IV

10 SECTION 7. There are appropriated or authorized from the  
 11 sources of funding indicated below to administration (JUD 601)  
 12 the following sums, or so much thereof as may be necessary, to  
 13 fund for fiscal biennium 2013-2015, the salary increases and  
 14 other cost adjustments authorized by chapter 89C, Hawaii Revised  
 15 Statutes, by the chief justice for state officers and employees  
 16 excluded from collective bargaining who belong to the same  
 17 compensation plans as those officers and employees within  
 18 collective bargaining unit (9):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
20 General Funds	\$1,556	\$7,561

21 SECTION 8. The sums appropriated or authorized by this  
 22 part shall be allotted by the chief justice for expenditure in  
 23 the respective fiscal year for the purposes of this part.

1 PART V

2 SECTION 9. There are appropriated or authorized from the  
 3 sources of funding indicated below to Hawaii health systems  
 4 corporation - corporate office (HTH 210) the following sums, or  
 5 so much thereof as may be necessary, to fund for fiscal  
 6 biennium 2013-2015, the collective bargaining cost items in the  
 7 agreement negotiated for state employees in collective  
 8 bargaining unit (9) assigned to the Hawaii health systems  
 9 corporation:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
10 Special Funds	\$3,290,166	\$13,699,173

12 PART VI

13 SECTION 10. Funds appropriated or authorized by this part  
 14 shall be allotted by the director of finance to the Hawaii  
 15 health systems corporation for expenditure in the respective  
 16 fiscal year for the purposes of this part.

17 SECTION 11. There are appropriated or authorized from the  
 18 sources of funding indicated below to Hawaii health systems  
 19 corporation - corporate office (HTH 210) the following sums, or  
 20 so much thereof as may be necessary, to fund for fiscal  
 21 biennium 2013-2015, the salary increases and other cost  
 22 adjustments authorized by chapter 89C, Hawaii Revised Statutes,  
 23 for state officers and employees excluded from collective  
 24 bargaining assigned to the Hawaii health systems corporation who

1 belong to the same compensation plans as those officers and  
 2 employees within collective bargaining unit (9):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
4 Special Funds	\$79,990	\$319,402

5 SECTION 12. Funds appropriated or authorized by this part  
 6 shall be allotted by the director of finance to the Hawaii  
 7 health systems corporation for expenditure in the respective  
 8 fiscal year for the purposes of this part.

9 PART VII

10 SECTION 13. There are appropriated or authorized from the  
 11 sources of funding indicated below to health premium payments  
 12 (BUF 761) the following sums, or so much thereof as may be  
 13 necessary, to fund for fiscal biennium 2013-2015, the Hawaii  
 14 employer union health benefits trust fund costs in the agreement  
 15 negotiated with the exclusive bargaining representative of  
 16 collective bargaining unit (9):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
18 General Funds	\$1,151,003	\$643,724

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

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
22 General Funds	\$1,123	\$1,266

23 PART VIII

24 SECTION 14. There are appropriated or authorized from the  
 25 sources of funding indicated below to health premium payments

1 (BUF 761) the following sums, or so much thereof as may be  
 2 necessary, to fund for fiscal biennium 2013-2015, the Hawaii  
 3 employer union health benefits trust fund costs for state  
 4 officers and employees excluded from collective bargaining who  
 5 belong to the same compensation plans as those officers and  
 6 employees within collective bargaining unit (9):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
8 General Funds	\$3,952	\$2,776

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  
 21 June 30, 2015, of the respective fiscal years, shall lapse as of  
 22 those dates.

**S.B. NO. 2074**  
**S.D. 1**  
Proposed H.D. 1

1 SECTION 18. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_

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BY REQUEST



**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 negotiated settlement for unit (9) and its excluded counterparts for fiscal biennium 2013-2015.

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



# **UNIVERSITY OF HAWAII SYSTEM**

## **Legislative Testimony**

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Submitted to the  
House Committee on Labor & Public Employment  
March 11, 2014 at 9:30 am

by  
Howard Todo, Chief Financial Officer  
Vice President of Budget & Finance  
University of Hawai'i

### **SB 2074 SD1 – MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS**

Chair Nakashima, Vice Chair Yamashita and members of the committee:

The University of Hawai'i supports Senate Bill 2074 SD1, to provide fund authorizations and appropriations for collective bargaining cost items on behalf of University of Hawai'i employees represented by bargaining unit 09 and its excluded counterparts.

Thank you for the opportunity to testify in support of Senate Bill 2074 SD1.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Seventh Legislature, State of Hawaii  
House of Representatives  
Committee on Labor and Public Employment

Testimony by  
Hawaii Government Employees Association  
February 19, 2014

S.B. 2073, S.D. 1, S.B. 2074, S.D. 1, S.B. 2075 –  
MAKING APPROPRIATIONS FOR  
COLLECTIVE BARGAINING COST ITEMS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports S.B. 2073, S.D. 1, S.B. 2074, S.D. 1, and S.B. 2075, each of which provide a vehicle to implement pending collective bargaining agreements for fiscal biennium 2013 – 15 for bargaining units 6, 9 and 14, respectively.

Thank you for the opportunity to testify in support of the above legislation.

Respectfully submitted,

Randy Perreira  
Executive Director