

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NOS. 904, S.D. 1 AND 908, S.D. 1

March 27, 2013

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS

Senate Bill Nos. 904, S.D. 1, and 908, S.D. 1, are vehicle bills to appropriate and authorize funds for collective bargaining cost items in general and Employer-Union Health Benefit Trust Fund costs, respectively, for agreements negotiated with the exclusive representatives of collective Bargaining Unit 9 and their excluded counterparts for Fiscal Biennium 2011-13.

The Department of Budget and Finance supports the intent of these measures, but Senate Bill No. 1063, an Administration measure providing emergency appropriations, may be more appropriate since requirements could be retroactive. Interest arbitration proceedings were held in November 2012 and an award is being awaited. After issuance of that award, any cost items will be submitted to the Legislature pursuant to Section 89-11, HRS. 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.