



GOV. MSG. NO. 245

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

February 28, 2014

The Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear President Kim:

The Hawaii Government Employees Association (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. In accordance with Section 89-10(b), cost items must be submitted to the Legislature for appropriation within ten days of ratification. The following summaries of the included and excluded requirements of the settlement for the current fiscal biennium are being transmitted to the Legislature for authorization:

	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
<u>Salaries, Differential, & Fringe</u>			
General	\$1,520,832	\$ 6,660,250	\$ 8,181,082
Special	3,379,841	14,064,122	17,443,963
Federal	34,357	170,068	204,425
Interdept. Transfer	2,336	10,609	12,945
Revolving	<u>16,380</u>	<u>72,440</u>	<u>88,820</u>
Total	\$4,953,746	\$20,977,489	\$25,931,235

Of the above amounts, the following are for the Hawaii Health Systems Corporation (HHSC):

	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
Special	\$3,370,156	\$14,018,575	\$17,388,731


It should be noted that 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.

Honorable Donna Mercado Kim
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An agreement with HGEA regarding Employer-Union Trust Fund contribution amounts has also been reached and the estimated costs are as follows:

	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
General	\$1,154,955	\$641,193	\$1,796,148

Attached is a proposed draft bill which amends Senate Bill No. 2074 and House Bill No. 2220, in their entirety, to fund the settlement.

Aloha
Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Y. Ige

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

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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>
13 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

.B. NO.

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.

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PART V

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

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

PART VI

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

SECTION 11. There are appropriated or authorized from the sources of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2013-2015, 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 who

.B. NO.

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	\$638,417

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

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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.

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.

____.B. NO.____

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

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INTRODUCED BY: _____

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BY REQUEST

____.B. NO. _____

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.