

DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

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DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT  
ON  
SENATE BILL NO. 2835, S.D. 1

March 11, 2016  
10:30 a.m.

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS

This measure appropriates and authorizes funding for collective bargaining cost items for salary adjustments and other cost adjustments for public employees represented by the Hawaii Government Employees Association belonging to Bargaining Unit 8 and their excluded counterparts for Fiscal Biennium 2015-17.

The Department of Budget and Finance supports this Administration proposal to fund the arbitration award issued in November 2015.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

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

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

Testimony by  
Hawaii Government Employees Association

March 11, 2016

**S.B. 2835, S.D. 1 – MAKING APPROPRIATIONS  
FOR COLLECTIVE BARGAINING COST ITEMS**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the passage and enactment of S.B. 2835, S.D. 1 which provides appropriations to implement an arbitrated collective bargaining agreement for Bargaining Unit 08 for fiscal biennium 2015 – 2017. However, it has been brought to our attention that the current version of S.B. 2835 does not appropriate sufficient general funds to support the entire arbitrated agreement by approximately \$2.5 million. We respectfully request that S.B. 2835, S.D. 1 be amended to include the total compensation amount.

Thank you for the opportunity to testify in strong support of the above legislation, with the proposed request to ensure appropriate funding amounts.

Respectfully submitted,

**Randy Perreira**  
Executive Director

DAVID Y. IGE  
GOVERNOR



JAMES K. NISHIMOTO  
CHIEF NEGOTIATOR

**STATE OF HAWAII  
OFFICE OF COLLECTIVE BARGAINING  
EXECUTIVE OFFICE OF THE GOVERNOR**  
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March 10, 2016

TESTIMONY TO THE  
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT  
For Hearing on Friday, March 11, 2016  
10:30 a.m., Conference Room 309

By

JAMES K. NISHIMOTO  
OFFICE OF COLLECTIVE BARGAINING, CHIEF NEGOTIATOR

**Senate Bill Nos. 2835, SD1; 2836 SD1; and 2837, SD1  
Making Appropriations for Collective Bargaining Cost Items**

**(WRITTEN TESTIMONY ONLY)**

CHAIRPERSON NAKASHIMA, VICE CHAIR KEOHOKALOLE AND MEMBERS OF  
THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT:

These bills provide fund authorizations and appropriations for collective bargaining cost items for bargaining units (8), (14) and (11) and their excluded counterparts.

The Office of Collective Bargaining (OCB) is **IN SUPPORT** of these bills.

Thank you for the opportunity to testify on these measures.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Labor & Public Employment  
March 11, 2016 at 10:30 a.m., Room 309

by  
Kalbert K. Young  
Vice President for Budget and Finance/Chief Financial Officer  
University of Hawai'i System

### SB 2835 SD1– MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS

Chair Nakashima, Vice Chair Keohokalole, and Members of the Labor and Public Employment Committee:

Thank you for this opportunity to testify. The University of Hawai'i (UH) supports SB2835 SD1, Making Appropriations for Collective Bargaining Cost Items. This measure appropriates funds for collective bargaining cost items for Unit (8) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2015-2017.

Please note that Governor's Message (GM) No. 11 requests funding for a one-time subsidy in FY17 related to the collective bargaining agreement with Unit 8. GM 11 requests that this funding be provided in the budget appropriation bill (HB1700). If this is the desired approach, it is important to remember that both items will be required to pass the Legislature in order to fund the agreement. More explicitly, it should not be construed that one of these items should pass in lieu of the other. Other alternatives to consider would be to aggregate the amounts specified in the GM with those currently in SB2835 SD1.

Finally, please be advised that given the timing of payments contemplated in the agreement and the legislative timeline for this bill, there will be mechanical challenges to satisfying retroactive payments going back to July 1, 2015 during the current fiscal year. With the agreement of HGEA, the University requests consideration to accommodate all funding currently reflected in the bill across the current biennium by appropriating the total amount into FY17.

Thank you for your time and consideration.