

DAVID Y. IGE  
GOVERNOR



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

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. 2836, S.D. 1**

March 11, 2016  
10:30 a.m.

**MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS**

This measure is a vehicle bill to appropriate and authorize 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 14 and their excluded counterparts for Fiscal Biennium 2015-17.

The Department of Budget and Finance supports this Administration proposal, or a similar one, to fund the arbitration award, which was issued February 22, 2016. It is noted that Act 55, SLH 2015, provided funding for the employees of this new bargaining unit as part of Bargaining Units 3 and 4. The attached proposed Senate Bill No. 2836, H.D. 1, amends Act 55, SLH 2015, to provide for the additional requirements. We would also note that the current draft of this bill specifies that excluded employees funded by this measure belong to the same compensation plans as Bargaining Unit 14. Some managerial employees expected to be funded by this measure, who supervise Bargaining Unit 14 employees, are technically not on the same compensation plan.

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 SECTION 1. This Act amends Act 55, Session Laws of  
2 Hawaii 2015.

3 SECTION 2. Part IX, Act 55, Session Laws of Hawaii is  
4 amended by amending Section 17 to read as follows:

5 "SECTION 17. There are appropriated or authorized from the  
6 sources of funding indicated below to collective bargaining  
7 statewide (BUF 102) the following sums, or so much thereof as  
8 may be necessary, to fund for fiscal biennium 2015-2017, all  
9 collective bargaining cost items for salary increases and other  
10 wage related costs in the agreement negotiated with the  
11 exclusive bargaining representative of collective bargaining  
12 unit (14):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
13 General Funds	\$1,250,717	\$[ <del>2,241,059</del> ]
14		<u>6,585,486</u>
15 Special Funds	96,935	[ <del>184,471</del> ]
16		<u>561,439</u>
17 Interdepartmental Transfers	198,321	[ <del>356,026</del> ]
18		<u>1,074,879</u> "
19		

1 SECTION 3. Part X, Act 55, Session Laws of Hawaii is  
2 amended by amending Section 19 to read as follows:

3 "SECTION 19. There are appropriated from the source of  
4 funding indicated below to collective bargaining statewide  
5 (BUF 102) the following sums, or so much thereof as may be  
6 necessary, to fund for fiscal biennium 2015-2017, the salary  
7 increases and other cost adjustments authorized by chapter 89C,  
8 Hawaii Revised Statutes, for state officers and employees  
9 excluded from collective bargaining [~~who belong to the same~~  
10 ~~compensation plans as those officers and employees within~~  
11 ~~collective bargaining~~] unit (14):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
12 General Funds	\$ 35,975	\$[57,892]
13		174,810"

14  
15 SECTION 4. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored. In  
17 printing this Act, the revisor of statutes need not include the  
18 bracketed material or the underscoring.

19 SECTION 5. Nothing in this Act shall affect the validity  
20 or continuing effectiveness of any provisions of Act 55, Session  
21 Laws of Hawaii 2015, not repealed or modified by this Act.

22 SECTION 6. This Act shall take effect upon its approval.



**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. 2836, S.D. 1 – MAKING APPROPRIATIONS  
FOR COLLECTIVE BARGAINING COST ITEMS**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the passage of S.B. 2836, S.D. 1 which implements Bargaining Unit 14's arbitrated collective bargaining agreement for fiscal biennium 2015 – 2017.

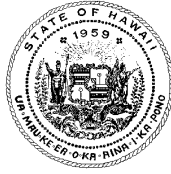
We respectfully request the Committee insert appropriation amounts to fund the arbitrated decision as delineated in the Governor's Message No. 13, which was transmitted to the Senate on February 24, 2016.

Thank you for the opportunity to testify in strong support of S.B. 2836, S.D. 1.

Respectfully submitted,

  
for 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.