



GOV. MSG. NO. 10

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 27, 2017

✓ The Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki
Speaker of the House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear Senate President Kouchi and Speaker Souki:

An arbitration award was issued for the Hawaii Government Employees Association (HGEA) concerning Collective Bargaining Units 2 (Blue Collar Supervisors), 8 (University of Hawaii Administrative, Professional, and Technical), 9 (Registered Nurses), and 13 (Professional & Scientific) on April 25, 2017. In accordance with Section 89-10(b), cost items must be submitted to the Legislature. Because this award was not issued in time for costs to be included in the biennium budget, an Administration Proposal was submitted to the 2017 Legislature. The estimated costs are as follows:

	<u>FY 18</u>	<u>FY 19</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$17,177,331	\$41,433,628	\$58,610,959
Special	5,202,534	12,633,578	17,836,112
Federal	1,620,696	3,876,530	5,497,226
Other Federal	393,925	931,844	1,325,769
Trust	71,706	164,665	236,371
Interdept. Transfers	221,646	531,495	753,141
Revolving	367,216	891,026	1,258,242
Other	164,919	361,153	526,072
Other	<u>557,256</u>	<u>1,352,374</u>	<u>1,909,630</u>
Total	\$25,777,229	\$62,176,293	\$87,953,522

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

	<u>FY 18</u>	<u>FY 19</u>	<u>Biennium</u>
General	\$5,684,780	\$13,200,190	\$18,884,970

Attached is a proposed conference draft bill for Senate Bill No. 914 to fund the award.

Sincerely,



DAVID Y. IGE
Governor, State of Hawaii

Attachment

c: Honorable Jill N. Tokuda
Honorable Sylvia Luke

A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYMENT 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 collective bargaining
4 statewide (BUF 102) the following sums, or so much thereof as
5 may be necessary, to fund for fiscal biennium 2017-2019 all
6 collective bargaining cost items in the agreement negotiated
7 with the exclusive representative of collective bargaining
8 units (2), (8), (9), and (13):

9	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
10 General Funds	\$13,367,269	\$32,376,455
11 Special Funds	1,969,087	4,701,631
12 Federal Funds	1,471,093	3,495,393
13 Other Federal Funds	347,698	821,154
14 Trust Funds	46,016	103,460
15 Interdepartmental Transfers	30,661	74,487
16 Revolving Funds	326,130	795,492
17 Other Funds	132,908	287,938
18 Special Fund CIP	521,273	1,259,794

1 Of the above amounts the following amounts are for the
2 department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
3		
4 General Funds	\$1,989,880	\$4,776,146
5 Special Funds	13,815	41,196
6 Federal Funds	40,128	98,975
7 Other Federal Funds	6,735	17,983
8 Trust Funds	195	447
9 Revolving Funds	6,333	16,792

10 SECTION 2. Funds appropriated by this part shall be
11 allotted by the director of finance to the appropriate state
12 departments for expenditure in the respective fiscal year for
13 the purposes of this part.

14 PART II

15 SECTION 3. There are appropriated or authorized from the
16 sources of funding indicated below to administration (JUD 601)
17 the following sums, or so much thereof as may be necessary, to
18 fund for fiscal biennium 2017-2019 all collective bargaining
19 cost items for salary increases and other wage related costs in
20 the agreement negotiated with the exclusive bargaining
21 representative of collective bargaining units (2), (8), (9), and
22 (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
23		
24 General Funds	\$983,335	\$2,309,331

1 Of the above amounts, the following amounts are for the
2 department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
3 General Funds	\$110,165	\$262,371
4 Special Funds	16	40
5 Federal Funds	2,329	10,502
6 Revolving Funds	578	1,371

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

12 PART IV

13 SECTION 7. There are appropriated or authorized from the
14 sources of funding indicated below to administration (JUD 601)
15 the following sums, or so much thereof as may be necessary, to
16 fund for fiscal biennium 2017-2019, the salary increases and
17 other cost adjustments authorized by chapter 89C, Hawaii Revised
18 Statutes, for state officers and employees of the judiciary who
19 are excluded from collective bargaining units (2), (8), (9), and
20 (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
21 General Funds	\$279,012	\$688,900
22 Special Funds	3,760	8,923

1 SECTION 8. The sums appropriated or authorized by this
2 part shall be expended by the chief justice in the respective
3 fiscal year for the purposes of this part.

4 PART V

5 SECTION 9. There are appropriated from the source of
6 funding indicated below to Hawaii health systems corporation -
7 corporate office (HTH 210) the following sums, or so much
8 thereof as may be necessary, to fund for fiscal
9 biennium 2017-2019, the collective bargaining cost items in the
10 agreement negotiated for state employees in collective
11 bargaining units (2), (8), (9), and (13) assigned to the Hawaii
12 health systems corporation:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
14 Special Funds	\$2,564,632	\$6,326,666

15 SECTION 10. The sums appropriated or authorized by this
16 part shall be allotted by the director of finance to the Hawaii
17 health systems corporation in the respective fiscal year for the
18 purposes of this part.

19 PART VI

20 SECTION 11. There are appropriated from the source of
21 funding indicated below to Hawaii health systems corporation -
22 corporate office (HTH 210) the following sums, or so much
23 thereof as may be necessary, to fund for fiscal
24 biennium 2017-2019, salary increases and other cost adjustments

1 authorized by chapter 89C, Hawaii Revised Statutes, for state
2 officers and employees who are excluded from collective
3 bargaining units (2), (8), (9), and (13) and assigned to the
4 Hawaii health systems corporation:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
5		
6	\$167,164	\$392,157

7 SECTION 12. The sums appropriated or authorized by this
8 part shall be allotted by the director of finance to the Hawaii
9 health systems corporation in the respective fiscal year for the
10 purposes of this part.

11 PART VII

12 SECTION 13. There are appropriated from the sources of
13 funding indicated below to health premium payments (BUF 761) the
14 following sums, or so much thereof as may be necessary, to fund
15 for fiscal biennium 2017-2019, the Hawaii employer union health
16 benefit trust fund costs in the agreement negotiated with the
17 exclusive bargaining representative of collective bargaining
18 units (2), (8), (9), and (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
19		
20	\$4,539,991	\$10,441,567

21 Of the above amounts, the following amounts are for the
22 department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
23		
24	\$595,310	\$1,353,032

1 SECTION 14. Funds appropriated by this part shall be
2 allotted by the director of finance to the appropriate state
3 departments for expenditure in the respective fiscal year for
4 the purposes of this part.

5 PART VIII

6 SECTION 15. There are appropriated from the sources of
7 funding indicated below to health premium payments (BUF 761) the
8 following sums, or so much thereof as may be necessary, to fund
9 for fiscal biennium 2017-2019, the Hawaii employer union health
10 benefit trust fund costs authorized by chapter 89C, Hawaii
11 Revised Statutes, for state officers and employees who are
12 excluded from collective bargaining units (2), (8), (9), and
13 (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
14 General Funds	\$1,144,789	\$2,758,623

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

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
18 General Funds	\$40,543	\$96,406

20 SECTION 16. Funds appropriated by this part shall be
21 allotted by the director of finance to the appropriate state
22 departments for expenditure in the respective fiscal year for
23 the purposes of this part.

1 PART IX

2 SECTION 17. Salary increases and cost adjustments provided
3 in this Act for any officer or employee whose compensation is
4 paid, in whole or in part, from federal, special, or other funds
5 shall be paid wholly or proportionately, as the case may be,
6 from the respective funds.

7 SECTION 18. Funds appropriated by this Act that are not
8 expended or encumbered by June 30, 2018, and June 30, 2019, of
9 the respective fiscal years, shall lapse as of those dates.

10 SECTION 19. This Act, upon its approval, shall take effect
11 on July 1, 2017.

S.B. NO. 914
S.D. 1
H.D. 1
C.D. 1
PROPOSED

Report Title:

Public Employment Cost Items

Description:

To provide appropriations for collective bargaining cost items and other public employment costs for Units (2), (8), (9), and (13) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2017-2019.

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