



# GOV. MSG. NO. 12

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:

A tentative agreement with the Hawaii Government Employees Association (HGEA), concerning Collective Bargaining Unit 6 (Educational Officers), was reached on April 27, 2017. Ratification is expected by April 30, 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 &amp; Fringe</u>			
General	\$2,905,668	\$7,254,199	\$10,159,867
Special	8,810	21,940	30,750
Federal	132,163	329,749	461,912
Other Federal	25,869	62,150	88,019
Revolving	<u>8,116</u>	<u>20,249</u>	<u>28,365</u>
Total	\$3,080,626	\$7,688,287	\$10,768,913

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	\$521,676	\$1,166,597	\$1,688,273

For your information, the estimated third and fourth year costs are also provided:

<u>Salaries &amp; Fringe</u>	<u>FY 20</u>	<u>FY 21</u>	<u>Biennium</u>
General	\$11,437,287	\$15,720,736	\$27,158,023
Special	34,613	47,653	82,266
Federal	520,341	713,513	1,233,854
Other Federal	96,956	132,724	229,680
Revolving	<u>31,959</u>	<u>44,010</u>	<u>75,969</u>
Total	\$12,121,156	\$16,658,636	\$28,779,792

Attached is a proposed conference draft bill for Senate Bill No. 918 to fund the award.

Sincerely,



DAVID Y. IGE  
Governor, State of Hawaii

Attachment

c: Honorable Jill N. Tokuda  
Honorable Sylvia Luke

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# 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 from the source of  
3 funding indicated below to health premium payments (BUF 761) the  
4 following sums, or so much thereof as may be necessary, to fund  
5 for fiscal biennium 2017-2019, the Hawaii employer union health  
6 benefit trust fund costs in the agreement negotiated with the  
7 exclusive bargaining representative of collective bargaining  
8 units (6) and (14):

9	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
10 General Funds	653,930	1,467,508

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

15 PART II

16 SECTION 3. There are appropriated from the source of  
17 funding indicated below to health premium payments (BUF 761) the

1 following sums, or so much thereof as may be necessary, to fund  
2 for fiscal biennium 2017-2019, the Hawaii employer union health  
3 benefit trust fund costs authorized by chapter 89C, Hawaii  
4 Revised Statutes, for state officers and employees who are  
5 excluded from collective bargaining units (6) and (14):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
7 General Funds	63,177	143,195

8 SECTION 4. Funds appropriated by this part shall be  
9 allotted by the director of finance to the appropriate state  
10 departments for expenditure in the respective fiscal year for  
11 the purposes of this part.

12 PART III

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

18 SECTION 6. Funds appropriated by this Act that are not  
19 expended or encumbered by June 30, 2018, and June 30, 2019, of  
20 the respective fiscal years, shall lapse as of those dates.

21 SECTION 7. This Act, upon its approval, shall take effect  
22 on July 1, 2017.

# S.B. NO.

918  
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 (6) and (14) 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.*