



# GOV. MSG. NO. 8

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

April 21, 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 Firefighters Association (HFFA) concerning Collective Bargaining Unit 11 (Firefighters) on April 17, 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:

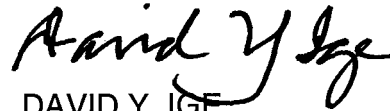
	<u>FY 18</u>	<u>FY 19</u>	<u>Biennium</u>
<u>Salaries &amp; Fringe</u>			
General	\$ 80,946	\$ 194,060	\$ 275,006
Special	<u>419,032</u>	<u>1,004,960</u>	<u>1,423,992</u>
Total	\$499,978	\$1,199,020	\$1,698,998

An agreement with HFFA 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	\$89,587	\$215,610	\$305,197

Attached is a proposed conference draft bill for Senate Bill No. 923 to fund the award.

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige". The signature is written in a cursive style with a large, stylized "Y" and "I".

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 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 unit  
8 (11):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
10 General Funds	75,838	181,365
11 Special Funds	394,057	942,911

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

1 PART II

2 SECTION 3. 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, the  
6 salary increases and other cost adjustments authorized by  
7 chapter 89C, Hawaii Revised Statutes, for state officers and  
8 employees who are excluded from collective bargaining unit (11):

9	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
10 General Funds	5,108	12,695
11 Special Funds	24,975	62,049

12 SECTION 4. Funds appropriated or authorized by this part  
13 shall be allotted by the director of finance to the appropriate  
14 state departments for expenditure in the respective fiscal year  
15 for the purposes of this part.

16 PART III

17 SECTION 5. There are appropriated from the sources of  
18 funding indicated below to health premium payments (BUF 761) the  
19 following sums, or so much thereof as may be necessary, to fund  
20 for fiscal biennium 2017-2019, the Hawaii employer union health  
21 benefit trust fund costs in the agreement negotiated with the

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923  
S.D. 1  
H.D. 1  
C.D. 1  
PROPOSED

1 exclusive bargaining representative of collective bargaining  
2 unit (11):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
4 General Funds	83,466	202,608

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

9 PART IV

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

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
18 General Funds	6,121	13,002

19 SECTION 8. Funds appropriated by this part shall be  
20 allotted by the director of finance to the appropriate state  
21 departments for expenditure in the respective fiscal year for  
22 the purposes of this part.

**1** PART V

**2** SECTION 9. 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 10. 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 11. This Act, upon its approval, shall take effect  
**11** on July 1, 2017.

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923  
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 Unit (11) 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.*