



GOV. MSG. NO. 9

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 25, 2017

✓ The Honorable Ronald D. Kouchi The Honorable Joseph M. Souki
President of the Senate Speaker of the House of Representatives
Twenty-Ninth State Legislature Twenty-Ninth State Legislature
State Capitol, Room 409 State Capitol, Room 431
Honolulu, Hawaii 96813 Honolulu, Hawaii 96813

Dear Senate President Kouchi and Speaker Souki:

A tentative agreement with the Hawaii State Teachers Association (HSTA), concerning Collective Bargaining Unit 5 (Teachers), was reached on April 22, 2017. Ratification is expected by April 27, 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	\$33,855,610	\$70,467,343	\$104,322,953
Federal	1,119,650	2,334,538	3,454,188
Other Federal	13,709	29,018	42,727
Trust	33,989	72,050	106,039
Interdept. Transfers	6,129	10,200	16,329
Revolving	<u>1,121</u>	<u>2,372</u>	<u>3,493</u>
Total	\$35,030,208	\$72,915,521	\$107,945,729

An agreement with HSTA 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	\$5,821,402	\$12,369,744	\$18,191,146

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

<u>Salaries & Fringe</u>	<u>FY 20</u>	<u>FY 21</u>	<u>Biennium</u>
General	\$91,930,173	\$126,588,336	\$218,518,509
Federal	3,075,391	4,239,340	7,314,731
Other Federal	37,584	52,076	89,660
Trust	96,782	134,638	231,420
Interdept. Transfers	13,862	17,434	31,296
Revolving	<u>3,072</u>	<u>4,256</u>	<u>7,328</u>
Total	\$95,156,864	\$131,036,080	\$226,192,944

Attached is a proposed conference draft bill for Senate Bill No. 917 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 unit (5):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
9 General Funds	32,636,694	67,930,483
10 Federal Funds	858,637	1,790,321
11 Other Federal Funds	8,209	17,375
12 Trust Funds	27,572	58,447
13 Interdepartmental Transfers	6,117	10,180
14 Revolving Funds	1,121	2,372

15 SECTION 2. Funds appropriated by this part shall be
16 allotted by the director of finance to the appropriate state
17

1 departments for expenditure in the respective fiscal year for
2 the purposes of this part.

3 PART II

4 SECTION 3. There are appropriated or authorized from the
5 sources of funding indicated below to collective bargaining
6 statewide (BUF 102) the following sums, or so much thereof as
7 may be necessary, to fund for fiscal biennium 2017-2019, the
8 salary increases and other cost adjustments authorized by
9 chapter 89C, Hawaii Revised Statutes, for state officers and
10 employees who are excluded from collective bargaining unit (5):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
11 General Funds	1,218,916	2,536,860
12 Federal Funds	261,013	544,217
13 Other Federal Funds	5,500	11,643
14 Trust Funds	6,417	13,603
15 Interdepartmental Transfers	12	20

16 SECTION 4. Funds appropriated or authorized by this part
17 shall be allotted by the director of finance to the appropriate
18 state departments for expenditure in the respective fiscal year
19 for the purposes of this part.
20

1 PART III

2 SECTION 5. There are appropriated from the sources 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 unit (5):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
9 General Funds	5,817,327	12,358,299

11 SECTION 6. 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 IV

16 SECTION 7. There are appropriated from the sources of
17 funding indicated below to health premium payments (BUF 761) the
18 following sums, or so much thereof as may be necessary, to fund
19 for fiscal biennium 2017-2019, the Hawaii employer union health
20 benefit trust fund costs authorized by chapter 89C, Hawaii
21 Revised Statutes, for state officers and employees who are
22 excluded from collective bargaining unit (5):

S.B. NO.

917
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 (5) 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.