

HB 408

MAKING APPROPRIATIONS FOR
COLLECTIVE BARGAINING COST ITEMS

LAB, FIN

HB408



Submit Testimony

Measure Title: MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

Report Title: Collective Bargaining; Cost Items; Benefits; Collective Bargaining Unit (3); Appropriations (\$)

Description: Appropriates funds for fiscal biennium 2017-2019 for salary and employer-union health benefits trust fund costs for public employees in collective bargaining unit (3) and for certain employees excluded from collective bargaining.

Companion:

Package: None

Current Referral: LAB, FIN

Introducer(s): JOHANSON, HOLT

<u>Sort by Date</u>		Status Text
1/20/2017	H	Pending introduction.
1/23/2017	H	Pass First Reading
1/23/2017	H	Referred to LAB, FIN, referral sheet 2
2/3/2017	H	Bill scheduled to be heard by LAB on Tuesday, 02-07-17 10:00AM in House conference room 309.

S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment
Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING 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 may
5 be necessary to fund for fiscal biennium 2017-2019 all
6 collective bargaining cost items in the agreement negotiated
7 with the exclusive bargaining representatives of collective
8 bargaining unit (3):

9		<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
10	General Funds	\$	\$
11	Special Funds	\$	\$
12	Federal Funds	\$	\$
13	Other Funds	\$	\$

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



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PART II

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees in the executive branch who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (3):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$	\$
Special Funds	\$	\$
Federal Funds	\$	\$
Other Funds	\$	\$

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

1 PART III

2 SECTION 5. There are appropriated or authorized from the
3 sources of funding indicated below to administration (JUD 601)
4 the following sums or so much thereof as may be necessary to
5 fund for fiscal biennium 2017-2019 all collective bargaining
6 cost items in the agreement negotiated with the exclusive
7 bargaining representatives of collective bargaining unit (3):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
9 General Funds	\$	\$
10 Special Funds	\$	\$

11 SECTION 6. Funds appropriated or authorized by this part
12 shall be expended by the chief justice in the respective fiscal
13 year for the purposes of this part.

14 PART IV

15 SECTION 7. 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 the salary increases and
19 other cost adjustments authorized by chapter 89C, Hawaii Revised
20 Statutes, for state officers and employees of the judiciary who
21 are excluded from collective bargaining and belong to the same



1 compensation plans as those officers and employees within
 2 collective bargaining unit (3):

3	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>	
4	General Funds	\$	\$
5	Special Funds	\$	\$

6 SECTION 8. Funds appropriated or authorized by this part
 7 shall be expended by the chief justice in the respective fiscal
 8 year for the purposes of this part.

9 PART V

10 SECTION 9. There is appropriated from the source of
 11 funding indicated below to Hawaii health systems corporation
 12 corporate office (HTH 210) the following sums or so much thereof
 13 as may be necessary to fund for fiscal biennium 2017-2019 all
 14 collective bargaining cost items in the agreement negotiated
 15 with the exclusive bargaining representatives of collective
 16 bargaining unit (3) assigned to the Hawaii health systems
 17 corporation:

18	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>	
19	General Funds	\$	\$

20 SECTION 10. Funds appropriated by this part shall be
 21 allotted by the director of finance to the Hawaii health systems

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

3 PART VI

4 SECTION 11. There is appropriated from the source of
5 funding indicated below to Hawaii health systems corporation
6 corporate office (HTH 210) the following sums or so much thereof
7 as 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 assigned to the Hawaii health system corporation who
11 are excluded from collective bargaining and belong to the same
12 compensation plans as those officers and employees within
13 collective bargaining unit (3):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
14 General Funds	\$	\$

16 SECTION 12. Funds appropriated by this part shall be
17 allotted by the director of finance to the Hawaii health system
18 corporation for expenditure in the respective fiscal year for
19 the purposes of this part.



1 PART VII

2 SECTION 13. There is appropriated from the source of
3 funding indicated below to health premium payments - state (BUF
4 761) the following sums or so much thereof as may be necessary
5 to fund for fiscal biennium 2017-2019 the Hawaii employer-union
6 health benefits trust fund costs in the agreement negotiated
7 with the exclusive bargaining representatives of collective
8 bargaining unit (3):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
10 General Funds	\$	\$

11 SECTION 14. 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 VIII

16 SECTION 15. There is appropriated from the source of
17 funding indicated below to health premium payments - state (BUF
18 761) the following sums or so much thereof as may be necessary
19 to fund for fiscal biennium 2017-2019 the Hawaii employer-union
20 health benefits trust fund costs authorized by chapter 89C,
21 Hawaii Revised Statutes, for state officers and employees in the



H.B. NO. 408

1 executive branch who are excluded from collective bargaining and
 2 belong to the same compensation plans as those officers and
 3 employees within collective bargaining unit (3):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
4 General Funds	\$	\$

6 SECTION 16. Funds appropriated by this part shall be
 7 allotted by the director of finance to the appropriate state
 8 departments for expenditure in the respective fiscal year for
 9 the purposes of this part.

10 PART IX

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

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



H.B. NO. 408

1 SECTION 19. This Act shall take effect on July 1, 2017.

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INTRODUCED BY:

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DeL Hlt

JAN 20 2017



H.B. NO. 408

Report Title:

Collective Bargaining; Cost Items; Benefits; Collective Bargaining Unit (3); Appropriations

Description:

Appropriates funds for fiscal biennium 2017-2019 for salary and employer-union health benefits trust fund costs for public employees in collective bargaining unit (3) and for certain employees excluded from collective bargaining.

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





UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Labor & Public Employment
Tuesday, February 7, 2017 at 10:00 a.m., Room 309

by
Kalbert K. Young
Vice President for Budget & Finance/Chief Financial Officer
University of Hawai'i System

WRITTEN ONLY

HB 408 – MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS

Chair Johanson, Vice Chair Holt and members of the Committee on Labor and Public Employment:

Thank you for this opportunity to testify. The University of Hawai'i (UH) **supports** HB 408, Making Appropriations for Collective Bargaining Cost Items. This bill appropriates funds for fiscal biennium 2017-2019 for salary costs for public employees in collective bargaining unit (3) and for certain employees excluded from collective bargaining.

Government employers in the State are in negotiations with bargaining unit (3) for their new contract to begin July 1, 2017. Once the negotiations and the collective bargaining process concludes this bill may be necessary if additional funding is required.

Thank you for your time and consideration.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii
House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii Government Employees Association

February 7, 2017

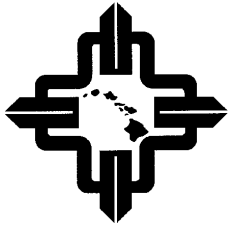
H.B. 752, 408, 753, 755, 757, 758, 762, and 763 –
MAKING APPROPRIATIONS FOR
COLLECTIVE BARGAINING COST ITEMS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the passage of H.B. 752, 408, 753, 755, 757, 758, 762, and 763, each of which provides a vehicle funding bill to implement pending collective bargaining agreements for fiscal biennium 2017 – 2019 for the bargaining units we represent.

Thank you for the opportunity to testify in strong support of the aforementioned bills.

Respectfully submitted,

Randy Perreira
Executive Director



HAWAII HEALTH SYSTEMS

C O R P O R A T I O N

Quality Healthcare For All

House Committee on Labor & Public Employment
Representative Aaron Ling Johanson, Chair
Representative Daniel Holt, Vice Chair

February 7, 2017
Conference Room 309
10:00 a.m.
Hawaii State Capitol

Testimony Supporting House Bill 408
Making Appropriations for Collective Bargaining Cost Items.
Appropriates funds for fiscal biennium 2017-2019 for salary costs and employer-union health benefits trust fund costs for public employees in collective bargaining unit (3) and for certain employees excluded from collective bargaining.

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony in **support of H.B. 408** that will appropriate funds for fiscal biennium 2017-2019 for salary costs for public employees in collective bargaining unit 3 and for certain employees excluded from collective bargaining.

HHSC values all of its employees in the public sector unions. However, HHSC's financial condition cannot absorb any further collective bargaining pay increases without a corresponding general fund appropriation to pay for those raises. In HHSC's budget briefing testimony for the fiscal biennium 2017-2019, HHSC noted that \$28 million of HHSC's initial general fund appropriation request is due to pay for the cumulative effect of collective bargaining pay raises for the prior fiscal biennium 2014-2016 which were funded through special fund appropriations. For HHSC, a special fund appropriation only allows the hospitals to spend the cash that they generate on paying these types of raises; however, HHSC's hospitals already are not able to generate sufficient cash to pay for all of its operating expenses. This is why HHSC constantly needs a general fund appropriation of between 15-20% of its operating budget just to end each fiscal year with a minimal level of cash on hand. HHSC needs a **general fund appropriation** to pay for the proposed raises; otherwise, it will need an emergency appropriation to pay for these raises in the upcoming Legislative Session.

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

Page 2
Hawaii Health Systems Corporation
Testimony for H.B. 408

Thank you for the opportunity to testify before this committee. We appreciate the Committee's continued focus on improving healthcare for our island communities.

holt1 - Joyleanne

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 1:43 PM
To: LABtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB408 on Feb 7, 2017 10:00AM*

HB408

Submitted on: 2/4/2017

Testimony for LAB on Feb 7, 2017 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

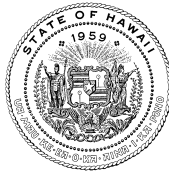
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HB 408

LATE TESTIMONY

DAVID Y. IGE
GOVERNOR

LATE



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

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

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON
HOUSE BILL NOS. 408, 751, 752, 753, 754, 755, 756, 757, 758, 759,
760, 762, AND 763

LATE

February 7, 2017
10:00 a.m.
Room 309

LATE

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS

These measures are vehicle bills to appropriate and authorize funds for collective bargaining cost items for salary adjustments and other cost adjustments for public employees and their excluded counterparts for Fiscal Biennium 2017-19.

The Department of Budget and Finance supports moving these measures, or similar ones, as negotiations are currently in progress and vehicle bills will be necessary should an agreement be reached or arbitration award issued prior to the end of the legislative session. The bargaining units (BU) addressed in the bills and the bill number for the Administration measure for that BU are as follows: House Bill (H.B.) No. 751 (H.B. No. 1058), BU 1; H.B. No. 752 (H.B. No. 1048), BU 2; H.B. No. 408 (H.B. No. 1049), BU 3; H.B. No. 753 (H.B. No. 1050), BU 4; H.B. No. 754 (H.B. No. 1051), BU 5; H.B. No. 755 (H.B. No. 1052), BU 6; H.B. No. 756 (H.B. No. 1053), BU 7; H.B. No. 757 (H.B. No. 1054), BU 8; H.B. No. 758 (H.B. No. 1055), BU 9; H.B. No. 759 (H.B. No. 1056), BU 10; H.B. No. 760 (H.B. No. 1057), BU 11; H.B. No. 762 (H.B. No. 1059), BU 13; and H.B. No. 763 (H.B. No. 1060), BU 14.

Thank you for your consideration of our comments.