

# HB 759

MAKING APPROPRIATIONS FOR  
COLLECTIVE BARGAINING COST ITEMS

LAB, FIN

# HB759



Submit Testimony

**Measure Title:** MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

**Report Title:** Collective Bargaining; Cost Items; Benefits; Collective Bargaining Unit (10); Appropriations (\$)

**Description:** Appropriates funds for fiscal biennium 2017-2019 for salary costs for public employees in collective bargaining unit (10) and for certain employees excluded from collective bargaining.

**Companion:**

**Package:** None

**Current Referral:** LAB, FIN

**Introducer(s):** JOHANSON

<u>Sort by Date</u>		<b>Status Text</b>
1/20/2017	H	Pending introduction.
1/23/2017	H	Pass First Reading
1/25/2017	H	Referred to LAB, FIN, referral sheet 3
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.

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## 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 (10):

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

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



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 may  
5 be necessary to fund for fiscal biennium 2017-2019 the salary  
6 increases and other cost adjustments authorized by chapter 89C,  
7 Hawaii Revised Statutes, for state officers and employees in the  
8 executive branch who are excluded from collective bargaining and  
9 belong to the same compensation plans as those officers and  
10 employees within collective bargaining unit (10):

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

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.



1 PART III

2 SECTION 5. 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 6. Funds appropriated or authorized by this Act  
8 that are not expended or encumbered by June 30, 2018, and June  
9 30, 2019, of the respective fiscal years, shall lapse as of  
10 those dates.

11 SECTION 7. This Act shall take effect on July 1, 2017.

12

INTRODUCED BY:



JAN 20 2017



# H.B. NO. 759

**Report Title:**

Collective Bargaining; Cost Items; Benefits; Collective Bargaining Unit (10); Appropriations

**Description:**

Appropriates funds for fiscal biennium 2017-2019 for salary costs for public employees in collective bargaining unit (10) 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

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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

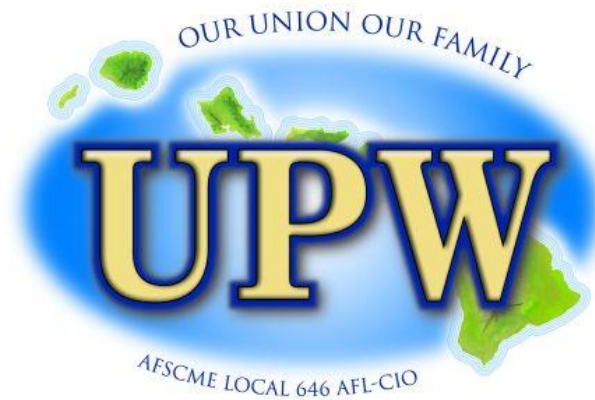
#### HB 759 – MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS

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 759, 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 (10) and for certain employees excluded from collective bargaining.

Government employers in the State are in negotiations with bargaining unit (10) 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.



THE HAWAII STATE HOUSE OF REPRESENTATIVES  
The Twenty-Ninth Legislature  
Regular Session of 2017

COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT  
The Honorable Representative Aaron Ling Johanson, Chair  
The Honorable Representative Daniel Holt, Vice Chair

DATE OF HEARING: Tuesday, February 7, 2017  
TIME OF HEARING: 10:00 a.m.  
PLACE OF HEARING: State Capitol, Rm. 309  
415 South Beretania Street

**TESTIMONY ON HOUSE BILL 759 MAKING APPROPRIATIONS FOR COLLECTIVE  
BARGAINING COST ITEMS**

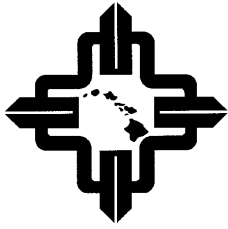
By DAYTON M. NAKANELUA,  
State Director of the United Public Workers,  
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive bargaining representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

HB759 makes appropriations for BU-10 collective bargaining cost items. The UPW strongly supports this appropriations measure and asks that the committee pass it.

Thank you for the opportunity to submit this testimony.





## **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 759**  
**Making Appropriations for Collective Bargaining Cost Items.**  
**Appropriates funds for fiscal biennium 2017-2019 for salary costs public**  
**employees in collective bargaining unit (10) 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. 759** that will appropriate funds for fiscal biennium 2017-2019 for salary costs for public employees in collective bargaining unit 10 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

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Hawaii Health Systems Corporation  
Testimony for H.B. 759

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

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From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, February 4, 2017 1:46 PM  
To: LABtestimony  
Cc: mendezj@hawaii.edu  
Subject: \*Submitted testimony for HB759 on Feb 7, 2017 10:00AM\*

**HB759**

Submitted on: 2/4/2017

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

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
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 759

LATE TESTIMONY