



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 10, 2019

GOV. MSG. NO. 12

The Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

✓ The Honorable Scott K. Saiki
Speaker of the House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear Senate President Kouchi and Speaker Saiki:

A tentative agreement with the Hawai'i State Teachers Association (HSTA), concerning Collective Bargaining Unit 5 (Teachers), was reached on March 29, 2019. The agreement was approved by the HSTA Board of Directors on April 1, 2019. Ratification is not required for this contract re-opener. 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 2019 Legislature. The estimated costs are as follows:

	<u>FY 20</u>	<u>FY 21</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$14,295,952	\$16,987,203	\$31,283,155
Federal	384,446	438,740	823,186
Other Federal	6,646	7,789	14,435
Trust	17,828	21,143	38,971
Interdept. Transfers	<u>1,333</u>	<u>1,588</u>	<u>2,921</u>
Total	\$14,706,205	\$17,456,463	\$32,162,668

An agreement with HSTA regarding Employer-Union Trust Fund contribution amounts has also been reached and the estimated costs are as follows:

	<u>FY 20</u>	<u>FY 21</u>	<u>Biennium</u>
General	\$3,575,922	\$10,916,126	\$14,492,048

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Attached is a proposed conference draft bill for Senate Bill No. 1195 to fund the award.

With warmest regards,

A handwritten signature in black ink, appearing to read "David Y. Ige". The signature is fluid and cursive, with a large, sweeping "Y" and a long, horizontal stroke at the end.

David Y. Ige
Governor, State of Hawai'i

Attachment

c: Honorable Donovan M. Dela Cruz
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 2019-2021, all
6 collective bargaining cost items in the agreement negotiated
7 with the exclusive representative of collective bargaining
8 unit (5):

9	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
10 General Funds	\$13,847,977	\$16,477,943
11 Federal Funds	332,395	381,695
12 Other Federal Funds	3,815	4,554
13 Trust Funds	14,581	17,432
14 Interdepartmental Transfers	1,333	1,588

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

1 state departments for expenditure in the respective fiscal year
 2 for 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 2019-2021, 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 2019-2020</u>	<u>FY 2020-2021</u>
12 General Funds	\$447,975	\$509,260
13 Federal Funds	52,051	57,045
14 Other Federal Funds	2,831	3,235
15 Trust Funds	3,247	3,711

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 PART III

21 SECTION 5. There are appropriated from the sources of
 22 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 2019-2021, the Hawaii employer union health
 3 benefit trust fund costs in the agreement negotiated with the
 4 exclusive bargaining representative of collective bargaining
 5 unit (5):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
7 General Funds	\$3,572,625	\$10,904,070

8 SECTION 6. 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 IV

13 SECTION 7. There are appropriated from the sources of
 14 funding indicated below to health premium payments (BUF 761) the
 15 following sums, or so much thereof as may be necessary, to fund
 16 for fiscal biennium 2019-2021, the Hawaii employer union health
 17 benefit trust fund costs authorized by chapter 89C, Hawaii
 18 Revised Statutes, for state officers and employees who are
 19 excluded from collective bargaining unit (5):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
21 General Funds	\$3,297	\$12,056

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

5 PART V

6 SECTION 9. Salary increases and cost adjustments provided
7 in this Act for any officer or employee whose compensation is
8 paid, in whole or in part, from federal, special, or other funds
9 shall be paid wholly or proportionately, as the case may be,
10 from the respective funds.

11 SECTION 10. Funds appropriated or authorized by this Act
12 that are not expended or encumbered by June 30, 2020, and
13 June 30, 2021, of the respective fiscal years, shall lapse as of
14 those dates.

15 SECTION 11. This Act, upon its approval, shall take effect
16 on July 1, 2019.

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 2019-2021.

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