

H. B. NO. 2302

A BILL FOR AN ACT

MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST
ITEMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. This Act is recommended by the governor for
3 immediate passage in accordance with section 9 of article VII of
4 the Constitution of the State of Hawaii.

5 SECTION 2. There are appropriated from the sources of
6 funding indicated below to collective bargaining statewide
7 (BUF 102) the following sums or so much thereof as may be
8 necessary to fund for fiscal biennium 2019-2021 all collective
9 bargaining cost items in the agreement negotiated with the
10 exclusive representative of collective bargaining unit (2):

11	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
12 General funds	\$891,352	\$1,530,434
13 Special funds	223,391	429,479
14 Federal funds	12,942	25,951
15 Revolving funds	31,462	45,626

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1 PART III

2 SECTION 6. There are appropriated from the sources of
3 funding indicated below to collective bargaining statewide
4 (BUF 102) the following sums or so much thereof as may be
5 necessary to fund for fiscal biennium 2019-2021 the salary
6 increases and other cost adjustments authorized by chapter 89C,
7 Hawaii Revised Statutes, for state officers and employees who
8 are excluded from collective bargaining and belong to the same
9 compensation plans as those officers and employees within
10 bargaining unit (2):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
12 General funds	\$ 593	\$1,057
13 Special funds	2,593	4,396

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

18 PART IV

19 SECTION 8. There is appropriated from the source of
20 funding indicated below to Hawaii health systems
21 corporation - corporate office (HTH 210) the following sums or

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1 so much thereof as may be necessary to fund for fiscal
2 biennium 2019-2021 the collective bargaining cost items in the
3 agreement negotiated with the exclusive representative of
4 collective bargaining unit (2) who is assigned to the Hawaii
5 health systems corporation:

6	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
7 Special funds	\$40,561	\$80,956

8 SECTION 9. Funds appropriated by this part shall be
9 allotted by the director of finance to the Hawaii health systems
10 corporation for expenditure in the respective fiscal year for
11 the purposes of this part.

12 PART V

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

18 SECTION 11. Funds appropriated or authorized by this Act
19 that are not expended or encumbered by June 30, 2021, shall
20 lapse as of that date.

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1 SECTION 12. This Act shall take effect upon its approval.

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INTRODUCED BY: _____

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BY REQUEST

JAN 21 2020

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Report Title:

Emergency Appropriations for Public Employment Cost Items

Description:

Makes emergency appropriations for collective bargaining cost items for the members of Unit (2) 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.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS.

PURPOSE: To make emergency appropriations for collective bargaining cost items and other public employment costs for retroactive increases for the members of Unit (2) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative, for fiscal biennium 2019-2021.

MEANS: By the submittal of a specific appropriation measure.

JUSTIFICATION: Appropriations by the Legislature are necessary to cover the expected cost of implementing the collective bargaining agreement negotiated between the State and the respective bargaining unit representing state public officers and employees for the fiscal biennium that commenced July 1, 2019.

Inasmuch as an agreement with the bargaining unit was not reached in time to include all cost items in the 2019-2021 biennium budget, a separate measure is proposed for submittal to the Legislature. An agreement was reached and notification of ratification was issued on October 24, 2019, that includes adjustments retroactive to July 1, 2019. An agreement for employer-union trust fund employer contributions was reached and funded prior to the end of the 2019 legislative session.

The general fund appropriation included in this measure has been proposed with consideration of the statutorily defined appropriation ceiling for the Executive

Branch pursuant to section 37-92, Hawaii Revised Statutes. The total proposed appropriations from the general fund (which include the Executive Supplemental Budget for fiscal biennium 2019-2021 and administration proposal BUF-08(20), appropriation for bargaining unit 13 collective bargaining increases to be submitted) exceed the appropriation ceiling by \$14,179,623 or 0.2 percent in fiscal year 2019-2020. Funding requested in this measure for collective bargaining increases for bargaining unit 2 will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2019-2020 by an additional \$893,945 or 0.01 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2019-2020 in the Executive Supplemental Budget, administration proposal BUF-08(20), and this measure only and does not include other general fund appropriations for fiscal year 2019-2020 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2020.

The total proposed appropriations from the general fund (which include the Executive Supplemental Budget for fiscal biennium 2019-2021 and administration proposal BUF-08(20), appropriation for bargaining unit 13 collective bargaining increases to be submitted) exceed the appropriation ceiling by \$24,761,740 or 0.3 percent in fiscal year 2020-2021. Funding requested in this measure for collective bargaining increases for bargaining unit 2 will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2020-2021 by an additional \$1,534,909 or 0.02 percent. This current declaration takes into account additional general fund

appropriations authorized for fiscal year 2020-2021 in the Executive Supplemental Budget, administration proposal BUF-08(20), and this measure only and does not include other general fund appropriations for fiscal year 2020-2021 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2020.

Impact on the public: "(I)t is the public policy of the State to promote harmonious and cooperative relations between government and its employees and to protect the public by assuring effective and orderly operations of government. These policies are best effectuated by (1) recognizing the right of public employees to organize for the purpose of collective bargaining, (2) requiring the public employers to negotiate with and enter into written agreements with exclusive representatives on matters of wages, hours, and other conditions of employment, while, at the same time, (3) maintaining merit principles and the principle of equal pay for equal work among state and county employees" (Section 89-1, Hawaii Revised Statutes).

Impact on the department and other agencies: Pay raise and other negotiated cost items are not included in the departments' operating budget request.

GENERAL FUND: FY 20: \$893,945
 FY 21: \$1,534,909

OTHER FUNDS: FY 20: \$310,949
 FY 21: \$586,408

PPBS PROGRAM
DESIGNATION: BUF 102, Collective Bargaining Statewide.
 JUD 601, Administration.
 HTH 210, Hawaii Health Systems
 Corporation - Corporate Office.

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OTHER AFFECTED
AGENCIES:

None.

EFFECTIVE DATE:

Upon approval.