

H .B. NO. 2306

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 (8):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
11 General funds	\$3,570,204	\$8,073,449
12 Special funds	314,084	635,726
13 Federal funds	4,318	9,416
14 Revolving funds	87,135	177,018

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1 SECTION 3. 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 II

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

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
15 General funds	\$233,818	\$551,210
16 Special funds	17,711	33,930

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18 SECTION 5. Funds appropriated by this part shall be
19 allotted by the director of finance to the appropriate state
20 departments for expenditure in the respective fiscal year for
21 the purposes of this part.

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1 PART III

2 SECTION 6. 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 7. Funds appropriated or authorized by this Act
8 that are not expended or encumbered by June 30, 2021, shall
9 lapse as of that date.

10 SECTION 8. This Act shall take effect upon its approval.

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INTRODUCED BY: _____



13

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 (8) 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 (8) 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 8 will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2019-2020 by an additional \$3,804,022 or 0.05 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 8 will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2020-2021 by an additional \$8,624,659 or 0.1 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: \$3,804,022
 FY 21: \$8,624,659

OTHER FUNDS: FY 20: \$423,248
 FY 21: \$856,090

PPBS PROGRAM
DESIGNATION: BUF 102, Collective Bargaining Statewide.

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OTHER AFFECTED

AGENCIES: None.

EFFECTIVE DATE: Upon approval.