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

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE

ON

HOUSE BILL NOS. 325, H.D. 1; 326, H.D. 1; 712, H.D. 1; 713, H.D. 1; 714, H.D. 1;
715, H.D. 1; 716, H.D. 1; 919, H.D. 1; 921, H.D. 1; 925, H.D. 1; 1125, H.D. 1;
1126, H.D. 1; AND 1127, H.D. 1

February 24, 2021

2:00 p.m.

Via Videoconference

RELATING TO PUBLIC EMPLOYMENT COST ITEMS

The Department of Budget and Finance supports moving these measures, or similar ones, as negotiations are currently in progress and vehicle bills may be necessary if an agreement is reached or arbitration award is issued requiring an appropriation prior to the end of the legislative session.

These measures appropriate and authorize appropriations for collective bargaining cost items for salary adjustments and other cost adjustments for Fiscal Biennium 2021-23.

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. 325, H.D. 1 (H.B. No. 915), BU 1; H.B. No. 712, H.D. 1 (H.B. No. 916), BU 2; H.B. No. 713, H.D. 1 (H.B. No. 917), BU 3; H.B. No. 714, H.D. 1 (H.B. No. 918), BU 4; H.B. No. 919, H.D. 1 (H.B. No. 919), BU 5; H.B. No. 715, H.D. 1 (H.B. No. 920), BU 6; H.B. No. 921, H.D. 1 (H.B. No. 921), BU 7; H.B. No. 716, H.D. 1 (H.B. No. 922), BU 8; H.B. No. 1125, H.D. 1

(H.B. No. 923), BU 9; H.B. No. 326, H.D. 1 (H.B. No 924), BU 10; H.B. No. 925, H.D. 1 (H.B. No. 925), BU 11; H.B. No. 1126, H.D. 1 (H.B. No. 926), BU 13; and H.B. No. 1127, H.D. 1 (H.B. No. 927), BU 14.

Thank you for your consideration of our comments.



HAWAII HEALTH SYSTEMS

C O R P O R A T I O N

Quality Healthcare For All

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

February 24, 2021

2:00 p.m.

Via videoconference

Hawaii State Capitol

Testimony Supporting House Bill 325, HD1
Making Appropriations for Collective Bargaining Cost Items.
Appropriates funds for fiscal biennium 2021-2023 for salary costs for public employees in collective bargaining unit (1) and their excluded counterparts.

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. 325, HD1**.

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. This has been exacerbated by the impact of the Coronavirus pandemic starting in mid-March 2020, which has resulted in projected lost revenue of \$63,810,000 for FY 2022 and \$63,826,000 for FY 2023.

The cumulative impact of the collective bargaining pay raises (including fringe benefits) that is included in HHSC's expense base is approximately \$24,080,000. In addition, further pay raises negotiated during the 2019 and 2020 Legislative Sessions, that are included in HHSC's expense base is \$30,608,000. This brings the total unfunded amount of collective bargaining raises included in HHSC's expense base to \$54,688,000. For HHSC, a special fund appropriation only allows the hospitals to spend the cash that they generate on paying these types of raises; however, even before the Coronavirus pandemic, HHSC's hospitals were already 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**

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fund appropriation to pay for the proposed raises; otherwise, it will need an emergency appropriation to pay for these raises in the current Legislative Session.

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



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
February 24, 2021 at 2:00 p.m.

by

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 325 HD1 – RELATING TO PUBLIC EMPLOYMENT COST ITEMS

Chair Luke, Vice Chair Cullen, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i **supports** HB 325 HD1, Relating to Public Employment Cost Items. This bill provides appropriations for collective bargaining cost items for members of Unit (1) and their excluded counterparts for fiscal biennium 2021-2023.

Although an agreement between the employer and the employees has not yet been reached, this bill serves as a vehicle should such an agreement occur.

Thank you for this opportunity to testify.



**HOUSE OF REPRESENTATIVES
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2021**

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair

Wednesday, February 24, 2021, 2:00 PM
Conference Room 308 Via Videoconference

Re: Testimony in Support of HB325 HD1 - RELATING TO PUBLIC EMPLOYMENT COST ITEMS

Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance:

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

UPW **strongly supports** HB325 HD1 which provides appropriations for collective bargaining cost items and other public employment costs to implement pending collective bargaining agreements for Bargaining Unit 1 for the fiscal biennium 2021-2023.

Thank you for the opportunity to submit this testimony.



10121 Barnes Canyon Way, San Diego CA 92101

DATE: February 24, 2021
TO: Representative Mark M. Nakashima, Chairman
Representative Scot Z. Matayoshi, Vice Chair
Members of the Judiciary & Hawaiian Affairs Committee
FROM: Bonnie Garcia, Director of Legislative Affairs, ecoATM
RE: HB352 HD1 Relating to Secondhand Dealers. - **SUPPORT**

Honorable Chairman Nakashima, Vice Chair Matayoshi and Members of the Committee:

We **STRONGLY SUPPORT HB352 HD1** to provide your constituents increased access to companies aligned with Sustainable Hawaii Initiatives that reduce electronic waste and work towards creating a greener planet. As amended, **this bill is intended to only address automated kiosks that buy used wireless devices** and strengthen consumer protections to bring the State of Hawaii in alignment with other states that have already adopted legislation to recognize the use of automated kiosks.

ecoATM is a high tech company with a mission of preventing toxic waste from polluting our environment by encouraging proper recycling of used electronic devices. **Hawaii is the only state in the nation where our services are not offered.**

Our parent company owns and operates successful lines of kiosks already licensed and in use in Hawaii including **COINSTAR** and **REDBOX**. **ecoATM** is a high tech reverse vending kiosk that uses patented technology and artificial intelligence to purchase broken and outdated devices directly from consumers inside stores where they shop. We have built trusted relationships with more than 1,000+ law enforcement agencies and local governments and partner with major retailers to operate greater than 4,300+ kiosks inside malls, major retail stores and grocers across the United States and Europe. Since our inception, **we have purchased greater than 28 million devices and diverted approximately 7 million pounds of electronic waste from local landfills at no cost to consumers or government agencies.**

Existing law classifying us as a conventional secondhand dealer even though **we do not operate a store or sell items at the location where purchased.** It also mandates lengthy in-county storage of purchased items - a provision that creates costly and logistical challenges as the storage space within an automated kiosk is limited. **With minor amendments to existing law, we would be able to operate as we do in 49 other States by securely storing items off-site during the extended holding period.**






As an international company, we recognize the concerns of law enforcement and sponsored legislation in multiple cities and states to set high industry standards that prevent the sale of stolen

items. Utilizing technology, we deploy multiple layers of security and follow reporting and recordkeeping guidelines in every jurisdiction where we operate, including:

- Every transaction is approved in real time by a live operator utilizing scanning technology and ID validation software to check the authenticity of state issued identifications for holograms, watermarks or other specific authentication methods used in all 50 states. This technology is the same as what is used to check documents at international border crossings.
- Computer record-keeping that allows for reporting sales within 24 hours
- Sales reports include high resolution photos of State ID, seller and item purchased
- Every kiosk can be remotely opened upon request by any law enforcement agency.
- Items purchased are tracked by attaching a unique scan code to the device. This helps establish a “chain of custody” and has been successfully used to prosecute unauthorized sellers
- Every item purchased is kept intact for a period up to thirty (30) days at our national processing facility
- Any items of interest to law enforcement is returned express mail at no cost
- To ensure compliance and allow for inspections, 100% of transactions are reported in any manner requested by local authorities. The majority of our transactions are electronically reported to the two largest national databases used by law enforcement agencies across the country, LeadsOnline (www.leadsonline.com) or BWI RAPID (<http://www.bwirapid.com>). If a device is identified as being reported lost or stolen, the reporting agency can contact ecoATM to recover the device and the item is shipped to the requesting agency at no cost.

According to GSMA INTELLIGENCE, there are 5.25 Billion people that have a mobile device in the world - equivalent to 67.04% of the world's population. Rapid changes in technology has increased access to hand held wireless electronic devices and reduced dependence on home based computers and phones. Older devices quickly lose value and sit in drawers as there are few solutions to address the environmental damage caused by improper disposal. Our company partners with major grocers and retailers across the United States and Europe to address the growing challenge of e-waste and we look forward to offering our services to your constituents in Hawaii. **We respectfully urge your support to recognize new technology and to allow for participation of businesses that seek to responsibly address electronic waste and the impacts on our environment.**

REPORTS THAT WE PROVIDE TO LAW ENFORCEMENT

ecoATM, Inc. 10121 Barnes Canyon Road, San Diego, California 92121			
SECOND HAND DEALER REPORT			
C U S I T I O N O F M O R E	NAME		TRANSACTION DATE 1/9/2017
	SEX	HAIR	LOAN/BUY NUMBER KQ3300E
	EYES	HEIGHT	TIME 11:09:02 AM
	WEIGHT	BIRTH DATE	TRANSACTION BUY - \$110.00
DRIVERS LICENSE NO. OR OTHER I.D.		STATE	
ADDRESS/CITY/STATE		YEAR OF EXPIRATION	
S T O R E I N F O	LICENSE NUMBER 37112090	POLICE DIVISION SDPD	
	NAME University Town Center	ADDRESS/CITY/STATE 4545 La Jolla Village Drive/San Diego/California/92122	
I T E M	ARTICLE Cell Phone	COLOR Gray	
	BRAND NAME Apple	MODEL iPhone 6s Plus 16GB T-Mobile A1687	
	IMEI/EID	SERIAL NUMBER	
	PROPERTY IMAGES		
	 		
I D I M A G E			
W I D E B A C K A E M S			
	SIGNATURES		
	CONSUMER SIGNATURE	CONSUMER VERIFIED BY FUSSELL LABAO	

Details of the seller - HRS §486M-2 (1) & (2)

Directly taken from ID and verified by humans

Seller's Info

Time, Date, Location - HRS §486M-2 (3)

Amount paid - HRS §486M-2 (8)

Transaction Data

Color photos of front and back of device

Description of article - HRS §486M-2 (6)

Device Info

Government Issued ID-card is required - HRS §486M-2 (5)

Thumb or fingerprint is taken, if permitted by law

Seller ID Thumbprint

Multiple high-resolution images of the seller

Signature of the seller - HRS §486M-2 (4)

Images