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HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON

HOUSE BILL NOS. 1000, H.D. 1; 1001, H.D. 1; 1002, H.D. 1; 1003, H.D. 1;
1004, H.D. 1; 1005, H.D. 1; 1006, H.D. 1; 1007, H.D. 1; 1008, H.D. 1; 1009, H.D. 1;
1010, H.D. 1; 1011, H.D. 1; AND 1012, H.D. 1

February 22, 2023
2:00 p.m.
Room 308 and Videoconference

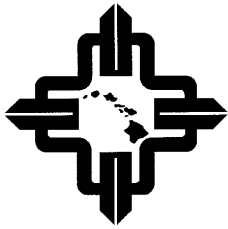
RELATING TO PUBLIC EMPLOYMENT COST ITEMS

The Department of Budget and Finance supports moving these Administration proposals, or similar bills, as collective bargaining negotiations, or re-opener negotiations, are currently in progress and vehicle bills may be necessary if an agreement is reached 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 2023-25.

The bargaining units (BU) addressed in the bills are as follows: House Bill (H.B.) No. 1000, H.D. 1, BU 1; H.B. No. 1001, H.D. 1, BU 2; H.B. No. 1002, H.D. 1, BU 3; H.B. No. 1003, H.D. 1, BU 4; H.B. No. 1004, H.D. 1, BU 5; H.B. No. 1005, H.D. 1, BU 6; H.B. No. 1006, H.D. 1, BU 7; H.B. No. 1007, H.D. 1, BU 8; H.B. No. 1008, H.D. 1, BU 9; H.B. No. 1009, H.D. 1, BU 10; H.B. No. 1010, H.D. 1, BU 11; H.B. No. 1011, H.D. 1, BU 13; and H.B. No. 1012, H.D. 1, 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 Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair

February 22, 2023
Via Videoconference
Conference Room 308
2:00 p.m.
Hawaii State Capitol

Testimony Supporting House Bill 1011, HD1
Relating to Public Employment Cost Items

Provides appropriations for collective bargaining cost items for the members of Unit (13) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2023-2025.

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawai'i Health Systems Corporation

Hawai'i Health Systems Corporation ("HHSC") **strongly supports** HB 1011, HD1.

HHSC is bound by the public sector union collective bargaining pay increases that are negotiated by the State of Hawaii and arbitration awards. This is because HHSC only has one vote as a jurisdiction while the State of Hawai'i administration holds the majority of the votes. Given that salaries and benefits expenses comprise approximately 80% of HHSC's total operating expenses, collective bargaining pay raises represent a significant cost burden that HHSC's facilities simply cannot absorb. As an example, the impact of collective bargaining pay increases were over \$24 million for fiscal years 2018-2019, over \$30 million for fiscal years 2020-2021, and over \$15 million in fiscal years 2022-2023, all of which have been appropriated to HHSC via special fund appropriations. This means that HHSC is not provided any additional specific funding to pay for these raises. For fiscal year 2024-2025, the estimated cost of collective bargaining pay raises is estimated to be almost \$12.7 million in fiscal year 2024.

Accordingly, HHSC needs a **general fund appropriation** to pay for the proposed raises.

Thank you for the opportunity to testify on this important measure.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Thirty-Second Legislature, State of Hawaii
The House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

February 22, 2023

RELATING TO PUBLIC EMPLOYMENT COST ITEMS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the passage of H.B. 1001 (H.D.1), H.B. 1002 (H.D.1), H.B. 1003 (H.D.1), H.B. 1005 (H.D.1), H.B. 1007 (H.D.1), H.B. 1008 (H.D.1), H.B. 1011 (H.D.1), and H.B. 1012 (H.D.1) which provides appropriations for collective bargaining cost items for bargaining units 02, 03, 04, 06, 08, 09, 13, and 14.

We respectfully request that all measures be passed to cover the cost of any collective bargaining cost item(s), including any pending negotiations on EUTF premiums with the employer.

Thank you for the opportunity to testify in strong support of the passage of these measures.

Respectfully submitted,

Randy Perreira
Executive Director