



JOSH GREEN, M.D.  
GOVERNOR

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EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
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**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
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ADMINISTRATIVE AND RESEARCH OFFICE  
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FINANCIAL ADMINISTRATION DIVISION  
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TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS  
ON  
HOUSE BILL NO. 2373

**February 6, 2024**  
**9:15 a.m.**  
**Room 309 and Videoconference**

**MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS**

The Department of Budget and Finance supports moving this Administration proposal, or a similar bill, as collective bargaining (CB) negotiations regarding the issue of temporary hazard pay 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 CB cost items for salary adjustments and other cost adjustments for Fiscal Biennium 2023-25 for United Public Workers, Bargaining Units 1 and 10.

Thank you for your consideration of our comments.



## UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

### HOUSE OF REPRESENTATIVES THE THIRTY-SECOND LEGISLATURE REGULAR SESSION OF 2024

#### COMMITTEE ON LABOR & GOVERNMENT OPERATIONS

Rep. Scot Z. Matayoshi, Chair  
Rep. Andrew Takuya Garrett, Vice Chair

Tuesday, February 6, 2024, 9:15 AM  
Conference Room 309 & Videoconference

**Re: Testimony on HB2373 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS**

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

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.

UPW **strongly supports** HB2373, which makes emergency appropriations for collective bargaining cost items for the members of Units (1) and (10) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2023-2025

During the COVID-19 pandemic, UPW members continued to serve their respective communities by reporting to work despite the likely exposure to the virus, which in many cases resulted in serious incapacitation and long periods of time lost. Their work helped ensure that the State continued providing essential services that could not be performed remotely.

This bill would allow any employer jurisdiction that receives funding from the legislature, outside of the Judiciary and the counties, to secure an emergency appropriation if we are able to reach a settlement agreement for temporary hazard pay (“THP”) on behalf of our members. Given the awards that have recently been granted to the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO (“HGEA”) through arbitration decisions, we are hopeful that we will be able to reach settlement agreements before the end of the legislative session.

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#### HEADQUARTERS

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Toll Free - *Molokai/Lanai only*

Our members have been waiting for nearly two years for the THP they earned. If UPW is able to settle with the employers in the next two months, this bill would allow these dedicated public servants to receive the much-deserved THP they earned for the essential work they performed during the COVID-19 pandemic.

Mahalo for the opportunity to testify in support of this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kalani Werner", with a long horizontal flourish extending to the right.

Kalani Werner  
State Director

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**UNIVERSITY OF HAWAII SYSTEM**

**‘ŌNAEHANA KULANUI O HAWAII**

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

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Testimony Presented Before the  
House Committee on Labor & Government Operations  
February 6, 2024 at 9:15 a.m.

By

Kalbert K. Young

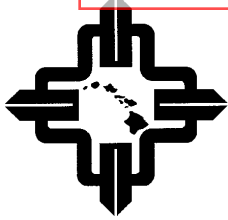
Vice President for Budget and Finance/Chief Financial Officer  
University of Hawai'i System

HB 2373 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT  
COST ITEMS

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i **supports** HB 2373, Making Emergency Appropriations for Public Employment Cost Items. This bill makes emergency appropriations for collective bargaining cost items for the members of Units (1) and (10) and their excluded counterparts for fiscal biennium 2023-2025.

Thank you for this opportunity to testify.



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

*"Quality Healthcare For All"*

**House Committee on Labor & Government Operations**  
**Representative Scot Z. Matayoshi, Chair**  
**Representative Andrew Takuya Garrett, Vice Chair**

February 6, 2024  
Via Videoconference  
Conference Room 309  
9:15 a.m.  
Hawaii State Capitol

**Testimony in Strong Support**  
**HB 2373 Relating to Making Emergency Appropriations**  
**for Public Employment Cost Items.**

Makes emergency appropriations for collective bargaining cost items for the members of Units (1) and (10) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2023-2025.

Edward N. Chu  
President and Chief Executive Officer  
Hawaii Health Systems Corporation

Hawaii Health Systems Corporation ("HHSC") **strongly supports** HB 2373.

HHSC is bound by the public sector union collective bargaining pay increases that are negotiated by the State of Hawaii and arbitration awards. Despite our progress in financial and operational performance, HHSC is unable to keep up with collective bargaining pay increases and future mandated increases in the fringe rate for pension and retiree health insurance costs (OPEB). The inability to generate sufficient revenue to cover these costs led to reductions in personnel and services in fiscal year 2016, and may lead to future reductions in personnel and services unless sufficient general fund or emergency appropriations are provided to cover these rising costs.

Accordingly, HHSC needs a general fund appropriation to pay for any cost items included in this bill.

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

**HB-2373**

Submitted on: 2/4/2024 4:38:03 PM

Testimony for LGO on 2/6/2024 9:15:00 AM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Testify</b>            |
|---------------------|---------------------|---------------------------|---------------------------|
| Tamara Paltin       | Individual          | Support                   | Written Testimony<br>Only |

Comments:

I support HB2373

Mahalo,

Tamara Paltin