



**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 9, 2023 at 9:30 a.m.

By

Kalbert K. Young

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

HB 1002 – RELATING TO PUBLIC EMPLOYMENT COST ITEMS

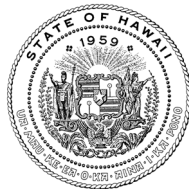
Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i **supports** HB 1002, Relating to Public Employment Cost Items. This bill provides appropriations for collective bargaining cost items for the members of Unit 3 and their excluded counterparts for fiscal biennium 2023-2025.

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.

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
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*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

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 LABOR & GOVERNMENT OPERATIONS  
ON  
HOUSE BILL NOS. 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009,  
1010, 1011, AND 1012

**February 9, 2023**  
**9:30 a.m.**  
**Room 309 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, BU 1; H.B. No. 1001, BU 2; H.B. No. 1002, BU 3; H.B. No. 1003, BU 4; H.B. No. 1004, BU 5; H.B. No. 1005, BU 6; H.B. No. 1006, BU 7; H.B. No. 1007, BU 8; H.B. No. 1008, BU 9; H.B. 1009, BU 10; H.B. 1010, BU 11; H.B. No. 1011, BU 13; and H.B. No. 1012, BU 14.

Thank you for your consideration of our comments.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808 543.0011 • Fax: 808.528 0922

The Thirty-Second Legislature, State of Hawaii  
The House of Representatives  
Committee on Labor and Government Operations

Testimony by  
Hawaii Government Employees Association

February 9, 2023

RELATING TO PUBLIC EMPLOYMENT COST ITEMS

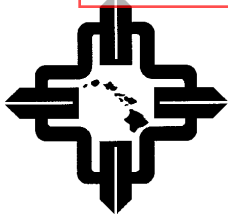
The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the passage of H.B. 1001, H.B. 1002, H.B. 1003, H.B. 1005, H.B. 1007, H.B. 1008, H.B. 1011, and H.B. 1012 which provides appropriations for collective bargaining cost items for bargaining units 02, 03, 04, 06, 08,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



**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 9, 2023  
Via Videoconference  
Conference Room 309  
9:30 a.m.  
Hawaii State Capitol

**Testimony Supporting House Bill 1002 Relating to public employment cost items.**  
Provides appropriations for collective bargaining cost items for the members of Unit (3) 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  
Hawaii Health Systems Corporation

CHAIR Matayoshi, VICE CHAIR Garrett, AND MEMBERS OF THE HOUSE  
COMMITTEE ON LABOR & GOVERNMENT OPERATIONS:

House Bill No. 1002 provides appropriations for collective bargaining cost items for the members of Unit (3) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2023-2025.

Hawaii Health Systems Corporation ("HHSC") **strongly supports** this bill.

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.