



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

*"Quality Healthcare For All"*

**House Committee on Finance**  
**Rep. Kyle T. Yamashita, Chair**  
**Rep. Jenna Takenouchi, Vice Chair**

February 19, 2025  
Via Videoconference  
Conference Room 308  
2:00 p.m.  
Hawaii State Capitol

**Testimony in Strong Support**  
**HB 1026, HD1 Relating to Emergency Appropriations for**  
**Public Employment Cost Items.**

Makes emergency appropriations for collective bargaining cost items for the members of Units (1), (2), (3), (4), (8), (9), (10), (13), and (14) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal year 2024-2025.

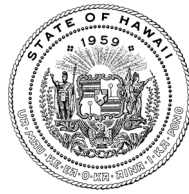
Edward N. Chu  
President and Chief Executive Officer  
Hawaii Health Systems Corporation

Hawaii Health Systems Corporation ("HHSC") **strongly supports** HB 1026, 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. HHSC continues its focused efforts to grow revenue in the face of staffing shortages and increased operational costs. Additionally, reduced Medicare reimbursements (the primary source of federal funding accounting for about 43% of HHSC's gross revenues) and the end of Coronavirus funding affecting fiscal years 2024-2027 and going forward further contribute to the need for general funds to enable HHSC to provide critical high quality services to the rural communities it serves.

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

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



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT 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*  
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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 FINANCE**  
**ON**  
**HOUSE BILL NO. 1026, H.D. 1**

**February 19, 2025**  
**2:00 p.m.**  
**Room 308 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 additional appropriations are needed both for agreements that have already been made and for additional arbitration awards and agreements.

As submitted, this measure appropriates and authorizes appropriations for CB cost items for salary adjustments and other cost adjustments for Fiscal Biennium 2023-25 for the Hawai'i Government Employees Association, Bargaining Units (BU) 2, 3, 4, 8, 9, 13, and 14. The bill has subsequently been amended to reflect settlements and arbitration awards for United Public Workers, BUs 1 and 10. B&F recommends that the bill also be amended to reflect the settlement with the Hawai'i Firefighter's Association (HFA), BU 11.

Act 49, SLH 2024, was based on estimated amounts. Based on the first payments made in October and November 2024, it is clear additional funding is needed.

In addition, an agreement has been reached with the HFA for BU 11; an arbitration award has been issued for employees of the Department of Education for BUs 2, 3, 4, 9, and 13; an arbitration award has been issued for BUs 1 and 10 for the University of Hawai'i; and a settlement with BUs 1 and 10 for the Hawai'i Health Systems Corporation. In addition, additional appropriations may be needed for other agreements or arbitration awards that maybe resolved prior to the end of the legislative session.

Thank you for your consideration of our comments.



**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 Finance  
February 19, 2025 at 2:00 p.m.

By

Kalbert K. Young

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

HB 1026 HD1 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC  
EMPLOYMENT COST ITEMS

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i **supports** HB 1026 HD1, Making Emergency Appropriations for Public Employment Cost Items. This bill makes emergency appropriations for collective bargaining cost items for the members of Units 1, 2, 3, 4, 8, 9, 10, 13, and 14 and their excluded counterparts for fiscal year 2024-2025.

Although agreements between the employer and every employee in these bargaining units have not yet been reached, this bill serves as a vehicle should such agreements occur.

Thank you for this opportunity to testify.



## UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES  
THE THIRTY-THIRD LEGISLATURE  
REGULAR SESSION OF 2025**

**COMMITTEE ON FINANCE**  
Rep. Kyle T. Yamashita, Chair  
Rep. Jenna Takenouchi, Vice Chair

Wednesday, February 19, 2025, 2:00 PM  
Conference Room 308 & Videoconference

**Re: Testimony on HB1026, HD1 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS**

Chair Yamashita, Vice Chair Takenouchi, 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** HB1026, HD1, which makes emergency appropriations for collective bargaining cost items for the members of Bargaining Units (1), (2), (3), (4), (8), (9), (10), (13), and (14) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal year 2024-2025

UPW members were provided with a favorable arbitration decision for the University of Hawaii ("UH") last year, and we anticipate another for the Executive Branch in the coming months. Furthermore, a negotiated settlement with the Hawaii Health Systems Corporation ("HHSC") was recently ratified by our members. While arbitration with the Department of Education ("DOE") is scheduled to begin this spring, we are hopeful that a settlement can be reached prior to the end of the current Legislative Session.

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

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**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

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

Testimony by  
Hawaii Government Employees Association

February 19, 2025

H.B. 1026, H.D. 1 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT  
COST ITEMS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the passage of H.B. 1026, H.D. 1, which makes emergency appropriations for collective bargaining cost items for the members of Units (2), (3), (4), (8), (9), (13), and (14) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal year 2024-2025.

We respectfully request that this measure be passed to cover the cost of any collective bargaining cost item(s), including the cost to fund the remaining amount of the temporary hazard pay settlements for the State Executive Branch, Hawaii Health Systems Corporation, the University of Hawaii, the Department of Education, and the Judiciary.

Thank you for the opportunity to testify in strong support of H.B. 1026, H.D. 1.

Respectfully submitted,

Randy Perreira  
Executive Director

**HB-1026-HD-1**

Submitted on: 2/18/2025 9:07:23 PM

Testimony for FIN on 2/19/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sarah Tiritas	Individual	Oppose	Written Testimony Only

Comments:

how about your pay raises are determined by the health and prosperity of your state.

Balanced budget, thriving constituents, no housing and homeless crisis, transportation leader and not in worst traffic, low crime rates, no infrastructure issues, and let's make sure our students are high performers.

Then let's talk raise.

In the private sector, it's normal for a high performers to get a 3% raise. I have never heard of anyone getting a 10+ percent raise.

There seems to be no real ROI (return on investment) with our politicians and local government. If they were supposed to be elected on a merit based system, majority of them wouldn't make the cut. The people of Hawaii are not getting fair representation from them considering how much we're taxed.

And they feel they deserve these raises? It's a no from me.