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DEPARTMENT OF BUDGET AND FINANCE
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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 SENATE COMMITTEE ON LABOR AND TECHNOLOGY
ON

HOUSE BILL NOS. 1027, H.D. 1; 1028, H.D. 1; 1029, H.D. 1; 1030, H.D. 1;
1031, H.D. 1; 1032, H.D. 1; 1034, H.D. 1; 1035, H.D. 1; 1036, H.D. 1; 1037, H.D. 1;
1038, H.D. 1; AND 1039, H.D. 1

March 12, 2025
3:00 p.m.
Room 224 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 (CB) 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 CB cost items for salary adjustments and other cost adjustments for Fiscal Biennium 2025-27.

The bargaining units (BU) addressed in the bills are as follows: House Bill (H.B.) No. 1027, H.D.1, BU 1; H.B. No. 1028, H.D.1, BU 2; H.B. No. 1029, H.D.1, BU 3; H.B. No. 1030, H.D. 1, BU 4; H.B. No. 1031, H.D. 1, BU 5; H.B. No. 1032, H.D.1, BU 6; H.B. No. 1034, H.D. 1, BU 8; H.B. No. 1035, H.D. 1, BU 9; H.B. No. 1036, H.D. 1, BU 10; H.B. No. 1037, H.D. 1, BU 11; H.B. No. 1038, H.D. 1, BU 13; and H.B. No. 1039, H.D. 1, 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-Third Legislature, State of Hawaii
The Senate
Committee on Labor and Technology

Testimony by
Hawaii Government Employees Association

March 12, 2025

RELATING TO PUBLIC EMPLOYMENT COST ITEMS.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the passage of H.B., H.D. 1: 1028, 1029, 1030, 1032, 1034, 1035, 1038, and 1039, which provides appropriations for collective bargaining cost items for the members of Unit (2), (3), (4), (6), (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 biennium 2025-2027.

We respectfully request that this measure be passed to cover the cost of any collective bargaining cost item(s).

Thank you for the opportunity to testify in strong support.

Respectfully submitted,

Randy Perreira
Executive Director



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

"Quality Healthcare For All"

Senate Committee on Labor and Technology

Senator Henry J.C. Aquino, Chair

Senator Chris Lee, Vice Chair

March 12, 2025
Via Videoconference
Conference Room 224
3:00 p.m.
Hawaii State Capitol

**Testimony in Strong Support
HB 1038, HD1 Relating to Appropriations for
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 2025-2027.

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

Hawaii Health Systems Corporation ("HHSC") **strongly supports** HB 1038, 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.

LATE

HB-1038-HD-1

Submitted on: 3/12/2025 10:07:45 AM

Testimony for LBT on 3/12/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bryan Revell	Individual	Oppose	Written Testimony Only

Comments:

Have you seen what this kind of debt does to a family? It destroys families and was started by organized crime.