



**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 1027, HD1 Relating to Appropriations for**  
**Public Employment Cost Items.**

Provides appropriations for collective bargaining cost items for the members of Unit (1) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2025-2027.

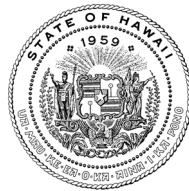
Edward N. Chu  
President and Chief Executive Officer  
Hawaii Health Systems Corporation

Hawaii Health Systems Corporation ("HHSC") **strongly supports** HB 1027, 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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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. 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

**February 19, 2025**  
**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 (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.



**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 1027 HD1 – RELATING TO 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 1027 HD1, Relating to Public Employment Cost Items. This bill provides appropriations for collective bargaining cost items for the members of Unit 1 and their excluded counterparts for fiscal biennium 2025-2027.

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.



## 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 HB1027, HD1 – RELATING TO 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** HB1027, HD1, which provides appropriations for collective bargaining cost items for the members of Unit (1) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2025-2027.

While an agreement between the UPW and the Employers has not yet been reached, we appreciate the opportunity to provide testimony in strong support of the legislative vehicle for our Bargaining Unit 1 members.

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

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**HB-1027-HD-1**

Submitted on: 2/18/2025 9:08:02 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.