



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

February 28, 2007

The Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Madam President:

The decision of the arbitration panel appointed pursuant to Section 89-11, HRS, for Bargaining Unit 11, represented by Hawaii Firefighters Association was received on February 8, 2007.

In accordance with Section 89-11(g), all items requiring funds for implementation must be submitted to the Legislature for appropriation. The following summarizes the included and excluded requirements of the settlement for the current fiscal biennium:

	<u>FY 08</u>	<u>FY 09</u>	<u>Biennium</u>
General	\$ 93,169	\$ 231,577	\$ 324,745
Special	<u>740,878</u>	<u>1,571,465</u>	<u>2,312,343</u>
Total	\$834,047	\$1,803,042	\$2,637,088

In addition, for informational purposes, the costs for the third and fourth years of the contract are shown below. These amounts will be incorporated into the Executive Budget.

	<u>FY 10</u>	<u>FY 11</u>	<u>Biennium</u>
General	\$ 296,542	\$ 408,035	\$ 704,577
Special	<u>2,426,171</u>	<u>3,314,283</u>	<u>5,740,454</u>
Total	\$2,722,713	\$3,722,318	\$6,445,031

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Because costs for pension accumulation and Social Security/Medicare payments and Employer-Union Trust Fund (EUTF) benefit premiums payments are budgeted through the general fund and reimbursed by non-general funds, general fund appropriations are required for the Firefighters settlement.

An agreement with the Hawaii Firefighters Association regarding EUTF contribution amounts has also been reached. Because of lower medical premium rates for FY 08, FY 08 EUTF appropriations are not required. The FY 09 amounts above provide \$40,540 for estimated costs for included members of the bargaining unit. An offsetting savings of \$2,747 is projected for excluded employees. The FY 10 and FY 11 amounts above do not contain amounts for EUTF.

Attached for your consideration is a proposed draft amending Senate Bill No. 1390 in its entirety to fund the settlement.

Sincerely,



LINDA LINGLE

Attachment

c: Honorable Rosalyn H. Baker