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EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON

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

**April 1, 2025  
10:01 a.m.**

**Room 211 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, S.D. 1, BU 1; H.B. No. 1028, H.D. 1, S.D. 1, BU 2; H.B. No. 1029, H.D. 1, S.D. 1, BU 3; H.B. No. 1030, H.D. 1, S.D. 1, BU 4; H.B. No. 1031, H.D. 1, S.D. 1, BU 5; H.B. No. 1032, H.D. 1, S.D. 1, BU 6; H.B. No. 1034, H.D. 1, S.D. 1, BU 8; H.B. No. 1035, H.D. 1, S.D. 1, BU 9; H.B. No. 1036, H.D. 1, S.D. 1, BU 10; H.B. No. 1037, H.D. 1, S.D. 1, BU 11; H.B. No. 1038, H.D. 1, S.D. 1, BU 13; and H.B. No. 1039, H.D. 1, S.D. 1, BU 14.

B&F would like to point out that the bill contains a typographical error in the expenditure ceiling amount listed on page 5, line 12. The amount should be \$8,551,795.

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  
Senate Committee on Ways and Means  
April 1, 2025 at 10:01 a.m.

By

Kalbert K. Young

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

HB 1028 HD1 SD1 – RELATING TO PUBLIC EMPLOYMENT COST ITEMS

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i **supports** HB 1028 HD1 SD1, Relating to Public Employment Cost Items. This bill provides appropriations for collective bargaining cost items for the members of Unit 2 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.



**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 Ways and Means

Testimony by  
Hawaii Government Employees Association

April 1, 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, S.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 Ways and Means**  
**Senator Donovan M. Dela Cruz, Chair**  
**Senator Sharon Y. Moriwaki, Vice Chair**

April 1, 2025  
Via Videoconference  
Conference Room 211  
10:01 a.m.  
Hawaii State Capitol

**Testimony in Strong Support**  
**HB 1028, HD1, SD1 Relating to Appropriations for**  
**Public Employment Cost Items.**

Provides appropriations for collective bargaining cost items for the members of Unit (2) 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 1028, HD1, SD1.

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, given that Medicare and Medicaid patients comprise 74% of HHSC's patients, the recent emphasis by the Trump Administration and Congress on reducing Medicare and Medicaid payments will have a significant impact on HHSC's ability to provide critical high quality services to the rural communities it serves.

The following table provides a breakdown by Bargaining Unit in unfunded collective bargaining pay increases and fringe benefit amounts totaling \$44,068,000:

<b>BU</b>	<b>CBU Pay Increases</b>	<b>Fringe Benefits</b>	<b>Total</b>
<b>BU 01</b>	\$ 1,271,594	\$ 3,242,027	\$ 4,513,621
<b>BU 02</b>	\$ 63,304	\$ 161,398	\$ 224,702
<b>BU 03</b>	\$ 1,336,759	\$ 3,408,169	\$ 4,744,927
<b>BU 04</b>	\$ 69,566	\$ 177,365	\$ 246,931
<b>BU 09</b>	\$ 5,783,993	\$ 14,746,736	\$ 20,530,729
<b>BU 10</b>	\$ 2,349,090	\$ 5,989,187	\$ 8,338,278
<b>BU 13</b>	\$ 1,540,694	\$ 3,928,118	\$ 5,468,811
<b>Total</b>	<b>\$ 12,415,000</b>	<b>\$ 31,653,000</b>	<b>\$ 44,068,000</b>

Accordingly, HHSC respectfully requests a **general fund appropriation** to pay for these unfunded costs.

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