



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 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.



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.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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

Testimony by
Hawaii Government Employees Association

February 19, 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

HB-1038-HD-1

Submitted on: 2/18/2025 9:16:53 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.