

DAVID Y. IGE  
GOVERNOR



JAMES K. NISHIMOTO  
CHIEF NEGOTIATOR

**STATE OF HAWAII  
OFFICE OF COLLECTIVE BARGAINING  
EXECUTIVE OFFICE OF THE GOVERNOR  
235 S. BERETANIA STREET, SUITE 1201  
HONOLULU, HAWAII 96813-2437**

March 29, 2016

TESTIMONY TO THE  
HOUSE COMMITTEE ON FINANCE  
For Hearing on Wednesday, March 30, 2016  
2:00 p.m., Conference Room 308

By

JAMES K. NISHIMOTO  
OFFICE OF COLLECTIVE BARGAINING, CHIEF NEGOTIATOR

**Senate Bill Nos. 2835, SD1; 2836 SD1 HD1; and 2837, SD1  
Making Appropriations for Collective Bargaining Cost Items**

**(WRITTEN TESTIMONY ONLY)**

CHAIRPERSON LUKE, VICE CHAIR NISHIMOTO AND MEMBERS OF THE HOUSE  
COMMITTEE ON FINANCE:

These bills provide fund authorizations and appropriations for collective bargaining cost items for bargaining units (8), (14) and (11) and their excluded counterparts.

The Office of Collective Bargaining (OCB) is **IN SUPPORT** of these bills.

Thank you for the opportunity to testify on these measures.

DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

RODERICK K. BECKER  
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**

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ADMINISTRATIVE AND RESEARCH OFFICE  
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FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 2835, S.D. 1**

March 30, 2016  
2:00 p.m.

**MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS**

This measure appropriates and authorizes funding for collective bargaining cost items for salary adjustments and other cost adjustments for public employees represented by the Hawaii Government Employees Association belonging to Bargaining Unit 8 and their excluded counterparts for Fiscal Biennium 2015-17.

The Department of Budget and Finance supports this Administration proposal to fund the arbitration award issued in November 2015.

Because of issues raised in the University of Hawaii testimony to the House Committee on Labor and Public Employment, we would also comment that although we support the subsidy proposed for the budget appropriation bill (House Bill No. 1700) by Governor's Message No. 11, it is not necessary for the Legislature to pass that one-time subsidy for the collective bargaining agreement to be considered fully funded. Sufficient amounts are already provided for customary collective bargaining appropriations by Senate Bill No. 2835, S.D. 1.



# **UNIVERSITY OF HAWAII SYSTEM**

## **Legislative Testimony**

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Testimony Presented Before the  
House Committee on Finance  
March 30, 2016 at 2:00 p.m., Room 308

by  
Kalbert K. Young  
Vice President for Budget and Finance/Chief Financial Officer  
University of Hawai'i

### **SB 2835 SD1– MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS**

Chair Luke, Vice Chair Nishimoto, and members of the Committee on Finance:

Thank you for this opportunity to testify. The University of Hawai'i (UH) supports SB2835 SD1, Making Appropriations for Collective Bargaining Cost Items. This measure appropriates funds for collective bargaining cost items for Unit (8) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2015-2017.

Please note that Governor's Message (GM) No. 11 requests funding for a one-time subsidy in FY17 related to the collective bargaining agreement with Unit 8. GM 11 requests that this funding be provided in the budget appropriation bill (HB1700). If this is the desired approach, it is important to remember that both items will be required to pass the Legislature in order to fund the agreement. More explicitly, it should not be construed that one of these items should pass in lieu of the other. Another alternative to consider would be to aggregate the amounts specified in the GM with those currently in SB2835 SD1.

Finally, please be advised that given the timing of payments contemplated in the agreement and the legislative timeline for this bill, there will be mechanical challenges in satisfying retroactive payments going back to July 1, 2015 during the current fiscal year. With the agreement of HGEA, the University requests consideration to accommodate all funding currently reflected in the bill across the current biennium by appropriating the total amount into FY17.

Thank you for your time and consideration.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

**The Twenty-Eighth Legislature, State of Hawaii  
House of Representatives  
Committee on Finance**

**Testimony by  
Hawaii Government Employees Association**

**March 30, 2016**

**S.B. 2835, S.D. 1 – MAKING APPROPRIATIONS  
FOR COLLECTIVE BARGAINING COST ITEMS**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the passage and enactment of S.B. 2835, S.D. 1 which provides appropriations to implement an arbitrated collective bargaining agreement for Bargaining Unit 08 for fiscal biennium 2015 – 2017. However, it has been brought to our attention that the current version of S.B. 2835 does not appropriate sufficient general funds to support the entire arbitrated agreement by approximately \$2.5 million. We respectfully request that S.B. 2835, S.D. 1 be amended to include the total compensation amount.

Thank you for the opportunity to testify in strong support of the above legislation, with the proposed request to ensure appropriate funding amounts.

Respectfully submitted,

**Randy Perreira**  
Executive Director