



GOV. MSG. NO. 11

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 27, 2017

✓ The Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki
Speaker of the House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear Senate President Kouchi and Speaker Souki:

An arbitration award was issued for the Hawaii Government Employees Association (HGEA) concerning Collective Bargaining Units 3 (White Collar Non-Supervisors) and 4 (White Collar Supervisors) on April 26, 2017. In accordance with Section 89-10(b), cost items must be submitted to the Legislature. Because this award was not issued in time for costs to be included in the biennium budget, an Administration Proposal was submitted to the 2017 Legislature. The estimated costs are as follows:

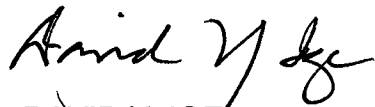
	<u>FY 18</u>	<u>FY 19</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$12,643,195	\$29,162,219	\$41,805,414
Special	1,917,620	4,427,722	6,345,342
Federal	1,620,943	3,743,155	5,364,098
Other Federal	206,427	475,912	682,339
Trust	52,548	119,956	172,504
Interdept. Transfers	44,121	101,400	145,521
Revolving	158,062	364,156	522,218
Other	43,986	100,883	144,869
Other	<u>216,723</u>	<u>501,027</u>	<u>717,750</u>
Total	\$16,903,625	\$38,996,430	\$55,900,055

An agreement with HGEA regarding Employer-Union Trust Fund contribution amounts has also been reached and the estimated costs are as follows:

	<u>FY 18</u>	<u>FY 19</u>	<u>Biennium</u>
General	\$3,781,430	\$8,723,076	\$12,504,506

Attached is a proposed conference draft bill for Senate Bill No. 915 to fund the award.

Sincerely,



DAVID Y. IGE
Governor, State of Hawaii

Attachment

c: Honorable Jill N. Tokuda
Honorable Sylvia Luke

A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYMENT COST ITEMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2017-2019 all collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$10,360,205	\$23,858,687
Special Funds	1,135,070	2,610,488
Federal Funds	1,015,970	2,346,009
Other Federal Funds	199,390	459,990
Trust Funds	45,529	103,767
Interdepartmental Transfers	38,164	87,846
Revolving Funds	147,344	339,264
Other Funds	36,791	84,233
Special Fund CIP	200,025	462,713

Of the above amounts, the following amounts are for the
department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$4,422,584	\$10,133,297
Special Funds	13,810	32,156
Federal Funds	131,868	313,982
Other Federal Funds	278	641
Trust Funds	8,509	19,667
Interdepartmental Transfer	1,992	4,507
Revolving Funds	10,916	26,742

SECTION 2. Funds appropriated by this part shall be
allotted by the director of finance to the appropriate state
departments for expenditure in the respective fiscal year for
the purposes of this part.

PART II

SECTION 3. There are appropriated or authorized from the
sources of funding indicated below to administration (JUD 601)
the following sums, or so much thereof as may be necessary, to
fund for fiscal biennium 2017-2019 all collective bargaining
cost items for salary increases and other wage related costs in
the agreement negotiated with the exclusive bargaining
representative of collective bargaining units (3) and (4):

SECTION 4. Funds appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

8 SECTION 5. There are appropriated or authorized from the
9 sources of funding indicated below to collective bargaining
10 statewide (BUF 102) the following sums, or so much thereof as
11 may be necessary, to fund for fiscal biennium 2017-2019, the
12 salary increases and other cost adjustments authorized by
13 chapter 89C, Hawaii Revised Statutes, for state officers and
14 employees who are excluded from collective bargaining units (3)
15 and (4):

3

1 Special Fund CIP 16,698 38,314

2 Of the above amounts, the following amounts are for the
3 department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
4 General Funds	\$217,464	\$ 500,785
5 Special Funds	3,207	7,388
6 Federal Funds	546,568	1,261,446
7 Trust Funds	9	20
8 Interdepartmental Transfers	2,509	5,741
9 Revolving Funds	183	422

11 SECTION 6. Funds appropriated or authorized by this part
12 shall be allotted by the director of finance to the appropriate
13 state departments for expenditure in the respective fiscal year
14 for the purposes of this part.

15 PART IV

16 SECTION 7. There are appropriated or authorized from the
17 sources of funding indicated below to administration (JUD 601)
18 the following sums, or so much thereof as may be necessary, to
19 fund for fiscal biennium 2017-2019, the salary increases and
20 other cost adjustments authorized by chapter 89C, Hawaii Revised
21 Statutes, for state officers and employees of the judiciary who
22 are excluded from collective bargaining collective bargaining
23 units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$76,730	\$178,693

SECTION 8. The sums appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

PART V

SECTION 9. There are appropriated from the source of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2017-2019, the collective bargaining cost items in the agreement negotiated for state employees in collective bargaining units (3) and (4) assigned to the Hawaii health systems corporation:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
Special Funds	\$556,022	\$1,289,159

SECTION 10. The sums appropriated or authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation in the respective fiscal year for the purposes of this part.

PART VI

SECTION 11. There are appropriated from the source of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums, or so much

7		<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
8	Special Funds	\$29,434	\$71,230

13 PART VII

21		<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
22	General Funds	\$3,576,848	\$8,240,543

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	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$1,542,768	\$3,559,525

SECTION 14. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART VIII

SECTION 15. There are appropriated from the sources of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2017-2019, the Hawaii employer union health benefit trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$204,582	\$482,533

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$33,535	\$78,776

SECTION 16. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IX

SECTION 17. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 18. Funds appropriated by this Act that are not expended or encumbered by June 30, 2018, and June 30, 2019, of the respective fiscal years, shall lapse as of those dates.

SECTION 19. This Act, upon its approval, shall take effect on July 1, 2017.

S.B. NO. 915
S.D. 1
H.D. 1
C.D. 1
PROPOSED

Report Title:

Public Employment Cost Items

Description:

To provide appropriations for collective bargaining cost items and other public employment costs for Units (3) and (4) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2017-2019.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.