

DAVID Y. IGE GOVERNOR

April 27, 2017

HONOLULU

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:

	FY 18	FY 19	<u>Biennium</u>
Salaries & Fringe			
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	216,723	501,027	717,750
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:

FY 18 FY 19 Biennium

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

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

PROPOSED

A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYMENT COST ITEMS.

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

1		PART I	
2	SECTION 1. There are ap	opropriated or au	thorized from the
3	sources of funding indicated	below to collect	ive bargaining
4	statewide (BUF 102) the following	owing sums, or so	much thereof as
5	may be necessary, to fund for	r fiscal biennium	2017-2019 all
6	collective bargaining cost is	tems in the agreem	ment negotiated
7	with the exclusive representa	ative of collecti	ve bargaining units
8	(3) and (4):		
9		FY 2017-2018	FY 2018-2019
10	General Funds	\$10,360,205	\$23,858,687
11	Special Funds	1,135,070	2,610,488
12	Federal Funds	1,015,970	2,346,009
13	Other Federal Funds	199,390	459,990
14	Trust Funds	45,529	103,767
15	Interdepartmental Transfers	38,164	87,846
16	Revolving Funds	147,344	339,264
17	Other Funds	36,791	84,233
18	Special Fund CIP	200,025	462,713

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

3		FY 2017-2018	FY 2018-2019
4	General Funds	\$4,422,584	\$10,133,297
5	Special Funds	13,810	32,156
6	Federal Funds	131,868	313,982
7	Other Federal Funds	278	641
8	Trust Funds	8,509	19,667
'9	Interdepartmental Transfer	1,992	4,507
10	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.
- 15 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):

24

Other Funds

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

1		FY 2017-2018	FY 2018-2019
2	General Funds	\$1,143,770	\$2,646,690
3	Special Funds	43,380	99,602
4	SECTION 4. Funds approp	priated or authori	zed by this part
5	shall be expended by the chi	ef justice in the	respective fiscal
6	year for the purposes of this	s part.	
7		PART III	
8	SECTION 5. There are a	ppropriated or aut	horized from the
9	sources of funding indicated	below to collecti	ve bargaining
10	statewide (BUF 102) the following	owing sums, or so	much thereof as
11	may be necessary, to fund for	r fiscal biennium	2017-2019, the
12	salary increases and other co	ost adjustments au	thorized by
13	chapter 89C, Hawaii Revised	Statutes, for state	e officers and
14	employees who are excluded f	rom collective bar	gaining units (3)
15	and (4):		
16		FY 2017-2018	FY 2018-2019
17	General Funds	\$1,062,490	\$2,478,149
18	Special Funds	153,714	357,243
19	Federal Funds	604,973	1,397,146
20	Other Federal Funds	7,037	15,922
21	Trust Funds	7,019	16,189
22	Interdepartmental Transfers	5,957	13,554
23	Revolving Funds	10,718	24,892

7,195

16,650

1	Special Fund CIP	16,698	38,314
2	Of the above amounts,	the following amount:	s are for the
3	department of education:		
4		FY 2017-2018	FY 2018-2019
5	General Funds	\$217,464	\$ 500,785
6	Special Funds	3,207	7,388
7	Federal Funds	546,568	1,261,446
8	Trust Funds	9	20
9	Interdepartmental Transfer	2,509	5,741
10	Revolving Funds	183	422
11	SECTION 6. Funds app:	ropriated or authorize	ed by this part
12	shall be allotted by the director of finance to the appropriate		
13	state departments for expen	nditure in the respec	tive fiscal year
14	for the purposes of this pa	art.	
15		PART IV	
16	SECTION 7. There are	appropriated or auth	orized from the
17	sources of funding indicate	ed below to administr	ation (JUD 601)
18	the following sums, or so	much thereof as may b	e necessary, to
19	fund for fiscal biennium 2	017-2019, the salary	increases and
20	other cost adjustments aut	horized by chapter 89	C, Hawaii Revised
21	Statutes, for state office	rs and employees of t	he judiciary who
22	are excluded from collecti	ve bargaining collect	ive bargaining
23	units (3) and (4):		

I	<u>FY 2017-2018</u> <u>FY 2018-2019</u>	
2	General Funds \$76,730 \$178,693	
3	SECTION 8. The sums appropriated or authorized by this	
4	part shall be expended by the chief justice in the respective	
5	fiscal year for the purposes of this part.	
6	PART V	
7	SECTION 9. There are appropriated from the source of	
8	funding indicated below to Hawaii health systems corporation -	
9	corporate office (HTH 210) the following sums, or so much	
10	thereof as may be necessary, to fund for fiscal	
11	biennium 2017-2019, the collective bargaining cost items in the	;
12	agreement negotiated for state employees in collective	
13	bargaining units (3) and (4) assigned to the Hawaii health	
14	systems corporation:	
15	<u>FY 2017-2018</u> <u>FY 2018-2019</u>	
16	Special Funds \$556,022 \$1,289,159	
17	SECTION 10. The sums appropriated or authorized by this	
18	part shall be allotted by the director of finance to the Hawaii	
19	health systems corporation in the respective fiscal year for th	.e
20	purposes of this part.	
21	PART VI	
22	SECTION 11. There are appropriated from the source of	
23	funding indicated below to Hawaii health systems corporation -	
24	corporate office (HTH 210) the following sums or so much	

2	biennium 2017-2019, salary increases and other cost adjustments
3	authorized by chapter 89C, Hawaii Revised Statutes, for state
4	officers and employees who are excluded from collective
5	bargaining units (3) and (4) and assigned to the Hawaii health
6	systems corporation:
7	<u>FY 2017-2018</u> <u>FY 2018-2019</u>
8	Special Funds \$29,434 \$71,230
9	SECTION 12. The sums appropriated or authorized by this
10	part shall be allotted by the director of finance to the Hawaii
11	health systems corporation in the respective fiscal year for the
12	purposes of this part.
13	PART VII
14	SECTION 13. There are appropriated from the sources of
15	funding indicated below to health premium payments (BUF 761) the
16	following sums, or so much thereof as may be necessary, to fund
17	for fiscal biennium 2017-2019, the Hawaii employer union health
18	benefit trust fund costs in the agreement negotiated with the
19	exclusive bargaining representative of collective bargaining
20	units (3) and (4):
21	<u>FY 2017-2018</u> <u>FY 2018-2019</u>
22	General Funds \$3,576,848 \$8,240,543
23	Of the above amounts, the following amounts are for the
24	department of education:

1 thereof as may be necessary, to fund for fiscal

1	<u>FY 2017-2018</u> <u>FY 2018-2019</u>
2	General Funds \$1,542,768 \$3,559,525
3	SECTION 14. Funds appropriated by this part shall be
4	allotted by the director of finance to the appropriate state
5	departments for expenditure in the respective fiscal year for
6	the purposes of this part.
7	PART VIII
8	SECTION 15. There are appropriated from the sources of
9	funding indicated below to health premium payments (BUF 761) the
10	following sums, or so much thereof as may be necessary, to fund
11	for fiscal biennium 2017-2019, the Hawaii employer union health
12	benefit trust fund costs authorized by chapter 89C, Hawaii
13	Revised Statutes, for state officers and employees who are
14	excluded from collective bargaining units (3) and (4):
15	FY 2017-2018 FY 2018-2019
16	General Funds \$204,582 \$482,533
17	Of the above amounts, the following amounts are for the
18	department of education:
19	<u>FY 2017-2018</u> <u>FY 2018-2019</u>
20	General Funds \$33,535 \$78,776
21	SECTION 16. Funds appropriated by this part shall be
22	allotted by the director of finance to the appropriate state
23	departments for expenditure in the respective fiscal year for
24	the purposes of this part.

1	PARI IX
2	SECTION 17. Salary increases and cost adjustments provided
3	in this Act for any officer or employee whose compensation is
4	paid, in whole or in part, from federal, special, or other funds
5	shall be paid wholly or proportionately, as the case may be,
6	from the respective funds.
7	SECTION 18. Funds appropriated by this Act that are not
8	expended or encumbered by June 30, 2018, and June 30, 2019, of
9	the respective fiscal years, shall lapse as of those dates.
10	SECTION 19. This Act, upon its approval, shall take effect
11	on July 1, 2017.

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.