DAVID Y. IGE GOVERNOR

April 6, 2018

HONOLULU

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

The Honorable Scott K. Saiki Speaker of the House of Representatives Twenty-Ninth State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear Senate President Kouchi and Speaker Saiki:

An arbitration award concerning Hawai'i Government Employees Association (HGEA), Collective Bargaining Unit 14 (State Law Enforcement Officers and County Water/Ocean Safety Officers), was issued on April 5, 2018. In accordance with Section 89-10(b), cost items must be submitted to the Legislature. The estimated costs are as follows:

|  | FY 18                                  | FY 19                             | <u>Biennium</u>                   |
|--|--|-----------------------------------|-----------------------------------|
| Salaries & Fringe                          |  |                                   |                                   |
| General<br>Special<br>Interdept. Transfers | \$ 974,064<br>73,756<br><u>150,963</u> | \$2,109,218<br>152,404<br>325,230 | \$3,083,282<br>226,160<br>476,193 |
| Total                                      | \$1,198,783                            | \$2,586,852                       | \$3,785,635                       |

An agreement with HGEA regarding Employer-Union Trust Fund contributions was previously reached and funded by Act 28, SLH 2017.

Attached are proposed conference draft bills for House Bill No. 1726 and Senate Bill No. 2361 to fund the award.

Sincerely,

DAVID Y. IGE

Governor, State of Hawai'i

### Attachments

c: Honorable Donovan M. Dela Cruz Honorable Sylvia Luke

for the purposes of this part.

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H.B. NO. 5.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 appropriated or authorized from the         |  |  |  |
| 3   | sources of funding indicated below to collective bargaining      |  |  |  |
| 4   | statewide (BUF 102) the following sums or so much thereof as may |  |  |  |
| 5   | be necessary to fund for fiscal biennium 2017-2019 all           |  |  |  |
| 6   | collective bargaining cost items in the agreement negotiated     |  |  |  |
| 7   | with the exclusive bargaining representatives of collective      |  |  |  |
| 8 - | bargaining unit (14):  |  |  |  |
| 9   | FY 2017-2018 FY 2018-2019  |  |  |  |
| 10  | General Funds \$952,743 \$2,062,636                              |  |  |  |
| 11  | Special Funds 73,756 152,404                                     |  |  |  |
| 12  | Interdepartmental Transfers 150,963 325,230                      |  |  |  |
| 13  | SECTION 2. Funds appropriated or authorized by this part         |  |  |  |
| 14  | shall be allotted by the director of finance to the appropriate  |  |  |  |
| 15  | state departments for expenditure in the respective fiscal year  |  |  |  |

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

| 1  | PART II  |  |  |  |
|----|--|--|--|--|
| 2  | SECTION 3. There are appropriated or authorized from the         |  |  |  |
| 3  | sources of funding indicated below to collective bargaining      |  |  |  |
| 4  | statewide (BUF 102) the following sums or so much thereof as may |  |  |  |
| 5  | be necessary to fund for fiscal biennium 2017-2019 the salary    |  |  |  |
| 6  | increases and other cost adjustments authorized by chapter 89C,  |  |  |  |
| 7  | Hawaii Revised Statutes, for state officers and employees in the |  |  |  |
| 8  | executive branch who are excluded from collective bargaining     |  |  |  |
| 9  | unit (14):   |  |  |  |
| 10 | <u>FY 2017-2018</u> <u>FY 2018-2019</u>                          |  |  |  |
| 11 | General Funds \$21,321 \$46,582                                  |  |  |  |
| 12 | SECTION 4. Funds appropriated or authorized by this part         |  |  |  |
| 13 | shall be allotted by the director of finance to the appropriate  |  |  |  |
| 14 | state departments for expenditure in the respective fiscal year  |  |  |  |
| 15 | for the purposes of this part.                                   |  |  |  |
| 16 | PART III   |  |  |  |
| 17 | SECTION 5. Salary increases and cost adjustments provided        |  |  |  |
| 18 | in this Act for any officer or employee whose compensation is    |  |  |  |
| 19 | paid, in whole or in part, from federal, special, or other funds |  |  |  |
| 20 | shall be paid wholly or proportionately, as the case may be,     |  |  |  |
| 21 | from the respective funds.                                       |  |  |  |
|    |  |  |  |  |

- 1 SECTION 6. Funds appropriated or authorized by this Act
- 2 that are not expended or encumbered by June 30, 2019 shall lapse
- 3 as of that date.
- 4 SECTION 7. This Act shall take effect upon its approval.

H.B. NO. S.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 Unit (14) 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.

S.B. NO. S.D. 2 H.D. 1 C.D. 1

**PROPOSED** 

## A BILL FOR AN ACT

PART I

RELATING TO PUBLIC EMPLOYMENT COST ITEMS.

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

2 SECTION 1. There are appropriated or authorized from the 3 sources of funding indicated below to collective bargaining

4 statewide (BUF 102) the following sums or so much thereof as may

5 be necessary to fund for fiscal biennium 2017-2019 all

6 collective bargaining cost items in the agreement negotiated

7 with the exclusive bargaining representatives of collective

8 bargaining unit (14):

1

| 9  |                                | FY 2017-2018      | FY 2018-2019      |
|----|--------------------------------|-------------------|-------------------|
| 10 | General Funds                  | \$952,743         | \$2,062,636       |
| 11 | Special Funds                  | 73,756            | 152,404           |
| 12 | Interdepartmental Transfers    | 150,963           | 325,230           |
| 13 | SECTION 2. Funds appropr       | iated or authori  | zed by this part  |
| 14 | shall be allotted by the direc | tor of finance to | o the appropriate |
| 15 | state departments for expendit | ure in the respe  | ctive fiscal year |
| 16 | for the purposes of this part. |                   | •                 |

S.B. NO. 2361 S.D. 2 H.D. 1 C.D. 1 PROPOSED

| 1  | 1 PART II  |            |  |  |
|----|--|------------|--|--|
| 2  | 2 SECTION 3. There are appropriated or authorized                                  | from the   |  |  |
| 3  | 3 sources of funding indicated below to collective barga                           | ining      |  |  |
| 4  | 4 statewide (BUF 102) the following sums or so much ther                           | eof as may |  |  |
| 5  | 5 be necessary to fund for fiscal biennium 2017-2019 the                           | salary     |  |  |
| 6  | 6 increases and other cost adjustments authorized by cha                           | pter 89C,  |  |  |
| 7  | 7 Hawaii Revised Statutes, for state officers and employ                           | ees in the |  |  |
| 8  | executive branch who are excluded from collective bargaining                       |            |  |  |
| 9  | 9 unit (14):   |            |  |  |
| 10 | FY 2017-2018 FY 2018-2   | 019        |  |  |
| 11 | 11 General Funds \$21,321 \$46,582   |            |  |  |
| 12 | SECTION 4. Funds appropriated or authorized by t                                   | his part   |  |  |
| 13 | shall be allotted by the director of finance to the ap                             | propriate  |  |  |
| 14 | 4 state departments for expenditure in the respective fi                           | scal year  |  |  |
| 15 | for the purposes of this part.   |            |  |  |
| 16 | PART III   |            |  |  |
| 17 | SECTION 5. Salary increases and cost adjustments                                   | provided   |  |  |
| 18 | 18 in this Act for any officer or employee whose compensa                          | tion is    |  |  |
| 19 | 9 paid, in whole or in part, from federal, special, or o                           | ther funds |  |  |
| 20 | $oldsymbol{20}$ shall be paid wholly or proportionately, as the case $\mathfrak m$ | ay be,     |  |  |
| 21 | 21 from the respective funds.  |            |  |  |

### S.B. NO. 2361 S.D. 2 H.D. 1 C.D. 1 PROPOSED

- 1 SECTION 6. Funds appropriated or authorized by this Act
- 2 that are not expended or encumbered by June 30, 2019 shall lapse
- 3 as of that date.
- 4 SECTION 7. This Act shall take effect upon its approval.

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