



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

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 NO. 2373, H.D. 1

February 27, 2024
10:00 a.m.
Room 308 and Videoconference

MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST
ITEMS

The Department of Budget and Finance supports moving this Administration proposal, or a similar bill, as collective bargaining (CB) negotiations regarding the issue of temporary hazard pay 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 2023-25 for United Public Workers, Bargaining Units 1 and 10.

Thank you for your consideration of our comments.



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Finance
February 27, 2024 at 10:00 a.m.

By

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 2373 HD1 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC
EMPLOYMENT COST ITEMS

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i **supports** HB 2373 HD1, Making Emergency Appropriations for Public Employment Cost Items. This bill makes emergency appropriations for collective bargaining cost items for the members of Units (1) and (10) and their excluded counterparts for fiscal biennium 2023-2025.

Thank you for this opportunity to testify.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2024**

COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair

Tuesday, February 27, 2024, 10:00 AM
Conference Room 308 & Videoconference

Re: Testimony on HB2373, HD1 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **strongly supports** HB2373, HD1, which makes emergency appropriations for collective bargaining cost items for the members of Units (1) and (10) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2023-2025

During the COVID-19 pandemic, UPW members continued to serve their respective communities by reporting to work despite the likely exposure to the virus, which in many cases resulted in serious incapacitation and long periods of time lost. Their work helped ensure that the State continued providing essential services that could not be performed remotely.

This bill would allow any employer jurisdiction that receives funding from the legislature, outside of the Judiciary and the counties, to secure an emergency appropriation if we are able to reach a settlement agreement for temporary hazard pay (“THP”) on behalf of our members. Given the awards that have recently been granted to the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO (“HGEA”) through arbitration decisions, we are hopeful that we will be able to reach settlement agreements before the end of the legislative session.

HEADQUARTERS

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Toll Free - *Molokai/Lanai only*

Our members have been waiting for nearly two years for the THP they earned. If UPW is able to settle with the employers in the next two months, this bill would allow these dedicated public servants to receive the much-deserved THP they earned for the essential work they performed during the COVID-19 pandemic.

Mahalo for the opportunity to testify in support of this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kalani Werner", with a long horizontal flourish extending to the right.

Kalani Werner
State Director

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HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair

February 27, 2024
Via Videoconference
Conference Room 308
10:00 a.m.
Hawaii State Capitol

Testimony in Strong Support
HB 2373 Relating to Making Emergency Appropriations
for Public Employment Cost Items.

Makes emergency appropriations for collective bargaining cost items for the members of Bargaining Units (1) and (10) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2023-2025. Effective 7/1/3000.

Edward N. Chu
President and Chief Executive Officer
Hawaii Health Systems Corporation

Hawaii Health Systems Corporation ("HHSC") **strongly supports** HB 2373, HD1.

HHSC is bound by the public sector union collective bargaining pay increases that are negotiated by the State of Hawaii and arbitration awards. Despite our progress in financial and operational performance, HHSC is unable to keep up with collective bargaining pay increases and future mandated increases in the fringe rate for pension and retiree health insurance costs (OPEB). The inability to generate sufficient revenue to cover these costs led to reductions in personnel and services in fiscal year 2016, and may lead to future reductions in personnel and services unless sufficient general fund or emergency appropriations are provided to cover these rising costs.

Accordingly, HHSC needs a general fund appropriation to pay for any cost items included in this bill.

Thank you for the opportunity to testify on this important measure.