



GOV. MSG. NO. 40

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

October 22, 2013

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

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

Dear President Mercado Kim, Speaker Souki, and Members of the Legislature:

The proclamation convening the Twenty-Seventh Legislature of the State of Hawaii in special session on Monday, October 28, 2013, at 10:00 a.m. was issued primarily for the consideration of legislation to provide for marriage equity in the State of Hawaii. However, here are several other items that I feel also require the Legislature's attention:

- Funding for the Hawaii Health Systems Corporation Kauai regional health care system;
- Collective bargaining costs associated with Bargaining Unit 10; and
- Collective bargaining costs associated with Bargaining Unit 13.

Enclosed are proposed drafts of these items for your consideration.

Sincerely,

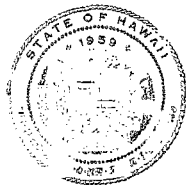
NEIL ABERCROMBIE
Governor, State of Hawaii

Enclosure

cc: Honorable David Ige
Honorable Sylvia Luke
Honorable Clayton Hee
Honorable Mark Nakashima

13 OCT 25 6:50

OFFICE OF THE LEGISLATIVE
COUNCIL
HONOLULU



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

October 22, 2013

The Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear President Kim:

The Kauai regional health care system of the Hawaii Health Systems Corporation (HHSC) is in dire need of funding. It appears that without additional funding, these operations will cease or be severely curtailed, which will negatively impact the health care of Kauai's residents and visitors.

Correspondence with HHSC indicates that \$2,500,000 should be sufficient to sustain operations for Kauai until early 2014.

In anticipation of the upcoming special session of the Legislature, a proposed draft bill to fund operations of HHSC on the island of Kauai is attached. Passing this bill during the special session will enable HHSC's Kauai regional health care system to sustain operations through the start of the 2014 Regular Session.

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Ige

____.B. NO.____

A BILL FOR AN ACT

MAKING AN APPROPRIATION TO THE HAWAII HEALTH SYSTEMS CORPORATION.

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

1 SECTION 1. The purpose of this Act is to make an
2 appropriation to provide stopgap funding to sustain the
3 operations of the Kauai regional health care system of the
4 Hawaii health systems corporation. Without stopgap funding, the
5 Kauai regional health care system will not be able to sustain
6 operations through the start of the regular session of 2014,
7 thereby placing the health care of Kauai's residents and
8 visitors in jeopardy.

9 SECTION 2. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$2,500,000 or so much
11 thereof as may be necessary for fiscal year 2013-2014 to support
12 the operations of the Kauai regional health care system of the
13 Hawaii health systems corporation (HTH 212, Hawaii health
14 systems corporation - regions).

15 The sum appropriated shall be expended by the Hawaii health
16 systems corporation for purposes of this Act.

17 SECTION 3. This Act shall take effect upon its approval.

____.B. NO.____

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INTRODUCED BY: _____

BY REQUEST

____.B. NO.____

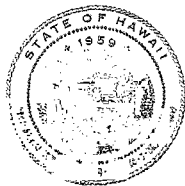
Report Title:

HHSC; Appropriation

Description:

Makes an appropriation to the Hawaii Health Systems Corporation.

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



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

October 21, 2013

To: The Honorable Donna Mercado Kim, President of the Senate
The Honorable Joseph M. Souki, Speaker of the House of Representatives
The Honorable David Y. Ige
The Honorable Sylvia Luke

Cc: Kalbert Young, Director of Finance

From: Governor Neil Abercrombie

RE: Collective Bargaining Unit 10, proposed draft bill replacement

Please replace the proposed draft bill that was provided with the letter dated October 11, 2013. The attached bill is substantively the same, but was revised to reflect the current names of budget program IDs and clarifying language similar to that used in the collective bargaining bills that were passed by the Legislature during the 2013 Regular Session.

We appreciate your attention to this matter and apologize for the inconvenience.

Attachment

.B. NO.

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
1		
2 General Funds	\$ 97,933	\$ 194,196
3 Federal Funds	1,251	2,790
4 Interdepartmental Transfers	9,820	10,714

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

9 PART IV

10 SECTION 7. There are appropriated or authorized from the
11 sources of funding indicated below to administration (JUD 601)
12 the following sums, or so much thereof as may be necessary, to
13 fund for fiscal biennium 2013-2015, the salary increases and
14 other cost adjustments authorized by chapter 89C, Hawaii Revised
15 Statutes, by the chief justice for state officers and employees
16 excluded from collective bargaining who belong to the same
17 compensation plans as those officers and employees within
18 collective bargaining unit (10):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
19		
20 General Funds	\$ 7,868	\$ 17,098

21 SECTION 8. The sums appropriated or authorized by this
22 part shall be allotted by the chief justice for expenditure in
23 the respective fiscal year for the purposes of this part.

____.B. NO.____

1 SECTION 11. Funds appropriated or authorized by this part
2 shall be allotted by the director of finance to the appropriate
3 state departments for expenditure in the respective fiscal year
4 for the purposes of this part.

5 PART VII

6 SECTION 12. There are appropriated or authorized from the
7 sources of funding indicated below to health premium payments
8 (BUF 761) the following sums, or so much thereof as may be
9 necessary, to fund for fiscal biennium 2013-2015, the Hawaii
10 employer union health benefits trust fund costs in the agreement
11 negotiated with the exclusive bargaining representative of
12 collective bargaining unit (10):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
13 General Funds	\$ 1,825,010	\$ 1,717,113

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

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
17 General Funds	\$ 11,238	\$ 8,853

19 PART VIII

20 SECTION 13. There are appropriated or authorized from the
21 sources of funding indicated below to health premium payments
22 (BUF 761) the following sums, or so much thereof as may be
23 necessary, to fund for fiscal biennium 2013-2015, the Hawaii
24 employer union health benefits trust fund costs for state
25 officers and employees excluded from collective bargaining who

.B. NO.

1 belong to the same compensation plans as those officers and
2 employees within collective bargaining unit (10):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
4 General Funds	\$ 1,193	\$ 1,488

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

9 PART IX

10 SECTION 15. Salary increases and cost adjustments provided
11 in this Act for any officer or employee whose compensation is
12 paid, in whole or in part, from federal, special, or other funds
13 shall be paid wholly or proportionately, as the case may be,
14 from the respective funds.

15 SECTION 16. Funds appropriated or authorized by this Act
16 that are not expended or encumbered by June 30, 2014, and
17 June 30, 2015, of the respective fiscal years, shall lapse as of
18 those dates.

19 SECTION 17. This Act shall take effect upon its approval.

20

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INTRODUCED BY: _____

22

BY REQUEST

____.B. NO. _____

Report Title:

Appropriations for Collective Bargaining Cost Items

Description:

Provides fund authorizations and appropriations for all collective bargaining cost items for salary increases and other wage related costs in the negotiated settlement for unit (10) and its excluded counterparts for fiscal biennium 2013-2015.

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



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

October 21, 2013

The Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear President Kim:

The Hawaii Government Employees Association (HGEA) and the employer have reached an agreement concerning Collective Bargaining Unit 13 (Professional and Scientific Employees). Notification of ratification of the collective bargaining agreement was received on October 14, 2013. In accordance with Section 89-10(b), cost items are subject to appropriations by the appropriate legislative bodies. The following summaries of the included and excluded requirements of the settlement are shown below:

	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
<u>Salaries and Fringe</u>			
General	\$14,429,763	\$40,175,399	\$54,605,162
Special	4,627,733	11,815,870	16,443,603
G.O. Bond	1,010,004	2,876,255	3,886,259
Federal	2,612,530	7,165,350	9,777,880
Trust	250,175	502,423	752,598
Interdept. Transfer	335,939	779,585	1,115,524
Revolving	397,614	1,040,931	1,438,545
Other	<u>156,632</u>	<u>495,071</u>	<u>651,703</u>
Total	\$23,820,390	\$64,850,884	\$88,671,274

The projected costs with HGEA regarding Employer-Union Trust Fund contribution amounts for Unit 13 are as follows:

	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
General	\$5,134,179	\$3,481,166	\$8,615,345

Attached is a proposed draft bill. The amounts in the bill represent the full costs for included Executive Branch employees. The amounts for the Judiciary and Executive Branch excluded employees represent the difference between the impact of this agreement and amounts already appropriated in Act 173, SLH 2013. The amounts being transmitted to the Legislature for authorization are show below:

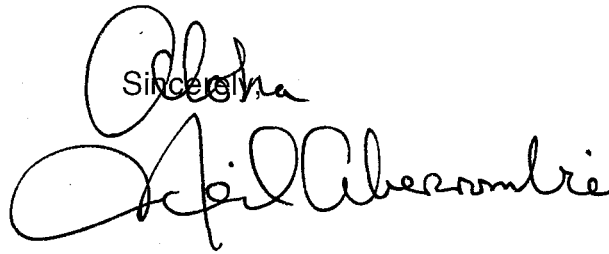
	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
<u>Salaries and Fringe</u>			
General	\$10,087,786	\$30,639,318	\$40,727,104
Special	2,771,852	7,780,813	10,552,665
G.O. Bond	935,432	2,702,882	3,638,314
Federal	2,321,642	6,534,433	8,856,075
Trust	166,602	312,562	479,164
Interdept. Transfer	65,121	206,513	271,634
Revolving	343,430	906,617	1,250,047
Other	<u>133,435</u>	<u>432,494</u>	<u>565,929</u>
Total	\$16,825,300	\$49,514,485	\$66,340,932

	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
<u>EUTF</u>			
General	\$3,825,040	\$2,629,787	\$6,454,827

Because the tentative agreement covers four years, the following amounts are provided for your information:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
<u>Salaries and Fringe</u>			
General	\$48,704,210	\$ 68,265,778	\$116,969,988
Special	14,502,138	20,143,189	34,645,327
G.O. Bond	3,633,199	5,009,862	8,643,061
Federal	8,700,607	12,136,527	20,837,134
Trust	516,882	779,491	1,296,373
Interdept. Transfer	946,359	1,326,938	2,273,297
Revolving	1,249,989	1,758,045	3,008,034
Other	<u>616,081</u>	<u>843,674</u>	<u>1,459,755</u>
Total	\$78,869,465	\$110,263,504	\$189,132,969

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
<u>EUTF</u>			
General	\$2,692,093	\$1,731,983	\$4,424,076

Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Y. Ige

A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING 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 departmental administration and budget division (BUF 101) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2013-2015, all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (13):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	\$ 9,739,757	\$27,599,039
Special Funds	1,935,130	5,275,994
G.O. Bond Funds	927,726	2,659,537
Federal Funds	2,314,543	6,383,540
Trust Funds	160,257	312,562
Interdepartmental Transfers	65,121	206,513
Revolving Funds	332,191	891,669
Other Funds	127,090	416,825

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

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	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>	
1			
2	General Funds	\$ 1,912,740	\$ 5,840,959
3	Special Funds	11,201	31,312
4	G.O. Bond Funds	82,440	257,668
5	Federal Funds	45,921	130,142
6	Revolving Funds	9,328	32,404

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

11 PART II

12 SECTION 3. There are appropriated or authorized from the
13 sources of funding indicated below to administration (JUD 601)
14 the following sums, or so much thereof as may be necessary, to
15 fund for fiscal biennium 2013-2015, all collective bargaining
16 cost items in the agreement negotiated with the exclusive
17 bargaining representative of collective bargaining unit 13:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>	
18			
19	General Funds	\$ 59,612	\$ 1,235,376
20	Special Funds	877	1,147

21 SECTION 4. Funds appropriated or authorized by this part
22 shall be allotted by the chief justice for expenditure in the
23 respective fiscal year for the purposes of this part.

.B. NO.

PART III

SECTION 5. There are appropriated or authorized from the sources of funding indicated below to departmental administration and budget division (BUF 101) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2013-2015, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining unit (13):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	\$ 172,384	\$ 1,553,684
Special Funds	39,949	301,932
G.O. Bond Funds	7,706	43,345
Federal Funds	7,099	150,893
Trust Funds	6,345	0
Revolving Funds	11,239	14,948
Other Funds	6,345	15,669

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

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	\$ 0	\$ 187,148
G.O. Bond Funds	6,359	8,030
Federal Funds	0	8,502
Revolving Funds	3,773	2,772

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1 agreement negotiated for state employees in collective
2 bargaining unit (13) assigned to the Hawaii health systems
3 corporation:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
4 Special Funds	\$ 789,541	\$ 2,104,117

6 SECTION 10. Funds appropriated or authorized by this part
7 shall be allotted by the director of finance to the Hawaii
8 health systems corporation for expenditure in the respective
9 fiscal year for the purposes of this part.

10 PART VI

11 SECTION 11. There are appropriated or authorized from the
12 sources of funding indicated below to Hawaii health systems
13 corporation - corporate office (HTH 210) the following sums, or
14 so much thereof as may be necessary, to fund for fiscal
15 biennium 2013-2015, the collective bargaining cost items
16 authorized by chapter 89C, Hawaii Revised Statutes, for state
17 officers and employees excluded from collective bargaining
18 assigned to the Hawaii health systems corporation who belong to
19 the same compensation plans as those officers and employees
20 within collective bargaining unit (13):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
21 Special Funds	\$ 6,355	\$ 97,623

23 SECTION 12. Funds appropriated or authorized by this part
24 shall be allotted by the director of finance to the Hawaii

.B. NO.

1 health systems corporation for expenditure in the respective
2 fiscal year for the purposes of this part.

3 PART VII

4 SECTION 13. There are appropriated or authorized from the
5 sources of funding indicated below to health premium payments
6 (BUF 761) the following sums, or so much thereof as may be
7 necessary, to fund for fiscal biennium 2013-2015, the Hawaii
8 employer union health benefits trust fund costs in the agreement
9 negotiated with the exclusive bargaining representative of
10 collective bargaining unit (13):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
11 General Funds	\$ 3,718,966	\$ 2,519,405

12
13 Of the above amounts, the following amounts are for the
14 department of education:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
15 General Funds	\$ 702,942	\$ 471,354

17 PART VIII

18 SECTION 14. There are appropriated or authorized from the
19 sources of funding indicated below to health premium payments
20 (BUF 761) the following sums, or so much thereof as may be
21 necessary, to fund for fiscal biennium 2013-2015, the Hawaii
22 employer union health benefits trust fund costs for state
23 officers and employees excluded from collective bargaining who
24 belong to the same compensation plans as those officers and
25 employees within collective bargaining unit (13):

__B. NO.

Report Title:

Appropriations for Collective Bargaining Cost Items

Description:

Provides fund authorizations and appropriations for collective bargaining cost items for unit (13) and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2013-2015.

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