

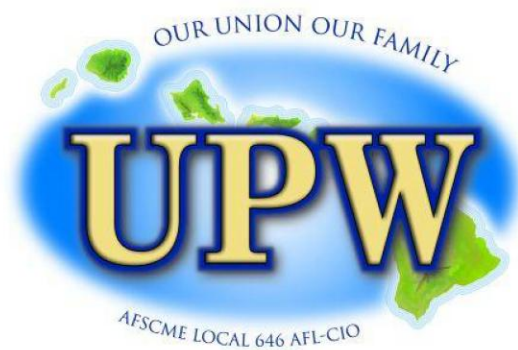
TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON LABOR & PUBLIC EMPLOYMENT
AND FINANCE
ON
HOUSE BILL NO. 1

October 28, 2013

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS

This measure is a bill to appropriate and authorize funds for collective bargaining cost items for salary adjustments, other cost adjustments, and Employer-Union Health Benefit Trust Fund costs for the negotiated settlement for bargaining unit (10) and its excluded counterparts for Fiscal Biennium 2013-15.

The Department of Budget and Finance supports this administration measure. Passing this bill during the special session will enable expeditious implementation of the settlement, allowing employees to enjoy the benefits sooner, and minimizing time consuming retroactive adjustments and payments by the employer.



THE HAWAII HOUSE OF REPRESENTATIVES
The Twenty-Seventh Legislature
Second Special Session of 2013

COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

The Honorable Rep. Mark M. Nakashima, Chair
The Honorable Rep. Mark J. Hashem, Vice Chair

COMMITTEE ON FINANCE

The Honorable Rep Sylvia Luke, Chair
The Honorable Rep. Scott Y. Nishimoto, Vice Chair
The Honorable Rep. Aaron Ling Johanson, Vice Chair

DATE OF HEARING: Monday, October 28, 2013
TIME OF HEARING: 1:00 p.m.
PLACE OF HEARING: Conference Room 309

**TESTIMONY ON HB1 MAKING APPROPRIATIONS FOR COLLECTIVE
BARGAINING COST ITEMS**

By DAYTON M. NAKANELUA,
State Director of the United Public Workers, AFSCME Local 646, AFL-CIO

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW strongly supports HB1 that 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.

Thank you for the opportunity to testify on this measure.



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

"Quality Health Care for All"

House Committee on Labor and Public Employment
Representative Mark Nakashima, Chair
Representative Mark J. Hashem, Vice Chair

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Representative Aaron Ling Johanson, Vice Chair

Monday, October 28, 2013
Conference Room 309
1:00 p.m.
Hawaii State Capitol

Testimony Supporting House Bill 1, Making an Appropriation For Collective Bargaining Cost Items

Alice M. Hall
Acting President and Chief Executive Officer
Hawaii Health Systems Corporation

Thank you for the opportunity to testify in support of HB1, with amendments.

The Office of Collective Bargaining has negotiated a settlement with Bargaining Unit 10. As you know, HHSC does not have its own bargaining units and does not have control over these decisions. Approval of the settlements requires an appropriation. HHSC respectfully submits that the intent of that law is to require funding of the agreements and arbitration awards before they take effect.

In this bill, the settlement is not funded as to HHSC employees. Instead, the bill raises the special fund ceiling by \$1,940,365 for FY 14 and \$4,008,485 for FY 15. (See sections 9 and 10). HHSC does not have the additional patient revenue to cover these new costs. HHSC respectfully submits that merely raising the special fund ceiling does not comply with the requirement that the legislature fund the raises it appropriated.

Until this year, the legislature has funded the first year of raises negotiated by the administration or awarded in arbitrations. This new stance of not funding these increased costs has had a tremendously negative impact on HHSC finances, along with the other challenges of decreased reimbursements from the federal government. The total impact for just these two bargaining units for FY 14 and 15 is over \$9 million.

While we support the fact that our dedicated employees deserve fair raises, HHSC does

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not have the ability to absorb these additional costs, which compound year after year.

We respectfully request that this Committee amend HB 1 to change sections 9 and 10 to "general fund" instead of "special fund".

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
To: [FINTestimony](#)
Cc: mojones1@hotmail.com
Subject: Submitted testimony for HB1 on Oct 28, 2013 13:00PM (Written Only)
Date: Friday, October 25, 2013 8:04:40 AM

HB1

Submitted on: 10/25/2013

Testimony for on Oct 28, 2013 13:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Testifying in Person
Molly Jones	Individual	Comments Only	No

Comments: I am writing in strong support of Shawn Smith as proposed member of the board of DNLR. He would be an excellent choice as his character is good, he is reliable and an upright citizen. I fully recommend him as a member of the board of DNLR.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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