

S.B. NO. 2864

JAN 23 2020

A BILL FOR AN ACT

MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS.

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

1 PART I

2 SECTION 1. This Act is recommended by the governor for
3 immediate passage in accordance with section 9 of article VII of
4 the Constitution of the State of Hawaii.

5 SECTION 2. There are appropriated from the sources of
6 funding indicated below to collective bargaining statewide
7 (BUF 102) the following sums or so much thereof as may be
8 necessary to fund for fiscal biennium 2019-2021 all collective
9 bargaining cost items in the agreement negotiated with the
10 exclusive representative of collective bargaining unit (13):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
11 General funds	\$10,962,654	\$24,007,772
12 Special funds	1,984,557	4,233,880
13 Federal funds	1,722,062	3,721,359
14 Other federal funds	476,093	1,007,686
15 Trust funds	100,273	194,571

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1	Interdepartmental transfers	31,485	66,565
2	Revolving funds	305,752	596,675
3	Other funds	152,292	327,121
4	Special fund CIP	624,885	1,335,367

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

7		<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
8	General funds	\$2,319,018	\$5,006,896
9	Special funds	15,912	31,281
10	Federal funds	55,494	128,400
11	Revolving funds	4,992	11,915

12 SECTION 3. Funds appropriated by this part shall be
13 allotted by the director of finance to the appropriate state
14 departments for expenditure in the respective fiscal year for
15 the purposes of this part.

16 PART II

17 SECTION 4. There are appropriated from the sources of
18 funding indicated below to administration (JUD 601) the
19 following sums or so much thereof as may be necessary to fund
20 for fiscal biennium 2019-2021 all collective bargaining cost

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1 items in the agreement negotiated with the exclusive
2 representative of collective bargaining unit (13):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
4 General funds	\$1,160,359	\$2,498,670
5 Special funds	29,184	65,553

6 SECTION 5. Funds appropriated by this part shall be
7 expended by the chief justice in the respective fiscal year for
8 the purposes of this part.

9 PART III

10 SECTION 6. There are appropriated from the sources of
11 funding indicated below to collective bargaining statewide
12 (BUF 102) the following sums or so much thereof as may be
13 necessary to fund for fiscal biennium 2019-2021 the salary
14 increases and other cost adjustments authorized by chapter 89C,
15 Hawaii Revised Statutes, for state officers and employees who
16 are excluded from collective bargaining and belong to the same
17 compensation plans as those officers and employees within
18 bargaining unit (13):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
20 General funds	\$3,605,118	\$7,235,374
21 Special funds	764,441	1,464,928
22 Federal funds	229,915	448,353

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1	Other federal funds	73,557	135,338
2	Trust funds	19,733	35,788
3	Interdepartmental transfers	324,657	600,743
4	Revolving funds	65,633	124,704
5	Other funds	39,200	77,597
6	Special fund CIP	47,630	92,826

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

9		<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
10	General funds	\$184,091	\$395,282
11	Special funds	42	94
12	Federal funds	9,915	22,460

13 SECTION 7. Funds appropriated by this part shall be
14 allotted by the director of finance to the appropriate state
15 departments for expenditure in the respective fiscal year for
16 the purposes of this part.

17 PART IV

18 SECTION 8. There are appropriated from the sources of
19 funding indicated below to administration (JUD 601) the
20 following sums or so much thereof as may be necessary to fund
21 for fiscal biennium 2019-2021 the salary increases and other
22 cost adjustments authorized by chapter 89C, Hawaii Revised

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1 Statutes, by the chief justice for state officers and employees
 2 who are excluded from collective bargaining and belong to the
 3 same compensation plans as those officers and employees within
 4 bargaining unit (13):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
6 General funds	\$348,850	\$765,961
7 Special funds	5,221	10,922

8 SECTION 9. Funds appropriated by this part shall be
 9 expended by the chief justice in the respective fiscal year for
 10 the purposes of this part.

11 PART V

12 SECTION 10. There is appropriated from the source of
 13 funding indicated below to Hawaii health systems
 14 corporation - corporate office (HTH 210) the following sums or
 15 so much thereof as may be necessary to fund for fiscal
 16 biennium 2019-2021 the collective bargaining cost items in the
 17 agreement negotiated with the exclusive representative of
 18 collective bargaining unit (13) who is assigned to the Hawaii
 19 health systems corporation:

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
21 Special funds	\$698,660	\$2,052,866

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1 SECTION 11. Funds appropriated by this part shall be
2 allotted by the director of finance to the Hawaii health systems
3 corporation for expenditure in the respective fiscal year for
4 the purposes of this part.

5 PART VI

6 SECTION 12. There is appropriated from the source of
7 funding indicated below to Hawaii health systems
8 corporation - corporate office (HTH 210) the following sums or
9 so much thereof as may be necessary to fund for fiscal
10 biennium 2019-2021 the salary increases and other adjustments
11 authorized by chapter 89C, Hawaii Revised Statutes, for state
12 officers and employees who are excluded from collective
13 bargaining, assigned to the Hawaii health systems corporation,
14 and belong to the same compensation plans as those officers and
15 employees within bargaining unit (13):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
17 Special funds	\$192,638	\$399,066

18 SECTION 13. Funds appropriated by this part shall be
19 allotted by the director of finance to the Hawaii health systems
20 corporation for expenditure in the respective fiscal year for
21 the purposes of this part.

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1 PART VII

2 SECTION 14. 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 15. Funds appropriated or authorized by this Act
8 that are not expended or encumbered by June 30, 2021, shall
9 lapse as of that date.

10 SECTION 16. This Act shall take effect upon its approval.

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INTRODUCED BY: MMH. W.

13

BY REQUEST

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Report Title:

Emergency Appropriations for Public Employment Cost Items

Description:

Makes emergency appropriations for collective bargaining cost items for the members of Unit (13) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative, for fiscal biennium 2019-2021.

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

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT MAKING EMERGENCY
APPROPRIATIONS TO FUND PUBLIC EMPLOYMENT
COST ITEMS.

PURPOSE: To make emergency appropriations for
collective bargaining cost items and other
public employment costs for retroactive
increases for the members of Unit (13) and
their excluded counterparts, including the
cost of salary adjustments negotiated
between the State and the bargaining unit
representative, for fiscal
biennium 2019-2021.

MEANS: By the submittal of a specific appropriation
measure.

JUSTIFICATION: Appropriations by the Legislature are
necessary to cover the expected cost of
implementing the collective bargaining
agreement negotiated between the State and
the respective bargaining unit representing
state public officers and employees for the
fiscal biennium that commenced July 1, 2019.

Inasmuch as an agreement with the bargaining
unit was not reached in time to include all
cost items in the 2019-2021 biennium budget,
a separate measure is proposed for submittal
to the Legislature. An agreement was
reached and notification of ratification was
issued on October 15, 2019, that includes
adjustments retroactive to July 1, 2019. An
agreement for employer-union trust fund
employer contributions was reached and
funded prior to the end of the 2019
legislative session.

The general fund appropriation included in
this measure has been proposed with
consideration of the statutorily defined
appropriation ceiling for the Executive

Branch pursuant to section 37-92, Hawaii Revised Statutes. The total proposed appropriations from the general fund (which include the Executive Supplemental Budget for fiscal biennium 2019-2021 and this measure, appropriation for bargaining unit 13 collective bargaining increases) exceed the appropriation ceiling by \$14,179,623 or 0.2 percent in fiscal year 2019-2020. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2019-2020 in the Executive Supplemental Budget and this measure only and does not include other general fund appropriations for fiscal year 2019-2020 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2020.

The total proposed appropriations from the general fund (which include the Executive Supplemental Budget for fiscal biennium 2019-2021 and this measure, appropriation for bargaining unit 13 collective bargaining increases) exceed the appropriation ceiling by \$24,761,740 or 0.3 percent in fiscal year 2020-2021. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2020-2021 in the Executive Supplemental Budget and this measure only and does not include other general fund appropriations for fiscal year 2020-2021 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2020.

Impact on the public: "(I)t is the public policy of the State to promote harmonious and cooperative relations between government and its employees and to protect the public by assuring effective and orderly operations of government. These policies are best

effectuated by (1) recognizing the right of public employees to organize for the purpose of collective bargaining, (2) requiring the public employers to negotiate with and enter into written agreements with exclusive representatives on matters of wages, hours, and other conditions of employment, while, at the same time, (3) maintaining merit principles and the principle of equal pay for equal work among state and county employees" (Section 89-1, Hawaii Revised Statutes).

Impact on the department and other agencies:
Pay raise and other negotiated cost items are not included in the departments' operating budget request.

GENERAL FUND: FY 20: \$16,076,981
 FY 21: \$34,507,777

OTHER FUNDS: FY 20: \$7,887,868
 FY 21: \$16,991,908

PPBS PROGRAM
DESIGNATION: BUF 102, Collective Bargaining Statewide.
 JUD 601, Administration.
 HTH 210, Hawaii Health Systems
 Corporation - Corporate Office.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.