

H.B. NO. 2266

Report Title:

Appropriations; University of Hawaii Collective Bargaining Costs.

Description:

Provides general fund appropriation to support employment costs for Collective Bargaining Unit (7) and its excluded counterparts.

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 AN APPROPRIATION TO SUPPORT UNIVERSITY OF HAWAII COLLECTIVE BARGAINING COSTS.

PURPOSE: To provide general fund appropriations for employment costs for Collective Bargaining Unit (7) and its excluded counterparts.

MEANS: By the submittal of a specific appropriation measure.

JUSTIFICATION: Funding for collective bargaining costs for Collective Bargaining Unit (7) and its excluded counterparts was previously provided by University of Hawaii special funds. This measure provides a general fund appropriation for employment costs for those employees.

Originally, the Administration's approach was to include the collective bargaining support funding in the Executive Supplemental Budget; however, recent discussions with legislative leadership have indicated that their preference is to have the funding in a specific appropriation measure. Their rationale is that the usual process that the Legislature uses to authorize funding for collective bargaining costs is through specific appropriations.

Because of this change in approach to the funding vehicle, the Administration will be submitting a Governor's Budget Message in the near future to reduce the funding support that is currently included in the Executive Supplemental Budget.

The general fund appropriation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to

section 37-92, Hawaii Revised Statutes. With a decrease of general fund appropriations of -\$53,151,500 for fiscal year 2013-2014 and an increase of general fund appropriations of \$470,361,342 for fiscal year 2014-2015 proposed in the Executive Supplemental Budget, the appropriation ceiling for the Executive Branch will be exceeded by \$304,982,041 or 4.7 percent in fiscal year 2014-2015. Funding requested in this measure for employment costs for Bargaining Unit 7 employees and their excluded counterparts will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2014-2015 by an additional \$33,500,000 or 0.5 percent. Reducing the Executive Supplemental Budget request by the same amount will result in the appropriation ceiling for the Executive Branch now being exceeded by \$271,482,041 or 4.2 percent in fiscal year 2014-2015. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2014-2015 in the Executive Supplemental Budget and this measure only, and does not include other general fund appropriations for fiscal year 2014-2015 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2014.

Impact on the public: Providing general fund support for these employment costs will allow the University of Hawaii to use tuition revenues to support other priority activities.

Impact on the department and other agencies: Provides additional general fund resources for the University of Hawaii.

GENERAL FUND: \$33,500,000.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: UOH 900, University of Hawaii Systemwide Support.

OTHER AFFECTED

AGENCIES: University of Hawaii.

EFFECTIVE DATE: July 1, 2014.