



EXECUTIVE CHAMBERS

HONOLULU

DAVID Y. IGE
GOVERNOR

October 30, 2020

EXECUTIVE MEMORANDUM

MEMO NO. 20-09

TO: All Department Heads

SUBJECT: Collective Bargaining Policies and Instructions for FY 20 and FY 21

Dealing with the impact of the coronavirus (COVID-19) pandemic in the islands caused several delays during the 2020 Legislative Session. Consequently, Act 48, SLH 2020, which provides collective bargaining (CB) appropriations for FY 20 and FY 21 for many bargaining units (BU), was not enacted until September 15, 2020. Act 48 was effective retroactively to June 30, 2020, and its FY 20 and FY 21 appropriations lapse on June 30, 2021.

The already complex implementation of two years of CB adjustments is further complicated by the retroactive payments and appropriations. Given the need for clarity and consistency in the State's delivery of these adjustments, these CB policies and instructions are provided to guide the disbursement of CB appropriations and to ensure that the implementation of CB adjustments for State employees is done in an equitable manner.

I. Applicability

These policies will apply to all appropriations, including those for the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF), for FY 20 and FY 21 as follows:

A. CB allocations to departments:

- Act 48, SLH 2019 (For FY 21 only) - BU 5
- Act 49, SLH 2019 (For FY 21 only) - BUs 1 and 10
- Act 50, SLH 2019 (For FY 21 only) - BU 11
- Act 48, SLH 2020 (For FY 20 and FY 21) - BUs 2, 3, 4, 7, 8, 9, 13, and 14

B. CB allocations to the Department of Budget and Finance (B&F) for EUTF only:

- Act 47, SLH 2019 (For FY 21 only) - BUs 2, 3, 4, 6, 8, 9, 13, and 14
- Act 49, SLH 2019 (For FY 21 only) - BU 7

Revised Exhibit 1 contains your department's FY 20 and FY 21 CB allocations.

II. Retroactive Payments

Departments are hereby instructed that when making payments, they do so for all employees in the department at the same time. For a statewide unified approach to payment of retroactive amounts due, please adhere to the following:

A. Lump Sum Bonus

1. Applicable to BUs 2, 3, 4, 9, certain 13 employees and their excluded counterparts and Excluded Managerial Compensation Plan (EMCP).
2. Employee Personnel Action(s) Report (EPARS) already completed.
3. **Payment on the February 19, 2021 pay date for lag employees and March 5, 2021 for after-the-fact employees.**

B. Step Movements

1. Applicable to BUs 9, 13, and 14 and their excluded counterparts.
2. EPARS to be completed by early December 2020.
3. **Once implemented, employees will be placed on the proper step.**

C. Base Pay and Premium

1. Applicable to all BUs and their excluded counterparts and EMCP.
2. This includes all amounts due to the employee (e.g., dollar difference in former and new base pay due to the across-the-board increases and/or step movement; dollar difference in recalculation of premium payments such as overtime, temporary assignment, vacation payout, etc.).
3. Departments may use the query reports provided in the Hawai'i Information Portal (HIP) that show what employees were paid in each pay period. These reports may be used to assist departments in calculating the difference and amounts due.
4. **Payment no later than May 20, 2021.**

III. Disbursement of CB Allocations

- A. To expedite the disbursement of the CB allocations, department administrative (“admin”) accounts have been established for FY 20 and FY 21. One account per means of financing (MOF) has been assigned to each department’s administration program for each fiscal year. Admin accounts are non-reverting.
- B. B&F will process the Allotment Advice (Form A-15) to transfer your department’s CB allocations to the appropriate department admin accounts (transaction codes (TC) 473/474). B&F will transmit the PDF file of the approved Form A-15 as soon as it is available.
- C. FY 20 and FY 21 CB payments shall be made from the appropriate FY 21 Program ID appropriation accounts (established pursuant to Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020). Thus, departments shall prepare Requests for Allotment (Form A-19) to submit to B&F and Journal Vouchers (JV) to submit to the Department of Accounting and General Services to effectuate the disbursement of CB allocations, as follows:
 1. General guidelines for Form A-19 for CB allocations:
 - a. CB allocations should be listed separately in the “Allocation for Fiscal Year” and applicable quarterly allotment columns.
 - b. CB should be identified in the “Allotment Category Description” column as “CB – All, Other Salary Adjustments” and “CB – All, Other Cost Items.”
 - c. Form A-19 for a Program ID appropriation account shall include the amounts for “included” and “excluded” on the back.
 2. FY 20 CB Payments:
 - a. FY 20 CB payments shall be made from the appropriate FY 21 Program ID appropriation account.
 - b. Departments shall submit JVs to:
 1. Allot FY 20 allocations from the FY 20 admin accounts (TC 512). Please note that the allotment of the FY 20 appropriations via JV is authorized as an exception.
 2. Reimburse the respective FY 21 Program ID appropriation accounts for FY 20 CB payments from the FY 20 admin accounts (TC 561/562). Because the reimbursement transactions will effectively charge the expenditure to the FY 20 admin accounts as lump sums for each MOF, while reducing the expenditure from the FY 21 Program ID appropriation accounts, departments are responsible to maintain expenditure records regarding these reimbursement transactions.

- c. Form A-19 shall be submitted for each FY 20 admin account to allot the department's CB allocation for the respective MOF and shall be labeled "For Records Purposes Only."
3. FY 21 CB Payments:
- a. FY 21 CB payments shall be made from the appropriate FY 21 Program ID appropriation account.
 - b. Departments shall submit JVs to transfer the FY 21 CB allocation from the FY 21 admin accounts to the FY 21 Program ID appropriation accounts (TC 473/474).
 - c. Form A-19 shall be submitted for:
 1. Each FY 21 admin account to allot the department's FY 21 CB allocation for the respective MOF.
 2. Each FY 21 Program ID appropriation account to reflect the transfer in and allotment of the FY 21 CB allocation disbursed from the FY 21 admin accounts, as applicable.
- D. Departments shall prepare the Summary of Collective Bargaining Allocations Disbursed by Department (Form CB FB 19-21). Departments should use Form CB FB 19-21 to provide a summary breakdown of disbursed CB allocations by MOF, appropriation symbol, act, and included and excluded.

Prepare a set of Form CB FB 19-21, with a separate table for each MOF, for each fiscal year:

1. FY 20: Record the CB payments made from the FY 21 Program ID appropriation accounts attributable to FY 20 retroactive payments. Totals should match the amounts reimbursed from the FY 20 admin accounts via JV.
2. FY 21: Record the disbursements of CB allocations made from the FY 21 admin accounts to the FY 21 Program ID appropriation accounts. Amounts should match the amounts transferred via JV from the FY 21 admin accounts.
3. Totals should be provided by MOF.
4. Columns for acts that do not apply to your department may be deleted.
5. The appropriation symbol is the account into which the CB allocation was disbursed.
6. Form CB FB 19-21 for FY 20 and FY 21 shall be submitted to B&F by Friday, June 4, 2021.

All departments are expected to comply with the intent of these guidelines. If you have any questions, please contact the following:

- Budget related, Mr. Neal Miyahira at 586-1530 or your B&F analyst.
- Personnel Transactions related, Ms. Sherry Shishido at 587-1097.

For payroll related questions, departments should submit a Salesforce Ticket to HIP and enter “Retroactive Payments” in the “Description Information – Subject” section when creating a new case in Salesforce.

Electronic files of applicable forms will be provided for your use. Your cooperation in the matter is appreciated.

/s/

DAVID Y. IGE
Governor, State of Hawai'i

Attachments:

1. Revised Exhibit 1
2. Establishment of New Appropriation Symbols
3. Form CB FB 19-21 (including Samples)
4. Sample JV for FY 20
5. Sample JV for FY 21
6. Sample Form A-19 for FY 20
7. Sample Form A-19s for FY 21