The Hawaii Government Employee’s Association (HGEA) Collective Bargaining Agreements (CBA) for Bargaining Units (BU) 2, 3, 4, 8, and 9 were ratified by its members on October 20, 2009. Effective July 1, 2009, the new supplemental agreements will have a two (2) year duration and shall expire at 11:59 pm on June 30, 2011. While many articles of the contracts remain the same, there are some additions and changes to the provisions of the CBA’s, most notably the salary reduction and the “leave with pay” days.

**Salary Reduction**

Effective November 1, 2009, University employees paid from appropriated funds in BU’s 2, 3, 4, 8, 9, and their excluded counterparts, will receive a 5% across-the-board, annualized salary reduction. Since we are further along in Fiscal Year 2009, the annualized reduction for FY 09 will be prorated to the amount of 7.5% and began on November 1, 2009. The FY 10 annualized reduction will be 5% and shall be effective July 1, 2010.

It is important to note that this reduction will only be applied to employees paid from appropriated funds (i.e., general funds, special funds, revolving funds, and appropriated federal funds). Hence, if an employee’s salary is paid 100% from general funds, his/her salary will be reduced by 7.5% for FY 09 and then by 5% in FY 10. However, if an employee is paid 10% on general funds and 90% on federal funds, the reduction will only be applied to the portion of his/her salary paid from general funds. For example:

An employee is paid $3,000 a month, in which 10% is paid from appropriated funds (G) and the remaining is paid from non-appropriated funds (F). The salary breakdown is:

- G Amount: 10% of $3,000 = $300
- F Amount: 90% of $3,000 = $2,700

The 7.5% reduction for FY 09 would be applied to the amount paid from appropriated funds (G), which is $300. Hence, the total reduction would be:

\[ 0.075 \times 300 = 22.50 \]

The adjusted annual salary after the 7.5% reduction would be:

\[ 2,700 + (300 - 22.50) = 2,977.50 \]

The new account distribution would be as follows:

- G Amount: $277.50 / $2,977.50 = 9.3%
- F Amount: $2700 / $2,977.50 = 90.7%

**Exemptions.** Personnel paid from non-appropriated funds (e.g., agency, trust, or extramural funds) are exempt from the salary reductions. Personnel who retire on or before December 31, 2009 are also exempt from the salary reductions.

**Casual Hires.** Effective November 1, 2009, Casual hires who are paid from appropriated funds will receive a reduction equivalent to 7.5% for FY 09 and 5% for FY 10. While casual hires paid from appropriated funds will experience a reduction in their salary, they will still have to report to work on the “leave with pay” days if their services are deemed essential, or take leave without pay.

**“Leave with Pay” Days**

Employees subject to the annualized reductions in salary will be granted leave with pay on the following days:

- November 27, 2009 (Friday after Thanksgiving)
- December 21 – 24, 2009 (Christmas week)
- December 28 – 31, 2009 (New Year’s Week)
- March 22 – 25, 2010 (Spring Break)

It is important to note that the preceding days are not furlough days or “Administrative Leave” days. They are “Leave with Pay” days. The University negotiated for the thirteen (13) days of leave with pay and did not want to set a precedence by labeling the thirteen (13) days as “Administrative Leave,” which is not negotiated for.
Manoa Green Days

In conjunction with the “leave with pay” days to be taken by employees affected by the new HGEA collective bargaining agreement, UHM will be participating in Manoa Green Days, an energy-cost saving initiative. During the “leave with pay” days, certain buildings will be closed in order to maximize savings in the areas of utilities usage. As such, the “leave with pay” days provide UHM with a great opportunity to make the most of Manoa Green Days.

As such, Deans, Directors, and Vice Chancellors are urged to be as flexible in allowing as many employees affected by the “leave with pay” days as possible to participate. After all, the “leave with pay” days are a result of collective bargaining between HGEA and the University. In addition, each Dean/Director/Vice Chancellor has been delegated the authority to require an employee’s presence to perform critical functions for operational purposes during the “leave with pay” days.

As a result, each Dean/Director/Vice Chancellor is responsible for determining alternate “leave with pay” days should the performing the critical functions prevent an employee from being on “leave with pay.” The alternate days of leave with pay must be taken within the applicable fiscal year. For example, if an employee is paid from 100% appropriated funds, but has to report to work on November 27th to perform critical functions for operational purposes, he/she would be granted an alternate “leave with pay” day that he/she must take before June 30, 2010.

Employees paid fully or partially through non-appropriated funds are considered to be on duty during the “leave with pay” days. Such employees may request vacation, leave without pay, or may be relocated to other work sites, if their work location is closed due to Manoa Green Days. Additionally, employees in United Public Workers (UPW) bargaining units 1 and 10 and University of Hawaii Professional Assembly (UHPA) bargaining unit 7 faculty will also be on duty during the “leave with pay” days and may also request vacation, leave without pay, or may be relocated to alternate work locations.

EUTF & PCP Open Enrollment

The Employer-Union Health Benefits Trust Fund (EUTF) announced that it has finalized the active benefits plan and rates for the remainder of the plan year through June 30, 2010. With the finalized rates comes a new 80/20 Preferred Provider Option (PPO) plan administered by Hawaii Medical Service Association (HMSA). Effective January 1, 2010, the current 90/10 PPO plan will be administered by Health Management Associates (HMA).

Open enrollment for active members has begun on November 2, 2009 and will run through November 30, 2009. This open enrollment period is for coverage effective January 1, 2010 through June 30, 2010. Please ensure that your employees are made aware of all the EUTF plan changes. The changes are as follows.

The current 90/10 HMSA PPO plan will no longer be offered. Instead, the 90/10 PPO plan will be administered by HMA. HMSA will be administering an 80/20 PPO plan, effective January 1, 2010. If you are currently enrolled in the HMSA 90/10 PPO plan and wish to remain enrolled with HMSA, you must submit an EC-1 form to your Personnel Officer by November 30, 2009 to indicate your choice. Should you not submit an EC-1 by November 30, you will automatically be enrolled in the HMA 90/10 PPO. Please remember that this is only if you are currently enrolled in the HMSA 90/10 PPO plan.

If you are enrolled in the HMSA 90/10 PPO plan and wish to remain in the 90/10 PPO plan, which, effective January 1, 2010, will be administered by HMA, you are not required to submit an EC-1, unless you would like to change other health options, such as vision or dental, or if you are changing your Premium Conversion Plan (PCP) enrollment. Furthermore, if you are enrolled in other health plans including the Health Maintenance Option (HMO) plan, High Deductible Health Plan (HDHP), Kaiser Permanente or the supplemental plans, and wish to remain enrolled in your respective plan, an EC-1 is not required.

We recommend that Administrative Officers and Personnel Officers process the EC-1 forms as quickly as possible. EUTF has been experiencing computer issues, as well as an increase volume of EC-1 forms due to the open enrollment period. Please see below for the EUTF Medical carrier websites:

Medical
HMSA—http://www.hmsa.com/portal/?gid=eutf&pg=12
HMA—http://www.imxinc.com/wps/portal/HMAInc_EUTF
Kaiser Permanente—http://my.kp.org/hi/eutf/
ChiroPlan—http://chiroplanhawaii.com/

Prescription Drug
InformedRx—http://www.myinformedrx.com/eutf.asp

Other
VSP - http://www.vsp.com/
HDS - http://www.deltadentalhi.org/ ddpahi/ EUTFMembers.jsp?DView=EUTFMembers
**Changing the Source of Funds for APT’s**

Due to the recent CBA settled upon by HGEA and the University, UH employees in BU’s 2, 3, 4, 8, 9, and their excluded counterparts will receive a 7.5% salary reduction in FY09 and a 5% salary reduction in FY10 if they are paid from appropriating funds. Appropriated funds can be either general funds, special funds, revolving funds, or appropriated federal funds.

According to Article 14—Personal Rights and Representation, Section I of the Unit 8 CBA, “the Employer shall not change the fund source nor reduce the FTE of a filled position funded from the general revenues of the State of Hawaii or from funds deemed by the University to be assured for an indefinite period of time without prior consultation with the Union.”

This is just a reminder that for Unit 8 employees, the University is contractually obligated to consult with the Union prior to altering the employee’s source of funding. Please contact Mānoa HR for guidance and more information.

**Executive Appointments and Reappointments**

As you all know, effective September 1, 2009, all executive salaries were reduced from six (6) to ten (10) percent and were based upon the executives’ most recent performance evaluations. Additionally, new executive appointments are also included in the executive salary reduction plan effective September 1, 2009. Appointments and reappointments for executive personnel are subject to approval by either the Chancellor, President, or Board of Regents, depending upon the executive employees’ reporting levels and salaries. Action memo formats are available on the OVCAFO website and can be found here: [http://manoa.hawaii.edu/policies/pdfs/action_memo_templates.pdf](http://manoa.hawaii.edu/policies/pdfs/action_memo_templates.pdf)

Although the format of the action memos remains the same, appointment and reappointment memos for executive personnel should include information about the salary reductions. Please see below for sample language:

Specific Action Requested and/or Action Recommended:

“It is requested/recommended that you approve the appointment/reappointment of [Name] as [Title] at [Department] effective (Start Date) through (End Date), unless sooner relieved, at an annual salary of $_______ ($_______ monthly), subject to Executive adjustments, as appropriate. **The adjusted salary with the Executive salary reduction would be $_______ ($_______ monthly).**

Additional Justification for Background Section:

Executive salaries were reduced effective September 1, 2009, in accordance with the Board of Regents’ action, on August 27, 2009 regarding Executive salary reductions. As such, should the Executive salaries be reverted back to August 31, 2009 levels, [Name]’s salary should be increased by ____% to $_______.

This is a sample format that should be used in your Executive appointment/reappointment memo. Please contact Mānoa HR should you have any concerns or questions.

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**November 2009 Workshops & Training Events**

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*Retention, Selection, & Due Diligence*

Time: 8:00 am-12:00 pm
Location: HH 309

*Faculty PSP and Level Pay Option*

Time: 9:00 am-12:00 pm
Location: HH 309

*Workers’ Comp. & Temp. Disability Benefits*

Time: 10:00 am-12:00 pm
Location: HH 309

*HOLIDAY VETERANS’ DAY*

*HOLIDAY THANKSGIVING DAY*

*LEAVE WITH PAY DAY*