



EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

APR 24 2025

The Honorable Ronald D. Kouchi  
President of the Senate  
Thirty Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

✓ The Honorable Nadine K. Nakamura  
Speaker of the House of Representatives  
Thirty Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Aloha President Kouchi and Speaker Nakamura:

Agreements have been reached concerning the Hawai'i Government Employees Association's (HGEA) collective bargaining for Units 2 (Blue Collar Supervisors), 3 (White Collar Employees), 4 (White Collar Supervisors), 8 (Administrative, Profession, and Technical Employees of the University of Hawai'i (UH)), 9 (Registered Professional Nurses), 13 (Professional and Scientific Employees), and 14 (State Law Enforcement Officers) to resolve grievances relating to temporary hazard pay (THP) during the COVID-19 pandemic. Funding was provided by Act 49, SLH 2024. However, the requested amounts have been found to be insufficient, so additional funding is being requested. Additionally, arbitration awards (UH and State Executive) or agreements (Hawai'i Health Systems Corporation) have been reached or issued concerning the United Public Workers (UPW) class action grievances for Units 1 (Blue Collar Employees) and 10 (Institutional, Health, and Correctional Workers), and an agreement has been reached with the Hawai'i Firefighters Association for Unit 11 (Firefighters), relating to THP during the COVID-19 pandemic.

In accordance with Section 89-11, HRS, cost items must be submitted to the Legislature for appropriation. The amounts also include estimated funding for the UPW arbitration award still pending for the Department of Education.

The following is a summary of the included and excluded requirements of the settlement agreements and arbitration awards for the current fiscal biennium being transmitted to the Legislature for appropriation:

	<u>FY 25</u>
<u>Salaries &amp; Fringe</u>	
General	\$204,592,499
Special	24,971,713
Federal	12,833,567
Other Federal	590,263
Trust	68,778
Interdepartmental Transfers	160,190
Revolving	<u>593,939</u>
Total	\$243,810,949

Attached is a proposed draft House Bill No. 1026, H.D. 1, S.D. 1, C.D. 1, which has been updated to reflect the above noted estimated collective bargaining amounts.

Mahalo,



Josh Green, M.D.

Governor, State of Hawai'i

Attachment

- c: The Honorable Donovan M. Dela Cruz  
The Honorable Kyle T. Yamashita

HOUSE OF REPRESENTATIVES  
THIRTY-THIRD LEGISLATURE, 2025  
STATE OF HAWAII

H.B. NO. 1026  
H.D. 1  
S.D. 1  
C.D. 1  
PROPOSED

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# A BILL FOR AN ACT

RELATING TO 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 PART II

6 SECTION 2. There is appropriated or authorized from the  
7 source of funding indicated below to collective bargaining  
8 statewide (BUF 102) the following sum or so much thereof as may  
9 be necessary to fund for fiscal biennium 2023-2025 all  
10 collective bargaining cost items in the agreement negotiated  
11 with the exclusive representative of collective bargaining units  
12 (2), (3), (4), (8), (9), (10), (13), and (14) and their excluded  
13 counterparts. These amounts are in addition to the amounts  
14 provided in Act 49, Session Laws of Hawaii 2024:

15 FY 2024-2025

16 General funds \$79,197,312

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

PART III

SECTION 4. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2023-2025 all collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining units (1) and (10) and their excluded counterparts. These are for separate arbitration awards for the department of education, the University of Hawaii and other state departments:

	<u>FY 2024-2025</u>
General funds	\$112,893,712
Special funds	19,831,113
Federal funds	12,833,567
Other federal funds	590,263
Trust funds	68,778
Interdepartmental transfers	160,190
Revolving funds	593,939

SECTION 5. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IV

SECTION 6. There is authorized from the source of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sum or so much thereof as may be necessary to fund for fiscal biennium 2023-2025 the collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining units (1) and (10) who is assigned to the Hawaii health systems corporation:

FY 2024-2025

General funds	\$11,540,875
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SECTION 7. Funds authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

PART V

SECTION 8. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may

be necessary to fund for fiscal biennium 2023-2025 all collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining unit (11) and their excluded counterparts:

	<u>FY 2024-2025</u>
General funds	\$960,600
Special funds	5,140,600

SECTION 9. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

## PART VI

SECTION 10. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds, provided that if the respective funds are unable to support such payments, appropriations from other means of financing may be used with the approval of the Governor.

1       SECTION 11. Funds appropriated or authorized by this Act  
2 that are not expended or encumbered by June 30, 2026, shall  
3 lapse as of that date.

4       SECTION 12. In accordance with section 9 of article VII of  
5 the Constitution of the State of Hawaii and sections 37-91 and  
6 37-93, Hawaii Revised Statutes, the legislature has determined  
7 that at the beginning of the regular session of 2025, the  
8 general fund expenditure ceiling for fiscal year 2024-2025 was  
9 exceeded by \$8,551,795, or one per cent. The appropriations  
10 contained in Act 1, Session Laws of Hawaii 2025, caused the  
11 general fund expenditure ceiling for fiscal year 2024-2025 to be  
12 further exceeded by an additional \$30,334,159. Therefore, the  
13 general fund expenditure ceiling for fiscal year 2024-2025 has  
14 already been exceeded by \$38,885,954, or one per cent.

15       The appropriations contained in this Act will cause the  
16 general fund expenditure ceiling for fiscal year 2024-2025 to be  
17 further exceeded by \$204,592,499, or three per cent. This  
18 declaration takes into account the additional general fund  
19 appropriations authorized for fiscal year 2024-2025 in this Act  
20 only. The reasons for exceeding the general fund expenditure  
21 ceiling are that the appropriations made in this Act are

1 necessary to serve the public interest and to meet the needs

2 addressed by this Act.

3 SECTION 13. This Act shall take effect upon its approval.



**Report Title:**

Public Employment Cost Items; BU-1, BU-2, BU-3, BU-4, BU-8, BU-9, BU-10, BU-11, BU-13, and BU-14; Appropriations; Expenditure Ceiling

**Description:**

Provides appropriations for collective bargaining cost items for the members of Units (1), (2), (3), (4), (8), (9), (10), (11), (13), and (14) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2023-2025. Declares the expenditure ceiling for fiscal year 2024-2025 is exceeded. Effective upon approval. (CD1)

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