



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:

The Hawai'i Government Employees Association and the employer have reached a tentative agreement concerning collective bargaining for Unit 2 (Blue Collar Supervisors). Notice of ratification of the agreement was received on April 24, 2025. In accordance with Section 89-11, HRS, cost items must be submitted to the Legislature for appropriation. The following is a summary of the included and excluded requirements of the settlement for the current fiscal biennium which are being transmitted to the Legislature for appropriation:

	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$1,075,938	\$2,364,077	\$3,440,015
Special	391,593	861,224	1,252,817
Federal	15,363	33,789	49,152
Revolving	<u>28,636</u>	<u>63,334</u>	<u>91,970</u>
Total	\$1,511,530	\$3,322,424	\$4,833,954

In addition, Employer-Union Trust Fund contribution amounts are as follows:

	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
General	\$319,294	\$690,671	\$1,009,965

Estimated costs for the third and fourth years of the agreement are also provided for your reference:

	<u>FY 28</u>	<u>FY 29</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$3,759,695	\$5,233,760	\$ 8,993,455
Special	1,370,980	1,908,501	3,279,481
Federal	53,789	74,877	128,666
Revolving	<u>101,408</u>	<u>141,168</u>	<u>242,576</u>
Total	\$5,285,872	\$7,358,306	\$12,644,178

Attached is a proposed draft House Bill No. 1028, H.D. 1, S.D. 1, C.D. 1, which has been updated to reflect 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. 1028
H.D. 1
S.D. 1
C.D. 1
PROPOSED

A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYMENT COST ITEMS.

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

PART I

SECTION 1. 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 2025-2027 all collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining unit (2):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$1,069,797	\$2,350,494
Special funds	\$341,845	\$751,349
Federal funds	\$15,363	\$33,789
Revolving funds	\$24,683	\$54,590

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

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$563,460	\$1,237,258

1	Special funds	\$34	\$75
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2	Federal funds	\$1,316	\$2,894
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SECTION 2. 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.

7 PART II

8 SECTION 3. There are appropriated or authorized from the
9 sources of funding indicated below to administration (JUD 601)
10 the following sums or so much thereof as may be necessary to
11 fund for fiscal biennium 2025-2027 all collective bargaining
12 cost items in the agreement negotiated with the exclusive
13 representative of collective bargaining unit (2):

14		<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
15	General funds	\$2,501	\$5,532

SECTION 4. Funds appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

19 PART III

SECTION 5. 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 2025-2027 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within bargaining unit (2):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$3,640	\$8,051
Revolving funds	\$3,953	\$8,744

SECTION 6. 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 7. There are authorized from the source of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2025-2027 the collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining unit (2) who is assigned to the Hawaii health systems corporation:

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
Special funds	\$49,748	\$109,875

SECTION 8. 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 9. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2025-2027 all collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining unit (2):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$319,294	\$690,671

SECTION 10. Funds appropriated 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 11. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is

1 paid, in whole or in part, from federal, special, or other funds
2 shall be paid wholly or proportionately, as the case may be,
3 from the respective funds.

4 SECTION 12. Funds appropriated or authorized by this Act
5 that are not expended or encumbered by June 30, 2026, and
6 June 30, 2027, of the respective fiscal years, shall lapse as of
7 those dates.

8 SECTION 13. This Act shall take effect on July 1, 2025.

H.B. NO. 1028

H.D. 1
S.D. 1
C.D. 1
PROPOSED

Report Title:

Public Employment Cost Items; BU-2; Appropriations; Expenditure Ceiling

Description:

Provides appropriations for collective bargaining cost items for the members of Unit (2) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2025-2027. Effective 7/1/2025. (CD1)

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