



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 3 (Nonsupervisory employees in white collar positions). 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	\$16,863,565	\$38,077,269	\$54,940,834
Special	2,583,676	5,871,219	8,454,895
Federal	1,107,347	2,519,845	3,627,192
Other Federal	114,552	263,254	377,806
Trust	66,193	149,468	215,661
Interdept. Transfers	56,237	128,255	184,492
Revolving	217,076	494,580	711,656
Other	46,943	105,956	152,899
American Rescue Plan	4,384	10,440	14,824
Special Fund CIP	<u>13,800</u>	<u>31,131</u>	<u>44,931</u>
Total	\$21,073,773	\$47,651,417	\$68,725,190

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

	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
General	\$5,410,988	\$11,411,872	\$16,822,860

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	\$58,574,731	\$84,131,120	\$142,705,851
Special	8,957,318	12,891,728	21,849,046
Federal	3,833,504	5,515,268	9,348,772
Other Federal	376,786	553,081	929,867
Trust	231,796	332,124	563,920
Interdept. Transfers	198,797	284,618	483,415
Revolving	752,112	1,082,604	1,834,716
Other	167,121	238,325	405,446
American Rescue Plan	9,968	16,822	26,790
Special Fund CIP	<u>49,190</u>	<u>70,258</u>	<u>119,448</u>
Total	\$73,151,323	\$105,115,948	\$178,267,271

Attached is a proposed draft House Bill No. 1029, 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. 1029
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:

1 PART I

2 SECTION 1. There are appropriated or authorized from the
3 sources of funding indicated below to collective bargaining
4 statewide (BUF 102) the following sums or so much thereof as may
5 be necessary to fund for fiscal biennium 2025-2027 all
6 collective bargaining cost items in the agreement negotiated
7 with the exclusive representative of collective bargaining
8 unit (3):

9	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
10 General funds	\$13,794,339	\$31,117,883
11 Special funds	\$1,372,439	\$3,123,377
12 Federal funds	\$1,034,374	\$2,353,676
13 Other federal funds	\$108,330	\$248,959
14 Trust funds	\$58,072	\$130,663
15 Interdepartmental transfers	\$45,384	\$103,401
16 Revolving funds	\$201,311	\$458,134
17 Other funds	\$32,948	\$74,458

1 American rescue plan funds \$4,384 \$10,440

2 Special fund CIP \$13,800 \$31,131

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

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
6 General funds	\$6,553,371	\$14,727,230
7 Special funds	\$7,015	\$15,892
8 Federal funds	\$96,168	\$217,493
9 Other federal funds	\$8,499	\$19,270
10 Trust funds	\$9,795	\$21,798
11 Interdepartmental transfers	\$518	\$1,180
12 Revolving funds	\$18,974	\$43,109

13 SECTION 2. Funds appropriated or authorized by this part
 14 shall be allotted by the director of finance to the appropriate
 15 state departments for expenditure in the respective fiscal year
 16 for the purposes of this part.

17 PART II

18 SECTION 3. There are appropriated or authorized from the
 19 sources of funding indicated below to administration (JUD 601)
 20 the following sums or so much thereof as may be necessary to
 21 fund for fiscal biennium 2025-2027 all collective bargaining

1 cost items in the agreement negotiated with the exclusive
2 representative of collective bargaining unit (3):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
4 General funds	\$1,153,068	\$2,615,366
5 Special funds	\$38,540	\$86,760

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

9 PART III

10 SECTION 5. There are appropriated or authorized from the
11 sources of funding indicated below to collective bargaining
12 statewide (BUF 102) the following sums or so much thereof as may
13 be necessary to fund for fiscal biennium 2025-2027 the salary
14 increases and other cost adjustments authorized by chapter 89C,
15 Hawaii Revised Statutes, for state officers and employees who
16 are excluded from collective bargaining and belong to the same
17 compensation plans as those officers and employees within
18 bargaining unit (3):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
20 General funds	\$1,818,433	\$4,122,157
21 Special funds	\$229,463	\$522,294
22 Federal funds	\$72,973	\$166,169

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

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.

SECTION 7. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2025-2027 the salary increases and

1 other cost adjustments authorized by chapter 89C, Hawaii Revised
 2 Statutes, by the chief justice for state officers and employees
 3 who are excluded from collective bargaining and belong to the
 4 same compensation plans as those officers and employees within
 5 bargaining unit (3):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
7 General funds	\$97,725	\$221,863

8 SECTION 8. Funds appropriated or authorized by this part
 9 shall be expended by the chief justice in the respective fiscal
 10 year for the purposes of this part.

11 PART V

12 SECTION 9. There are authorized from the source of funding
 13 indicated below to Hawaii health systems corporation - corporate
 14 office (HTH 210) the following sums or so much thereof as may be
 15 necessary to fund for fiscal biennium 2025-2027 the collective
 16 bargaining cost items in the agreement negotiated with the
 17 exclusive representative of collective bargaining unit (3) who
 18 is assigned to the Hawaii health systems corporation:

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
20 Special funds	\$893,530	\$2,026,297

21 SECTION 10. Funds authorized by this part shall be
 22 allotted by the director of finance to the Hawaii health systems

1 corporation for expenditure in the respective fiscal year for
2 the purposes of this part.

3 PART VI

4 SECTION 11. There are authorized from the source of
5 funding indicated below to Hawaii health systems
6 corporation - corporate office (HTH 210) the following sums or
7 so much thereof as may be necessary to fund for fiscal biennium
8 2025-2027 the salary increases and other cost adjustments
9 authorized by chapter 89C, Hawaii Revised Statutes, for state
10 officers and employees who are excluded from collective
11 bargaining, assigned to the Hawaii health systems corporation,
12 and belong to the same compensation plans as those officers and
13 employees within bargaining unit (3):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
15 Special funds	\$49,704	\$112,491

16 SECTION 12. Funds authorized by this part shall be
17 allotted by the director of finance to the Hawaii health systems
18 corporation for expenditure in the respective fiscal year for
19 the purposes of this part.

20 PART VII

21 SECTION 13. There are appropriated from the source of
22 funding indicated below to health premium payments (BUF 761) the

1 following sums or so much thereof as may be necessary to fund
2 for fiscal biennium 2025-2027 all collective bargaining cost
3 items in the agreement negotiated with the exclusive
4 representative of collective bargaining unit (3):

5	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
6 General funds	\$5,018,288	\$10,620,297

7 SECTION 14. Funds appropriated by this part shall be
8 allotted by the director of finance to the appropriate state
9 departments for expenditure in the respective fiscal year for
10 the purposes of this part.

11 PART VIII

12 SECTION 15. There are appropriated from the source of
13 funding indicated below to health premium payments (BUF 761) the
14 following sums or so much thereof as may be necessary to fund
15 for fiscal biennium 2025-2027 the salary increases and other
16 cost adjustments authorized by chapter 89C, Hawaii Revised
17 Statutes, for state officers and employees who are excluded from
18 collective bargaining and belong to the same compensation plans
19 as those officers and employees within bargaining unit (3):

20	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
21 General funds	\$392,700	\$791,575

1 SECTION 16. Funds appropriated by this part shall be
2 allotted by the director of finance to the appropriate state
3 departments for expenditure in the respective fiscal year for
4 the purposes of this part.

5 PART IX

6 SECTION 17. Salary increases and cost adjustments provided
7 in this Act for any officer or employee whose compensation is
8 paid, in whole or in part, from federal, special, or other funds
9 shall be paid wholly or proportionately, as the case may be,
10 from the respective funds.

11 SECTION 18. Funds appropriated or authorized by this Act
12 that are not expended or encumbered by June 30, 2026, and
13 June 30, 2027, of the respective fiscal years, shall lapse as of
14 those dates.

15 SECTION 19. This Act shall take effect on July 1, 2025.

Report Title:

Public Employment Cost Items; BU-3; Appropriations; Expenditure Ceiling

Description:

Provides appropriations for collective bargaining cost items for the members of Unit (3) 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.