



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 13 (Professional and Scientific Employees). 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	\$22,642,489	\$43,067,080	\$65,709,569
Special	6,070,508	10,874,667	16,945,175
Federal	2,608,198	4,997,006	7,605,204
Other Federal	772,267	1,226,578	1,998,845
Trust	206,359	407,312	613,671
Interdept. Transfers	440,484	634,077	1,074,561
Revolving	560,900	918,730	1,479,630
Other	253,523	528,903	782,426
American Rescue Plan	27,305	35,561	62,866
Special Fund CIP	<u>69,995</u>	<u>116,641</u>	<u>186,636</u>
Total	\$33,652,028	\$62,806,555	\$96,458,583

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

	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
General	\$6,113,678	\$12,895,216	\$19,008,894

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	\$ 69,597,554	\$ 98,215,950	\$167,813,504
Special	17,623,105	24,914,225	42,537,330
Federal	8,117,330	11,433,684	19,551,014
Other Federal	1,974,746	2,806,392	4,781,138
Trust	654,039	924,096	1,578,135
Interdept. Transfers	1,012,906	1,449,282	2,462,188
Revolving	1,484,776	2,144,629	3,629,405
Other	828,988	1,168,703	1,997,691
American Rescue Plan	56,837	81,475	138,312
Special Fund CIP	<u>188,080</u>	<u>266,297</u>	<u>454,377</u>
Total	\$101,538,361	\$143,404,733	\$244,943,094

Attached is a proposed draft House Bill No. 1038, 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. 1038
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 (13):

9	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
10 General funds	\$14,473,973	\$29,195,058
11 Special funds	\$3,309,351	\$6,179,248
12 Federal funds	\$2,267,406	\$4,443,643
13 Other federal funds	\$716,877	\$1,127,360
14 Trust funds	\$154,637	\$330,168
15 Interdepartmental transfers	\$57,412	\$108,858
16 Revolving funds	\$478,483	\$794,913
17 Other funds	\$167,137	\$385,955

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

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.

SECTION 3. 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 all collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining unit (13):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$1,394,126	\$3,013,192
Special funds	\$19,570	\$35,496

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.

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 (13):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$6,272,954	\$9,847,518
Special funds	\$1,315,459	\$2,005,134
Federal funds	\$340,792	\$553,363
Other federal funds	\$55,390	\$99,218
Trust funds	\$51,722	\$77,144

5 Of the above amounts, the following amounts are for the
6 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 source 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 other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, by the chief justice for state officers and employees who are excluded from collective bargaining and belong to the

1 same compensation plans as those officers and employees within
2 bargaining unit (13):

3	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
4 General funds	\$501,436	\$1,011,312

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

8 PART V

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

16	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
17 Special funds	\$1,136,063	\$2,159,069

18 SECTION 10. Funds authorized by this part shall be
19 allotted by the director of finance to the Hawaii health systems
20 corporation for expenditure in the respective fiscal year for
21 the purposes of this part.

PART VI

SECTION 11. 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 salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining, assigned to the Hawaii health systems corporation, and belong to the same compensation plans as those officers and employees within bargaining unit (13):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
Special funds	\$290,065	\$495,720

SECTION 12. 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 VII

SECTION 13. 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

1 items in the agreement negotiated with the exclusive
2 representative of collective bargaining unit (13):

3	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
4 General funds	\$4,352,224	\$9,222,603

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

9 PART VIII

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

18	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
19 General funds	\$1,761,454	\$3,672,613

20 SECTION 16. Funds appropriated by this part shall be
21 allotted by the director of finance to the appropriate state

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

3 PART IX

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

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

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

Report Title:

Public Employment Cost Items; BU-13; Appropriations

Description:

Provides appropriations for collective bargaining cost items for the members of Unit (13) 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.