

Honolulu, Hawaii

MAR 18 2025

RE: H.B. No. 1038
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred
H.B. No. 1038, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate
funds for collective bargaining cost items for the members of
bargaining 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.

Your Committee received testimony in support of this measure
from the Department of Budget and Finance; Hawaii Government
Employees Association AFSCME Local 152, AFL-CIO; and Hawaii Health
Systems Corporation.

Your Committee received testimony in opposition to this
measure from one individual.

Your Committee finds that the negotiations for collective
bargaining agreements for bargaining unit (13) are currently in
progress. This measure provides a legislative vehicle that can be
used if an agreement is reached or an arbitration award is issued
prior to the end of the 2025 Regular Session.



Your Committee has amended this measure by:

- (1) Inserting language declaring that the general fund expenditure ceiling has been exceeded;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1038, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1038, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,



HENRY J. AQUINO, Chair



Record of Votes
Committee on Labor and Technology
LBT

*Only one measure per Record of Votes