



GOV. MSG. NO. 774

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

April 19, 2007

The Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Madam President:

The Hawaii State Teachers Association (HSTA) and the employer entered into a tentative agreement concerning Bargaining Unit 5 on April 18, 2007. In accordance with Section 89-10(b), cost items must be submitted to the Legislature for appropriation within ten days of ratification. While this agreement has not yet been ratified, the following summaries of the included and excluded requirements of the settlement for the upcoming fiscal biennium are being transmitted to the Legislature for authorization in anticipation of union ratification to facilitate meeting the legislative timetable:

	<u>FY 08</u>	<u>FY 09</u>	<u>Biennium</u>
General	\$42,200,279	\$74,837,803	\$117,038,082
Special	5,010	8,014	13,024
Federal	2,316,138	3,995,229	6,311,367
Other	<u>9,645</u>	<u>16,673</u>	<u>26,318</u>
Total	\$44,531,072	\$78,857,719	\$123,388,791

An agreement with the HSTA regarding Voluntary Employee Benefit Association (VEBA) contribution amounts has also been reached. Because of lower medical premium rates for FY 08, FY 08 VEBA appropriations are not required. The FY 09 amounts above provide \$2,663,104 for estimated VEBA costs for included members of the bargaining unit.

Honorable Colleen Hanabusa
April 19, 2007
Page 2

Attached is a proposed conference draft amending Senate Bill No. 1385, in its entirety, to fund the agreement. The proposed draft is effective July 1, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle", written in a cursive style.

LINDA LINGLE

Attachment

c: Honorable Rosalyn H. Baker