



GOV. MSG. NO. 10

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

APR - 4 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

Dear President Kouchi and Speaker Nakamura:

The University of Hawai'i Professional Assembly and the employer have reached a tentative agreement concerning collective bargaining for Unit 7 (University of Hawai'i Faculty). Notice of ratification of the agreement was received on March 27, 2025. In accordance with Section 89-11, HRS, cost items must be submitted to the Legislature for appropriation. This agreement is an extension of the agreement reached in October 2024, and also includes amounts for Employer-Union Trust Fund (EUTF) contributions pursuant to the re-opener in that agreement. The following is a summary of the included and excluded requirements of the settlement for the current fiscal biennium which have already been transmitted to the Legislature for appropriation:

	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$16,099,195	\$35,828,881	\$51,928,076
Special	1,161,220	2,465,543	3,626,763
Federal	374,283	794,016	1,168,299
Trust	76,666	162,591	239,257
Revolving	270,919	575,832	846,751
American Rescue Plan	<u>2,869</u>	<u>6,084</u>	<u>8,953</u>
Total	\$17,985,152	\$39,832,947	\$57,818,099

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In addition, EUTF amounts have been added as follows:

	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
General	\$2,512,540	\$5,614,018	\$8,126,558

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	\$57,790,773	\$80,339,489	\$138,130,262
Special	3,890,229	5,375,659	9,265,888
Federal	1,253,492	1,731,674	2,985,166
Trust	256,714	354,601	611,315
Revolving	908,230	1,255,224	2,163,454
American Rescue Plan	<u>9,606</u>	<u>13,269</u>	<u>22,875</u>
Total	\$64,109,044	\$89,069,916	\$153,178,960

Attached is a proposed draft House Bill No. 1033, H.D. 1, S.D. 1, C.D. 1, which has been updated to reflect EUTF amounts.

Mahalo,



Josh Green, M.D.

Governor, State of Hawai'i

Attachment

c: Honorable Donovan M. Dela Cruz
Honorable Kyle T. Yamashita

H.B. NO. 1033
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 (7):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$13,898,996	\$31,090,119
Special funds	816,788	1,733,792
Federal funds	362,877	769,827
Trust funds	76,666	162,591
Revolving funds	261,985	556,593
American Rescue Plan funds	2,869	6,084

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate

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

3 PART II

4 SECTION 3. There are appropriated or authorized from the
5 sources of funding indicated below to collective bargaining
6 statewide (BUF 102) the following sums or so much thereof as may
7 be necessary to fund for fiscal biennium 2025-2027 the salary
8 increases and other cost adjustments authorized by chapter 89C,
9 Hawaii Revised Statutes, for state officers and employees who
10 are excluded from collective bargaining and belong to the same
11 compensation plans as those officers and employees within
12 bargaining unit (7):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
14 General funds	\$2,200,199	\$4,738,762
15 Special funds	344,432	731,751
16 Federal funds	11,406	24,189
17 Revolving funds	8,934	19,239

18 SECTION 4. Funds appropriated or authorized by this part
19 shall be allotted by the director of finance to the appropriate
20 state departments for expenditure in the respective fiscal year
21 for the purposes of this part.

PART III

SECTION 5. 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 (7):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$2,310,085	\$5,177,217

SECTION 6. 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 IV

SECTION 7. 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 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from

1 collective bargaining and belong to the same compensation plans
2 as those officers and employees within bargaining unit (7):

3	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
4 General funds	\$202,455	\$436,801

5 SECTION 8. 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 V

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

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

19 SECTION 11. In accordance with section 9 of article VII of
20 the Constitution of the State of Hawaii and sections 37-91 and
21 37-93, Hawaii Revised Statutes, the legislature has determined

1 that the state general fund expenditure ceiling for fiscal
2 year 2025-2026 has already been exceeded by \$ or
3 per cent. In addition, the appropriations contained in
4 this Act will cause the state general fund expenditure ceiling
5 for fiscal year 2025-2026 to be further exceeded by \$,
6 or one per cent. The reasons for exceeding the general fund
7 expenditure ceiling are that the appropriations made in this Act
8 are necessary to serve the public interest and to meet the needs
9 addressed by this Act.

10 SECTION 12. This Act shall take effect on July 1, 2025.

Report Title:

Public Employment Cost Items; BU-7; Appropriations; Expenditure Ceiling

Description:

Provides appropriations for collective bargaining cost items for the members of Unit (7) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2025-2027. Declares the expenditure ceiling for fiscal year 2025-2026 is exceeded. 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.