



GOV. MSG. NO. 9

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

April 20, 2023

✓ The Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki
Speaker of the House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha Senate President Kouchi and Speaker Saiki:

The Hawai'i State Teachers Association (HSTA) and the employer have reached a tentative agreement concerning collective bargaining for Unit 5 (Teachers). In accordance with Section 89-11, HRS, cost items must be submitted to the Legislature for appropriation, and the normal procedure is to transmit these cost items following ratification of the agreement by union membership. However, completion and notice of ratification of the agreement is expected on April 26, 2023, which is two days before the final decking deadline for bills. In anticipation of ratification before the end of the legislative session, the following summary of the included and excluded requirements of the settlement for the current fiscal biennium is being transmitted to the Legislature to facilitate the appropriation authorization process:

	<u>FY 24</u>	<u>FY 25</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$80,444,100	\$ 99,881,866	\$180,325,966
Federal	2,962,241	3,668,589	6,630,830
Trust	56,390	68,678	125,068
Interdept. Transfers	<u>9,927</u>	<u>5,424</u>	<u>15,351</u>
Total	\$83,472,658	\$103,624,557	\$187,097,215

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An agreement with HSTA regarding Employer-Union Trust Fund contribution amounts has also been reached:

<u>EUTF</u>	<u>FY 24</u>	<u>FY 25</u>	<u>Biennium</u>
General	\$9,220,890	\$22,828,193	\$32,049,083

Estimated costs for the third and fourth years of the agreement are also provided for your reference:

<u>Salaries & Fringe</u>	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
General	\$166,991,616	\$200,929,409	\$367,921,025
Federal	6,474,050	7,785,380	14,259,430
Trust	106,632	137,016	243,648
Interdept. Transfers	<u>9,812</u>	<u>9,427</u>	<u>19,239</u>
Total	\$173,582,110	\$208,861,232	\$382,443,342

Attached to the legislative transmittal is House Bill No. 1004, H.D. 1, S.D. 1, Proposed C.D. 1, to fund the award.

Mahalo,



Josh Green, M.D.
Governor, State of Hawai'i

Attachment

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

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 from the sources of
3 funding indicated below to collective bargaining statewide
4 (BUF 102) the following sums or so much thereof as may be
5 necessary to fund for fiscal biennium 2023-2025 all collective
6 bargaining cost items in the agreement negotiated with the
7 exclusive representative of collective bargaining unit (5):

8	<u>FY 2023-2024</u>	<u>FY 2024-2025</u>
9 General funds	\$78,809,863	\$97,039,411
10 Federal funds	2,888,426	3,537,607
11 Trust funds	52,864	62,238
12 Interdepartmental transfers	9,927	5,424

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

1 PART II

2 SECTION 3. There are appropriated from the sources of
3 funding indicated below to collective bargaining statewide
4 (BUF 102) the following sums or so much thereof as may be
5 necessary to fund for fiscal biennium 2023-2025 the salary
6 increases and other cost adjustments authorized by chapter 89C,
7 Hawaii Revised Statutes, for state officers and employees who
8 are excluded from collective bargaining and belong to the same
9 compensation plans as those officers and employees within
10 bargaining unit (5):

	<u>FY 2023-2024</u>	<u>FY 2024-2025</u>
11 General funds	\$1,634,237	\$2,842,455
12 Federal funds	73,815	130,982
13 Trust funds	3,526	6,440

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

18 PART III

19 SECTION 5. There is appropriated from the source of
20 funding indicated below to health premium payments (BUF 761) the
21 following sums or so much thereof as may be necessary to fund
22

1 for fiscal biennium 2023-2025 all collective bargaining cost
2 items in the agreement negotiated with the exclusive
3 representative of collective bargaining unit (5):

	<u>FY 2023-2024</u>	<u>FY 2024-2025</u>
4 General funds	\$9,220,890	\$22,828,193

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

10 PART IV

11 SECTION 7. Salary increases and cost adjustments provided
12 in this Act for any officer or employee whose compensation is
13 paid, in whole or in part, from federal, special, or other funds
14 shall be paid wholly or proportionately, as the case may be,
15 from the respective funds.

16 SECTION 8. Funds appropriated or authorized by this Act
17 that are not expended or encumbered by June 30, 2024, and
18 June 30, 2025, of the respective fiscal years, shall lapse as of
19 those dates.

20 SECTION 9. This Act shall take effect on July 1, 2023.

Report Title:

Public Employment Cost Items

Description:

Provides appropriations for collective bargaining cost items for the members of Unit (5) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2023-2025.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.