



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 United Public Workers and the employer have reached a tentative agreement concerning collective bargaining for Units 1 (Blue Collar Employees) and 10 (Institutional, Health, and Correctional Workers). Notice of ratification of the agreement was received on April 22, 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	\$14,098,235	\$31,095,678	\$45,193,913
Special	5,520,115	12,189,374	17,709,489
Federal	1,660,726	3,666,212	5,326,938
Other Federal	103,426	228,630	332,056
Interdept. Transfers	26,380	58,343	84,723
Revolving	<u>71,025</u>	<u>157,084</u>	<u>228,109</u>
Total	\$21,479,907	\$47,395,321	\$68,875,228

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

	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
General	\$4,943,826	\$10,351,594	\$15,295,420

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

<u>Salaries & Fringe</u>	<u>FY 28</u>	<u>FY 29</u>	<u>Biennium</u>
General	\$49,649,443	\$ 69,115,506	\$118,764,949
Special	19,485,415	27,125,065	46,610,480
Federal	5,859,069	8,156,235	14,015,304
Other Federal	365,888	509,340	875,228
Interdept. Transfers	93,417	130,043	223,460
Revolving	<u>251,517</u>	<u>350,129</u>	<u>601,646</u>
Total	\$75,704,749	\$105,386,318	\$181,091,067

Attached is a proposed draft House Bill No. 1027, 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

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 units (1) and (10):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
9		
10	\$12,932,847	\$28,525,268
11	2,722,472	6,007,929
12	1,653,577	3,650,401
13	101,822	225,082
14	26,380	58,343
15	68,611	151,745

16 Of the above amounts, the following amounts are for the
17 department of education:

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
1		
2 General funds	\$2,618,782	\$5,776,819
3 Special funds	301	664
4 Federal funds	1,304,170	2,878,023
5 Other federal funds	722	1,597

6 SECTION 2. Funds appropriated or authorized by this part
7 shall be allotted by the director of finance to the appropriate
8 state departments for expenditure in the respective fiscal year
9 for the purposes of this part.

10 PART II

11 SECTION 3. There are appropriated or authorized from the
12 source of funding indicated below to administration (JUD 601)
13 the following sums or so much thereof as may be necessary to
14 fund for fiscal biennium 2025-2027 all collective bargaining
15 cost items in the agreement negotiated with the exclusive
16 representative of collective bargaining units (1) and (10):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
17		
18 General funds	\$322,740	\$713,206

19 SECTION 4. Funds appropriated or authorized by this part
20 shall be expended by the chief justice in the respective fiscal
21 year for the purposes of this part.

1 PART III

2 SECTION 5. 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 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 units (1) and (10):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
11 General funds	\$840,588	\$1,852,647
12 Special funds	14,761	32,645
13 Federal funds	7,149	15,811
14 Other federal funds	1,604	3,548
15 Revolving funds	2,414	5,339

17 Of the above amounts, the following amounts are for the
18 department of education:

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
19 General funds	\$507,162	\$1,118,404
20 Special funds	318	703

1 SECTION 6. Funds appropriated or authorized by this part
2 shall be allotted by the director of finance to the appropriate
3 state departments for expenditure in the respective fiscal year
4 for the purposes of this part.

5 PART IV

6 SECTION 7. There are appropriated or authorized from the
7 source of funding indicated below to administration (JUD 601)
8 the following sums or so much thereof as may be necessary to
9 fund for fiscal biennium 2025-2027 the salary increases and
10 other cost adjustments authorized by chapter 89C, Hawaii Revised
11 Statutes, by the chief justice for state officers and employees
12 who are excluded from collective bargaining and belong to the
13 same compensation plans as those officers and employees within
14 bargaining units (1) and (10):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
15		
16	\$2,060	\$4,557

17 SECTION 8. Funds appropriated or authorized by this part
18 shall be expended by the chief justice in the respective fiscal
19 year for the purposes of this part.

20 PART V

21 SECTION 9. There are authorized from the source of funding
22 indicated below to Hawaii health systems corporation - corporate

1 office (HTH 210) the following sums or so much thereof as may be
2 necessary to fund for fiscal biennium 2025-2027 the collective
3 bargaining cost items in the agreement negotiated with the
4 exclusive representative of collective bargaining units (1) and
5 (10) who is assigned to the Hawaii health systems corporation:

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
7 Special funds	\$2,707,925	\$5,983,018

8 SECTION 10. Funds authorized by this part shall be
9 allotted by the director of finance to the Hawaii health systems
10 corporation for expenditure in the respective fiscal year for
11 the purposes of this part.

12 PART VI

13 SECTION 11. There are authorized from the source of
14 funding indicated below to Hawaii health systems
15 corporation - corporate office (HTH 210) the following sums or
16 so much thereof as may be necessary to fund for fiscal
17 biennium 2025-2027 the salary increases and other cost
18 adjustments authorized by chapter 89C, Hawaii Revised Statutes,
19 for state officers and employees who are excluded from
20 collective bargaining, assigned to the Hawaii health systems
21 corporation, and belong to the same compensation plans as those
22 officers and employees within bargaining units (1) and (10):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
Special funds	\$74,957	\$165,782

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 items in the agreement negotiated with the exclusive representative of collective bargaining units (1) and (10):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$4,920,474	\$10,302,319

SECTION 14. 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 VIII

SECTION 15. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the

1 following sums or so much thereof as may be necessary to fund
 2 for fiscal biennium 2025-2027 the salary increases and other
 3 cost adjustments authorized by chapter 89C, Hawaii Revised
 4 Statutes, for state officers and employees who are excluded from
 5 collective bargaining and belong to the same compensation plans
 6 as those officers and employees within bargaining units (1) and
 7 (10):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
9 General funds	\$23,352	\$49,275

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

14 PART IX

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

20 SECTION 18. Funds appropriated or authorized by this Act
 21 that are not expended or encumbered by June 30, 2026, and

1 June 30, 2027, of the respective fiscal years, shall lapse as of
2 those dates.

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

Report Title:

Public Employment Cost Items; BU-1 and BU-10; Appropriations;
Expenditure Ceiling

Description:

Provides appropriations for collective bargaining cost items for the members of Units (1) and (10) 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.