

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 11

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

APR 14 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:

An agreement has been reached concerning the Hawai'i State Teachers Association's collective bargaining for Unit 5 (Teachers) for the re-opener for Employer-Union Trust Fund (EUTF) contribution amounts. Notice of approval of the agreement was received on April 11, 2025. The agreement does not require ratification. In accordance with Section 89-11, HRS, cost items must be submitted to the Legislature for appropriation. The following is a summary of the requirements of the bill being transmitted to the Legislature for appropriation:

	<u>FY 26</u>	<u>FY 27</u>	<u>Biennium</u>
<u>EUTF Only</u>			
General	\$7,779,584	\$18,100,306	\$25,879,890

Attached is a proposed draft House Bill No. 1031, 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. 1031
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 is 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 (5):

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
General funds	\$7,779,584	\$18,100,306

SECTION 2. 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 II

SECTION 3. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds

1 shall be paid wholly or proportionately, as the case may be,
2 from the respective funds.

3 SECTION 4. Funds appropriated or authorized by this Act
4 that are not expended or encumbered by June 30, 2026, and
5 June 30, 2027, of the respective fiscal years, shall lapse as of
6 those dates.

7 SECTION 5. In accordance with section 9 of article VII of
8 the Constitution of the State of Hawaii and sections 37-91 and
9 37-93, Hawaii Revised Statutes, the legislature has determined
10 that the state general fund expenditure ceiling for fiscal
11 year 2025-2026 has already been exceeded by \$ or
12 per cent. In addition, the appropriations contained in
13 this Act will cause the state general fund expenditure ceiling
14 for fiscal year 2025-2026 to be further exceeded by \$,
15 or one per cent. The reasons for exceeding the general fund
16 expenditure ceiling are that the appropriations made in this Act
17 are necessary to serve the public interest and to meet the needs
18 addressed by this Act.

19 SECTION 6. This Act shall take effect on July 1, 2025.

Report Title:

Public Employment Cost Items; BU-5; Appropriations; Expenditure Ceiling

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 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.