



**UNIVERSITY OF HAWAII SYSTEM**

**‘ŌNAEHANA KULANUI O HAWAII**

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

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Testimony Presented Before the  
Senate Committee on Ways and Means  
March 2, 2026 at 10:31 a.m.

By

Luis P. Salaveria

Vice President for Budget and Finance/Chief Financial Officer  
University of Hawai'i System

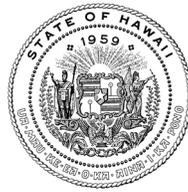
SB 3090 SD1 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC  
EMPLOYMENT COST ITEMS

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i **supports** SB 3090 SD1, Making Emergency Appropriations for Public Employment Cost Items. This bill makes emergency appropriations for collective bargaining cost items for members of BU01 and BU10 and their excluded counterparts to resolve issues related to temporary hazard pay for fiscal year 2025-2026.

In this fiscal year, the University of Hawai'i (UH) paid nearly \$6 million in temporary hazard pay to current and former UPW employees or their beneficiaries as a result of an arbitration award. Although funds were appropriated in Act 29, Session Laws of Hawai'i 2025, they were insufficient to fully cover the costs for every department in the state, and UH has not received its share of general funds, amounting to \$5,260,963.48, to cover the costs associated with these payments that were already made. We respectfully request the inclusion of these funds to make UH whole in this matter.

Thank you for this opportunity to testify.



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR

SETH S. COLBY, Ph.D.  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**

TESTIMONY BY SETH S. COLBY, Ph.D.  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 3090, S.D. 1

**March 2, 2026**  
**10:31 a.m.**  
**Room 211 and Videoconference**

**MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS**

The Department of Budget and Finance (B&F) supports moving this Administration proposal, or a similar bill, as collective bargaining negotiations regarding the issue of temporary hazard pay (THP) are currently in progress and additional appropriations are needed for arbitration awards that have already been issued and for a supplemental arbitration award.

As submitted, this measure appropriates and authorizes unspecified amounts to cover the balance of requirements associated with a THP settlement agreement for employees of the Department of Education (DOE), as well as arbitration awards for employees of the University of Hawai'i and other State of Hawai'i Executive Branch departments represented by United Public Workers, Bargaining Units (BU) 1 and 10, as provided by Act 29, SLH 2025. In addition, the supplemental award issued for employees of the other State of Hawai'i Executive Branch departments for BUs 1 and 10 is now final.

A Governor's Message (GM) with the included and excluded requirements of the arbitration awards was transmitted to the Legislature on February 25, 2026. The amounts do not include funding for an agreement or arbitration award for DOE, as not all matters have been resolved. Please refer to the GM for the cost details. B&F further recommends that the Committee adopt the proposed draft S.D. 2 included in the GM. For the Committee's convenience, the GM is included as an attachment.

Thank you for your consideration of our comments.

Attachment

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

**FEB 24 2026**

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 Senate President Kouchi and Speaker Nakamura:

Arbitration awards (University of Hawai'i and other State Executive Branch departments) have been issued concerning United Public Workers (UPW) class action grievances for Units 1 (Blue Collar Employees) and 10 (Institutional, Health, and Correctional Workers) relating to temporary hazard pay (THP) during the COVID-19 pandemic. Funding was provided for these awards by Act 29, SLH 2025. However, the appropriations are insufficient to cover the balance of requirements, so additional funding is being requested. Additionally, the supplemental award issued for employees of the other State Executive Branch departments is final. The amounts do not include funding for an agreement or arbitration award for the Department of Education, as not all matters have been resolved.

The following is a summary of the included and excluded requirements of the arbitration awards for the current fiscal biennium being transmitted to the Legislature for appropriation:

	<u>FY 26</u>
<u>Salaries and Fringe</u>	
General	\$66,795,019
Interdepartmental Transfers	306,532
Revolving	<u>203,736</u>
Total	\$67,305,287

Attached are proposed drafts Senate Bill No. 3090, S.D. 2, and House Bill No. 2271, H.D. 2, which have been updated to reflect the above noted estimated collective bargaining amounts.

Mahalo,



Josh Green, M.D.

Governor, State of Hawai'i

Attachments

c: Honorable Donovan M. Dela Cruz  
Honorable Chris Todd

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# A BILL FOR AN ACT

MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST  
ITEMS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

2 SECTION 1. This Act is recommended by the governor for  
3 immediate passage in accordance with section 9 of article VII of  
4 the Constitution of the State of Hawaii.

5 PART II

6 SECTION 2. There are appropriated or authorized from the  
7 sources of funding indicated below to collective bargaining  
8 statewide (BUF 102) the following sums or so much thereof as may  
9 be necessary for fiscal year 2025-2026 to fund collective  
10 bargaining cost items associated with grievances filed under  
11 agreements negotiated with the exclusive representative of  
12 collective bargaining units (1) and (10), and for their excluded  
13 counterparts. The amounts are for arbitration awards for the  
14 university of Hawaii and other executive branch departments  
15 related to temporary hazard pay. These amounts are in addition  
16 to the amounts provided in Act 29, Session Laws of Hawaii 2025:

1		<u>FY 2025-2026</u>
2	General funds	\$66,795,019
3	Interdepartmental transfers	306,532
4	Revolving funds	203,736

5 SECTION 3. Funds appropriated or authorized by this part  
6 shall be allotted by the director of finance to the appropriate  
7 state departments for expenditure in fiscal year 2025-2026 for  
8 the purposes of this part.

9 PART III

10 SECTION 4. 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; provided that if the respective funds  
15 are unable to support such payments, appropriations from other  
16 means of financing may be used with the approval of the  
17 Governor.

18 SECTION 5. Funds appropriated or authorized by this Act  
19 that are not expended or encumbered by June 30, 2026, shall  
20 lapse as of that date.

21 SECTION 6. This Act shall take effect upon its approval.

**Report Title:**

Public Employment Cost Items; BU-1 and BU-10; Emergency Appropriations

**Description:**

Makes emergency appropriations for collective bargaining cost items for the members of Bargaining Units (1) and (10) and their excluded counterparts to resolve issues related to temporary hazard pay for fiscal year 2025-2026.

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

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# A BILL FOR AN ACT

MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST  
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Public Employment Cost Items; BU-1 and BU-10; Emergency Appropriations

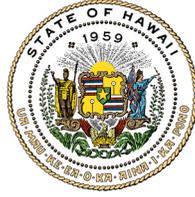
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*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA  
P.O. BOX 621  
HONOLULU, HAWAII 96809

DAWN N.S. CHANG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
RYAN K.P. KANAKA'OLE  
FIRST DEPUTY  
CIARA W.K. KAHAHANE  
DEPUTY DIRECTOR - WATER  
AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
RYAN K.P. KANAKA'OLE  
Acting Chairperson**

**Before the Senate Committee on  
WAYS AND MEANS**

**Monday, March 2, 2026  
10:31 AM  
State Capitol, Conference Room 211**

**In consideration of  
SENATE BILL 3090, SENATE DRAFT 1  
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS.**

Senate Bill 3090, Senate Draft 1 proposes to make emergency appropriations for public employment cost items for Fiscal Year 2025-26. This measure also helps ensure that there is sufficient funding to reimburse departments for temporary hazard pay payments made earlier in the fiscal year to members of bargaining units 1 and 10 and their excluded counterparts. **The Department of Land and Natural Resources supports this measure.**

This proposal provides necessary reimbursement authority to maintain fiscal stability within departmental budgets while ensuring that compensation obligations already incurred are properly met. Without this authority, departments may experience unintended budgetary shortfalls despite existing commitments. This measure promotes sound fiscal management and allows the State to fulfill its obligations.

Mahalo for the opportunity to comment on this measure.

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



State of Hawai'i  
**DEPARTMENT OF AGRICULTURE & BIOSECURITY**  
KA 'OIHANA MAHI'AI A KIA'I MEAOLA  
1428 South King Street  
Honolulu, Hawai'i 96814-2512  
Phone: (808) 973-9560 FAX: (808) 973-9613

**SHARON HURD**  
Chairperson  
Board of Agriculture & Biosecurity

**DEAN M. MATSUKAWA**  
Deputy to the Chairperson

## **Written Testimony Only**

TESTIMONY OF SHARON HURD  
CHAIRPERSON, BOARD OF AGRICULTURE AND BIOSECURITY

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

MONDAY, MARCH 2, 2026  
10:31 AM

CONFERENCE ROOM 211 & VIDEO CONFERENCE

SENATE BILL NO. 3090, SD 1  
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST  
ITEMS

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 3090, SD 1, Making Emergency Appropriations for Public Employment Cost Items. This bill makes emergency appropriations for negotiated settlement amounts related to temporary hazard pay for the Department of Education, University of Hawaii and Executive Branch employees that are members of collective bargaining units (1) and (10) and their excluded related counterparts for FY 26. The Hawaii Department of Agriculture and Biosecurity supports this bill.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII  
**DEPARTMENT OF CORRECTIONS  
AND REHABILITATION**  
*Ka 'Oihana Ho'omalu Kalaima  
a Ho'oponopono Ola*  
1177 Alakea Street  
Honolulu, Hawaii 96813

**TOMMY JOHNSON**  
DIRECTOR

**Melanie Martin**  
Deputy Director  
Administration

**Vacant**  
Deputy Director  
Correctional Institutions

**Sanna Muñoz**  
Deputy Director  
Rehabilitation Services  
and  
Programs

No. \_\_\_\_\_

TESTIMONY ON SENATE BILL 3090, SENATE DRAFT 1  
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC  
EMPLOYMENT COST ITEMS.

by

Tommy Johnson, Director  
Department of Corrections and Rehabilitation

Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

Monday, March 2, 2026, 10:31 a.m.  
State Capitol, Conference Room 211 & Videoconference

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Department of Corrections and Rehabilitation (DCR) **supports** Senate Bill (SB) 3090, Senate Draft (SD) 1, which seeks to make emergency appropriations for collective bargaining cost items for the members of Bargaining Units (BU) (1) and (10) and their excluded counterparts to resolve issues related to temporary hazard pay (THP) for fiscal year 2025-2026.

DCR employs the largest number of Bargaining Unit 10 employees statewide. During the COVID-19 pandemic, these employees continued to provide essential services under hazardous conditions. In the Arbitration between United Public Workers (UPW) and the State of Hawai'i, the Arbitrator awarded UPW the THP to its BUs 1 and 10, which required DCR to pay approximately \$31.1 million to its Unit 1 and Unit 10 employees who qualified for the THP.

However, the amount of \$14 million appropriated in Act 29, Session Laws of Hawai'i 2025, is insufficient to fully reimburse DCR for these payments. As a result,

SB 3090, SD 1 Making Emergency Appropriations  
for Public Employment Cost Items.  
March 2, 2026  
Page 2

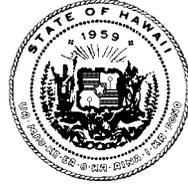
several DCR programs face a critical shortfall and will not have sufficient funds to cover payroll in the last quarter of this fiscal year.

Passage of SB 3090, SD 1 is essential to ensure that DCR can maintain operations and meet its payroll obligations without disruption. This measure will provide the emergency appropriations necessary to uphold collective bargaining agreements and sustain the effective functioning of our correctional system.

DCR respectfully requests the Legislature's favorable consideration and immediate passage of SB 3090, SD 1.

Thank you for the opportunity to provide testimony in **support** of SB 3090, SD1.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



LEANNE GILLESPIE  
EXECUTIVE DIRECTOR  
LUNA HO'OKELE

Phone: (808) 587-5710  
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STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
DEPARTMENT OF HUMAN SERVICES  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
**OFFICE OF YOUTH SERVICES**  
**Ke'ena Lawelawe 'Ōpio**  
1010 Richards Street, Suite 314  
Honolulu, Hawaii 96813

February 26, 2026

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
The Honorable Senator Sharon Y. Moriwaki, Vice Chair  
Ways and Means Committee

FROM: Leanne Gillespie, Executive Director

SUBJECT: SB 3090 SD1, MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC  
EMPLOYMENT COST ITEMS

Hearing: Monday, March 2, 2026 @ 10:31 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Office of Youth Services (OYS) supports this measure.

**PURPOSE:** The purpose of this bill is to make emergency appropriations for collective bargaining cost items for the members of Bargaining Unit (1) and (10) and their excluded counterparts to resolve issues related to temporary hazard pay for fiscal year 2025-2026.

Members of collective Bargaining Units (1) and (10) were awarded sums related to temporary hazard pay (THP). OYS was not awarded an additional appropriation to cover these THP payments. OYS covered the THP payments using \$719,820.50 from our base budget. OYS respectfully requests an appropriation to replenish our base budget to cover operational expenses.

Thank you for the opportunity to provide comments.

AN EQUAL OPPORTUNITY AGENCY



## UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

### THE SENATE KA 'AHA KENEKOA

### THE THIRTY-THIRD LEGISLATURE REGULAR SESSION OF 2026

**COMMITTEE ON WAYS AND MEANS**  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

Monday, March 2, 2026, 10:31 AM  
Conference Room 211 & Videoconference

**Re: Testimony on SB3090, SD1 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 12,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **strongly supports** SB3090, SD1, which makes emergency appropriations for collective bargaining cost items for the members of Bargaining Units (1) and (10) and their excluded counterparts to resolve issues related to temporary hazard pay (“THP”) for fiscal year 2025-2026.

We respectfully request that this measure be passed to resolve any remaining THP grievances with the Executive Branch and Department of Education so that our members can finally receive the THP they earned, and are **contractually owed**, for performing their duties during the COVID-19 pandemic.

Mahalo for this opportunity to testify in support of this measure.

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**HEADQUARTERS**

1426 North School Street  
Honolulu, Hawaii 96817-1914  
Phone 808.847.2631

**HAWAII**

362 East Lanikaula Street  
Hilo, Hawaii 96720-4336  
Phone 808.961.3424

**KAUAI**

2970 Kele Street, Suite 213  
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Phone 808.245.2412

**MAUI**

841 Kolu Street  
Wailuku, Hawaii 96793-1436  
Phone 808.244.0815

1.866.454.4166

Toll Free - *Molokai/Lanai only*