

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 4

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

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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