



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Labor and Technology
March 18, 2026 at 3:00 p.m.

By

Luis P. Salaveria

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

HB 2271 HD2 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC
EMPLOYMENT COST ITEMS.

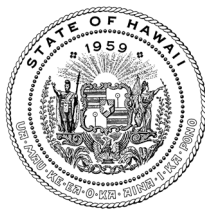
Chair Elefante, Vice Chair Lamosao, and Members of the Committee:

The University of Hawai'i **supports** HB 2271 HD2 – 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
KE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
**DEPARTMENT OF CORRECTIONS
AND REHABILITATION**
*Ka 'Oihana Ho'omalu Kalaima
a Ho'oponopono Ola*
1177 Alakea Street
Honolulu, Hawai'i 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 HOUSE BILL 2271, HOUSE DRAFT 2
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC
EMPLOYMENT COST ITEMS.

by

Tommy Johnson, Director
Department of Corrections and Rehabilitation

Senate Committee on Labor and Technology
Senator Brandon J.C. Elefante, Chair
Senator Rachele Lamosao, Vice Chair

Wednesday, March 18, 2026, 3:00 p.m.
State Capitol, Conference Room 225 & Videoconference

Chair Elefante, Vice Chair Lamosao, and Members of the Committee:

The Department of Corrections and Rehabilitation (DCR) **supports** House Bill (HB) 2271, House Draft (HD) 2, which seeks to make 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.

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

HB2271, HD 2 Making Emergency Appropriations
for Public Employment Cost Items.
March 18, 2026
Page 2

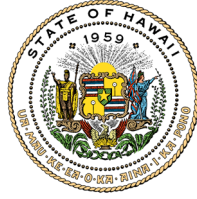
Passage of HB 2271, HD 2 is essential to ensure that DCR can maintain operations and meet its payroll obligations without disruption. This measure will provide the emergency appropriations necessary to uphold collective bargaining agreements and sustain the effective functioning of our correctional system.

DCR respectfully requests the Legislature's favorable consideration and immediate passage of HB 2271, HD 2.

Thank you for the opportunity to provide testimony in support of HB 2271, HD 2.

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
LABOR AND TECHNOLOGY**

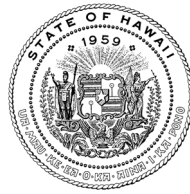
**Wednesday, March 18, 2026
3:00 PM
State Capitol, Conference Room 225**

**In consideration of
HOUSE BILL 2271, HOUSE DRAFT 2
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS.**

House Bill 2271, House Draft 2 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 employees in Unit 1 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
LIEUTENANT GOVERNOR

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

SETH S. COLBY, Ph.D.
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

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

TESTIMONY BY SETH S. COLBY, Ph.D.
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON LABOR AND TECHNOLOGY
ON
HOUSE BILL NO. 2271, H.D. 2

March 18, 2026
3:00 p.m.
Room 225 and Videoconference

MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS

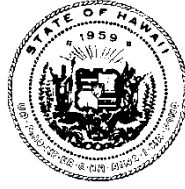
The Department of Budget and Finance (B&F) supports moving this Administration proposal, or a similar bill, regarding the issue of temporary hazard pay (THP) as additional appropriations are needed for arbitration awards that have already been issued and for a supplemental arbitration award.

House Bill No. 2271, H.D. 2, appropriates and authorizes amounts to cover the balance of requirements associated with 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, and the supplemental award issued for employees of the other State of Hawai'i Executive Branch departments for BUs 1 and 10 that is now final.

In addition, B&F would like to note that several departments are expected to experience general fund cash shortfalls resulting from the required THP payments beginning with the April 5, 2026 pay period and continuing into subsequent pay periods. We respectfully request that the Legislature take these timing constraints into consideration to ensure operational continuity for affected departments.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

IN REPLY PLEASE REFER TO:

26:OED

Statement of the
Hawaii Public Housing Authority

Before the
Senate Committee on Labor and Technology

Wednesday, March 18, 2026
3:00 PM – Room 225, Hawaii State Capitol

In consideration of
HB 2271, HD2
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS

Honorable Chair Elefante, Vice Chair Lamosao and members of the Senate Committee on Labor and Technology:

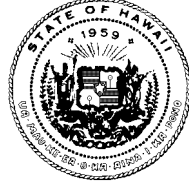
The Hawaii Public Housing Authority (HPHA) strongly supports HB 2271, HD2. This measure makes emergency appropriations for collective bargaining cost items for the members of Bargaining Units (1) and (10) and their excluded counterparts to resolve issues related to temporary hazard pay for fiscal year 2025-2026.

HPHA is made up of a large, geographically dispersed workforce statewide, including but not limited to general laborers, building maintenance helpers, carpenters, electricians, plumbers, and plumber helpers. The Authority respectfully requests that this measure be passed to cover the costs related to temporary hazard pay settlements.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony. We thank you very much for your dedicated support.



JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



LEANNE GILLESPIE
EXECUTIVE DIRECTOR
LUNA HO'OKELE

Phone: (808) 587-5710
Fax: (808) 587-5734

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

March 17, 2026

TO: The Honorable Senator Brandon J.C. Elefante, Chair
The Honorable Senator Rachele Lamosao, Vice Chair
Committee on Labor and Technology

FROM: Leanne Gillespie, Executive Director

SUBJECT: HB 2271 HD2, MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC
EMPLOYMENT COST ITEMS

Hearing: Wednesday, March 18, 2026 @ 3:00 p.m.
Conference Room 225, 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

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON LABOR AND TECHNOLOGY

MARCH 18, 2026, 3:00 P.M.
CONFERENCE ROOM 225 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 2271, H.D. 2

MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS.

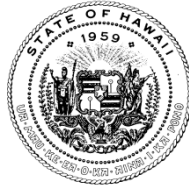
Chair Elefante, Vice Chair Lamosao, and members of the Committee, thank you for the opportunity to submit testimony on H.B. 2271, H.D. 2.

H.B. 2271, H.D. 2 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 Department of Accounting and General Services (DAGS) **supports** H.B. 2271, H.D. 2. DAGS defers to the Department of Budget and Finance on the amount of the appropriation required for collective bargaining cost items.

Thank you for the opportunity to provide testimony on this measure.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
TAMMY L. LEE
CURT T. OTAGURO
ROBIN K. SHISHIDO

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

Wednesday, March 18, 2026
3:00 PM
State Capitol, 225

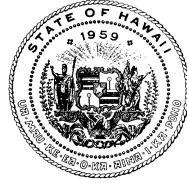
HB2271, HD2
RELATING TO MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC
EMPLOYMENT COST ITEMS

Senate Committee on Labor & Technology

The Department of Transportation DOT supports HB2271 HD2, which provides emergency appropriations for collective bargaining cost items for Bargaining Units (1) and (10) and their excluded counterparts for fiscal year 2025–2026.

Specifically for the DOT is a request to raise the fiscal year 2025 - 2026 salary ceiling as the special funds accounts have paid out the collective bargaining temporary hazard pay. Current projections indicate that DOT may experience salary ceiling shortfalls toward the end of the third quarter or beginning of the fourth quarter of fiscal year 2025–2026.

Thank you for the opportunity to testify in support of this measure.



JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

KENNETH S. FINK, M.D., M.G.A., M.P.H.
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

Testimony in SUPPORT of HB2271
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST
ITEMS.

SENATOR BRANDON J.C. ELEFANTE, CHAIR
SENATE COMMITTEE ON LABOR AND TECHNOLOGY

Hearing Date: March 18, 2026

Room Number: 225

1 **Fiscal Implications:** An appropriation is required to make the Department of Health's current
2 fiscal year budget whole, which is currently experiencing a shortfall.

3

4 **Department Testimony:** The Department of Health (DOH) supports HB2271 HD2, which is
5 part of the Governor's Administrative Package. This measure will provide appropriations to
6 fund a temporary hazard pay settlement for the State of Hawaii Executive Branch departments,
7 including the Department of Education and University of Hawaii system, with the United Public
8 Workers (UPW) as provided by Act 29, Session Laws of Hawaii 2025.

9

10 The temporary hazard pay for UPW employees at DOH that was disbursed 2025 was funded
11 with DOH's general funds from the base budget. Additional funding is necessary to replace
12 those general funds otherwise DOH will not have sufficient funds to meet payroll in the
13 4th quarter.

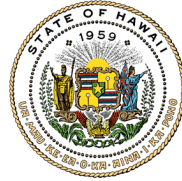
14

1 Thank you for the opportunity to testify.

2

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 LABOR AND TECHNOLOGY

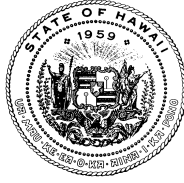
WEDNESDAY, MARCH 18, 2026
10:00 AM
CONFERENCE ROOM 225 & VIDEO CONFERENCE

HOUSE BILL NO. 2271, HD 2
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST
ITEMS

Chair Elefante, Vice Chair Lamosao and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2271, HD 2, 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.



STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

WRITTEN
TESTIMONY ONLY

**Testimony in SUPPORT of HB 2271, HD2
MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS**

SENATOR BRANDON J.C. ELEFANTE, CHAIR
SENATOR RACHELE LAMOSAO, VICE CHAIR
SENATE COMMITTEE ON LABOR AND TECHNOLOGY

Hearing Date: March 18, 2026, 3:00 PM Room Number: 225

1 **Department Position:** The Department of Health (Department) strongly supports this measure.

2 **Department Testimony:** The Hawaii State Hospital (HSH) provides the following testimony on
3 behalf of the Department.

4 The Department strongly supports HB 2271, HD2, which makes appropriations to fund
5 public employment cost items related to temporary hazard pay for employees in bargaining
6 units (1) and (10), and their excluded counterparts.

7 At HSH, these employees were essential personnel who maintained uninterrupted
8 operations of our 24/7 psychiatric hospital during periods of significant risk. Their consistent
9 presence safeguarded both patient care and staff safety at a time when their roles were critical
10 to maintaining stability within a complex clinical environment. HSH could not have continued
11 safe operations without their dedication.

12 The Department has already made the temporary hazard payments required in
13 accordance with arbitration decisions in the amount of \$3,735,863. However, these
14 unbudgeted costs have placed significant strain on the hospital's resources. This measure
15 provides the emergency appropriation necessary to cover these mandated payments, prevent
16 negative operational impacts, and preserve financial stability.

17 Thank you for the opportunity to testify on this measure.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

THE SENATE
KA 'AHA KENEKOA

THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2026

COMMITTEE ON LABOR AND TECHNOLOGY

Senator Brandon J.C. Elefante, Chair

Senator Rachele Lamosao, Vice Chair

Wednesday, March 18, 2026, 3:00 PM
Conference Room 225 & Videoconference

Re: Testimony on HB2271, HD2 – MAKING EMERGENCY APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS

Chair Elefante, Vice Chair Lamosao, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 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** HB2271, HD1, 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 (“DOE”) so that our members can finally receive the THP they earned, and are **contractually owed**, for performing their duties during the COVID-19 pandemic.

We would like to note that that the House amended this measure by excluding the DOE from the bill. UPW members ratified a settlement agreement last May that would provide them with THP, but the DOE has contended that it is unable to do so because it lacks funding. This is the only vehicle that would fund the settlement agreement. UPW will admit that we are currently in a dispute with the Department over them not following through with the terms of the agreement, but this dispute does not prevent them from paying our members while we seek a remedy. We humbly ask this bill be amended by re-inserting the DOE in section 2.

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

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
Lihue, Hawaii 96766-1803
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