



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

FEB 14 2025

EXECUTIVE MEMORANDUM

MEMO NO. 25-01

TO: All Department Heads

SUBJECT: Amendment to FY 25 Budget Execution Policies and Instructions –
Revised Allocations Only (Temporary Hazard Pay)

Act 49, SLH 2024 (Act 49), Making Emergency Appropriations for Public Employment Cost Items, includes FY 25 appropriations for the payment of temporary hazard pay (THP) for the period covering March 4, 2020 to March 25, 2022, for affected employees who performed essential functions during the COVID-19 pandemic. Act 49 appropriates a total of \$378.1 million for collective bargaining (CB) cost items for the members of Bargaining Units 2, 3, 4, 8, 9, 13, and 14 and their excluded counterparts, pursuant to the negotiated settlement for the Executive Branch and the University of Hawai'i, and an arbitration award for the Department of Education.

Finance Memorandum (F.M.) No. 24-11, dated September 11, 2024, *Disbursement of Collective Bargaining Appropriations for Temporary Hazard Pay*, provided that payments for THP to affected employees should be made from FY 25 Program ID operating or capital improvement program (CIP) appropriation accounts, established pursuant to Act 164, SLH 2023, as amended by Act 230, SLH 2024, of the appropriate fund(s) pursuant to Section 11 of Act 49, which requires that salary increases and cost adjustments provided in Act 49 be paid wholly or proportionately, as the case may be, from the respective funds.

THP will be paid to each affected employee in two separate installment payments, with the first payment made in October 2024 and the second to be made in March 2025. Payments to beneficiaries of deceased employees were made in single lump sums by the end of November 2024. The disbursement of the CB allocations from Act 49 will

offset the THP payments for the respective departments by increasing their FY 25 budget allocations. Non-general fund CB appropriations for THP will provide expenditure ceilings, while the respective programs are responsible to provide the cash from the appropriate fund.

F.M. No. 24-11 informed the departments that the disbursement of CB allocations for THP would be done following the October 2024 and March 2025 payments based on actual THP payments made by departments. However, to expedite the disbursement, the CB allocations for THP will be disbursed by providing twice the amount of the October 2024 payments as follows:

Note: The following does not apply to the Hawai'i Health Systems Corporation's specific appropriations from Act 49.

1. Each department with affected employees will receive a revised Exhibit 1 (FY 25 budget allocation) reflecting the allocation of the estimated total amount for THP payments for operating and CIP, as applicable.
2. Department administrative ("admin") accounts have been established for FY 25 for each department's administration program by means of financing (MOF). Admin accounts are non-reverting. No admin CIP accounts have been established for departments with specially funded CIP-affected employees as transfers will be done directly to the affected accounts.
3. The Department of Budget and Finance (B&F) will process the Allotment Advice (Form A-15) to transfer each department's CB allocations for THP to the appropriate operating admin accounts or Program ID CIP account (transaction codes (TC) 473/474). B&F will transmit the PDF file of the approved Form A-15 as soon as it is available.
4. Following receipt of the revised Exhibit 1 and PDF of the approved Form A-15, each department shall:

For Operating

1. Submit Journal Vouchers (JV) to the Department of Accounting and General Services (DAGS) to transfer the operating CB appropriations from the department's FY 25 operating admin accounts to the respective FY 25 Program ID operating accounts (TC 473/474).

2. After the JVs have been processed by DAGS, submit Requests for Allotment (Form A-19) to B&F to effectuate the disbursement and allotment of CB allocations for THP using the following guidelines:

- a. Submit Form A-19 for each FY 25 admin account to reflect the transfer in and transfer(s) out of the department's FY 25 CB allocation for THP for the respective MOF. These Form A-19s shall be labeled "For Records Purposes Only."

All transfers to each FY 25 operating admin account and from the account to FY 25 Program ID operating accounts should be listed (include all FY 25 Program ID operating accounts and amounts transferred; if more space is needed, consolidate the entries and list the information on the back). Amounts should match the amounts transferred via JV from the FY 25 admin accounts.

- b. Submit Form A-19 for each FY 25 Program ID operating account to reflect the transfer in and allotment of the FY 25 CB allocation for THP disbursed from the FY 25 admin accounts, as applicable.
- c. Allocations should be listed separately in the "Allocation for Fiscal Year" and applicable quarterly allotment columns.
- d. CB allocations for THP should be identified in the "Allotment Category Description" column as "CB – All, Other Salary Adjustments (THP)."

For CIP

1. For allotment from each FY 25 Program ID CIP account, submit Form A-15 for Governor's approval through B&F under a cover memorandum from the department head.

The revised Exhibit 1 contains each department's adjusted full-year allocation to include the respective THP allocation from Act 49. Questions on these instructions should be directed to your B&F analyst.

Your attention to this matter is appreciated.

Mahalo,

/s/

Josh Green, M.D.
Governor, State of Hawai'i

Revised Exhibit 1
Attachments