

STAND. COM. REP. NO. 1707

Honolulu, Hawaii

April 9, 2009

RE: S.B. No. 1122  
S.D. 2  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1122, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT,"

begs leave to report as follows:

The purpose of this bill as received by your Committee is to amend various sections of the Hawaii Revised Statutes to comply with Act 253, Session Laws of Hawaii 2000, which places restrictions on the creation of civil service exempt positions. This bill also automatically converts certain civil service exempt positions to civil service positions in an unspecified number of years.

Your Committee conducted a public hearing on a proposed draft of this bill. The purpose of this proposed draft is to protect state employees by ensuring that employee benefits, including health, leave, and retirement benefits, are not adversely affected in the event of a furlough.

The Department of Human Resources Development, Department of Health, and a concerned individual supported the proposed draft. The Hawaii Government Employees Association opposed the proposed draft. The Judiciary, County of Hawaii Department of Human Resources, Hawaii State Teachers Association, and Employees' Retirement System provided comments on the proposed draft.

SB1122 HD2 HSCR FIN HMS 2009-3676



Your Committee has amended this bill by replacing its contents with the contents of the proposed draft, and amending the proposed draft by:

- (1) Removing the purpose language;
- (2) Clarifying that the provided protections apply to both state and county employees;
- (3) Specifying that any furlough during fiscal years 2008-2009 through 2012-2013 will not cause a decrease in the employer's contribution to the Voluntary Employees Beneficiary Association Trust;
- (4) Stating that an employee's retirement allowances and other benefits under Chapter 88, Hawaii Revised Statutes, will be based on the employee's actual compensation; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Concerns were raised about the possible impact of the proposed draft on the collective bargaining process, and it is your Committee's intent that the Legislature remain neutral with respect to on-going negotiations.

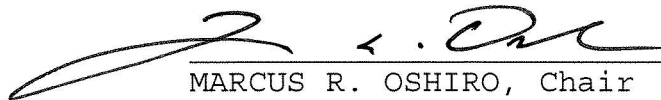
Your Committee respectfully recommends the approval of this amended measure to encourage further discussion given the difficulties of the current fiscal situation. Your Committee emphasizes, however, that this amended measure should not be construed as supportive of furloughs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1122, S.D. 2, H.D. 2.



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Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



MARCUS R. OSHIRO, Chair



