

Honolulu, Hawaii

Apr. 11, 2010

RE: S.B. No. 2626  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2626, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill as received by your Committee is to ensure the efficiency, effectiveness, and competency of permanent civil service employees by temporarily lengthening the initial civil service probation period from six months to 12 months for employees in positions exempt from civil service who transfer into civil service positions or are hired within 90 days of leaving their exempt position. This requirement will only apply to those hired into civil service positions between December 15, 2009, and December 31, 2011. This bill also requires state agencies to report quarterly to the Legislature about all non-civil service and temporary employees in the agency.

For purposes of a public hearing, your Committee circulated a proposed H.D. 1 version that amended the bill as received by your Committee by, among other things:

- (1) Amending the purpose section of the bill to conform to the scope and purpose of the proposed H.D.1;
- (2) Applying the initial probation period of not less than 12 months to exempt employees who transferred into a civil service



position or were rehired into a civil service position within 90 days of leaving a position that was exempt from civil service, if the employee transferred or was rehired between the date of enactment of the proposed H.D.1 and 11:59 a.m. on the third Wednesday of January 2011;

(3) Temporarily prohibiting the hiring of individuals, either directly or indirectly and including through requests for proposals, to perform work that has traditionally been done by State civil service employees from the enactment of this bill to 10 a.m. on the third Wednesday of January 2011 (appointment prohibited practice) and establishing a civil penalty therefor that does not exceed \$500,000; and

(4) Establishing the Hawaii Enforcement Board to adjudicate allegations of appointment prohibited practices.

A concerned individual testified in support of this bill. The Office of the Governor, Department of Human Resources Development, Judiciary, Department of Budget and Finance, and Department of the Attorney General opposed this measure. The Hawaii Government Employees' Association, AFSCME Local 155, AFL-CIO provided comments.

Your Committee has amended the bill as received by adopting the proposed H.D. 1.

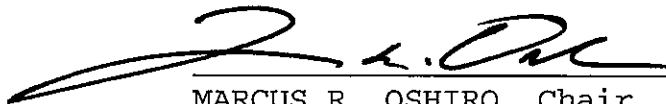
Your Committee has further amended this bill by:

- (1) Changing the effective date to July 1, 2020; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2626, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2626, S.D. 1, H.D. 1.



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



MARCUS R. OSHIRO, Chair



