
A BILL FOR AN ACT

RELATING TO THE USE OF FUNDS FOR PUBLIC EMPLOYMENT COSTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 37, Hawaii Revised Statutes, is amended
2 by adding a new section to part II to be appropriately
3 designated and to read as follows:

4 "§37- Use of funds for vacant state positions; limited
5 to salaries or wages. (a) Notwithstanding any other law to the
6 contrary, no portion of any:

7 (1) Appropriation; or

8 (2) Authorization to expend any special, revolving, trust,
9 or other funds,

10 made by the legislature to fund any vacant position for state
11 personnel shall be used for any purpose other than the payment
12 of salary or wages.

13 (b) For the purposes of this section, "salary or wages"
14 does not include vacation credit or vacation allowance costs."

15 SECTION 2. Section 78-23, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "§78-23 Leaves of absence. (a) Employees shall be
18 eligible for vacation leave, sick leave, and other leaves of



1 absence, with or without pay, as negotiated under chapter 89 or
2 adjusted under chapter 89C, as applicable.

3 (b) When an employee is transferred from one department to
4 another within the same jurisdiction or to another jurisdiction
5 within the State, the employee shall be given credit for the
6 vacation earned or accumulated in the department from which the
7 employee transferred, and the director of finance of the State
8 or the equivalent officers of the several jurisdictions shall
9 make the appropriate transfer of funds to implement the employee
10 transfer. Moneys received from any such transfer of funds by a
11 state agency financed by the general fund of the State shall be
12 deposited with the director of finance of the State to the
13 credit of the general fund of the State; provided that, when an
14 employee is transferred from one department to another within
15 the same jurisdiction, the transfer of funds shall not be made
16 if the employee's salary is paid from the same fund.

17 Compensation for any period of vacation allowance shall be paid
18 at the rate to which the employee is entitled at the time the
19 allowance is granted.

20 (c) Upon discharge, an employee shall be entitled to all
21 of the employee's accumulated vacation allowance plus the
22 employee's current accrued vacation allowance to and including



1 the date of discharge, notwithstanding that the current accrued
2 vacation allowance may not have been recorded at the time. If
3 any employee dies with accumulated or current accrued vacation
4 earned but not taken, an amount equal to the value of the
5 employee's pay over the period of such earned vacation, and any
6 earned and unpaid wages, shall be paid to the person or persons
7 who may have been designated as the beneficiary or beneficiaries
8 by the employee during the employee's lifetime in a verified
9 written statement filed with the comptroller or other disbursing
10 officer who issues warrants or checks to pay the employee for
11 the employee's services as a public employee, or, failing the
12 designation, to the employee's estate.

13 (d) Whenever an employee is to be discharged, voluntarily
14 or involuntarily, the employee, at the option of the appointing
15 authority, may be discharged and paid forthwith, in lieu of the
16 employee's vacation allowance, the amount of compensation to
17 which the employee would be entitled or which the employee would
18 be allowed during the vacation period if the employee were
19 permitted to take the employee's vacation in the normal manner,
20 and in such case the employee's position may be declared vacant
21 and may be permanently filled by a new appointee before the
22 expiration of any vacation period following the date of the



1 discharge. For an employee hired after June 30, 1997, who is to
2 be discharged, voluntarily or involuntarily, the amount of
3 compensation to be paid in lieu of vacation allowance under this
4 section shall be computed using the rate of pay and amount of
5 accumulated and accrued vacation on the date the employee is
6 discharged. Prompt notice upon such forms and in such manner as
7 may be required shall be given by the department head of any
8 action taken under this provision.

9 (e) Payments of vacation allowance paid pursuant to
10 subsections (c) or (d) shall be subject to the provisions of
11 chapter 88D.

12 (f) In accordance with section 37- , no portion of any:
13 (1) Appropriation; or
14 (2) Authorization to expend any special, revolving, trust,
15 or other funds,
16 made by the legislature to fund any vacant position for state
17 personnel shall be used for any vacation credit for transferred
18 employees under subsection (b) or for the payment of any
19 vacation allowance or other compensation to discharged employees
20 under subsection (c) or (d)."

21 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2014.

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INTRODUCED BY:

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H.B. NO. 2508

Report Title:

Appropriations; Public Employment; State Employees; Vacant Positions; Salary or Wages; Vacation Credit or Payments

Description:

Restricts the use of funds appropriated or authorized for vacant state positions to the payment of salaries or wages. Expressly prohibits the use of these funds for vacation credit or payments for transferred or discharged state employees.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

