
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT.

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

1 SECTION 1. Section 11-1.6, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) The chief election officer shall be paid a salary not
4 to exceed eighty-seven per cent of the salary of the director of
5 ~~[human resources development.]~~ taxation."

6 SECTION 2. Section 23-8, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) All employees shall be hired by the auditor subject
9 to the approval of the president of the senate and the speaker
10 of the house of representatives and shall serve at the auditor's
11 pleasure; provided that in the establishment of the salary of
12 each employee, the auditor shall consult with the department of
13 ~~[human resources development]~~ budget and finance and shall
14 follow as closely as possible the recommendations of the
15 department; provided further that effective July 1, 2007, the
16 salary of the first assistant or first deputy shall be not more
17 than ninety-two per cent of the salary of the auditor."



1 SECTION 3. Section 23-12, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Each special, revolving, and trust fund shall be
4 reviewed every five years as follows:

- 5 (1) Beginning 2014 and every five years thereafter, the
6 auditor shall submit a review of the special,
7 revolving, and trust funds of the department of
8 accounting and general services; the department of
9 agriculture; the department of budget and finance; and
10 the department of land and natural resources;
- 11 (2) Beginning 2015 and every five years thereafter, the
12 auditor shall submit a review of the special,
13 revolving, and trust funds of the department of the
14 attorney general; the department of business, economic
15 development, and tourism; and the University of Hawaii
16 system;
- 17 (3) Beginning 2016 and every five years thereafter, the
18 auditor shall submit a review of the special,
19 revolving, and trust funds within the judiciary and of
20 the department of commerce and consumer affairs; the



- 1 department of Hawaiian home lands; the department of
2 health; and the department of human services;
- 3 (4) Beginning 2017 and every five years thereafter, the
4 auditor shall submit a review of the special,
5 revolving, and trust funds of the office of the
6 governor; the office of Hawaiian affairs; and the
7 department of education;
- 8 (5) Beginning 2018 and every five years thereafter, the
9 auditor shall submit a review of the special,
10 revolving, and trust funds of the department of labor
11 and industrial relations; the department of taxation;
12 [~~the department of human resources development;~~] the
13 department of public safety; and all other moneys
14 expended in accordance with section 37-40; and
- 15 (6) Beginning 2014 and every five years thereafter, the
16 auditor shall submit a review of the special,
17 revolving, and trust funds of the department of
18 transportation and the department of defense."

19 SECTION 4. Section 23G-2, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:



1 "(b) In determining the salary of the employees of the
2 bureau, the director shall consult with the department of [~~human~~
3 ~~resources development,~~] budget and finance; provided that,
4 effective July 1, 2007, the salary of the first assistant shall
5 be not more than ninety-two per cent of the salary of the
6 director."

7 SECTION 5. Section 26-2, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) When the office of lieutenant governor is vacant by
10 reason of the lieutenant governor's becoming governor, or the
11 lieutenant governor's failure to qualify, or the lieutenant
12 governor's removal from office, death, resignation, or
13 otherwise, the powers and duties of the office of lieutenant
14 governor shall devolve upon the president of the senate; or, if
15 there is none or upon the president's failure to resign promptly
16 from all legislative offices held by the president, then upon
17 the speaker of the house of representatives; or if there is none
18 or upon the speaker's failure to resign promptly from all
19 legislative offices held by the speaker, then upon the attorney
20 general, the director of finance, the comptroller, and the
21 director of taxation[, ~~and the director of human resources~~



1 ~~development]~~ in the order named; provided that any officer upon
2 whom the powers and duties of the office of lieutenant governor
3 devolve may decline the powers and duties without the officer's
4 resignation from the office by virtue of the holding of which
5 the officer qualifies to act as lieutenant governor, in which
6 event the powers and duties will devolve upon the next officer
7 listed in the order of succession."

8 SECTION 6. Section 26-4, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§26-4 Structure of government.** Under the supervision of
11 the governor, all executive and administrative offices,
12 departments, and instrumentalities of the state government and
13 their respective functions, powers, and duties shall be
14 allocated among and within the following principal departments
15 that are hereby established:

- 16 [~~1~~] ~~Department of human resources development (Section 26-~~
17 ~~5)~~
- 18 ~~(2)]~~ (1) Department of accounting and general services
19 (Section 26-6)
- 20 [~~3~~] (2) Department of the attorney general (Section 26-7)
- 21 [~~4~~] (3) Department of budget and finance (Section 26-8)



- 1 [~~(5)~~] (4) Department of commerce and consumer affairs
- 2 (Section 26-9)
- 3 [~~(6)~~] (5) Department of taxation (Section 26-10)
- 4 [~~(7)~~] (6) University of Hawaii (Section 26-11)
- 5 [~~(8)~~] (7) Department of education (Section 26-12)
- 6 [~~(9)~~] (8) Department of health (Section 26-13)
- 7 [~~(10)~~] (9) Department of human services (Section 26-14)
- 8 [~~(11)~~] (10) Department of land and natural resources
- 9 (Section 26-15)
- 10 [~~(12)~~] (11) Department of agriculture (Section 26-16)
- 11 [~~(13)~~] (12) Department of Hawaiian home lands (Section 26-
- 12 17)
- 13 [~~(14)~~] (13) Department of business, economic development,
- 14 and tourism (Section 26-18)
- 15 [~~(15)~~] (14) Department of transportation (Section 26-19)
- 16 [~~(16)~~] (15) Department of labor and industrial relations
- 17 (Section 26-20)
- 18 [~~(17)~~] (16) Department of defense (Section 26-21)
- 19 [~~(18)~~] (17) Department of public safety (Section 26-14.6)."
- 20 SECTION 7. Section 26-8, Hawaii Revised Statutes, is
- 21 amended to read as follows:



1 "§26-8 Department of budget and finance. (a) The
2 department of budget and finance shall be headed by a single
3 executive to be known as the director of finance.

4 (b) The department shall:

5 (1) Undertake the preparation and execution of the
6 executive budget of the state government;

7 (2) Conduct a systematic and continuous review of the
8 finances, organization, and methods of each department
9 of the State to assist each department in achieving
10 the most effective expenditure of all public funds and
11 to determine that such expenditures are in accordance
12 with the budget laws and controls in force;

13 (3) Have custody of state funds and be responsible for the
14 safekeeping, management, investment, and disbursement
15 thereof; and

16 (4) Administer state debts.

17 (c) The functions and authority heretofore exercised by
18 the bureau of the budget (except for insurance management,
19 surplus property management, and central purchasing transferred
20 to the department of accounting and general services) and the
21 funds custody, cash management, debt management, and



1 administering of veterans loan functions of the treasurer as
2 heretofore constituted are transferred to the department of
3 budget and finance established by this chapter.

4 (d) The employees' retirement system as constituted by
5 chapter 88 is placed within the department of budget and finance
6 for administrative purposes. The functions, duties, and powers,
7 subject to the administrative control of the director of
8 finance, and the composition of the board of trustees of the
9 employees' retirement system shall be as heretofore provided by
10 law.

11 (e) The department of budget and finance shall administer
12 the state human resources program, including human resources
13 development and training, and central human resources services
14 such as recruitment, examination, classification, pay
15 administration, and payment of any claims as required under
16 chapter 386.

17 (f) There shall be within the department of budget and
18 finance a board to be known as the merit appeals board which
19 shall sit as an appellate body on matters set forth in section
20 76-14. The board shall consist of three members. All members
21 shall have knowledge of public employment laws and prior



1 experience with public employment; provided that at least one
2 member's experience was with an employee organization as a
3 member or an employee of that organization and at least one
4 member's experience was with management. The governor shall
5 consider the names of qualified individuals submitted by
6 employee organizations or management before appointing the
7 members of the board. The chairperson of the board shall be
8 designated as specified in the rules of the board.

9 Section 26-34 shall not apply and the board members shall
10 be appointed by the governor for four-year terms and may be re-
11 appointed without limitation; provided that the initial
12 appointments shall be for staggered terms, as determined by the
13 governor. The governor shall fill any vacancy by appointing a
14 new member for a four-year term. The governor may remove for
15 cause any member after due notice and public hearing.

16 Nothing in this subsection shall be construed as in any
17 manner affecting the civil service laws applicable to the
18 several counties, the judiciary, or the Hawaii health systems
19 corporation or its regional system boards, which shall remain
20 the same as if this chapter had not been enacted.



1 (g) There is established in the state treasury the human
2 resources development special fund, to be administered by the
3 department of budget and finance, which shall consist of:

4 (1) All revenues received by the department as a result of
5 entrepreneurial efforts in securing new sources of
6 funds not provided for in the department's budget for
7 services rendered by the department;

8 (2) All revenues received by the department from the
9 charging of participant fees for in-service training
10 that are in addition to general fund appropriations in
11 the department's budget for developing and operating
12 in-service training programs;

13 (3) Appropriations made by the legislature to the fund;
14 and

15 (4) Moneys directed to the department from any other
16 source, including gifts, grants, and awards.

17 (h) Moneys in the human resources development special fund
18 shall be used for the following purposes:

19 (1) Supporting the department's entrepreneurial
20 initiatives, training activities, and programs;



1 (2) Administrative costs of the department's
2 entrepreneurial initiatives, training activities, and
3 programs; and

4 (3) Any other purpose deemed necessary by the director for
5 the purpose of facilitating the department's
6 entrepreneurial initiatives, training activities, and
7 programs.

8 (i) No later than twenty days prior to the convening of
9 each regular session of the legislature beginning with the
10 regular session of 2021, the department of budget and finance
11 shall submit to the legislature a report on the number of exempt
12 positions that were converted to civil service positions during
13 the previous twelve months. The report shall include but not be
14 limited to:

15 (1) The date the position was established;
16 (2) The purpose of the position;
17 (3) Rationale for the conversion; and
18 (4) The number of exempt positions that remain in each
19 state department after the conversions."

20 SECTION 8. Section 26-56, Hawaii Revised Statutes, is
21 amended by amending subsections (a) to (c) to read as follows:



1 "(a) Pursuant to article XVI, section 3.5, of the
2 Constitution of the State of Hawaii, there is established a
3 commission on salaries within the department of [~~human resources~~
4 ~~development,~~] budget and finance, for administrative purposes
5 only.

6 The commission shall consist of seven members of whom:

- 7 (1) Two members shall be appointed by the governor;
8 (2) Two members shall be appointed by the president of the
9 senate;
10 (3) Two members shall be appointed by the speaker of the
11 house of representatives; and
12 (4) One member shall be appointed by the chief justice of
13 the supreme court.

14 Vacancies in these positions shall be filled in the same
15 manner. The members of the commission shall serve without
16 compensation but shall be reimbursed for expenses, including
17 travel expenses, necessary for the performance of their duties.

18 (b) The commission shall review and recommend an
19 appropriate salary for the governor, lieutenant governor,
20 members of the legislature, justices and judges of all state
21 courts, administrative director of the State or an equivalent



1 position, and department heads or executive officers and the
2 deputies or assistants to the department heads of the
3 departments of:

- 4 (1) Accounting and general services;
- 5 (2) Agriculture;
- 6 (3) The attorney general;
- 7 (4) Budget and finance;
- 8 (5) Business, economic development, and tourism;
- 9 (6) Commerce and consumer affairs;
- 10 (7) Defense;
- 11 (8) Hawaiian home lands;
- 12 (9) Health;
- 13 [~~(10)~~] ~~Human resources development,~~
- 14 ~~(11)]~~ (10) Human services;
- 15 [~~(12)]~~ (11) Labor and industrial relations;
- 16 [~~(13)]~~ (12) Land and natural resources;
- 17 [~~(14)]~~ (13) Public safety;
- 18 [~~(15)]~~ (14) Taxation; and
- 19 [~~(16)]~~ (15) Transportation.

20 The commission shall not review the salary of any position
21 in the department of education or the University of Hawaii.



1 The commission may recommend different salaries for
2 department heads and executive officers and different salary
3 ranges for deputies or assistants to department heads; provided
4 that the commission shall recommend the same salary range for
5 deputies or assistants to department heads within the same
6 department; provided further that the appointing official shall
7 specify the salary for a particular position within the
8 applicable range.

9 The commission shall not recommend salaries lower than
10 salary amounts recommended by prior commissions replaced by this
11 section.

12 (c) The commission may seek assistance from the department
13 of [~~human resources development~~] budget and finance and any
14 other agency in conducting its review, and all agencies shall
15 fully cooperate with the commission and provide any necessary
16 information to the commission upon request."

17 SECTION 9. Section 37-74, Hawaii Revised Statutes, is
18 amended by amending subsection (f) to read as follows:

19 "[+] (f) [+] Effective [~~July 1, 2017,~~] July 1, 2020, no
20 funds shall be expended to fill a permanent or temporary
21 position for the lowest level of a program if the filling of



1 that position causes the position ceiling for that level of the
2 program to be exceeded; provided that this subsection shall not
3 apply to a:

- 4 (1) Position established by the University of Hawaii or
5 the Hawaii health systems corporation;
- 6 (2) Position that is entirely federally funded;
- 7 (3) Position necessary for compliance, without undue
8 delay, with a court order or decree if the director of
9 ~~[human resources development]~~ finance determines that
10 recruitment through normal civil service procedures
11 would result in delay or noncompliance;
- 12 (4) Position approved by the governor for a special,
13 research, or demonstration project of an agency;
- 14 (5) Position approved by the governor to perform an
15 emergency management function under the department of
16 defense pursuant to the authority of section
17 127A-12 (b) (9) ;
- 18 (6) Casual hire position;
- 19 (7) Vicing position;
- 20 (8) Position established by an agency pursuant to express
21 statutory authorization to establish the position; and



1 (9) Position established by an agency for a program or
2 project funded by an appropriation in an act other
3 than a general or supplemental appropriations act."

4 SECTION 10. Section 76-1.5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[+]§76-1.5[+] **Executive branch workforce demographic**
7 **profile.** (a) The director of [~~human resources development~~]
8 finance shall compile a profile on the workforce of the
9 executive branch of the State that shall include:

- 10 (1) Demographic data on the entire executive branch
11 workforce covering both civil service employees hired
12 through recruitment procedures based on merit and
13 employees exempt from [~~such~~] these procedures;
- 14 (2) Breakouts of the data required by paragraph (1) for
15 the systems administered by the department of [~~human~~
16 ~~resources development,~~] budget and finance, the board
17 of education, the University of Hawaii board of
18 regents, and the Hawaii health systems corporation,
19 respectively; and



1 (3) Information on the number of employees who are
2 currently eligible for retirement and projected
3 retirements for the succeeding five years.

4 (b) The director of [~~human resources development~~] finance
5 shall submit an annual profile report to the legislature no
6 later than twenty days prior to the convening of each regular
7 session."

8 SECTION 11. Section 76-16, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) The civil service to which this chapter applies shall
11 comprise all positions in the State now existing or hereafter
12 established and embrace all personal services performed for the
13 State, except the following:

14 (1) Commissioned and enlisted personnel of the Hawaii
15 National Guard as such, and positions in the Hawaii
16 National Guard that are required by state or federal
17 laws or regulations or orders of the National Guard to
18 be filled from those commissioned or enlisted
19 personnel;

20 (2) Positions filled by persons employed by contract where
21 the director of [~~human resources development~~] finance



1 has certified that the service is special or unique or
2 is essential to the public interest and that, because
3 of circumstances surrounding its fulfillment,
4 personnel to perform the service cannot be obtained
5 through normal civil service recruitment procedures.
6 Any [sueh] contract executed pursuant to this
7 paragraph may be for any period not exceeding one
8 year;

9 (3) Positions that must be filled without delay to comply
10 with a court order or decree if the director
11 determines that recruitment through normal recruitment
12 civil service procedures would result in delay or
13 noncompliance, such as the Felix-Cayetano consent
14 decree;

15 (4) Positions filled by the legislature or by either house
16 or any committee thereof;

17 (5) Employees in the office of the governor and office of
18 the lieutenant governor, and household employees at
19 Washington Place;

20 (6) Positions filled by popular vote;



- 1 (7) Department heads, officers, and members of any board,
2 commission, or other state agency whose appointments
3 are made by the governor or are required by law to be
4 confirmed by the senate;
- 5 (8) Judges, referees, receivers, masters, jurors, notaries
6 public, land court examiners, court commissioners, and
7 attorneys appointed by a state court for a special
8 temporary service;
- 9 (9) One bailiff for the chief justice of the supreme court
10 who shall have the powers and duties of a court
11 officer and bailiff under section 606-14; one
12 secretary or clerk for each justice of the supreme
13 court, each judge of the intermediate appellate court,
14 and each judge of the circuit court; one secretary for
15 the judicial council; one deputy administrative
16 director of the courts; three law clerks for the chief
17 justice of the supreme court, two law clerks for each
18 associate justice of the supreme court and each judge
19 of the intermediate appellate court, one law clerk for
20 each judge of the circuit court, two additional law
21 clerks for the civil administrative judge of the



1 circuit court of the first circuit, two additional law
2 clerks for the criminal administrative judge of the
3 circuit court of the first circuit, one additional law
4 clerk for the senior judge of the family court of the
5 first circuit, two additional law clerks for the civil
6 motions judge of the circuit court of the first
7 circuit, two additional law clerks for the criminal
8 motions judge of the circuit court of the first
9 circuit, and two law clerks for the administrative
10 judge of the district court of the first circuit; and
11 one private secretary for the administrative director
12 of the courts, the deputy administrative director of
13 the courts, each department head, each deputy or first
14 assistant, and each additional deputy, or assistant
15 deputy, or assistant defined in paragraph (16);
16 (10) First deputy and deputy attorneys general, the
17 administrative services manager of the department of
18 the attorney general, one secretary for the
19 administrative services manager, an administrator and
20 any support staff for the criminal and juvenile



1 justice resources coordination functions, and law
2 clerks;

3 (11) (A) Teachers, principals, vice-principals, complex
4 area superintendents, deputy and assistant
5 superintendents, other certificated personnel,
6 not more than twenty noncertificated
7 administrative, professional, and technical
8 personnel not engaged in instructional work;

9 (B) Effective July 1, 2003, teaching assistants,
10 educational assistants, bilingual/bicultural
11 school-home assistants, school psychologists,
12 psychological examiners, speech pathologists,
13 athletic health care trainers, alternative school
14 work study assistants, alternative school
15 educational/supportive services specialists,
16 alternative school project coordinators, and
17 communications aides in the department of
18 education;

19 (C) The special assistant to the state librarian and
20 one secretary for the special assistant to the
21 state librarian; and



- 1 (D) Members of the faculty of the University of
2 Hawaii, including research workers, extension
3 agents, personnel engaged in instructional work,
4 and administrative, professional, and technical
5 personnel of the university;
- 6 (12) Employees engaged in special, research, or
7 demonstration projects approved by the governor;
- 8 (13) (A) Positions filled by inmates, patients of state
9 institutions, persons with severe physical or
10 mental disabilities participating in the work
11 experience training programs;
- 12 (B) Positions filled with students in accordance with
13 guidelines for established state employment
14 programs; and
- 15 (C) Positions that provide work experience training
16 or temporary public service employment that are
17 filled by persons entering the workforce or
18 persons transitioning into other careers under
19 programs such as the federal Workforce Investment
20 Act of 1998, as amended, or the Senior Community
21 Service Employment Program of the Employment and



1 Training Administration of the United States
2 Department of Labor, or under other similar state
3 programs;

4 (14) A custodian or guide at Iolani Palace, the Royal
5 Mausoleum, and Hulihee Palace;

6 (15) Positions filled by persons employed on a fee,
7 contract, or piecework basis, who may lawfully perform
8 their duties concurrently with their private business
9 or profession or other private employment and whose
10 duties require only a portion of their time, if it is
11 impracticable to ascertain or anticipate the portion
12 of time to be devoted to the service of the State;

13 (16) Positions of first deputies or first assistants of
14 each department head appointed under or in the manner
15 provided in section 6, article V, of the Hawaii State
16 Constitution; three additional deputies or assistants
17 either in charge of the highways, harbors, and
18 airports divisions or other functions within the
19 department of transportation as may be assigned by the
20 director of transportation, with the approval of the
21 governor; four additional deputies in the department



1 of health, each in charge of one of the following:
2 behavioral health, environmental health, hospitals,
3 and health resources administration, including other
4 functions within the department as may be assigned by
5 the director of health, with the approval of the
6 governor; an administrative assistant to the state
7 librarian; and an administrative assistant to the
8 superintendent of education;

9 (17) Positions specifically exempted from this part by any
10 other law; provided that:

11 (A) Any exemption created after July 1, 2014, shall
12 expire three years after its enactment unless
13 affirmatively extended by an act of the
14 legislature; and

15 (B) All of the positions defined by paragraph (9)
16 shall be included in the position classification
17 plan;

18 (18) Positions in the state foster grandparent program and
19 positions for temporary employment of senior citizens
20 in occupations in which there is a severe personnel
21 shortage or in special projects;



- 1 (19) Household employees at the official residence of the
2 president of the University of Hawaii;
- 3 (20) Employees in the department of education engaged in
4 the supervision of students during meal periods in the
5 distribution, collection, and counting of meal
6 tickets, and in the cleaning of classrooms after
7 school hours on a less than half-time basis;
- 8 (21) Employees hired under the tenant hire program of the
9 Hawaii public housing authority; provided that not
10 more than twenty-six per cent of the authority's
11 workforce in any housing project maintained or
12 operated by the authority shall be hired under the
13 tenant hire program;
- 14 (22) Positions of the federally funded expanded food and
15 nutrition program of the University of Hawaii that
16 require the hiring of nutrition program assistants who
17 live in the areas they serve;
- 18 (23) Positions filled by persons with severe disabilities
19 who are certified by the state vocational
20 rehabilitation office that they are able to perform
21 safely the duties of the positions;



- 1 (24) The sheriff;
- 2 (25) A gender and other fairness coordinator hired by the
- 3 judiciary;
- 4 (26) Positions in the Hawaii National Guard youth and adult
- 5 education programs;
- 6 (27) In the state energy office in the department of
- 7 business, economic development, and tourism, all
- 8 energy program managers, energy program specialists,
- 9 energy program assistants, and energy analysts; and
- 10 (28) Administrative appeals hearing officers in the
- 11 department of human services.

12 The director shall determine the applicability of this
 13 section to specific positions.

14 Nothing in this section shall be deemed to affect the civil
 15 service status of any incumbent as it existed on July 1, 1955."

16 SECTION 12. Section 76-47, Hawaii Revised Statutes, is
 17 amended by amending subsection (b) to read as follows:

18 "(b) Members of the merit appeals board shall be persons
 19 that can objectively apply the merit principle to public
 20 employment. Other qualifications of board members and other
 21 matters pertaining to the establishment of the merit appeals



1 board, whether composition of the board, manner of appointment,
2 term of office, limitation on terms, chairperson, removal of
3 members, and name for its merit appeals board, shall be left to
4 the determination of each jurisdiction based on its own
5 preferences and needs. A jurisdiction may continue to use its
6 civil service commission or appeals board, with or without
7 modification, as its merit appeals board to assume all of the
8 functions and responsibilities under section 76-14; provided
9 that the merit appeals board for the State shall be as provided
10 in section [~~26-5.~~] 26-8."

11 SECTION 13. Section 88E-3, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) The authority to establish the plan and implement
14 this chapter is vested in the board of trustees. The board
15 shall be placed within the department of [~~human resources~~
16 ~~development~~] budget and finance for administrative purposes."

17 SECTION 14. Section 88E-4, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§88E-4 Composition of the board of trustees.** The board
20 of trustees shall consist of seven members as follows:



1 ~~[(1) The director of human resources development of the~~
2 ~~State or a designated representative, ex officio,~~
3 ~~(2)]~~ (1) The director of finance of the State or a
4 designated representative, ex officio; and
5 ~~[(3) Five]~~ (2) Six other persons, who shall be public
6 employees and represent employee interests."

7 SECTION 15. Section 88E-5, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§88E-5 Appointment and terms.** Except for the ~~[directors~~
10 ~~of human resources development and]~~ director of finance, the
11 members of the board shall be nominated and, by and with the
12 advice and consent of the senate, appointed by the governor and
13 shall serve terms of four years each; provided that of the
14 trustees first appointed upon establishment of the board one
15 shall be appointed for one year, one shall be appointed for two
16 years, one shall be appointed for three years, and two shall be
17 appointed for four years.

18 A vacancy on the board shall be filled by appointment of
19 the governor. The person appointed to fill a vacancy shall
20 serve for the remainder of the unexpired term. If by the end of
21 a term a trustee is not reappointed or a successor is not



1 appointed, the trustee shall serve until the trustee's successor
2 is appointed.

3 Membership on the board shall not be deemed incompatible
4 with the holding of any other public employment."

5 SECTION 16. Section 88F-2, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§88F-2 State deferred compensation retirement plan for
8 state and county part-time, temporary, and seasonal or casual
9 employees. The State may establish a deferred compensation
10 retirement plan in accordance with sections 457 and 3121 of the
11 Internal Revenue Code of 1986, as amended, for the benefit of
12 employees to defer a portion of their compensation to a future
13 period of time. Participation in the plan shall be mandatory,
14 with a mandatory payroll deduction by the employee equal to
15 seven and five-tenths per cent of the employee's gross monthly
16 wages, which shall be contributed to the plan. A county may
17 enter into a formal agreement with the State to extend the
18 State's plan and its provisions to part-time, temporary, and
19 seasonal or casual employees of the county; provided that:

- 20 (1) The agreement designates one of the county's agencies
21 to locally coordinate the plan; and



1 (2) The department of [~~human resources development~~] budget
2 and finance may levy fees on the county pursuant to
3 rules adopted in accordance with chapter 91."

4 SECTION 17. Section 90-3, Hawaii Revised Statutes, is
5 amended by amending subsection (e) to read as follows:

6 "(e) The agency utilizing the services of volunteers has
7 the responsibility to:

8 (1) Use volunteers to extend services without displacing
9 paid employees.

10 (2) Provide each volunteer with a designated supervisor.

11 (3) Provide staff orientation and training in the use and
12 supervision of volunteers.

13 (4) Define volunteer jobs that are meaningful to the
14 volunteer and commensurate with his abilities.

15 (5) Be alert to assignments for handicapped or disabled
16 volunteers.

17 (6) Make it possible for a volunteer to serve on a trial
18 or probationary basis for a specified period.

19 (7) Provide orientation and training to improve the
20 volunteer's skills.



- 1 (8) Provide volunteers with clear instructions and an
2 adequate work space.
- 3 (9) Accept the volunteer as part of the team, including
4 ~~[him]~~ the volunteer in training and staff meetings
5 that pertain to ~~[his]~~ the volunteer's work.
- 6 (10) Establish and communicate clearly defined lines of
7 supervision so that the volunteer knows to whom ~~[he]~~
8 the volunteer is responsible.
- 9 (11) Provide appropriate recognition and appreciation to
10 the volunteer.
- 11 (12) Provide written guidelines governing the recruitment,
12 screening, utilization, and supervision of volunteers.
- 13 (13) Recognize an applicant's prior volunteer service in
14 evaluating fulfillment of training and experience
15 requirements for state employment pursuant to rules
16 adopted by the department of ~~[human resources~~
17 ~~development,]~~ budget and finance, the judiciary, and
18 the board of regents of the University of Hawaii.
- 19 (14) Provide funds for volunteer benefits as specified in
20 section 90-4.



1 (15) Provide recognition of paid staff for support and
2 supervision of volunteers."

3 SECTION 18. Section 92F-19, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) No agency may disclose or authorize disclosure of
6 government records to any other agency unless the disclosure is:

7 (1) Necessary for the performance of the requesting
8 agency's duties and functions and is also:

9 (A) Compatible with the purpose for which the
10 information was collected or obtained; or

11 (B) Consistent with the conditions or reasonable
12 expectations of use and disclosure under which
13 the information was provided;

14 (2) To the state archives for the purposes of historical
15 preservation, administrative maintenance, or
16 destruction;

17 (3) To another agency, another state, or the federal
18 government, or foreign law enforcement agency or
19 authority, if the disclosure is:

20 (A) For the purpose of a civil or criminal law
21 enforcement activity authorized by law; and



- 1 (B) Pursuant to:
- 2 (i) A written agreement or written request, or
- 3 (ii) A verbal request, made under exigent
- 4 circumstances, by an officer or employee of
- 5 the requesting agency whose identity has
- 6 been verified, provided that such request is
- 7 promptly confirmed in writing;
- 8 (4) To a criminal law enforcement agency of this State,
- 9 another state, or the federal government, or a foreign
- 10 criminal law enforcement agency or authority, if the
- 11 information is limited to an individual's name and
- 12 other identifying particulars, including present and
- 13 past places of employment;
- 14 (5) To a foreign government pursuant to an executive
- 15 agreement, compact, treaty, or statute;
- 16 (6) To the legislature, or a county council, or any
- 17 committee or subcommittee thereof;
- 18 (7) Pursuant to an order of a court of competent
- 19 jurisdiction;
- 20 (8) To authorized officials of another agency, another
- 21 state, or the federal government for the purpose of



1 auditing or monitoring an agency program that receives
2 federal, state, or county funding;

3 (9) To the offices of the legislative auditor, the
4 legislative reference bureau, or the ombudsman of this
5 State for the performance of their respective
6 functions;

7 (10) To the department of [~~human resources development,~~
8 budget and finance, county personnel agencies, or line
9 agency personnel offices for the performance of their
10 respective duties and functions, including employee
11 recruitment and examination, classification and
12 compensation reviews, the administration and auditing
13 of personnel transactions, the administration of
14 training and safety, workers' compensation, and
15 employee benefits and assistance programs, and for
16 labor relations purposes; or

17 (11) Otherwise subject to disclosure under this chapter."

18 SECTION 19. Section 96-3, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

20 "(b) In determining the salary of each employee, the
21 ombudsman shall consult with the department of [~~human resources~~



1 ~~development]~~ budget and finance and shall follow as closely as
2 possible the recommendations of the department. Effective July
3 1, 2007, the first assistant's salary shall be not more than
4 ninety-two per cent of the salary of the ombudsman."

5 SECTION 20. Section 103D-110, Hawaii Revised Statutes, is
6 amended by amending subsections (a) and (b) to read as follows:

7 "(a) The department of [~~human resources development,~~]
8 budget and finance, either alone or in cooperation with any
9 governmental body, including the department of labor and
10 industrial relations, or in cooperation with other states, the
11 federal government, or other persons may:

- 12 (1) Conduct or participate in procurement education and
13 training for persons not employed by the State; and
14 (2) Sponsor a purchasing certification program conducted
15 by a voluntary organization of procurement
16 professionals.

17 (b) The state procurement office, in cooperation with the
18 department of [~~human resources development,~~] budget and finance,
19 shall develop and maintain a procurement practices training and
20 development program for procurement officers of the State and
21 the several counties, to ensure that an agency's procurement



1 practices are in compliance with the procurement code and that
2 proper procurement decisions are made consistent with this
3 chapter. The program shall include a mandatory fundamental
4 training and development session and follow-up training and
5 development sessions."

6 SECTION 21. Section 103D-204, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) There shall be a state procurement office, placed for
9 administrative purposes only, within the department of
10 accounting and general services, which shall be headed by the
11 administrator of the state procurement office. The
12 administrator shall be the chief procurement officer for those
13 governmental bodies of the executive branch as provided in
14 section [+]103D-203(a)(8)[+]. The administrator shall be a
15 full-time public official. The administrator shall serve a term
16 of four years, and shall be paid a salary not to exceed eighty-
17 seven per cent of the salary of the director of [~~human resources~~
18 ~~development,~~] taxation, without diminution during the
19 administrator's term of office unless by general law applying to
20 all deputies or assistants to department heads."



1 SECTION 22. Section 109-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§109-2 Stadium authority; powers and duties.** The powers
4 and duties of the stadium authority shall be as follows:

5 (1) To maintain, operate, and manage the stadium and
6 related facilities;

7 (2) To prescribe and collect rents, fees, and charges for
8 the use or enjoyment of the stadium or any of its
9 facilities;

10 (3) To make and execute contracts and other instruments
11 necessary or convenient to exercise its powers under
12 this chapter and subject to any limitations in this
13 chapter, to exercise all powers necessary, incidental,
14 or convenient to carry out and effectuate the purposes
15 and provisions of this chapter;

16 (4) To adopt, amend, and repeal in accordance with chapter
17 91 rules it may deem necessary to effectuate this
18 chapter and in connection with its projects,
19 operations, and facilities;

20 (5) To appoint a manager and a deputy manager who shall
21 have qualifications as the authority deems necessary



1 and who shall hold their respective offices at the
2 pleasure of the authority. The manager and deputy
3 manager shall be exempt from the requirements of
4 chapters 76 and 89. Effective July 1, [~~2005,~~] 2020,
5 the manager shall be paid a salary not to exceed
6 eighty-seven per cent of the salary of the director of
7 [~~human resources development.~~] taxation. Effective
8 July 1, 2005, the deputy manager shall be paid a
9 salary not to exceed eighty-five per cent of the
10 manager's salary. The manager shall have full power
11 to administer the affairs of the stadium and related
12 facilities, subject to the direction and approval of
13 the authority. The manager shall, subject to the
14 approval of the authority, have power to appoint,
15 suspend, and discharge a secretary who shall be exempt
16 from the requirements of chapters 76 and 89, and other
17 employees, subordinates, and assistants as may be
18 necessary for the proper conduct of the business of
19 the authority. Except for persons hired on contract
20 or otherwise as provided in section 109-3 and except
21 for the manager, deputy manager, and secretary, all



1 appointments, suspensions, or discharges shall be made
2 in conformity with the applicable provisions of
3 chapter 76; and

4 (6) To plan, promote, and market the stadium and related
5 facilities."

6 SECTION 23. Section 269-2, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) Effective July 1, [~~2005~~,] 2020, the chairperson of
9 the commission shall be paid a salary set at eighty-seven per
10 cent of the salary of the director of [~~human resources~~
11 ~~development~~,] taxation, and each of the other commissioners
12 shall be paid a salary equal to ninety-five per cent of the
13 chairperson's salary. The commissioners shall be exempt from
14 chapters 76 and 89 but shall be members of the state
15 [~~+~~employees' [~~+~~] retirement system and shall be eligible to
16 receive the benefits of any state or federal employee benefit
17 program generally applicable to officers and employees of the
18 State, including those under chapter 87A."

19 SECTION 24. Section 302D-27, Hawaii Revised Statutes, is
20 amended to read as follows:



1 " ~~[+]~~ §302D-27 ~~[+]~~ Administration of workers' compensation.

2 The department of [~~human resources development~~] budget and
3 finance shall administer workers' compensation claims for
4 employees of charter schools, who shall be covered by the same
5 self-insured workers' compensation system as other public
6 employees. The department of [~~human resources development~~]
7 budget and finance shall process, investigate, and make payments
8 on claims; provided that:

- 9 (1) Charter schools shall compile the preliminary claim
10 form and forward it to the department of [~~human~~
11 ~~resources development;~~] budget and finance; and
- 12 (2) The department of [~~human resources development~~] budget
13 and finance shall receive no more than 0.07 per cent
14 of the EDN 600 appropriation to process these workers'
15 compensation claims."

16 SECTION 25. Section 302L-1.5, Hawaii Revised Statutes, is
17 amended by amending subsection (b) to read as follows:

18 "(b) The head of the executive office on early learning
19 shall be known as the director of the executive office on early
20 learning, hereinafter referred to as director. The director
21 shall:



- 1 (1) Be appointed and evaluated annually by the board;
- 2 (2) Have professional training in the field of social
3 work, education, or other related fields, including
4 major coursework in early childhood education and
5 child development, and preferably holding an academic
6 degree in the field of early childhood education and
7 child development;
- 8 (3) Have direct experience in programs or services related
9 to early learning;
- 10 (4) Have recent experience in a supervisory, consultative,
11 or administrative position;
- 12 (5) Be paid a salary set by the board that shall not
13 exceed ninety per cent of the salary of the director
14 of [~~human resources development;~~] taxation; and
- 15 (6) Be included in any benefit program generally
16 applicable to the officers and employees of the
17 State."

18 SECTION 26. Section 342B-63, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

20 "(b) The person appointed as the small business ombudsman
21 shall be experienced in dealing with both private enterprise and



1 government entities; arbitration and negotiation; interpretation
2 of laws and rules; investigation; recordkeeping; report writing;
3 public speaking; and management. All employees of the office
4 shall be hired by the small business ombudsman and shall serve
5 at the small business ombudsman's pleasure. In determining the
6 salary of each employee, the small business ombudsman shall
7 consult with the [~~department of human resources development~~]
8 department of budget and finance and shall follow as closely as
9 possible the recommendations of the [~~department of human~~
10 ~~resources development~~].] department of budget and finance. The
11 small business ombudsman and the small business ombudsman's
12 full-time staff shall be entitled to participate in all state
13 employee benefit plans."

14 SECTION 27. Section 349-2, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

16 "(b) The head of this office shall be known as the
17 director of the executive office on aging, hereinafter referred
18 to as director. The director shall have professional training
19 in the field of social work, education, public health, and other
20 related fields; extensive direct experience in programs or
21 services related to elders; and recent experience in a



1 supervisory, consultative, or administrative position. The
2 director shall be nominated and appointed by the governor
3 without regard to chapters 76 and 89. Effective July 1, [2005,]
4 2020, the director shall be paid a salary set by the appointing
5 authority that shall not exceed sixty-nine per cent of the
6 salary of the director of [~~human resources development~~]
7 taxation. The director shall be included in any benefit program
8 generally applicable to the officers and employees of the
9 State."

10 SECTION 28. Section 367-2, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) The commission shall consist of thirteen members,
13 which shall include:

14 (1) Ex officio[+], [+] nonvoting members the superintendent
15 of education, the president of the University of
16 Hawaii, the director of labor and industrial
17 relations, the director of [~~human resources~~
18 ~~development~~], finance, the director of human services,
19 and the director of health, or their respective
20 designated representative; and



1 (2) The remaining seven members shall be appointed by the
2 governor in accordance with section 26-34, and shall
3 serve as voting members."

4 SECTION 29. Section 487N-5, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) There is established an information privacy and
7 security council within the department of accounting and general
8 services for administrative purposes only. Members of the
9 council shall be appointed no later than September 1, 2008, by
10 the governor without regard to section 26-34 and shall be
11 composed of the following representatives:

12 (1) Executive agencies that maintain extensive personal
13 information in the conduct of their duties, including
14 the department of commerce and consumer affairs, the
15 department of education, the department of health, the
16 department of [~~human resources development,~~] budget
17 and finance, the department of human services, and the
18 University of Hawaii, to be selected by the governor;

19 (2) The legislature, to be selected by the president of
20 the senate and the speaker of the house of
21 representatives;



1 (3) The judiciary, to be selected by the chief justice of
2 the Hawaii supreme court; and

3 (4) The four counties, to be selected by the mayor of each
4 county; provided that the mayor of each county shall
5 determine the extent to which the county may or may
6 not participate.

7 The chief information officer or the chief information
8 officer's designee shall serve as chair of the council."

9 SECTION 30. Section 26-5, Hawaii Revised Statutes, is
10 repealed.

11 [~~"§26-5 Department of human resources development. (a)~~
12 ~~The department of human resources development shall be headed by~~
13 ~~a single executive to be known as the director of human~~
14 ~~resources development.~~

15 ~~(b) The department shall administer the state human~~
16 ~~resources program, including human resources development and~~
17 ~~training, and central human resources services such as~~
18 ~~recruitment, examination, classification, pay administration,~~
19 ~~and payment of any claims as required under chapter 386.~~

20 ~~(c) There shall be within the department of human~~
21 ~~resources development a board to be known as the merit appeals~~



1 ~~board which shall sit as an appellate body on matters set forth~~
2 ~~in section 76-14. The board shall consist of three members.~~
3 ~~All members shall have knowledge of public employment laws and~~
4 ~~prior experience with public employment; provided that at least~~
5 ~~one member's experience was with an employee organization as a~~
6 ~~member or an employee of that organization and at least one~~
7 ~~member's experience was with management. The governor shall~~
8 ~~consider the names of qualified individuals submitted by~~
9 ~~employee organizations or management before appointing the~~
10 ~~members of the board. The chairperson of the board shall be~~
11 ~~designated as specified in the rules of the board.~~

12 ~~(d) The provisions of section 26-34 shall not apply and~~
13 ~~the board members shall be appointed by the governor for four-~~
14 ~~year terms and may be re-appointed without limitation; provided~~
15 ~~that the initial appointments shall be for staggered terms, as~~
16 ~~determined by the governor. The governor shall fill any vacancy~~
17 ~~by appointing a new member for a four year term. The governor~~
18 ~~may remove for cause any member after due notice and public~~
19 ~~hearing.~~

20 ~~(e) Nothing in this section shall be construed as in any~~
21 ~~manner affecting the civil service laws applicable to the~~



1 ~~several counties, the judiciary, or the Hawaii health systems~~
2 ~~corporation or its regional system boards, which shall remain~~
3 ~~the same as if this chapter had not been enacted.~~

4 ~~(f) There is established in the state treasury the human~~
5 ~~resources development special fund, to be administered by the~~
6 ~~department of human resources development, which shall consist~~
7 ~~of: all revenues received by the department as a result of~~
8 ~~entrepreneurial efforts in securing new sources of funds not~~
9 ~~provided for in the department's budget for services rendered by~~
10 ~~the department, all revenues received by the department from the~~
11 ~~charging of participant fees for in service training that are in~~
12 ~~addition to general fund appropriations in the department's~~
13 ~~budget for developing and operating in service training~~
14 ~~programs, appropriations made by the legislature to the fund,~~
15 ~~and moneys directed to the department from any other source,~~
16 ~~including gifts, grants, and awards.~~

17 ~~Moneys in the human resources development special fund~~
18 ~~shall be used for the following purposes:~~

19 ~~(1) Supporting the department's entrepreneurial~~
20 ~~initiatives, training activities, and programs,~~



- 1 ~~(2) Administrative costs of the department's~~
- 2 ~~entrepreneurial initiatives, training activities, and~~
- 3 ~~programs; and~~
- 4 ~~(3) Any other purpose deemed necessary by the director for~~
- 5 ~~the purpose of facilitating the department's~~
- 6 ~~entrepreneurial initiatives, training activities, and~~
- 7 ~~programs.~~
- 8 ~~(g) The department of human resources development shall~~
- 9 ~~submit, no later than twenty days prior to the convening of each~~
- 10 ~~regular session [of the legislature] beginning with the regular~~
- 11 ~~session of 2007, a report of the number of exempt positions that~~
- 12 ~~were converted to civil service positions during the previous~~
- 13 ~~twelve months. The report shall include but not be limited to:~~
- 14 ~~(1) When the position was established;~~
- 15 ~~(2) The purpose of the position;~~
- 16 ~~(3) Rationale for the conversion; and~~
- 17 ~~(4) How many exempt positions remain in each state~~
- 18 ~~department after the conversions."]~~

19 SECTION 31. All rights, powers, functions, and duties of

20 the department of human resources development are transferred to

21 the department of budget and finance.



1 All employees who occupy civil service positions and whose
2 functions are transferred to the department of budget and
3 finance by this Act shall retain their civil service status,
4 whether permanent or temporary. Employees shall be transferred
5 without loss of salary, seniority (except as prescribed by
6 applicable collective bargaining agreements), retention points,
7 prior service credit, any vacation and sick leave credits
8 previously earned, and other rights, benefits, and privileges,
9 in accordance with state personnel laws and this Act; provided
10 that the employees possess the minimum qualifications and public
11 employment requirements for the class or position to which
12 transferred or appointed, as applicable; provided further that
13 subsequent changes in status may be made pursuant to applicable
14 civil service and compensation laws.

15 Any employee who, prior to this Act, is exempt from civil
16 service and is transferred as a consequence of this Act may
17 retain the employee's exempt status, but shall not be appointed
18 to a civil service position as a consequence of this Act. An
19 exempt employee who is transferred by this Act shall not suffer
20 any loss of prior service credit, vacation or sick leave credits
21 previously earned, or other employee benefits or privileges as a



1 consequence of this Act; provided that the employees possess
 2 legal and public employment requirements for the position to
 3 which transferred or appointed, as applicable; provided further
 4 that subsequent changes in status may be made pursuant to
 5 applicable employment and compensation laws. The director of
 6 finance may prescribe the duties and qualifications of these
 7 employees and fix their salaries without regard to chapter 76,
 8 Hawaii Revised Statutes.

9 SECTION 32. All appropriations, records, equipment,
 10 machines, files, supplies, contracts, books, papers, documents,
 11 maps, and other personal property heretofore made, used,
 12 acquired, or held by the department of human resources
 13 development relating to the functions transferred to the
 14 department of budget and finance shall be transferred with the
 15 functions to which they relate.

16 SECTION 33. All rules, policies, procedures, guidelines,
 17 and other material adopted or developed by the department of
 18 human resources development to implement provisions of the
 19 Hawaii Revised Statutes which are reenacted or made applicable
 20 to the department of budget and finance by this Act, shall
 21 remain in full force and effect until amended or repealed by the



1 department of budget and finance pursuant to chapter 91, Hawaii
2 Revised Statutes. In the interim, every reference to the
3 department of human resources development or director of human
4 resources development in those rules, policies, procedures,
5 guidelines, and other material is amended to refer to the
6 department of budget and finance or director of finance as
7 appropriate.

8 SECTION 34. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 35. This Act shall take effect on January 1, 2050.



Report Title:

DHRD; B&F; Repeal and Transfer of DHRD to B&F

Description:

Abolishes the Department of Human Resources Development and transfers its functions to the Department of Budget and Finance. Replaces the Director of Human Resources Development with the same-tiered Director of Taxation as the new basis for salaries of certain other state officials. (HB625 HD1)

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