

JOSH GREEN, M. D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WILBERT S. HOLCK
CHIEF NEGOTIATOR

STATE OF HAWAII
OFFICE OF COLLECTIVE BARGAINING
EXECUTIVE OFFICE OF THE GOVERNOR
235 S. BERETANIA STREET, SUITE 1201
HONOLULU, HAWAII 96813-2437

Statement of
WILBERT S. HOLCK
Chief Negotiator, Office of Collective Bargaining

Before the
HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS
Thursday, February 1, 2024
9:00 a.m.
State Capitol, Conference Room 309

In consideration of
HB 1945, Relating to a Leave Cash-Out Program

(WRITTEN TESTIMONY ONLY)

Chair Matayoshi, Vice-Chair Garrett and the members of the committee:

The Office of Collective Bargaining (OCB) respectfully opposes H.B. 1945, which establishes and appropriates funds for leave cash-out pilot programs for eligible department of corrections and rehabilitation and department of health employees.

Wages, hours, and other terms and conditions of employment are subject to negotiations as provided in Hawaii Revised Statutes, §89-9. OCB believes leaves, including its payout as noted in this measure, is a mandatory subject of bargaining and as such, should not be legislated but rather negotiated.

Thank you for the opportunity to provide testimony on this measure.

JOSH GREEN, M. D.
GOVERNOR
KE KIA'ĀINA

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA



BRENN A H. HASHIMOTO
DIRECTOR
KA LUNA HO'OKELE

RYAN YAMANE
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

Statement of
BRENN A H. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS
Thursday, February 1, 2024
9:00 a.m.
State Capitol, Conference Room 309

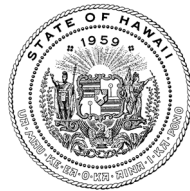
In consideration of
HB 1945, Relating to a Leave Cash-Out Program

Chair Matayoshi, Vice-Chair Garrett and the members of the committee:

The Department of Human Resources Development (DHRD) appreciates the intent of HB 1945, which establishes and appropriates funds for leave cash-out pilot programs for eligible Department of Corrections and Rehabilitation and Department of Health employees. However, DHRD offers the following comments on this measure:

- In Act 253, SLH 2000, the legislature established a “bright line” by clearly delineating mandatory subject for collective bargaining. As such, negotiable topics should be negotiated and encompassed in each of the respective collective bargaining agreements, not legislated.
- Promulgating rules for a pilot program is not practicable. Furthermore, promulgating rules for something that is negotiable will blur the “bright line” established by Act 253.
- DHRD agrees that allowing cash out of vacation leave would serve as an incentive for reducing absences. However, employees are provided leaves for respite and incentivizing cash out to encourage attendance is counterproductive to addressing burnout in high-stress state positions.
- Although the measure requires eligible departments to submit reports identifying benefits and challenges, the criteria to determine success of the pilot program is unclear.

Thank you for the opportunity to provide testimony on this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS
ON
HOUSE BILL NO. 1945

February 1, 2024
9:00 a.m.
Room 309 and Videoconference

RELATING TO A LEAVE CASH-OUT PROGRAM

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 1945 establishes a leave cash-out pilot program for the Department of Corrections and Rehabilitation (DCR) employees who work in any State correctional facility and the Department of Health (HTH) employees who work at the Hawai'i State Hospital. The program establishes a three-year program and participation by department employees shall be voluntary. Under the program, at the end of each fiscal quarter, DCR and HTH shall offer an eligible employee a cash allowance equivalent to a maximum of 75% of the employee's personal leave accrued during that quarter. This bill also appropriates an unspecified amount of general funds for FY 25 to DCR and HTH for purposes of this measure.

Additionally, DCR and HTH shall submit annual reports of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the regular sessions of 2025, 2026, and 2027. The departments shall also

adopt rules pursuant to Chapter 91, HRS, to implement the pilot program and determine eligibility requirements for participation in the program.

It is noted that there are different types of personal leave. Vacation and sick leave are not synonymous, and sick leave is for the express purpose of health-related time off. Further, if eligible employees continue to choose a cash allowance for personal leave accrued, it may result in circumstances in which employees have insufficient personal leave available when it is needed.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
**DEPARTMENT OF CORRECTIONS
AND REHABILITATION**
**Ka 'Oihana Ho'omalua Kalaima a
Ho'oponopono Ola**
1177 Alakea Street
Honolulu, Hawai'i 96813

TOMMY JOHNSON
DIRECTOR

Melanie Martin
Deputy Director
Administration

Vacant
Deputy Director
Correctional Institutions

Sanna Muñoz
Deputy Director
Rehabilitation Services
and
Programs

No. _____

TESTIMONY ON HOUSE BILL 1945
RELATING TO A LEAVE CASH-OUT PROGRAM
by
Tommy Johnson, Director



House Committee on Labor & Government Operations
Representative Scot Z. Matayoshi, Chair
Representative Andrew Takuya Garrett, Vice Chair

Thursday, February 1, 2024; 9:00 a.m.
State Capitol Conference Room 309 and Via Video Conference

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

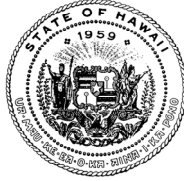
The Department of Corrections and Rehabilitation (DCR) supports the intent of House Bill (HB) 1945, which proposes to establish a cash-out pilot program to improve employee attendance and significantly reduce overtime costs for the State.

While DCR believes that a leave cash-out pilot program incentivizes adult correctional officers (ACOs) to improve their attendance, the reality facing DCR is that absenteeism continues to pervade the department because ACOs call out using sick leave, TDI, workers compensation, and FMLA. For example, nearly one-third of all ACOs within the department have approved intermittent FMLA. Due to this excessive absenteeism, ACOs are often held back on overtime for 16-24 hours to man essential posts. Working such long hours is not only detrimental to the health of our ACOs, but it poses a serious safety and security risk within our facilities.

DCR estimates that leave cash-outs for ACOs will cost approximately \$6.3 million, which is substantially less than the department's overtime costs. However, due to DCR's severe staffing shortage and the exorbitant amount of ACOs out on leave such as FMLA and workers compensation, there is no accurate way to determine whether this program will reduce overtime costs.

Thank you for the opportunity to provide testimony in support of the intent of HB 1945.

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII



KENNETH S. FINK, M.D., M.G.A, M.P.H
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

STATE OF HAWAII
DEPARTMENT OF HEALTH
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LATE

Testimony COMMENTING on HB194
RELATING TO HEALTH

REPRESENTATIVE SCOT MATAYOSHI, CHAIR
HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS

9:00 AM, February 1, 2024; Conference Room 329

1 **Fiscal Implications:** Undetermined.

2 **Department Testimony:** The Department of Health appreciates efforts to reduce its vacancy
3 rate and support its staff; however, DOH does not support being included in this pilot.

4
5 We do not believe that the proposal of an early pay-out for compensation that employees would
6 otherwise receive later would change behavior or change behavior in a way that would have
7 more impact than other interventions. Upon closely reviewing the leave usage patterns for staff
8 at the Hawaii State Hospital (HSH), a large number exhaust their leave and others take prolonged
9 leave without pay offset by high rates of overtime. Individuals who work more than five days in
10 a row begin being paid at a higher overtime rate, even for regularly scheduled work going
11 forward, until there is a 24-hour break from work. The data reviewed would not seem to indicate
12 a significant benefit from this proposal at the HSH and would incur a high administrative burden.

13
14 Actions we are pursuing to improve staffing at HSH include changing how patients are assigned
15 to units, having staffing ratios based on criteria, closer management of scheduling, and filling
16 vacant positions. HSH has more than 200 vacant positions. We believe that expediting filling
17 these vacant positions is the best use of the available human resources, and we are interested in
18 exploring pilot projects to do so.

19

1 We also caution against unintentionally incentivizing presenteeism. Having someone seeking
2 the pay-out come to work when sick can present a risk to co-workers and patients, and as a high
3 stress job, it's important that leave be used appropriately when needed for an employee's well-
4 being.

5

6 To reiterate, we appreciate the solution-based intent of this measure. We respectfully request our
7 exclusion from an early pay-out pilot, and welcome support to explore how to expedite filling
8 vacancies.

9

10 **Offered Amendments:** Delete Section 3 and Section 5.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

HOUSE OF REPRESENTATIVES
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2024

COMMITTEE ON LABOR & GOVERNMENT OPERATIONS

Rep. Scot Z. Matayoshi, Chair
Rep. Andrew Takuya Garrett, Vice Chair

Thursday, February 1, 2024, 9:00 AM
Conference Room 309 & Videoconference

Re: Testimony on HB1945 – RELATING TO A CASH-OUT LEAVE PROGRAM

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **supports** HB1945, which establishes and appropriates funds for leave cash-out pilot programs for eligible department of corrections and rehabilitation (“DCR”) and department of health employees (“DOH”).

While most State departments are grappling with how to attract new employees to fill the numerous departmental vacancies, DCR correctional facilities and DOH’s Hawaii State Hospital are worksites dealing with a large number of “call outs” that result in short staffing for daily operations. UPW believes this bill will help with the retention of the senior workforce and help to incentivize scheduled attendance while significantly decreasing absenteeism.

Due to severe staffing shortages, many employees are being required to remain on duty and are required to work a significant number of overtime (“OT”) shifts. Generally, compensatory time off (“comp time”), unlike vacation hours, can be accrued a lot faster when an employee chooses to receive comp time in lieu of compensation for OT. However, use of “comp time” is the most difficult to get approval for. We would like to ensure that comp time earned by our members will be eligible for cash-out through this program.

Mahalo for the opportunity to testify in support of this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kalani Werner', written over a light blue horizontal line.

Kalani Werner
State Director

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HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Second Legislature, State of Hawaii
The House of Representatives
Committee on Labor and Government Operations

Testimony by
Hawaii Government Employees Association

February 1, 2024

H.B. 1945 — RELATING TO A LEAVE CASH-OUT PROGRAM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 1945, which establishes and appropriates funds for leave cash-out pilot programs for eligible Department of Corrections and Rehabilitation and Department of Health employees.

The HGEA represents many employees across several bargaining units, including registered professional nurses, clerks and administrative staff, and social workers, among others, within the State Correctional Facilities and the Hawaii State Hospital. Oftentimes, these employees are subject to low staffing and unsafe working conditions, which has led to worker burn out, low morale and increased employee absences. We believe that this optional program may increase worker morale and attendance and help with the recruitment and retention of employees by providing an additional financial incentive, especially in hard-to fill positions.

Thank you for the opportunity to provide testimony in strong of H.B. 1945.

Respectfully submitted,


Randy Perreira
Executive Director