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## A BILL FOR AN ACT

RELATING TO A LEAVE CASH-OUT PROGRAM.

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

1           SECTION 1. The legislature finds that the rate of daily  
2 absences in high-stress state positions is growing and becoming  
3 more commonplace, as workers call in sick or simply do not show  
4 up for work due to burnout or other related reasons. In the  
5 case of the State's correctional facilities and Hawaii state  
6 hospital, where a lack of staffing could lead to dangerous  
7 conditions, workers are often required to stay on the job long  
8 after their shift has ended. This leads to further burnout and  
9 massive overtime costs for the State.

10           The legislature further finds that allowing employees to  
11 cash out part of their accrued vacation leave, which would  
12 otherwise be paid to them when they leave or retire, is a way to  
13 incentivize good attendance and improve the overall health of  
14 the State's correctional facilities and Hawaii state hospital.  
15 Additionally, by encouraging workers to report to work, the  
16 State can save money on overtime and reduce overall worker  
17 burnout.



1           The purpose of this Act is to establish and appropriate  
2 funds for leave cash-out pilot programs for department of  
3 corrections and rehabilitation employees who work in any state  
4 correctional facility and department of health employees who  
5 work at the Hawaii state hospital.

6           SECTION 2. (a) The department of corrections and  
7 rehabilitation shall establish a three-year leave cash-out pilot  
8 program for employees who work in any state correctional  
9 facility.

10           (b) Participation in the leave cash-out pilot program by  
11 department of corrections and rehabilitation employees shall be  
12 voluntary. Under the program, at the end of each fiscal  
13 quarter, the department of corrections and rehabilitation shall  
14 offer an eligible employee, as determined by rule, a cash  
15 allowance equivalent to a maximum of seventy-five per cent of  
16 the employee's personal leave accrued during that quarter.

17           (c) The department shall submit annual reports of its  
18 findings and recommendations, including any proposed  
19 legislation, to the legislature no later than twenty days prior  
20 to the convening of the regular sessions of 2025, 2026, and  
21 2027; provided that the reports identify the following:



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- 1           (1) The number of individuals who qualified for the pilot  
2           program each quarter;
- 3           (2) Any changes to the amount of overtime worked each  
4           quarter;
- 5           (3) The cost to the department; provided that the cost  
6           includes the total amount that the department paid out  
7           as cash allowances to employees under the pilot  
8           program and does not factor in the costs associated  
9           with the changes to the amount of overtime worked;
- 10          (4) Data on the percentages, in ranges of twenty-five per  
11          cent, of accrued leave that employees received as cash  
12          allowances under the pilot program; and
- 13          (5) Other information that the department may find  
14          relevant to highlight the benefits and challenges of  
15          the pilot program.
- 16          (d) The department of corrections and rehabilitation shall  
17          adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to  
18          implement the pilot program and determine eligibility  
19          requirements for participation in the leave cash-out program;  
20          provided that one of the eligibility requirements shall be that



1 the employee has fewer than twenty-four hours of approved or  
2 unapproved leave of any type during that quarter.

3 SECTION 3. (a) The department of health shall establish a  
4 three-year leave cash-out pilot program for employees who work  
5 at the Hawaii state hospital.

6 (b) Participation in the leave cash-out pilot program by  
7 department of health employees shall be voluntary. Under the  
8 program, at the end of each fiscal quarter, the department of  
9 health shall offer an eligible employee, as determined by rule,  
10 a cash allowance equivalent to a maximum of seventy-five per  
11 cent of the employee's personal leave accrued during that  
12 quarter.

13 (c) The department shall submit annual reports of its  
14 findings and recommendations, including any proposed  
15 legislation, to the legislature no later than twenty days prior  
16 to the convening of the regular sessions of 2025, 2026, and  
17 2027; provided that the reports identify the following:

18 (1) The number of individuals who qualified for the pilot  
19 program each quarter;

20 (2) Any changes to the amount of overtime worked each  
21 quarter;



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1           (3) The cost to the department; provided that the cost  
2           includes the total amount that the department paid out  
3           as cash allowances to employees under the pilot  
4           program and does not factor in the costs associated  
5           with the changes to the amount of overtime worked;

6           (4) Data on the percentages, in ranges of twenty-five per  
7           cent, of accrued leave that employees received as cash  
8           allowances under the pilot program; and

9           (5) Other information that the department may find  
10          relevant to highlight the benefits and challenges of  
11          the pilot program.

12          (d) The department of health shall adopt rules pursuant to  
13          chapter 91, Hawaii Revised Statutes, to implement the pilot  
14          program and determine eligibility requirements for participation  
15          in the leave cash-out program; provided that one of the  
16          eligibility requirements shall be that the employee has fewer  
17          than twenty-four hours of approved or unapproved leave of any  
18          type during that quarter.

19          SECTION 4. There is appropriated out of the general  
20          revenues of the State of Hawaii the sum of \$                    or so  
21          much thereof as may be necessary for fiscal year 2024-2025 for



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1 the department of corrections and rehabilitation to establish a  
2 three-year leave cash-out pilot program for employees who work  
3 in any state correctional facility pursuant to section 2 of this  
4 Act.

5 The sum appropriated shall be expended by the department of  
6 corrections and rehabilitation for the purposes of this Act.

7 SECTION 5. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$ or so  
9 much thereof as may be necessary for fiscal year 2024-2025 for  
10 the department of health to establish a three-year leave cash-  
11 out pilot program for employees who work in the Hawaii state  
12 hospital pursuant to section 3 of this Act.

13 The sum appropriated shall be expended by the department of  
14 health for the purposes of this Act.

15 SECTION 6. In accordance with section 9 of article VII of  
16 the Hawaii State Constitution and sections 37-91 and 37-93,  
17 Hawaii Revised Statutes, the legislature has determined that the  
18 appropriations contained in H.B. No. , will cause the state  
19 general fund expenditure ceiling for fiscal year 2024-2025 to be  
20 exceeded by \$ or per cent. In addition, the  
21 appropriations contained in this Act will cause the general fund



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1 expenditure ceiling for fiscal year 2024-2025 to be further  
2 exceeded by \$                      or                      per cent. The combined total  
3 amount of general fund appropriations contained in only these  
4 two Acts will cause the state general fund expenditure ceiling  
5 for fiscal year 2024-2025 to be exceeded by  
6 \$                      or                      per cent. The reasons for exceeding the  
7 general fund expenditure ceiling are that:

- 8       (1) The appropriations made in this Act are necessary to
- 9               serve the public interest; and
- 10       (2) The appropriations made in this Act meet the needs
- 11               addressed by this Act.

12       SECTION 7. This Act shall take effect on July 1, 2024.

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INTRODUCED BY:   
JAN 19 2024

# H.B. NO. 1945

**Report Title:**

Department of Corrections and Rehabilitation; Department of Health; Leave Cash-out Pilot Program; Appropriation; Expenditure Ceiling

**Description:**

Establishes and appropriates funds for leave cash-out pilot programs for eligible department of corrections and rehabilitation and department of health employees.

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

