

ACT 283

S.B. NO. 2485

A Bill for an Act Relating to Public Employment.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the State is faced with a severe budget shortfall of significant proportions with limited prospects of an immediate infusion of revenue to cover the deficit. The legislature believes that there now exists a compelling State interest to deal with the budgetary deficit in an expeditious and innovative manner to curtail or hold to a minimum any harmful economic impact on public employees.

State agencies already have made deep cuts in their budgets and a number of employees have been laid off or terminated. Yet further downsizing of government will be required to further reduce the deficit. Although discussed during the 1995 session, no action was taken to implement employee furloughs as a reasonable, workable, and immediate alternative to employee layoffs and terminations. The legislature believes that employee furloughs will cause the least amount of disruption on public services, and can postpone, and may even avert, further layoffs and terminations of public officers and employees. However, as employees will be

suffering reductions in salary caused by the furloughs, it is important to ensure that the rights, privileges, and benefits accruing to employees are not altered or otherwise affected by any furlough program. Accordingly, it is the purpose of this Act to preserve certain employee rights, privileges, and benefits when an employee is furloughed.

**SECTION 2. Definitions. For the purposes of this Act:**

“Department” means any department, board, commission, or agency, or other body of the State, or any county of the State, including the office of Hawaiian affairs, the judiciary, and the legislative bodies of the State and counties.

“Employee” means an employee or officer of a department.

“Employer” means the governor in the case of departments in the executive branch, the chief justice in the case of the judiciary, the president in the case of the senate, the speaker in the case of the house of representatives, the board of trustees in the case of the office of Hawaiian affairs, and the mayor in the case of a county.

“Qualified employee” means any employee or officer of a department but does not include employees whose wages or salaries are paid out of federal funds, federal receipts, revolving, or trust funds, or such other funds or receipts that are not subject to legislative appropriations.

“Furlough” means the placement of an employee temporarily and involuntarily in a nonpay and nonduty status.

**SECTION 3. Any furlough of an employee during fiscal year 1996-1997 shall not cause or be deemed to cause:**

- (1) A break in the employee’s employment;
- (2) A decrease in the employer’s contribution to the Hawaii public employees health fund;
- (3) A change in the amount of vacation or sick leave earned by the employee;
- (4) A decrease in the employee’s time in service for purposes of the employee’s pension, retirement, and deferred compensation plans; and
- (5) Any change on any right, privilege, or benefit that the employee is entitled to or would have been entitled to by law but for the furlough.

**SECTION 4. This Act shall take effect upon its approval.**

(Approved June 18, 1996.)