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STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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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 SENATE COMMITTEES ON
PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS
AND LABOR AND TECHNOLOGY
ON
HOUSE BILL NO. 1945, H.D. 1

March 15, 2024
3:00 p.m.
Room 225 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, H.D. 1, establishes a leave cash-out pilot program for the Department of Corrections and Rehabilitation (DCR) employees who work in any State correctional facility. 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 shall offer an eligible employee a cash allowance equivalent to a maximum of 75% of the employee's personal leave and compensatory time off accrued during that quarter. This bill also appropriates an unspecified amount of general funds for FY 25 to DCR for purposes of this measure.

Additionally, DCR 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. DCR, by mutual agreement between the department and the exclusive representative of any applicable collective bargaining unit, shall also

establish rules to implement the pilot program and determine eligibility requirements for participation in the program; provided that one of the eligibility requirements shall be that the employee has fewer than 24 hours of approved or unapproved leave of any type or compensatory time off during that quarter.

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.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

THE SENATE
KA 'AHA KENEKOA
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2024

COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS

Senator Glenn Wakai, Chair
Senator Brandon J.C. Elefante, Vice Chair

COMMITTEE ON LABOR AND TECHNOLOGY

Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Friday, March 15, 2024, 3:00 PM
Conference Room 225 & Videoconference

Re: Testimony on HB1945, HD1 – RELATING TO A CASH-OUT LEAVE PROGRAM

Chairs Wakai and Aquino, Vice Chairs Elefante and Moriwaki, 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, HD1, which establishes and appropriates funds for a leave cash-out pilot program for eligible Department of Corrections and Rehabilitation (“DCR”) employees who work in any state correctional facility.

While most State departments are grappling with how to attract new employees to fill the numerous departmental vacancies, DCR correctional facilities 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 believe a program like this could reduce OT, as well as result in cost savings by allowing eligible employees the opportunity to cash-out their leave now rather than years later when they retire at a higher rate of compensation.

HEADQUARTERS

1426 North School Street
Honolulu, Hawaii 96817-1914
Phone 808.847.2631

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362 East Lanikaula Street
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KAUAI

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Lihue, Hawaii 96766-1803
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841 Kolu Street
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Phone 808.244.0815

1.866.454.4166

Toll Free - Molokai/Lanai only

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Kalani Werner", with a long horizontal flourish extending to the right.

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 Senate
Committee on Public Safety and Intergovernmental and Military Affairs
Committee on Labor and Technology

Testimony by
Hawaii Government Employees Association

March 15, 2024

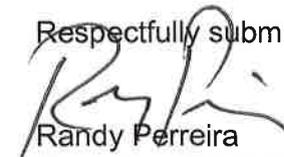
H.B. 1945, H.D. 1 — RELATING TO A LEAVE CASH-OUT PROGRAM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 1945, H.D. 1, 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 nurses, office clerks, and social workers, among others, within the State Correctional Facilities and the Hawaii State Hospital. At times, these employees are subject to low staffing and unsafe working conditions, which has led to worker burn out and low morale. 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, H.D. 1.

Respectfully submitted,



Randy Perreira
Executive Director

HB-1945-HD-1

Submitted on: 3/14/2024 3:00:59 PM

Testimony for PSM on 3/15/2024 3:00:00 PM



Submitted By	Organization	Testifier Position	Testify
Theresa Kuehu	Individual	Oppose	In Person

Comments:

THE SENATE

THE THIRTY-SECOND LEGISLATURE

REGULAR SESSION OF 2024

COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS

Senator Glenn Wakai, Chair

Senator Brandon J.C. Elefante, Vice Chair

COMMITTEE ON LABOR AND TECHNOLOGY

Senator Henry J.C. Aquino, Chair

Senator Sharon Y. Moriwaki, Vice Chair

HB1945, HD1 - RELATING TO A CASH-OUT LEAVE PROGRAM

Friday, March 15, 2025

3:00 PM, Conference Room 225

IN OPPOSITION

My name is Theresa Kuehu and I am a spouse of a current Adult Corrections Officer within the State of Hawaii, Department of Corrections & Rehabilitation. I am testifying against HB1945, HD1.

The language in which HB1945, HD1 is currently written in leaves too many unanswered questions, and lacks solid foundation to meet its goal of "Incentivizing good attendance and improve the overall health of the State's correctional facilities; and Encouraging workers to report to work,the State can save money on overtime and reduce overall worker burnout."

The biggest issue is DEFINITION of terms used within the written House Bill. Such as, what is the definition used for the following items:

Approved Leave

UNapproved Leave

Cash Allowance versus Cash-out

Personal Leave; does this encompass both "Vacation accrual" and "Sick accrual"

Compensatory Time - what is the basis of accrual

It is difficult to truly address these items, without understanding the definition that HB1945, HD1 intended its use.

Determining eligibility requirements for participation in the leave cashout program; provided that one of the eligibility requirements shall be that the employee has fewer than 24 hours of approved or unapproved leave of any type or compensatory time off during that quarter.

Why would someone with an Approved Leave be excluded from eligibility for the quarter?

Is the cash allowance the same as the cash-out policy upon separation of service; where you "lose" the remaining 25%, or is it still accrued and available for use? That was not clearly defined in this House Bill.

If the goal is to “encourage” workers to report to work, this appears to be meant to target those employees who are burning through their SICK LEAVE. Why would they be encouraged to report to work, to simply cash out on 75% of their EARNED LEAVE in that previous quarter, when they can continue to take that earned sick leave at 100%?

Has anyone asked (surveyed) those that have attendance “issues” as to what would actually be an incentive for them to report to work?

This pilot program would more than likely be used by those that are already REPORTING TO WORK REGULARLY; as they have accrued leave time in the bank already - they would just be cashing in on earned “excess”, should they qualify.

Furthermore, are there going to be informational meetings for employees to understand the possible TAX changes should they opt to receive the cash allowance?

There doesn't appear to be any language, written in, about what would happen to any approved funding should the department decide that this pilot program is not serving its purpose and opts to discontinue - will it be reallocated or returned to the general fund?

Here are my SUGGESTIONS:

Require DCR/DHRD to complete current analysis with the FIRST half of this current fiscal year and provide the number of individuals who WOULD have qualified for the pilot program had it been implemented.

Do a better job at marketing and HIRING more staff, to alleviate the burden of overtime.

Unlike what was touted, by both HGEA & UPW leadership in their written testimonies to the House Committees, as a great way to recruit NEW hires, this pilot program would make ZERO sense for a new hire - as they would barely be able to maintain a feasible amount of LEAVE time, as well as it negatively impacting their RETIREMENT benefits.

Look at ways of actually CURBING current absenteeism issues, by putting into place, and adhering to practices to MONITOR those that appear to be abusing current leave policies. Hold accountable, those who are using the loopholes in the system to take advantage of the leave time allotments.

Look at the practices of other departments, within the state, when it comes to SICK leave absences, where they are required to provide a WRITTEN DOCTOR'S NOTE, in order to RETURN to work, if they are out sick for THREE (3) or more days. DCR has a

current policy that notes FIVE (5) or more days, to reach this requirement.

DCR should be required to do an internal audit as to the CURRENT employees that are on an EXTENDED period of leave, and that they are monitored in a timely manner to ensure these employees are still ELIGIBLE to be on leave, and if the department has any obligations to complete to get them back into their workplaces as deemed fit. (i.e., light duty was not available within a correctional facility, so the employee was moved to a different state department, such as the WIC program office).

Thank you for your time and consideration to my testimony opposing HB1945, HD1.

Theresa Kuehu

(808) 3472575

kuehuohana@gmail.com

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



TOMMY JOHNSON
DIRECTOR

Melanie Martin
Deputy Director
Administration

Vacant
Deputy Director
Correctional Institutions

Sanna Muñoz
Deputy Director
Rehabilitation Services
and
Programs

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

No. _____

TESTIMONY ON HOUSE BILL 1945, HOUSE DRAFT 1
RELATING TO A LEAVE CASH-OUT PROGRAM
by
Tommy Johnson, Director

Senate Committee on Public Safety and Intergovernmental and Military Affairs
Senator Glenn Wakai, Chair
Senator Brandon J.C. Elefante, Vice Chair

Senate Committee on Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Friday, March 15, 2024; 3:00 p.m.
State Capitol Conference Room 225 and Via Video Conference

Chairs Wakai, Aquino, Vice Chairs Elefante, Aquino, and Members of both Committees:

The Department of Corrections and Rehabilitation (DCR) provides comments on House Bill (HB) 1945, House Draft (HD) 1, 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. 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.

The DCR defers to the Office of Collective Bargaining (OCB) with respect to leaves, including its payouts being subject to negotiations between the employer and the OCB.

Thank you for the opportunity to provide comments on HB 1945, HD 1.