

---

---

# A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYMENT.

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

1           SECTION 1. The widespread impact of the 2008 global  
2 financial crisis has forced the State to confront a projected  
3 budget shortfall of unprecedented proportion. Based on current  
4 estimates, and if the State takes no action to reduce  
5 expenditures, this deficit is projected to increase to  
6 \$1,760,000,000 by fiscal year 2010-2011. In order to reduce the  
7 deficit, state agencies have already made deep cuts in their  
8 discretionary budgets and are evaluating all options to further  
9 reduce their expenditures.

10           Employee furloughs could be one means of addressing the  
11 budget deficit with the least amount of disruption to public  
12 services. In addition, employee furloughs are a workable and  
13 immediate alternative to employee layoffs. However, as  
14 employees will sustain reductions in salary caused by the  
15 furloughs, it is important to ensure that the rights,  
16 privileges, and benefits accruing to such employees are not  
17 altered or otherwise affected by any furlough program.

1           Accordingly, it is the purpose of this Act to preserve  
2 certain employee rights, privileges, and benefits when an  
3 employee is furloughed, and reaffirm the inherent and explicit  
4 authority of the governor to institute furloughs.

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

6           "Department" means any department, board, commission, or  
7 agency, or other body of the state executive branch, including  
8 the department of education and the University of Hawaii.

9           "Employee" means an employee or officer of a department.

10           "Furlough" means the placement of an employee temporarily  
11 and involuntarily in a nonpay and nonduty status.

12           SECTION 3. Any furlough of an employee during fiscal years  
13 2008-2009 through 2010-2013 shall not cause or be deemed to  
14 cause:

- 15           (1) A break in the employee's employment;
- 16           (2) A decrease in the employer's contribution to the  
17 Hawaii employer-union health benefits trust fund;
- 18           (3) A change in the amount of vacation or sick leave  
19 earned by the employee;
- 20           (4) A decrease in the employee's time in service for  
21 purposes of the employee's pension, retirement, and  
22 deferred compensation plans; and

1           (5) Any change on any right, privilege, or benefit that  
2           the employee is entitled to or would have been  
3           entitled to by law but for the furlough.

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

5

S.B. NO. 1122  
S.D. 2  
H.D. 2  
Proposed

**Report Title:**

Public Employment

**Description:**

Protects the rights of public employees by preserving health, retirement, leave, and other benefits if furloughs are implemented in fiscal years 2009 to 2013.