A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT.

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

- 1 SECTION 1. Section 11-1.6, Hawaii Revised Statutes, is
- 2 amended by amending subsection (e) to read as follows:
- 3 "(e) The chief election officer shall be paid a salary not
- 4 to exceed eighty-seven per cent of the salary of the director of
- 5 [human resources development.] taxation."
- 6 SECTION 2. Section 23-8, Hawaii Revised Statutes, is
- 7 amended by amending subsection (b) to read as follows:
- 8 "(b) All employees shall be hired by the auditor subject
- 9 to the approval of the president of the senate and the speaker
- 10 of the house of representatives and shall serve at the auditor's
- 11 pleasure; provided that in the establishment of the salary of
- 12 each employee, the auditor shall consult with the department of
- 13 [human resources development] budget and finance and shall
- 14 follow as closely as possible the recommendations of the
- 15 department; provided further that effective July 1, 2007, the
- 16 salary of the first assistant or first deputy shall be not more
- 17 than ninety-two per cent of the salary of the auditor."

1	SECT:	ION 3. Section 23-12, Hawaii Revised Statutes, is
2	amended by	y amending subsection (b) to read as follows:
3	"(b)	Each special, revolving, and trust fund shall be
4	reviewed (every five years as follows:
5	(1)	Beginning 2014 and every five years thereafter, the
6		auditor shall submit a review of the special,
7		revolving, and trust funds of the department of
8		accounting and general services; the department of
9		agriculture; the department of budget and finance; and
10		the department of land and natural resources;
11	(2)	Beginning 2015 and every five years thereafter, the
12		auditor shall submit a review of the special,
13		revolving, and trust funds of the department of the
14		attorney general; the department of business, economic
15		development, and tourism; and the University of Hawaii
16		system;
17	(3)	Beginning 2016 and every five years thereafter, the
18		auditor shall submit a review of the special,
19		revolving, and trust funds within the judiciary and of
20		the department of commerce and consumer affairs; the

1		department of Hawaiian home lands; the department of
2		health; and the department of human services;
3	(4)	Beginning 2017 and every five years thereafter, the
4		auditor shall submit a review of the special,
5		revolving, and trust funds of the office of the
6		governor; the office of Hawaiian affairs; and the
7		department of education;
8	(5)	Beginning 2018 and every five years thereafter, the
9		auditor shall submit a review of the special,
10		revolving, and trust funds of the department of labor
11		and industrial relations; the department of taxation
12		[the department of human resources development;] the
13		department of public safety; and all other moneys
14		expended in accordance with section 37-40; and
15	(6)	Beginning 2014 and every five years thereafter, the
16		auditor shall submit a review of the special,
17		revolving, and trust funds of the department of
18		transportation and the department of defense."
19	SECT	ION 4. Section 23G-2, Hawaii Revised Statutes, is
20	amended b	y amending subsection (b) to read as follows:

- 1 "(b) In determining the salary of the employees of the
- 2 bureau, the director shall consult with the department of [human
- 3 resources development; budget and finance; provided that,
- 4 effective July 1, 2007, the salary of the first assistant shall
- 5 be not more than ninety-two per cent of the salary of the
- 6 director."
- 7 SECTION 5. Section 26-2, Hawaii Revised Statutes, is
- 8 amended by amending subsection (a) to read as follows:
- 9 "(a) When the office of lieutenant governor is vacant by
- 10 reason of the lieutenant governor's becoming governor, or the
- 11 lieutenant governor's failure to qualify, or the lieutenant
- 12 governor's removal from office, death, resignation, or
- 13 otherwise, the powers and duties of the office of lieutenant
- 14 governor shall devolve upon the president of the senate; or, if
- 15 there is none or upon the president's failure to resign promptly
- 16 from all legislative offices held by the president, then upon
- 17 the speaker of the house of representatives; or if there is none
- 18 or upon the speaker's failure to resign promptly from all
- 19 legislative offices held by the speaker, then upon the attorney
- 20 general, the director of finance, the comptroller, and the
- 21 director of taxation[, and the director of human resources

- 1 development] in the order named; provided that any officer upon
- 2 whom the powers and duties of the office of lieutenant governor
- 3 devolve may decline the powers and duties without the officer's
- 4 resignation from the office by virtue of the holding of which
- 5 the officer qualifies to act as lieutenant governor, in which
- 6 event the powers and duties will devolve upon the next officer
- 7 listed in the order of succession."
- 8 SECTION 6. Section 26-4, Hawaii Revised Statutes, is
- 9 amended to read as follows:
- 10 "§26-4 Structure of government. Under the supervision of
- 11 the governor, all executive and administrative offices,
- 12 departments, and instrumentalities of the state government and
- 13 their respective functions, powers, and duties shall be
- 14 allocated among and within the following principal departments
- 15 that are hereby established:
- 16 [(1) Department of human resources development (Section 26-
- 17 5)
- (2) (1) Department of accounting and general services
- 19 (Section 26-6)
- 20 $\left[\frac{3}{3}\right]$ (2) Department of the attorney general (Section 26-7)
- 21 $\left[\frac{4}{1}\right]$ (3) Department of budget and finance (Section 26-8)

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         \left[\frac{(5)}{(4)}\right] (4) Department of commerce and consumer affairs
                 (Section 26-9)
2
                      Department of taxation (Section 26-10)
3
         [\frac{(6)}{(5)}]
         [<del>(7)</del>] (6) University of Hawaii (Section 26-11)
 4
         [\frac{(8)}{(7)}] (7) Department of education (Section 26-12)
 5
          [<del>(9)</del>] (8) Department of health (Section 26-13)
 6
        [\frac{(10)}{(10)}] (9) Department of human services (Section 26-14)
 7
        [\frac{(11)}{(11)}] (10) Department of land and natural resources
 8
 9
                 (Section 26-15)
        [\frac{(12)}{(11)}] (11) Department of agriculture (Section 26-16)
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11
         \left[\frac{13}{13}\right] (12) Department of Hawaiian home lands (Section 26-
12
                 17)
         [\frac{14}{14}] (13) Department of business, economic development,
13
                 and tourism (Section 26-18)
14
         [\frac{(15)}{(14)}] (14) Department of transportation (Section 26-19)
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16
         [\frac{(16)}{(15)}] (15) Department of labor and industrial relations
                 (Section 26-20)
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18
         [\frac{(17)}{(16)}] (16) Department of defense (Section 26-21)
         [\frac{(18)}{(17)}] (17) Department of public safety (Section 26-14.6)."
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           SECTION 7. Section 26-8, Hawaii Revised Statutes, is
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     amended to read as follows:
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1	" 926	-8 Department of budget and linance. (a) The
2	department	t of budget and finance shall be headed by a single
3	executive	to be known as the director of finance.
4	(b)	The department shall:
5	(1)	Undertake the preparation and execution of the
6		executive budget of the state government;
7	(2)	Conduct a systematic and continuous review of the
8		finances, organization, and methods of each department
9		of the State to assist each department in achieving
10		the most effective expenditure of all public funds and
11		to determine that such expenditures are in accordance
12		with the budget laws and controls in force;
13	(3)	Have custody of state funds and be responsible for the
14		safekeeping, management, investment, and disbursement
15		thereof; and
16	(4)	Administer state debts.
17	(c)	The functions and authority heretofore exercised by
18	the burea	u of the budget (except for insurance management,
19	surplus p	roperty management, and central purchasing transferred
20	to the de	partment of accounting and general services) and the
21	funds cus	tody, cash management, debt management, and

- 1 administering of veterans loan functions of the treasurer as
- 2 heretofore constituted are transferred to the department of
- 3 budget and finance established by this chapter.
- 4 (d) The employees' retirement system as constituted by
- 5 chapter 88 is placed within the department of budget and finance
- 6 for administrative purposes. The functions, duties, and powers,
- 7 subject to the administrative control of the director of
- 8 finance, and the composition of the board of trustees of the
- 9 employees' retirement system shall be as heretofore provided by
- 10 law.
- 11 (e) The department of budget and finance shall administer
- 12 the state human resources program, including human resources
- 13 development and training, and central human resources services
- 14 such as recruitment, examination, classification, pay
- 15 administration, and payment of any claims as required under
- 16 chapter 386.
- 17 (f) There shall be within the department of budget and
- 18 finance a board to be known as the merit appeals board which
- 19 shall sit as an appellate body on matters set forth in section
- 20 76-14. The board shall consist of three members. All members
- 21 shall have knowledge of public employment laws and prior

- 1 experience with public employment; provided that at least one
- 2 member's experience was with an employee organization as a
- 3 member or an employee of that organization and at least one
- 4 member's experience was with management. The governor shall
- 5 consider the names of qualified individuals submitted by
- 6 employee organizations or management before appointing the
- 7 members of the board. The chairperson of the board shall be
- 8 designated as specified in the rules of the board.
- 9 Section 26-34 shall not apply and the board members shall
- 10 be appointed by the governor for four-year terms and may be re-
- 11 appointed without limitation; provided that the initial
- 12 appointments shall be for staggered terms, as determined by the
- 13 governor. The governor shall fill any vacancy by appointing a
- 14 new member for a four-year term. The governor may remove for
- 15 cause any member after due notice and public hearing.
- Nothing in this subsection shall be construed as in any
- 17 manner affecting the civil service laws applicable to the
- 18 several counties, the judiciary, or the Hawaii health systems
- 19 corporation or its regional system boards, which shall remain
- 20 the same as if this chapter had not been enacted.

1	(g)	There is established in the state treasury the human
2	resources	development special fund, to be administered by the
3	departmen	t of budget and finance, which shall consist of:
4	(1)	All revenues received by the department as a result of
5		entrepreneurial efforts in securing new sources of
6		funds not provided for in the department's budget for
7		services rendered by the department;
8	(2)	All revenues received by the department from the
9		charging of participant fees for in-service training
10		that are in addition to general fund appropriations in
11		the department's budget for developing and operating
12		in-service training programs;
13	(3)	Appropriations made by the legislature to the fund;
14		and
15	(4)	Moneys directed to the department from any other
16		source, including gifts, grants, and awards.
17	(h)	Moneys in the human resources development special fund
18	shall be	used for the following purposes:
19	(1)	Supporting the department's entrepreneurial
20		initiatives, training activities, and programs;

1	(2)	Administrative costs of the department's
2		entrepreneurial initiatives, training activities, and
3		programs; and
4	(3)	Any other purpose deemed necessary by the director for
5		the purpose of facilitating the department's
6		entrepreneurial initiatives, training activities, and
7		programs.
8	<u>(i)</u>	No later than twenty days prior to the convening of
9	each regu	lar session of the legislature beginning with the
10	regular s	ession of 2021, the department of budget and finance
11	shall sub	mit to the legislature a report on the number of exempt
12	positions	that were converted to civil service positions during
13	the previ	ous twelve months. The report shall include but not be
14	limited t	:o:
15	(1)	The date the position was established;
16	(2)	The purpose of the position;
17	(3)	Rationale for the conversion; and
18	(4)	The number of exempt positions that remain in each
19		state department after the conversions."
20	SECT	TION 8. Section 26-56, Hawaii Revised Statutes, is
21	amended b	ow amending subsections (a) to (c) to read as follows:

- 1 "(a) Pursuant to article XVI, section 3.5, of the
- 2 Constitution of the State of Hawaii, there is established a
- 3 commission on salaries within the department of [human resources
- 4 development, budget and finance, for administrative purposes
- 5 only.
- 6 The commission shall consist of seven members of whom:
- 7 (1) Two members shall be appointed by the governor;
- 8 (2) Two members shall be appointed by the president of the
- 9 senate;
- 10 (3) Two members shall be appointed by the speaker of the
- 11 house of representatives; and
- 12 (4) One member shall be appointed by the chief justice of
- the supreme court.
- 14 Vacancies in these positions shall be filled in the same
- 15 manner. The members of the commission shall serve without
- 16 compensation but shall be reimbursed for expenses, including
- 17 travel expenses, necessary for the performance of their duties.
- 18 (b) The commission shall review and recommend an
- 19 appropriate salary for the governor, lieutenant governor,
- 20 members of the legislature, justices and judges of all state
- 21 courts, administrative director of the State or an equivalent

position, and department heads or executive officers and the 1 deputies or assistants to the department heads of the 2 3 departments of: 4 (1) Accounting and general services; 5 (2) Agriculture; (3) The attorney general; 6 Budget and finance; (4) 8 (5) Business, economic development, and tourism; 9 (6) Commerce and consumer affairs; 10 (7) Defense; Hawaiian home lands; 11 (8) 12 (9) Health; [(10) Human resources development; 13 14 (11) (10) Human services; 15 [(12)] (11) Labor and industrial relations; 16 [(13)] (12) Land and natural resources; [(14)] (13) Public safety; 17 18 $\left[\frac{(15)}{(15)}\right]$ (14) Taxation; and 19 Transportation. $[\frac{(16)}{(15)}]$ (15) 20 The commission shall not review the salary of any position 21 in the department of education or the University of Hawaii.

- 1 The commission may recommend different salaries for
- 2 department heads and executive officers and different salary
- 3 ranges for deputies or assistants to department heads; provided
- 4 that the commission shall recommend the same salary range for
- 5 deputies or assistants to department heads within the same
- 6 department; provided further that the appointing official shall
- 7 specify the salary for a particular position within the
- 8 applicable range.
- 9 The commission shall not recommend salaries lower than
- 10 salary amounts recommended by prior commissions replaced by this
- 11 section.
- 12 (c) The commission may seek assistance from the department
- 13 of [human resources development] budget and finance and any
- 14 other agency in conducting its review, and all agencies shall
- 15 fully cooperate with the commission and provide any necessary
- 16 information to the commission upon request."
- 17 SECTION 9. Section 37-74, Hawaii Revised Statutes, is
- 18 amended by amending subsection (f) to read as follows:
- 19 "[+](f)[+] Effective [July 1, 2017,] July 1, 2020, no
- 20 funds shall be expended to fill a permanent or temporary
- 21 position for the lowest level of a program if the filling of



1	that post	cion causes the position terring for that rever of the
2	program t	o be exceeded; provided that this subsection shall not
3	apply to	a:
4	(1)	Position established by the University of Hawaii or
5		the Hawaii health systems corporation;
6	(2)	Position that is entirely federally funded;
7	(3)	Position necessary for compliance, without undue
8		delay, with a court order or decree if the director of
9		[human resources development] finance determines that
10		recruitment through normal civil service procedures
11		would result in delay or noncompliance;
12	(4)	Position approved by the governor for a special,
13		research, or demonstration project of an agency;
14	(5)	Position approved by the governor to perform an
15		emergency management function under the department of
16		defense pursuant to the authority of section
17		127A-12(b)(9);
18	(6)	Casual hire position;
19	(7)	Vicing position;
20	(8)	Position established by an agency pursuant to express
21		statutory authorization to establish the position; and

1	(9)	rosicion escapitished by an agency for a program or
2		project funded by an appropriation in an act other
3		than a general or supplemental appropriations act."
4	SECTI	CON 10. Section 76-1.5, Hawaii Revised Statutes, is
5	amended to	read as follows:
6	"[+]§	76-1.5[] Executive branch workforce demographic
7	profile.	(a) The director of [human resources development]
8	finance sh	nall compile a profile on the workforce of the
9	executive	branch of the State that shall include:
10	(1)	Demographic data on the entire executive branch
11		workforce covering both civil service employees hired
12		through recruitment procedures based on merit and
13		employees exempt from [such] these procedures;
14	(2)	Breakouts of the data required by paragraph (1) for
15		the systems administered by the department of [human
16		resources development, budget and finance, the board
17		of education, the University of Hawaii board of
18		regents, and the Hawaii health systems corporation,
19		respectively; and

i	(3)	information on the number of employees who are
2		currently eligible for retirement and projected
3		retirements for the succeeding five years.
4	(b)	The director of [human resources development] finance
5	shall subm	it an annual profile report to the legislature no
6	later than	twenty days prior to the convening of each regular
7	session."	
8	SECTI	ON 11. Section 76-16, Hawaii Revised Statutes, is
9	amended by	amending subsection (b) to read as follows:
10	"(b)	The civil service to which this chapter applies shall
11	comprise a	all positions in the State now existing or hereafter
12	establishe	ed and embrace all personal services performed for the
13	State, exc	cept the following:
14	(1)	Commissioned and enlisted personnel of the Hawaii
15		National Guard as such, and positions in the Hawaii
16		National Guard that are required by state or federal
17		laws or regulations or orders of the National Guard to
18		be filled from those commissioned or enlisted
19		personnel;
20	(2)	Positions filled by persons employed by contract where
21		the director of [human resources development] finance

1		has certified that the service is special or unique or
2		is essential to the public interest and that, because
3		of circumstances surrounding its fulfillment,
4		personnel to perform the service cannot be obtained
5		through normal civil service recruitment procedures.
6		Any [such] contract executed pursuant to this
7		paragraph may be for any period not exceeding one
8		year;
9	(3)	Positions that must be filled without delay to comply
10		with a court order or decree if the director
11		determines that recruitment through normal recruitment
12		civil service procedures would result in delay or
13		noncompliance, such as the Felix-Cayetano consent
14		decree;
15	(4)	Positions filled by the legislature or by either house
16		or any committee thereof;
17	(5)	Employees in the office of the governor and office of
18		the lieutenant governor, and household employees at
19		Washington Place;
20	(6)	Positions filled by popular vote;

1	(7)	Department heads, officers, and members of any board,
2		commission, or other state agency whose appointments
3		are made by the governor or are required by law to be
4		confirmed by the senate:

- (8) Judges, referees, receivers, masters, jurors, notaries public, land court examiners, court commissioners, and attorneys appointed by a state court for a special temporary service;
- (9) One bailiff for the chief justice of the supreme court who shall have the powers and duties of a court officer and bailiff under section 606-14; one secretary or clerk for each justice of the supreme court, each judge of the intermediate appellate court, and each judge of the circuit court; one secretary for the judicial council; one deputy administrative director of the courts; three law clerks for the chief justice of the supreme court, two law clerks for each associate justice of the supreme court and each judge of the intermediate appellate court, one law clerk for each judge of the circuit court, two additional law clerks for the civil administrative judge of the

	circuit court of the first circuit, two additional law
	clerks for the criminal administrative judge of the
	circuit court of the first circuit, one additional law
	clerk for the senior judge of the family court of the
	first circuit, two additional law clerks for the civil
	motions judge of the circuit court of the first
	circuit, two additional law clerks for the criminal
	motions judge of the circuit court of the first
	circuit, and two law clerks for the administrative
	judge of the district court of the first circuit; and
	one private secretary for the administrative director
	of the courts, the deputy administrative director of
	the courts, each department head, each deputy or first
	assistant, and each additional deputy, or assistant
	deputy, or assistant defined in paragraph (16);
(10)	First deputy and deputy attorneys general, the
	administrative services manager of the department of
	the attorney general, one secretary for the
	administrative services manager, an administrator and
	any support staff for the criminal and juvenile
	(10)



1		just	ice resources coordination functions, and law
2		cler	ks;
3	(11)	(A)	Teachers, principals, vice-principals, complex
4			area superintendents, deputy and assistant
5			superintendents, other certificated personnel,
6			not more than twenty noncertificated
7			administrative, professional, and technical
8			personnel not engaged in instructional work;
9		(B)	Effective July 1, 2003, teaching assistants,
10			educational assistants, bilingual/bicultural
11			school-home assistants, school psychologists,
12			psychological examiners, speech pathologists,
13			athletic health care trainers, alternative school
14			work study assistants, alternative school
15			educational/supportive services specialists,
16			alternative school project coordinators, and
17			communications aides in the department of
18			education;
19		(C)	The special assistant to the state librarian and
20			one secretary for the special assistant to the
21			state librarian: and

1		(D)	Members of the faculty of the University of
2			Hawaii, including research workers, extension
3			agents, personnel engaged in instructional work,
4			and administrative, professional, and technical
5			personnel of the university;
6	(12)	Empl	oyees engaged in special, research, or
7		demo	nstration projects approved by the governor;
8	(13)	(A)	Positions filled by inmates, patients of state
9			institutions, persons with severe physical or
10			mental disabilities participating in the work
11			experience training programs;
12		(B)	Positions filled with students in accordance with
13			guidelines for established state employment
14			programs; and
15		(C)	Positions that provide work experience training
16			or temporary public service employment that are
17			filled by persons entering the workforce or
18			persons transitioning into other careers under
19			programs such as the federal Workforce Investment
20			Act of 1998, as amended, or the Senior Community
21			Service Employment Program of the Employment and

1		Training Administration of the United States
2		Department of Labor, or under other similar state
3		programs;
4	(14)	A custodian or guide at Iolani Palace, the Royal
5		Mausoleum, and Hulihee Palace;
6	(15)	Positions filled by persons employed on a fee,
7		contract, or piecework basis, who may lawfully perform
8		their duties concurrently with their private business
9		or profession or other private employment and whose
10		duties require only a portion of their time, if it is
11		impracticable to ascertain or anticipate the portion
12		of time to be devoted to the service of the State;
13	(16)	Positions of first deputies or first assistants of
14		each department head appointed under or in the manner
15		provided in section 6, article V, of the Hawaii State
16		Constitution; three additional deputies or assistants
17		either in charge of the highways, harbors, and
18		airports divisions or other functions within the
19		department of transportation as may be assigned by the
20		director of transportation, with the approval of the
21		governor; four additional deputies in the department

1		of health, each in charge of one of the following:
2		behavioral health, environmental health, hospitals,
3		and health resources administration, including other
4	I	functions within the department as may be assigned by
5		the director of health, with the approval of the
6		governor; an administrative assistant to the state
7		librarian; and an administrative assistant to the
8		superintendent of education;
9	(17)	Positions specifically exempted from this part by any
10		other law; provided that:
11		(A) Any exemption created after July 1, 2014, shall
12		expire three years after its enactment unless
13		affirmatively extended by an act of the
14		legislature; and
15		(B) All of the positions defined by paragraph (9)
16		shall be included in the position classification
17		plan;
18	(18)	Positions in the state foster grandparent program and
19		positions for temporary employment of senior citizens
20		in occupations in which there is a severe personnel
21		shortage or in special projects;

1	(19)	Household employees at the official residence of the
2		president of the University of Hawaii;
3	(20)	Employees in the department of education engaged in
4		the supervision of students during meal periods in the
5		distribution, collection, and counting of meal
6		tickets, and in the cleaning of classrooms after
7		school hours on a less than half-time basis;
8	(21)	Employees hired under the tenant hire program of the
9		Hawaii public housing authority; provided that not
10		more than twenty-six per cent of the authority's
11		workforce in any housing project maintained or
12		operated by the authority shall be hired under the
13		tenant hire program;
14	(22)	Positions of the federally funded expanded food and
15		nutrition program of the University of Hawaii that
16		require the hiring of nutrition program assistants who
17		live in the areas they serve;
18	(23)	Positions filled by persons with severe disabilities
19		who are certified by the state vocational
20		rehabilitation office that they are able to perform
21		safely the duties of the positions;

1	(24)	ine sherri;
2	(25)	A gender and other fairness coordinator hired by the
3		judiciary;
4	(26)	Positions in the Hawaii National Guard youth and adult
5		education programs;
6	(27)	In the state energy office in the department of
7		business, economic development, and tourism, all
8		energy program managers, energy program specialists,
9		energy program assistants, and energy analysts; and
10	(28)	Administrative appeals hearing officers in the
11		department of human services.
12	The	director shall determine the applicability of this
13	section t	o specific positions.
14	Noth	ing in this section shall be deemed to affect the civil
15	service s	tatus of any incumbent as it existed on July 1, 1955."
16	SECT	TION 12. Section 76-47, Hawaii Revised Statutes, is
17	amended b	y amending subsection (b) to read as follows:
18	"(b)	Members of the merit appeals board shall be persons
19	that can	objectively apply the merit principle to public
20	employmen	t. Other qualifications of board members and other
21	matters p	pertaining to the establishment of the merit appeals

- 1 board, whether composition of the board, manner of appointment,
- 2 term of office, limitation on terms, chairperson, removal of
- 3 members, and name for its merit appeals board, shall be left to
- 4 the determination of each jurisdiction based on its own
- 5 preferences and needs. A jurisdiction may continue to use its
- 6 civil service commission or appeals board, with or without
- 7 modification, as its merit appeals board to assume all of the
- 8 functions and responsibilities under section 76-14; provided
- 9 that the merit appeals board for the State shall be as provided
- 10 in section $[\frac{26-5}{3}]$ 26-8."
- 11 SECTION 13. Section 88E-3, Hawaii Revised Statutes, is
- 12 amended by amending subsection (a) to read as follows:
- "(a) The authority to establish the plan and implement
- 14 this chapter is vested in the board of trustees. The board
- 15 shall be placed within the department of [human resources
- 16 development] budget and finance for administrative purposes.
- 17 SECTION 14. Section 88E-4, Hawaii Revised Statutes, is
- 18 amended to read as follows:
- 19 "§88E-4 Composition of the board of trustees. The board
- 20 of trustees shall consist of seven members as follows:



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        (1) The director of human resources development of the
2
              State or a designated representative, ex officio;
                   The director of finance of the State or a
3
         \frac{(2)}{(1)}
              designated representative, ex officio; and
4
        [\frac{3}{2}] Five] (2) Six other persons, who shall be public
5
              employees and represent employee interests."
6
         SECTION 15. Section 88E-5, Hawaii Revised Statutes, is
7
8
    amended to read as follows:
9
         "§88E-5 Appointment and terms. Except for the [directors
10
    of human resources development and] director of finance, the
11
    members of the board shall be nominated and, by and with the
    advice and consent of the senate, appointed by the governor and
12
13
    shall serve terms of four years each; provided that of the
14
    trustees first appointed upon establishment of the board one
    shall be appointed for one year, one shall be appointed for two
15
16
    years, one shall be appointed for three years, and two shall be
17
    appointed for four years.
18
         A vacancy on the board shall be filled by appointment of
19
    the governor. The person appointed to fill a vacancy shall
20
    serve for the remainder of the unexpired term. If by the end of
21
    a term a trustee is not reappointed or a successor is not
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- 1 appointed, the trustee shall serve until the trustee's successor
- 2 is appointed.
- 3 Membership on the board shall not be deemed incompatible
- 4 with the holding of any other public employment."
- 5 SECTION 16. Section 88F-2, Hawaii Revised Statutes, is
- 6 amended to read as follows:
- 7 "§88F-2 State deferred compensation retirement plan for
- 8 state and county part-time, temporary, and seasonal or casual
- 9 employees. The State may establish a deferred compensation
- 10 retirement plan in accordance with sections 457 and 3121 of the
- 11 Internal Revenue Code of 1986, as amended, for the benefit of
- 12 employees to defer a portion of their compensation to a future
- 13 period of time. Participation in the plan shall be mandatory,
- 14 with a mandatory payroll deduction by the employee equal to
- 15 seven and five-tenths per cent of the employee's gross monthly
- 16 wages, which shall be contributed to the plan. A county may
- 17 enter into a formal agreement with the State to extend the
- 18 State's plan and its provisions to part-time, temporary, and
- 19 seasonal or casual employees of the county; provided that:
- 20 (1) The agreement designates one of the county's agencies
- 21 to locally coordinate the plan; and

1	(2)	The department of [human resources development] budget
2		and finance may levy fees on the county pursuant to
3		rules adopted in accordance with chapter 91."
4	SECT	ION 17. Section 90-3, Hawaii Revised Statutes, is
5	amended by	y amending subsection (e) to read as follows:
6	"(e)	The agency utilizing the services of volunteers has
7	the respon	nsibility to:
8	(1)	Use volunteers to extend services without displacing
9		paid employees.
10	(2)	Provide each volunteer with a designated supervisor.
11	(3)	Provide staff orientation and training in the use and
12		supervision of volunteers.
13	(4)	Define volunteer jobs that are meaningful to the
14		volunteer and commensurate with his abilities.
15	(5)	Be alert to assignments for handicapped or disabled
16		volunteers.
17	(6)	Make it possible for a volunteer to serve on a trial
18		or probationary basis for a specified period.
19	(7)	Provide orientation and training to improve the

volunteer's skills.

20

1	(8)	Provide volunteers with clear instructions and an
2		adequate work space.
3	(9)	Accept the volunteer as part of the team, including
4		him in training and staff meetings that pertain to his
5		work.
6	(10)	Establish and communicate clearly defined lines of
7		supervision so that the volunteer knows to whom he is
8	•	responsible.
9	(11)	Provide appropriate recognition and appreciation to
10		the volunteer.
11	(12)	Provide written guidelines governing the recruitment,
12		screening, utilization, and supervision of volunteers
13	(13)	Recognize an applicant's prior volunteer service in
14		evaluating fulfillment of training and experience
15		requirements for state employment pursuant to rules
16		adopted by the department of [human resources
17		development, budget and finance, the judiciary, and
18		the board of regents of the University of Hawaii.
19	(14)	Provide funds for volunteer benefits as specified in
20		section 90-4.

1	(15)	Provi	de recognition of paid staff for support and
2	:	super	vision of volunteers."
3	SECTI	ON 18	. Section 92F-19, Hawaii Revised Statutes, is
4	amended by	amer	ding subsection (a) to read as follows:
5	"(a)	No a	gency may disclose or authorize disclosure of
6	government	reco	ords to any other agency unless the disclosure is
7	(1)	Neces	sary for the performance of the requesting
8		ageno	y's duties and functions and is also:
9		(A)	Compatible with the purpose for which the
10			information was collected or obtained; or
11		(B)	Consistent with the conditions or reasonable
12			expectations of use and disclosure under which
13			the information was provided;
14	(2)	To th	ne state archives for the purposes of historical
15	:	prese	ervation, administrative maintenance, or
16		desti	ruction;
17	(3)	To ar	other agency, another state, or the federal
18		govei	nment, or foreign law enforcement agency or
19		autho	ority, if the disclosure is:
20		(A)	For the purpose of a civil or criminal law
21			enforcement activity authorized by law; and

1		(B) Pursuant to:
2		(i) A written agreement or written request, or
3		(ii) A verbal request, made under exigent
4		circumstances, by an officer or employee of
5		the requesting agency whose identity has
6		been verified, provided that such request is
7		promptly confirmed in writing;
8	(4)	To a criminal law enforcement agency of this State,
9		another state, or the federal government, or a foreign
10		criminal law enforcement agency or authority, if the
11		information is limited to an individual's name and
12		other identifying particulars, including present and
13		past places of employment;
14	(5)	To a foreign government pursuant to an executive
15		agreement, compact, treaty, or statute;
16	(6)	To the legislature, or a county council, or any
17		committee or subcommittee thereof;
18	(7)	Pursuant to an order of a court of competent
19		jurisdiction;
20	(8)	To authorized officials of another agency, another
21		state or the fodoral government for the nurness of

1		auditing or monitoring an agency program that receives
2		federal, state, or county funding;
3	(9)	To the offices of the legislative auditor, the
4		legislative reference bureau, or the ombudsman of this
5		State for the performance of their respective
6		functions;
7	(10)	To the department of [human resources development,]
8		budget and finance, county personnel agencies, or line
9		agency personnel offices for the performance of their
10		respective duties and functions, including employee
11		recruitment and examination, classification and
12		compensation reviews, the administration and auditing
13		of personnel transactions, the administration of
14		training and safety, workers' compensation, and
15		employee benefits and assistance programs, and for
16		labor relations purposes; or
17	(11)	Otherwise subject to disclosure under this chapter."
18	SECT	ION 19. Section 96-3, Hawaii Revised Statutes, is
19	amended b	y amending subsection (b) to read as follows:
20	"(b)	In determining the salary of each employee, the
21	ombudsman	shall consult with the department of [human resources



- 1 <u>development</u>] <u>budget and finance</u> and shall follow as closely as
- 2 possible the recommendations of the department. Effective July
- 3 1, 2007, the first assistant's salary shall be not more than
- 4 ninety-two per cent of the salary of the ombudsman."
- 5 SECTION 20. Section 103D-110, Hawaii Revised Statutes, is
- 6 amended by amending subsections (a) and (b) to read as follows:
- 7 "(a) The department of [human resources development,]
- 8 budget and finance, either alone or in cooperation with any
- 9 governmental body, including the department of labor and
- 10 industrial relations, or in cooperation with other states, the
- 11 federal government, or other persons may:
- 12 (1) Conduct or participate in procurement education and
- training for persons not employed by the State; and
- 14 (2) Sponsor a purchasing certification program conducted
- by a voluntary organization of procurement
- professionals.
- 17 (b) The state procurement office, in cooperation with the
- 18 department of [human resources development,] budget and finance,
- 19 shall develop and maintain a procurement practices training and
- 20 development program for procurement officers of the State and
- 21 the several counties, to ensure that an agency's procurement



- 1 practices are in compliance with the procurement code and that
- 2 proper procurement decisions are made consistent with this
- 3 chapter. The program shall include a mandatory fundamental
- 4 training and development session and follow-up training and
- 5 development sessions."
- 6 SECTION 21. Section 103D-204, Hawaii Revised Statutes, is
- 7 amended by amending subsection (a) to read as follows:
- 8 "(a) There shall be a state procurement office, placed for
- 9 administrative purposes only, within the department of
- 10 accounting and general services, which shall be headed by the
- 11 administrator of the state procurement office. The
- 12 administrator shall be the chief procurement officer for those
- 13 governmental bodies of the executive branch as provided in
- 14 section [+]103D-203(a)(8)[+]. The administrator shall be a
- 15 full-time public official. The administrator shall serve a term
- 16 of four years, and shall be paid a salary not to exceed eighty-
- 17 seven per cent of the salary of the director of [human resources
- 18 development, taxation, without diminution during the
- 19 administrator's term of office unless by general law applying to
- 20 all deputies or assistants to department heads."

I	SECT	ION 22. Section 109-2, Hawaii Revised Statutes, is
2	amended to	o read as follows:
3	"§10	9-2 Stadium authority; powers and duties. The powers
4	and duties	s of the stadium authority shall be as follows:
5	(1)	To maintain, operate, and manage the stadium and
6		related facilities;
7	(2)	To prescribe and collect rents, fees, and charges for
8		the use or enjoyment of the stadium or any of its
9		facilities;
10	(3)	To make and execute contracts and other instruments
11		necessary or convenient to exercise its powers under
12		this chapter and subject to any limitations in this
13		chapter, to exercise all powers necessary, incidental,
14		or convenient to carry out and effectuate the purposes
15		and provisions of this chapter;
16	(4)	To adopt, amend, and repeal in accordance with chapter
17		91 rules it may deem necessary to effectuate this
18		chapter and in connection with its projects,
19		operations, and facilities;
20	(5)	To appoint a manager and a deputy manager who shall
7 1		have qualifications as the authority dooms resessant

and who shall hold their respective offices at the
pleasure of the authority. The manager and deputy
manager shall be exempt from the requirements of
chapters 76 and 89. Effective July 1, [2005,] <u>2020,</u>
the manager shall be paid a salary not to exceed
eighty-seven per cent of the salary of the director of
[human resources development.] taxation. Effective
July 1, 2005, the deputy manager shall be paid a
salary not to exceed eighty-five per cent of the
manager's salary. The manager shall have full power
to administer the affairs of the stadium and related
facilities, subject to the direction and approval of
the authority. The manager shall, subject to the
approval of the authority, have power to appoint,
suspend, and discharge a secretary who shall be exempt
from the requirements of chapters 76 and 89, and other
employees, subordinates, and assistants as may be
necessary for the proper conduct of the business of
the authority. Except for persons hired on contract
or otherwise as provided in section 109-3 and except
for the manager, deputy manager, and secretary, all

1	appointments, suspensions, or discharges shall be mad
2	in conformity with the applicable provisions of
3	chapter 76; and
4	(6) To plan, promote, and market the stadium and related
5	facilities."
6	SECTION 23. Section 269-2, Hawaii Revised Statutes, is
7	amended by amending subsection (b) to read as follows:
8	"(b) Effective July 1, $[\frac{2005}{7}]$ $\underline{2020}$, the chairperson of
9	the commission shall be paid a salary set at eighty-seven per
10	cent of the salary of the director of [human resources
11	development, taxation, and each of the other commissioners
12	shall be paid a salary equal to ninety-five per cent of the
13	chairperson's salary. The commissioners shall be exempt from
14	chapters 76 and 89 but shall be members of the state
15	[+]employees'[+] retirement system and shall be eligible to
16	receive the benefits of any state or federal employee benefit
17	program generally applicable to officers and employees of the
18	State, including those under chapter 87A."
19	SECTION 24. Section 302D-27, Hawaii Revised Statutes, is
20	amended to read as follows:

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1	"[+]§302D-27[+] Administration of workers' compensation.
2	The department of [human resources development] budget and
3	finance shall administer workers' compensation claims for
4	employees of charter schools, who shall be covered by the same
5	self-insured workers' compensation system as other public
6	employees. The department of [human resources development]
7	budget and finance shall process, investigate, and make payments
8	on claims; provided that:
9	(1) Charter schools shall compile the preliminary claim
10	form and forward it to the department of [human
11	resources development; budget and finance; and
12	(2) The department of [human resources development] budget
13	and finance shall receive no more than 0.07 per cent
14	of the EDN 600 appropriation to process these workers
15	compensation claims."
16	SECTION 25. Section 302L-1.5, Hawaii Revised Statutes, is
17	amended by amending subsection (b) to read as follows:
18	"(b) The head of the executive office on early learning
19	shall be known as the director of the executive office on early
20	learning, hereinafter referred to as director. The director
21	shall:

1	(1)	Be appointed and evaluated annually by the board;
2	(2)	Have professional training in the field of social
3		work, education, or other related fields, including
4		major coursework in early childhood education and
5		child development, and preferably holding an academic
6		degree in the field of early childhood education and
7		child development;
8	(3)	Have direct experience in programs or services related
9		to early learning;
10	(4 ⁻)	Have recent experience in a supervisory, consultative,
11		or administrative position;
12	(5)	Be paid a salary set by the board that shall not
13		exceed ninety per cent of the salary of the director
14		of [human resources development;] taxation; and
15	(6)	Be included in any benefit program generally
16		applicable to the officers and employees of the
17		State."
18	SECT	ION 26. Section 342B-63, Hawaii Revised Statutes, is
19	amended b	y amending subsection (b) to read as follows:
20	. "(b)	The person appointed as the small business ombudsman
21	shall be	experienced in dealing with both private enterprise and



- 1 government entities; arbitration and negotiation; interpretation
- 2 of laws and rules; investigation; recordkeeping; report writing;
- 3 public speaking; and management. All employees of the office
- 4 shall be hired by the small business ombudsman and shall serve
- 5 at the small business ombudsman's pleasure. In determining the
- 6 salary of each employee, the small business ombudsman shall
- 7 consult with the [---] department of [human resources development---]
- 8 budget and finance and shall follow as closely as possible the
- 9 recommendations of the [+] department of [human-resources
- 10 development].] budget and finance. The small business ombudsman
- 11 and the small business ombudsman's full-time staff shall be
- 12 entitled to participate in all state employee benefit plans."
- 13 SECTION 27. Section 349-2, Hawaii Revised Statutes, is
- 14 amended by amending subsection (b) to read as follows:
- "(b) The head of this office shall be known as the
- 16 director of the executive office on aging, hereinafter referred
- 17 to as director. The director shall have professional training
- 18 in the field of social work, education, public health, and other
- 19 related fields; extensive direct experience in programs or
- 20 services related to elders; and recent experience in a
- 21 supervisory, consultative, or administrative position. The



- 1 director shall be nominated and appointed by the governor
- 2 without regard to chapters 76 and 89. Effective July 1, [2005,]
- 3 2020, the director shall be paid a salary set by the appointing
- 4 authority that shall not exceed sixty-nine per cent of the
- 5 salary of the director of [human resources development.]
- 6 taxation. The director shall be included in any benefit program
- 7 generally applicable to the officers and employees of the
- 8 State."
- 9 SECTION 28. Section 367-2, Hawaii Revised Statutes, is
- 10 amended by amending subsection (b) to read as follows:
- "(b) The commission shall consist of thirteen members,
- 12 which shall include:
- (1) Ex officio[+],[+] nonvoting members the superintendent
- of education, the president of the University of
- 15 Hawaii, the director of labor and industrial
- 16 relations, the director of [human resources
- 17 development, finance, the director of human services,
- and the director of health, or their respective
- designated representative; and

1	(2) The remaining seven members shall be appointed by the
2	governor in accordance with section 26-34, and shall
3	serve as voting members."
4	SECTION 29. Section 487N-5, Hawaii Revised Statutes, is
5	amended by amending subsection (a) to read as follows:
6	"(a) There is established an information privacy and
7	security council within the department of accounting and general
8	services for administrative purposes only. Members of the
9	council shall be appointed no later than September 1, 2008, by
10	the governor without regard to section 26-34 and shall be
11	composed of the following representatives:
12	(1) Executive agencies that maintain extensive personal
13	information in the conduct of their duties, including
14	the department of commerce and consumer affairs, the
15	department of education, the department of health, the
16	department of [human resources development,] budget
17	and finance, the department of human services, and the
18	University of Hawaii, to be selected by the governor;
19	(2) The legislature, to be selected by the president of
20	the senate and the speaker of the house of
21	representatives;

1	(3) The judi	ciary, to be selected by the chief justice of
2	the Hawa	ii supreme court; and
3	(4) The four	counties, to be selected by the mayor of each
4	county;	provided that the mayor of each county shall
5	determin	e the extent to which the county may or may
6	not part	icipate.
7	The chief inf	ormation officer or the chief information
8	officer's designee	shall serve as chair of the council."
9	SECTION 30.	Section 26-5, Hawaii Revised Statutes, is
10	repealed.	
11	[" §26-5 Depa	rtment of human resources development. (a)
12	The-department-of	human resources development shall be headed by
13	a single executive	to be known as the director of human
14	resources developm	e nt.
15	(b) The dep a	rtment shall administer the state human
16	resources program,	including human resources development and
17	training, and cent	ral human resources services such as
18	recruitment, exami	nation, classification, pay administration,
19	and payment of any	claims as required under chapter 386.
20	(c) There sh	all be within the department of human
21	resources developm	ent a board to be known as the merit appeals

board which shall sit as an appellate body on matters set forth 1 2 in section 76-14. The board shall consist of three members. All members shall have knowledge of public employment laws and 3 prior experience with public employment; provided that at least 4 5 one member's experience was with an employee organization as a 6 member or an employee of that organization and at least one 7 member's experience was with management. The governor shall 8 consider the names of qualified individuals submitted by 9 employee organizations or management before appointing the **10** members of the board. The chairperson of the board-shall be 11 designated as specified in the rules of the board. 12 (d) The provisions of section 26-34 shall not apply and 13 the board members shall be appointed by the governor for four-14 year terms and may be re-appointed without limitation; provided 15 that the initial appointments shall be for staggered terms, as 16 determined by the governor. The governor shall fill any vacancy 17 by appointing a new member for a four year term. The governor 18 may remove for cause any member after due notice and public 19 hearing. 20 (e) Nothing in this section shall be construed as in any manner affecting the civil service laws applicable to the 21

several counties, the judiciary, or the Hawaii health systems 1 2 corporation or its regional system boards, which shall remain 3 the same as if this chapter had not been enacted. (f) There is established in the state treasury the human 4 5 resources development special fund, to be administered by the 6 department of human resources development, which shall consist of: all revenues received by the department as a result of 7 8 entrepreneurial efforts in securing new sources of funds not 9 provided for in the department's budget for services rendered by 10 the department, all revenues received by the department from the 11 charging of participant fees for in service training that are in 12 addition to general fund appropriations in the department's 13 budget for developing and operating in-service training 14 programs, appropriations made by the legislature to the fund, 15 and moneys directed to the department from any other source, 16 including gifts, grants, and awards. 17 Moneys in the human resources development special fund 18 shall be used for the following purposes: 19 (1) Supporting the department's entrepreneurial 20 initiatives, training activities, and programs;

1	(2)	Administrative costs of the department's
2		entrepreneurial initiatives, training activities, and
3		programs; and
4	(3)	Any other purpose deemed necessary by the director for
5		the purpose of facilitating the department's
6		entrepreneurial initiatives, training activities, and
7		programs.
8	(g)	The department of human resources development shall
9	submit, n	o later than twenty days prior to the convening of each
0	regular s	ession [of the legislature] beginning with the regular
1	session o	f 2007, a report of the number of exempt positions that
2	were conv	erted to civil service positions during the previous
3	twelve mo	nths. The report shall include but not be limited to:
4	(1)	When the position was established;
15	(2)	The purpose of the position;
16	(3)	Rationale for the conversion; and
17	(4)	How many exempt positions remain in each state
18		department after the conversions."]
19	SECT	TION 31. All rights, powers, functions, and duties of
20	the depar	tment of human resources development are transferred to
2.1	the depar	tment of budget and finance

All employees who occupy civil service positions and whose 1 functions are transferred to the department of budget and 2 finance by this Act shall retain their civil service status, 3 whether permanent or temporary. Employees shall be transferred 4 without loss of salary, seniority (except as prescribed by 5 applicable collective bargaining agreements), retention points, 6 prior service credit, any vacation and sick leave credits 7 previously earned, and other rights, benefits, and privileges, 8 in accordance with state personnel laws and this Act; provided 9 that the employees possess the minimum qualifications and public 10 11 employment requirements for the class or position to which transferred or appointed, as applicable; provided further that 12 13 subsequent changes in status may be made pursuant to applicable 14 civil service and compensation laws. 15 Any employee who, prior to this Act, is exempt from civil 16 service and is transferred as a consequence of this Act may 17 retain the employee's exempt status, but shall not be appointed 18 to a civil service position as a consequence of this Act. An 19 exempt employee who is transferred by this Act shall not suffer 20 any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges as a 21

- 1 consequence of this Act; provided that the employees possess
- 2 legal and public employment requirements for the position to
- 3 which transferred or appointed, as applicable; provided further
- 4 that subsequent changes in status may be made pursuant to
- 5 applicable employment and compensation laws. The director of
- 6 finance may prescribe the duties and qualifications of these
- 7 employees and fix their salaries without regard to chapter 76,
- 8 Hawaii Revised Statutes.
- 9 SECTION 32. All appropriations, records, equipment,
- 10 machines, files, supplies, contracts, books, papers, documents,
- 11 maps, and other personal property heretofore made, used,
- 12 acquired, or held by the department of human resources
- 13 development relating to the functions transferred to the
- 14 department of budget and finance shall be transferred with the
- 15 functions to which they relate.
- 16 SECTION 33. All rules, policies, procedures, guidelines,
- 17 and other material adopted or developed by the department of
- 18 human resources development to implement provisions of the
- 19 Hawaii Revised Statutes which are reenacted or made applicable
- 20 to the department of budget and finance by this Act, shall
- 21 remain in full force and effect until amended or repealed by the

- 1 department of budget and finance pursuant to chapter 91, Hawaii
- 2 Revised Statutes. In the interim, every reference to the
- 3 department of human resources development or director of human
- 4 resources development in those rules, policies, procedures,
- 5 quidelines, and other material is amended to refer to the
- 6 department of budget and finance or director of finance as
- 7 appropriate.
- 8 SECTION 34. Statutory material to be repealed is bracketed
- 9 and stricken. New statutory material is underscored.
- SECTION 35. This Act shall take effect on July 1, 2020.

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JAN 1 8 2019

Report Title:

DHRD; B&F; Repeal and Transfer of DHRD to B&F

Description:

Abolishes the Department of Human Resources Development and transfers its functions to the Department of Budget and Finance. Replaces the Director of Human Resources Development with the same-tiered Director of Taxation as the new basis for salaries of certain other state officials.

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

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