**ACT 52** 

H.B. NO. 3054

A Bill for an Act Relating to Performance Ratings of Employees in the Civil Service.

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

SECTION 1. Section 76-41, Hawaii Revised Statutes, is amended to read as follows:

**"\$76-41 Performance ratings.** There shall be established and maintained a system of performance ratings for the purpose of appraising the service of employees in the civil service and improving the employees' performance. Each department shall rate each employee under its jurisdiction in accordance with the system and shall, upon request by the director of the respective jurisdiction, transmit the final performance rating shall [also] be given to the affected employee[.], and the original shall be filed in the employee's official personnel file.

The department head shall inform an employee in writing whenever the employee's performance in the employee's position is substandard. The employee shall also be notified in the notice and from time to time thereafter as may be necessary, of the manner in which the employee's performance is substandard. [Continued substandard performance for a period of three months after the written notice may be used as the basis for denying any step increment. Any employee who has been denied a step increment may be subsequently granted an increment whenever the employee's performance has been brought up to standard and has so continued for any three-month period. The denying of a step increment shall be a subject for grievance procedure. No action taken under this section shall change or in any way affect the employee's service anniversary date.]''

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval. (Approved April 29, 1998.)