

Honolulu, Hawaii

MAR 21 2014

RE: H.B. No. 1966  
H.D. 1  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 1966, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Auditor to review the current civil service exemption process and recommend procedures, guidelines, and criteria to ensure that the civil service exemption process is used appropriately and only in extraordinary circumstances. Specifically, this measure requires the Auditor to:

- (1) Work with state departments and agencies, including the Department of Human Resources Development and other interested parties, to:
  - (A) Determine the reasons state departments and agencies have circumvented the civil service exemption process; and
  - (B) Recommend modifications to streamline and update the process for modernizing and reconciling job position descriptions within state departments and agencies; and



- (2) Submit a report to the Legislature of its findings and recommendations, including proposed legislation, prior to the convening of the Regular Session of 2015.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received comments on this measure from the Department of Human Resources Development and Office of Community Services of the Department of Labor and Industrial Relations.

Your Committee finds that section 76-16(b), Hawaii Revised Statutes, allows certain exemptions from the civil service employment law. According to the *Report to the 2014 Legislature on Positions Exempted from the Civil Service as Required by Act 300, Session Laws of Hawaii 2006*, as of November 1, 2013, there were 2,894 civil service exempt employees within the State's Executive Branch. The Hawaii Government Employees Association estimated that approximately eight to nine percent of all state employees hold positions that are exempt from civil service. The Hawaii Government Employees Association testified that a two-tiered system exists within state employment that results in inequities between civil service exempt employees and civil service employees.

Your Committee further finds that the purpose of Act 253, Session Laws of Hawaii 2000, and Act 300, Session Laws of Hawaii 2006, was to reduce the number of civil service exempt employees in public service. However, since the enactment of these Acts, there have been few conversions of civil service exempt positions to civil service positions. This measure will facilitate a review, modernization, and improvement of the civil service exemption process to provide mechanisms and incentives for the retention of a high quality government workforce.

Your Committee has amended this measure by:

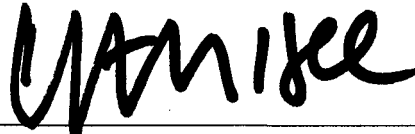
- (1) Adopting the suggestion made by the Department of Human Resources Development to:
  - (A) Delete language under the purpose section that relates to a correlation between civil service exemptions and lack of updated position descriptions; and



- (B) Clarify that the Auditor shall determine the reason state departments and agencies have used, rather than circumvented, the civil service exemption process;
- (2) Deleting language that requires the Auditor to work with state departments and agencies, including the Department of Human Resources Development; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1966, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1966, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,




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CLAYTON HEE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1966, HD1	JDL, WAM	3/18/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
GALUTERIA, Brickwood	✓			
IHARA, Jr., Les	✓			
SOLOMON, Malama	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	7			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes