

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 3011
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 3011, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CIVIL SERVICE LAW,"

begs leave to report as follows:

The purpose of this bill is to provide public employees the opportunity to advance in the civil service system by being given first consideration when applying for civil service positions.

The Hawaii Government Employees Association (HGEA) testified in support of this bill. The Department of Human Resources Development (DHRD) did not support this bill. The Department of Human Resources of the City and County of Honolulu, Department of Personnel Services of the County of Maui, and Department of Civil Service of the County of Hawaii opposed this measure.

Your Committee has been informed and would like to note that DHRD and HGEA, along with others, are working together to address the issue of "first consideration" through new administrative rules, policies, and procedures.

Act 253, Session Laws of Hawaii 2000, also known as the Civil Service Reform Act, repealed that portion of section 76-22.5, Hawaii Revised Statutes, that required the Director of DHRD to give first consideration to employees already in public service when determining the manner in which positions would be filled.

SB3011 HD1 HSCR LAB HMS 2006-3056



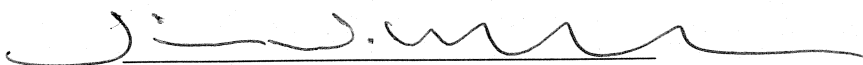
It is the understanding of your Committee that upon enactment of Act 253, new rules, policies, and procedures were to be adopted to address the issue of first consideration, which is a recognized and valid recruiting tool. Your Committee believes that the need to recruit and retain qualified employees, especially during these times of low unemployment rates, necessitates the establishment of a clear policy on the issue under the law. However, your Committee is cognizant of the fact that sometimes it is necessary to recruit employees from outside the civil service system.

While it appears that current employment practices and policies of various state and county departments give first consideration to civil service employees, after hearing testimony on this issue, it is clear that appropriate rules and policies to provide a preference for current public employees under the merit system have not been established since the enactment of Act 253. Although your Committee has concerns that this measure may impact the flexibility public employers have in hiring personnel, the importance of this matter warrants further discussion.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion and to motivate DHRD to develop the rules, regulations, and procedures regarding this issue.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


KIRK CALDWELL, Chair



