

Honolulu, Hawaii

**APR 28** , 2006

RE: S.B. No. 3009  
S.D. 2  
H.D. 2  
C.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

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

Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 3009, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CIVIL SERVICE EXEMPT EMPLOYEES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to allow for the change in status of positions that are statutorily exempt from civil service to civil service positions in order to conform to the intent of Act 253, Session Laws of Hawaii 2000.

This measure also:

- (1) Repeals the provision of Act 88, SLH 2001, that required civil service positions of the Hawaii public employees health fund, upon being vacated after July 1, 2003, to become civil service exempt positions;



- (2) Requires and provides parameters for the Department of Human Resources Development (DHRD) to work collaboratively with the Hawaii Government Employees Association to establish a logical, workable, and fair process for converting civil service exempt positions to civil service positions;
- (3) Allows an exempt employee who has occupied the exempt position for at least one year the option to remain an exempt employee upon the position's conversion;
- (4) Requires an exempt employee who has occupied the position for at least one year to be appointed to a civil service position upon its conversion; provided that the employees compensation will be determined according to the applicable collective bargaining agreement without a loss of benefits; and
- (5) Requires the DHRD to submit annual reports to the Legislature on converted civil service positions.

Pursuant Act 253, SLH 2000, the Legislature sought to reduce the number of civil service exempt employees in public service within the State. Within the Act, the DHRD was tasked with annually reporting to the Legislature on the number of civil service exempt employees and on recommendations regarding the necessity of changing the status of those positions. Despite the edict of the Legislature, the conversion of civil service exempt positions since Act 253 was enacted have been few and are long overdue. The conversion of civil service exempt positions to civil service positions is necessary to support a system of fairness within the government. Many civil service exempt employees perform the same duties and functions as civil service employees and have devoted their entire careers to public service, yet they lack the same types of benefits and protections afforded their civil service counterparts. Your Committee on Conference believes that this measure will demonstrate the Legislature's continued efforts in promoting and preserving the intents and purposes of the civil service system.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Removing the amendment to section 269-3, Hawaii Revised Statutes, as this matter is being addressed by another measure;



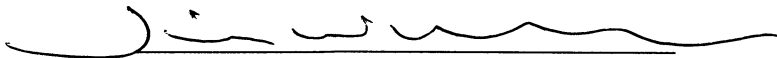
- (2) Amending the language of Section 21 of the measure to specify that an exempt employee whose positions has been converted shall be appointed to the civil service position; provided that the employee meets the minimum qualification requirements and any other applicable public employment requirements; and
- (3) Including an appropriation in the amount of \$110,064 for two personnel management specialist V positions for DHRD for fiscal year 2006-2007 for the purposes of the Act;
- (4) Changing the effective date of the Act to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3009, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3009, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

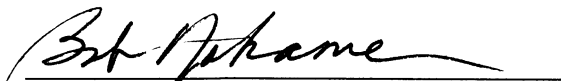
ON THE PART OF THE SENATE



KIRK CALDWELL, Co-Chair



BRIAN KANNO, Chair



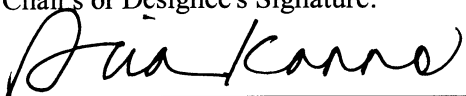

BOB NAKASONE, Co-Chair



BRIAN T. TANIGUCHI, Co-Chair



**Hawaii State Legislature**  
**Record of Votes of a**  
**Conference Committee**

Bill / Concurrent Resolution No.: <b>SB 3009, SD 2, HD 2</b>					Date/Time: <b>4-28-06 5:15pm</b>				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KANNO, Brian, Chr.	X				CALDWELL, Kirk, Co-Chr.	X			
TANIGUCHI, Brian, Co-Chr.	X				NAKASONE, Bob, Co-Chr.	X			
HEMMINGS, Fred	X				HALFORD, Chris	X			
*									
TOTAL	3	0	0	0	TOTAL	3	0	0	0
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
<b>Distribution:</b> <span style="margin-left: 50px;"><b>Original</b> File with Conference Committee Report</span> <span style="margin-left: 50px;"><b>Yellow</b> House Clerk's Office</span> <span style="margin-left: 50px;"><b>Pink</b> Senate Clerk's Office</span> <span style="margin-left: 50px;"><b>Goldenrod</b> Drafting Agency</span>									