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**STATE OF HAWAII
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LATE

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
LABOR & PUBLIC EMPLOYMENT
ON
March 17, 2009
S.B. 1122, S.D. 2

RELATING TO PUBLIC EMPLOYMENT

Chair Rhoads and members of the Committee, thank you for the opportunity to testify on S.B. 1122, S.D. 2.

The Department Accounting and General Services opposes this bill.

S.B. 1122, S.D. 2, would repeal exempt positions every three years. This would hamper the State in its determination of the best way to fill and maintain services for the public. It would also limit the State's ability to effectively utilize exempt positions to fulfill job requirements that cannot be fulfilled by civil service positions.

Exempt positions give the State flexibility in job classification, pay, and recruitment that are necessary for non-traditional projects or programs. The proposed elimination of exempt positions will hinder agencies' ability to implement these projects and programs, and the public services they provide.

Thank you for the opportunity to testify on this matter.

LINDA LINGLE
GOVERNOR



CHAD K. TANIGUCHI
EXECUTIVE DIRECTOR

LATE

STATE OF HAWAII
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HAWAII PUBLIC HOUSING AUTHORITY
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Statement of
Chad K. Taniguchi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

March 17, 2009 8:30 A.M.
Room 309, Hawaii State Capitol

In consideration of
S. B. 1122, SD2
RELATING TO PUBLIC EMPLOYMENT

The Hawaii Public Housing Authority (HPHA) strongly opposes S.B. 1122, SD2. This measure would seriously hinder the ability of HPHA to perform its functions and improve its operations.

Exempt positions are necessary for HPHA because a number of our functions do not have an equivalent civil service position; they require unique and specialized qualifications and are difficult to recruit. Flexibility is needed in order to staff these functions. The option of using exempt positions is absolutely necessary if we are to be successful in achieving our respective responsibilities and service to the public. This is an essential management tool. Examples of exempt positions the agency intends to recruit in the near future are Project Engineers specializing in Energy, and an Asset Manager who will be responsible for public/private partnerships for mixed-use redevelopment projects at various housing units statewide. These positions are specialized, unique and essential for the future of the agency's program requirement.

In addition, the automatic repeal of exempt positions every three years is an unnecessary and disruptive process as temporary exemptions from civil service are reviewed annually for continued need and funding availability. This will make it more difficult to recruit for essential positions, and be disruptive to our operations.

HPHA supports the civil service system and does not hire outside of it unless necessary. HPHA has been reviewing and identifying positions for conversion to civil service in response to Act 300, Session Laws of Hawaii 2006, and Act 253, Session Laws of Hawaii 2000. We have converted exempt positions to civil service in the past year and we are currently in the process on converting more positions this fiscal year.

However, sometimes it is necessary to maintain exempt positions, and this measure would seriously inhibit our ability to effectively staff some of our functions.