

SB 1122



The Judiciary, State of Hawaii

Testimony to the Twenty-Fifth Legislature, Regular Session of 2009

Senate Committee on Ways and Means
The Honorable Donna Mercado Kim, Chair
The Honorable Shan S. Tsutsui, Vice Chair

Monday, March 2, 2009, 2:45 p.m.
State Capitol, Conference Room 211

by
Thomas R. Keller
Administrative Director of the Courts

WRITTEN TESTIMONY ONLY

Bill No. and Title: Senate Bill No. 1122, SD1, Relating to Public Employment

Purpose: Amends various sections of HRS to comply with Act 253, Session Laws of Hawaii 2000, which places restrictions on the creation of civil service exempt positions.

Judiciary's Position:

Senate Bill No. 1122 proposes to amend various sections of the Hawaii Revised Statutes (HRS) to reinforce the intent and implementation of Act 253, SLH 2000 relative to limitations on the establishment of positions exempt from the civil service.

Senate Draft 1 reflects amendments to the original bill, the proposed change to Section 76-16(b)(17) remains unamended. This is the section which most concerns the Judiciary relative to this bill.

While the Judiciary agrees that the integrity of the civil service must be preserved, we **strongly oppose** the proposed amendment to HRS Section 76-16(b)(17), "Positions specifically exempt from this part by any other law shall be repealed every three years unless extended by the legislature;"

While the structure of the paragraph appears to indicate that positions will be repealed, the intent may be to repeal either the enabling statute or the exemption provision of the



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applicable statute. Whether it is positions, statutes, or exemptions to be repealed, the Judiciary does not support any provision for automatic repeal of exemptions.

In addition to the ambiguity of what is to be repealed, the phrase “any other law” may take on a different interpretation. It has been longstanding practice to consider “any other law” to mean a law external to this chapter. However, taken in the context of the intent to convert all exempt positions to civil service status, there needs to be clarification as to whether this also applies internally to sections of Chapter 76. For example, several statutes external to Chapter 76 mandate the creation of programs which are to be staffed by employees who “shall be exempt from chapter 76 and shall not be considered civil service employees.” These specific statutes set forth the legislature’s mandate to exempt positions. Would the automatic repeal provision of Chapter 76 supersede the mandate of these other statutes? The language of these statutes is not permissive and does not grant any discretion on the part of the Judiciary regarding exemption from civil service.

Looking internally at Chapter 76, Section 76-16(b)(8) provides for the exemption of judges. Does the “any other law” provision apply to subsections of the chapter proposed for amendment by this bill? The automatic repeal of an exemption for judges would throw the justice system into chaos and impact other statutes which provide for the orderly process of selecting judges without regard to the civil service recruitment process, consistent with Article VI-Section 3 of the State Constitution.

Further, subsection (9) provides for the exemption of the Deputy Administrative Director of the Courts. Such exemption is also provided by HRS Section 601-3. If one law is repealed and not the other, will the Judiciary still be in compliance? The positions of Administrative Director of the Courts and Deputy Administrator of the Courts will be required to be converted to civil service under the language of this bill. These two positions clearly should be held by at-will employees who serve at the pleasure of the Chief Justice, and therefore, should remain exempt from civil service. This is further emphasized by Article VI-Section 6 of the State Constitution which stipulates that the Chief Justice, with the approval of the Supreme Court, appoints the administrative director “to serve at the chief justice’s pleasure.”

Should each pertinent statute be amended to repeal the specific exemptions, incumbents of these positions would be terminated, the exempt positions would be abolished, and civil service positions will be established, recruited and filled in accordance with civil service merit principles. During the transition, services provided by the program may be reduced or curtailed. Should someone other than the former exempt employee be selected, the new employee will undergo a learning process, which may further affect the program’s ability to effectively deliver full services. The circumvention of the civil service recruitment and selection process through



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the automatic conversion of exempt employees to civil service status is inconsistent with the merit principles of civil service.

The public good is ill served by an indiscriminate repeal every three years. Repeal of a program or termination of a position and incumbent every three years is not consistent with government efficiency and may have unintended consequences. Repeal of exemptions for positions specifically mandated as exempt is not appropriate.

The Judiciary respectfully requests to be allowed the retention of positions exempt from civil service pursuant to Section 76-16(b)(17). The Judiciary has responsibly applied the exemptions afforded by law; exempt positions subject to Section 76-16(b)(17) currently comprise less than 2% of the Judiciary's total workforce.

For the foregoing reasons, the Judiciary is unable to support this bill and urges the Committee to not pass Senate Bill No. 1122, S.D. 1.

LINDA LINGLE
GOVERNOR



RUSS K. SAITO
Comptroller

BARBARA A. ANNIS
Deputy Comptroller

**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**
P.O. BOX 119
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WRITTEN TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS
ON
March 2, 2009

S.B. 1122, S.D. 1

RELATING TO PUBLIC EMPLOYMENT

Chair Kim and members of the Committee, thank you for the opportunity to comment on S.B. 1122, S.D. 1.

The Department Accounting and General Services opposes this bill.

S.B. 1122, S.D. 1, 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 comment on this matter.

Friday, February 27, 2009

The Honorable Donna Mercado Kim and Senator Shan S. Tsutsui
State of Hawaii, Joint Hearings – Senate Committee on Ways & Means
Twenty-Fifth Legislature
State Capitol
415 S. Beretania Street
Honolulu, Hawaii 96813

Subject: SB 1679- RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND

Hearing: Monday, March 2, 2009, 9:30am, Conference Room 211

Dear Senators Mercado and Tsutsui & Members of the Committee on Ways & Means:

I am submitting testimony in ***STRONG SUPPORT OF SB 1679***. This bill makes an emergency appropriation from the emergency and budget fund of the State of Hawaii to maintain the levels of programs determined to be essential to education, public health, and welfare. Specifically I am supporting appropriations to restore lost funding for the ***Department of Health Respite, DD Division DD/MR Waiver, and the DD Division Partnerships in Community Living (PICL) Programs***.

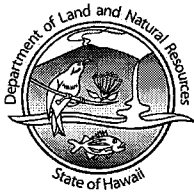
I am a parent of a child with disabilities and am very concerned about the budget cut. I personally feel that it is affecting not only parents but everyone else. If they make any further cuts then that would really affect my job stability and services would be cut for my son Brandon.

If the emergency appropriation is not approved as soon as possible, the state will be putting at risk the thousands of families that are or were served each month in these very valuable programs. Thank you for the opportunity to present testimony in **Strong Support of SB 1679**. I can be reached at (808) 927-9025 (cellular) for any further questions.

Sincerely,

Charlotte Idao

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
LAURA H, THIELEN
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Monday, March 2, 2009
9:30 AM**

State Capitol, Conference Room 211

**In consideration of
SENATE BILL 1122, SENATE DRAFT 1
RELATING TO PUBLIC EMPLOYMENT**

Senate Bill 1122, Senate Draft 1 proposes to amend sections of the Hawaii Revised Statutes (HRS) to conform with Act 253, Session Laws of Hawaii (SLH) 2000, which placed restrictions on the creation of civil service exempt positions and required the annual review of exempt positions to determine whether exempt positions should remain exempt or be converted to civil service positions. The Department of Land and Natural Resources (Department) opposes this measure. And given the current fiscal difficulties, it would not be prudent to pursue enactment at this time.

The Department understands the intent of Act 253, SLH 2000, which was to increase the number of positions included in the civil service system, where appointments and promotions were made under a system of merit determined by competitive examination, and to decrease the use of exempt appointments, which are positions outside the civil service. At this particular time, however, when the future stability of Hawaii's economy is uncertain, the Department is perplexed by this bill. This Department has acted in accordance with previous legislation and has converted a number of its exempt positions to civil service. The Legislature has also previously recognized the need for temporary positions and had awarded a number of such exempt positions to various state departments. Continued support of this bill by the Legislature will force departments to choose to add tenured positions to the current state work force or convert exempt positions to tenured civil service positions. This increases the cost of supporting state government and places potential long-term burden on state taxpayers. It also fails to consider the employee in the exempt position, who chose employment in such a position and who may suffer monetary setback as oftentimes the exempt temporary nature of the position, is offset by higher salaries.

The majority of employees in the exempt positions are selected and employed because they have unique and specialized qualifications; i.e., the Department's Commission on Water Resources

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Management (Commission). The Commission had been granted statutory authority to appoint employees without regard to Chapter 76, HRS. The Commission believes that this authority was originally granted in recognition of the unique and specialized qualifications that are needed to carry out the mandates of the State Water Code (Chapter 174C, HRS). There is no comparable agency in the State tasked with the protection, planning and regulation of water resources. The Commission requires geological, hydrological, engineering, legal and regulatory knowledge as it relates to water resources and must offer salaries commensurate with such education and experience and comparable to current employment market conditions. To fill such difficult to recruit positions, flexibility is needed to attract and retain such employees. The use of such positions oftentimes is a win-win situation for employee and employer.

Additionally, this bill seeks to amend various sections of the HRS to effectuate the mandatory conversion of positions that are exempt from civil service. It also imposes a three year limitation on the exemption of positions from civil service under Section 76-16(b)(17), HRS. The repeal of exempt positions every three years is an unnecessary, cumbersome, and disruptive process as temporary exemptions from civil service are presently reviewed annually for continued need and funding availability. As these positions are so specialized and difficult to recruit, the pool of applicants with such unique qualifications and experience is extremely limited. This would cause an agency to lose a trained employee and cause disruption of projects or services. To fill such difficult to recruit positions, flexibility is needed to attract and retain such employees.

For the above compelling reasons, the Department asks that this Committee recognize this legislation does not serve the best interests of the State and its citizens and should be held without further action.

LINDA LINGLE
GOVERNOR OF HAWAII



MARIE C. LADERTA
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
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February 27, 2009

**TESTIMONY TO THE
SENATE COMMITTEE ON WAYS AND MEANS**

For Hearing on March 2, 2009
9:30 A.M., Conference Room 211

BY

MARIE C. LADERTA, DIRECTOR

**Senate Bill No. 1122, SD1
Relating to Public Employment**

WRITTEN TESTIMONY ONLY

TO CHAIRPERSON MERCADO KIM AND MEMBERS OF THE COMMITTEE:

We strongly oppose this measure.

Senate Bill No. 1122, SD1 amends various sections of the Hawaii Revised Statutes (HRS) to effect the mandatory conversion of positions that are exempt from civil service. It also imposes a three-year limitation on the exemption of positions from civil service under 76-16(b)(17), HRS.

The intent of the proposed amendment to Section 76-16(b)(17), HRS, is unclear. While the structure of the paragraph appears to indicate that positions will be repealed, the intent may be to repeal either the enabling statute or the exemption provision of the applicable statute. In any case, the automatic repeal of exempt positions, enabling law, or exemption provisions every three years is an unnecessary and disruptive process as temporary exemptions from civil service are reviewed annually for continued need and funding availability.

While Senate Bill No. 1122, SD1 seeks to reduce the number of exempt positions as prescribed by Act 253, Session Laws of Hawaii 2000 and Act 300, Session Laws of Hawaii 2006, it eliminates the flexibility of the State to determine how best to fill positions and maintain services for the public. It also eliminates the latitude to establish and utilize exempt positions to conduct the affairs of departments, which 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.

The exempt system offers flexibility in job classification, pay, and recruitment that are necessary for the State to develop or implement projects or programs or to perform work outside of traditional work conventions.

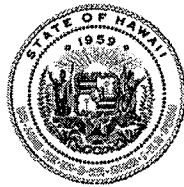
With the emergence of new "green collar" jobs for energy and sustainability initiatives, the Legislature must equip the State with the ability to quickly reach out for those vital federal economic recovery dollars that could be infused into our economy, and the best way to do so is to have the exempt employment system available for quick response.

The proposed elimination of the exempt employment system will hinder agencies' ability to implement new programs and accomplish goals when flexibility and expediency may be imperative to quickly support government initiatives.

Although we understand the intent of Act 253 and Act 300, we are unable to support Senate Bill No. 1122, SD1 because the State needs the flexibility that exempt positions provide to deliver public services, especially to meet the demands of the downturn in our economy.

The Department of Human Resources Development and the Hawaii Government Employees Association (HGEA) have been working collaboratively to establish a logical, workable, and fair process to convert exempt positions to civil service positions in various departments when possible. We would like to continue working collaboratively with the HGEA and executive branch departments to meet the requirements of Act 253 and Act 300.

Thank you for the opportunity to testify on this important measure.



LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

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LAWRENCE M. REIFURTH
DIRECTOR

RONALD BOYER
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON
WAYS AND MEANS

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Monday, March 2, 2009
9:30 a.m.

**TESTIMONY ON SENATE BILL NO. 1122, S.D. 1
RELATING TO PUBLIC EMPLOYMENT.**

TO THE HONORABLE DONNA MERCADO KIM, CHAIR, SHAN S. TSUTSUI, VICE
CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Lawrence Reifurth, Director of Commerce and Consumer Affairs ("Department"). The Department opposes sections 3, 15, and 16 of the bill. Those sections purport to replace prior authorization to hire outside of chapter 76, Hawaii Revised Statutes ("HRS"), with a requirement to hire in accordance with chapter 76, HRS. The only positions that would be authorized as exempt would be hearings officers and attorneys.

The Department also opposes section 6 of the bill, which every three years subjects positions specifically exempted from Part I of Chapter 76, HRS, by any other law, to repeal, unless extended by the Legislature.

The Department is concerned over the effects of sections 3, 15, and 16 of the bill, to the extent that they remove the Director's authority under sections 26-9(o), 412:2-109, and 440G-12, HRS, to hire engineers, financial analysts, examiners, administrative support personnel, and other necessary staff without regard to chapter 76, HRS. The only positions explicitly authorized as exempt would be hearings officers, attorneys, and the administrator of the Department's Cable Television Division (although section 6 of the bill would repeal those positions in three years unless the Legislature extends the positions, or if the positions are converted to civil service).

By precluding the Department from hiring outside of chapter 76, HRS, the bill represents a significant departure from the Legislature's previous vision for the Department and its Compliance Resolution Fund over the last ten years. We strongly recommend that you give serious consideration to the effects of undoing a long history of what, we submit, has been a successful model for operating the Department.

On top of the taxes that businesses already pay, they would pay fees to support the Department's services, including consumer protection services that arise from the conduct of business, in return for assurances that the Department would be run in a business-like manner.

In order to meet those expectations, the Department needs employees with specialized skills and technical expertise in areas ranging from banking to utilities to insurance. By exempting positions from chapter 76, the Legislature gave the Department a fighting chance at locating, hiring, and paying and retaining people in those jobs.

The flexibility afforded the Department by its ability to exempt positions from chapter 76, HRS, is a central feature in its success. The difficulty that we have in competing for employees with private industry (we recently lost our Captive Insurance Administrator to the private sector), and the difficulty that we have in finding qualified applicants for specialized work, would only be exacerbated if virtually all of our positions were converted to civil service.

With respect to section 6 of the bill, it is unclear what would happen to those employees in positions that are exempt by laws other than chapter 76, HRS. In three years, those positions would be repealed (unless extended by the Legislature or converted to civil service). This would cause major disruptions to the Department's operations and ability to service the public. It would also create a great deal of havoc in the personal lives of those employees.

Section 6 of the bill would also undermine the Department's effort to restructure the Division of Consumer Advocacy ("DCA") as called for in Act 183, SLH 2007. The Legislature recognized that regulatory reform is essential to the successful implementation of recent and future energy policy reform and that recent legislation relies heavily on professional staff in DCA to use their skills and experience in various areas relating to public utilities to research, analyze, examine, and process legislative mandates. The Legislature also recognized that;

- (1) Difficulty recruiting and retaining qualified individuals to fill specialized positions that require skills and experience that involve the performance of certain functions; and

- (2) Salaries that are substantially below mainland agency or private sector equivalents, especially considering the demanding and arduous job requirements;

have worked to diminish DCA's ability to perform effectively.

To help address those concerns, the Legislature, by way of Act 183, SLH 2007, increased the number of DCA utility analyst exempt from chapter 76, HRS. However, section 6 of the bill would in three years undo the efforts to improve DCA's effectiveness by repealing those exempt utility analyst positions.

If, in order to prevent the repeal of exempt positions, the Department converts those positions to civil service, we would likely see some of the incumbents choosing to leave their positions unless they are guaranteed no reduction in pay rate. The current Supplemental Agreement between the State and the union regarding the compensation of exempt employees appointed to civil service positions is scheduled to expire at the end of the current fiscal year. The current Supplemental Agreement contains provisions that are generous to exempt employees. However, there are no guarantees that those generous provisions will exist after June 30, 2009. Exempt employees who are converted after June 30, 2009, would likely experience a reduction in their benefits if provisions comparable to those in the current Supplemental Agreement are not maintained. This would likely cause those employees to seek jobs that offer pay that is comparable to what they are currently making as exempt employees.

The Department understands and appreciates the value of chapter 76, HRS. In fact, the Department has been identifying appropriate exempt positions for conversion

to civil service in response to Act 300, Session Laws of Hawaii ("SLH") 2006. As a matter of fact, the Department has converted 45 exempt positions to civil service in response to Act 300, SLH 2006. Three additional positions are in the process of being converted, which will bring the total number of exempt positions converted to civil service to 48. Even if this bill does not pass, we will continue to work diligently to identify exempt positions that are appropriate for conversion to civil service.

Thank you for the opportunity to submit testimony.



**TESTIMONY OF THE STATE ATTORNEY GENERAL
TWENTY-FIFTH LEGISLATURE, 2009**

ON THE FOLLOWING MEASURE:

S.B. NO. 1122, RELATING TO PUBLIC EMPLOYMENT.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Monday, March 2, 2009 **TIME:** 9:30 AM

LOCATION: State Capitol, Room 211

TESTIFIER(S):

WRITTEN TESTIMONY ONLY. (For more information, call
Deputy Attorney General Richard Thomason at 587-2900.)

Chair Kim and Members of the Committee:

The Department of the Attorney General opposes this bill. We believe that mandating the wholesale conversion of positions from exempt to civil service conflicts with the intent of Act 253, Session Laws of Hawaii 2000, and will lead to undesirable results. Additionally, we are concerned that this bill contains legal ambiguities.

Despite what the preamble states, this bill does not appear to be truly consistent with Act 253. Pursuant to Act 253, the Department of Human Resources Development (DHRD) was directed to conduct a study of exempt positions. In its 2004 and 2006 reports, DHRD concluded that some exempt positions should remain exempt. This bill undermines the intent of Act 253 to the extent that some of the exempt positions affected by the bill have been reviewed and a determination has been made to keep them exempt from civil service, or have not been reviewed and analyzed by DHRD to determine whether the positions should remain exempt or replaced with civil service positions.

Additionally, we have concerns about the amendment to section 76-16(b) (17), HRS, to provide that positions specifically exempted from chapter 76, HRS, by other laws shall be repealed every three years

unless extended by the Legislature. Quite a few other laws establish exemptions from chapter 76, HRS, and none of them are identified in the amendment to this section. It is not advisable to insert a clause into one statute that may lead to the repeal of numerous other anonymous statutes. This may result in confusion and the unintended repeal of laws.

Moreover, the amendment to section 76-16(b)(17) would impact our attorneys in the Office of Child Support Hearings who are appointed and commissioned by the Attorney General "without regard to chapter 76" to serve as hearings officers pursuant to section 576E-10, HRS. We strongly oppose any attempt to convert these attorneys to civil service, and do not believe this was intended. Indeed, this bill does not contain a provision specifically amending the "without regard to chapter 76" language in section 576E-10(a), HRS, which leads us to believe that the amendment to section 76-16(b)(17), HRS, was not intended to encompass our hearings officers. If this bill is passed, the phrase "hearings officers appointed under section 576E-10" should be added to paragraph (10) at page 13 of the bill.

In addition, we request that sections 4 and 5 of the bill be deleted.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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**The Twenty-Fifth Legislature, State of Hawaii
Hawaii State Senate
Committee on Ways and Means**

**Testimony by
Hawaii Government Employees Association
March 2, 2009**

**S.B. 1122, S.D. 1 – RELATING
TO PUBLIC EMPLOYMENT**

The Hawaii Government Employees Association strongly supports the purpose and intent of S.B. 1122, S.D. 1. The issue of converting exempt employees has been pending since the passage of Act 253, SLH 2000. Exempt employees who are within collective bargaining units do not have the same rights and benefits as their civil service counterparts. These employees are not protected by several articles in our collective bargaining agreements, including discipline, overtime and reduction-in-force.

Act 253, SLH 2000, required the Director of Human Resources Development to review exempt positions and determine whether these positions should remain exempt permanently. If DHRD determines that a position should no longer be exempt, they are supposed to consult with the appointing authority and remove the exemption from civil service. It also required DHRD to submit annual reports to the Legislature on the status of the conversion process. The first report, submitted in 2004, revealed that there were 2,150 positions exempted from civil service (Chapter 76, HRS) under Section 76-16(b)(17), HRS, and only 250 positions would be converted to civil service.

Section 76-16(b)(17), HRS, contains the largest and most varied group of exempt employees and comprises about 40% of all exempt employees. It refers to positions exempted by other statutes. There are more than 100 separate statutes that provide mandatory or permissive exemption from civil service.

Act 300, SLH 2006, required additional reporting requirements about exempt positions to the Legislature. It also set forth a fair process to convert positions from exempt to civil service, and enabled HGEA to negotiate a supplemental agreement with DHRD to facilitate the conversion of exempt positions to civil service through compensation incentives.

Despite these improvements, progress in converting exempt positions to civil service has been extremely slow. The most recent report submitted to the 2009 Legislature

Hawaii State Senate, Committee on Ways and Means
Re: S.B. 1122, S.D. 1 – Relating to Public Employment
March 2, 2009
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reported a mere 37 exempt positions under Section 76-16(b)(17), HRS, were converted to civil service during the period between November 1, 2007 and October 31, 2008, leaving a total of 2,165 exempt positions under this particular exemption. Exempt employees represent approximately 9% of the workforce in the state. By comparison, the State of California, with more than 219,000 public employees, has about 1,000 exempt employees, which represents a very small percentage of the state's workforce.

The primary obstacle to converting exempt employees to civil service is the unwillingness of line departments to take such action. Unfortunately, voluntary conversion does not work. These and other departments must be required to convert the positions through legislation. The proliferation of exempt positions over the past several decades is undermining the civil service system and creating a group of second class employees.

Thank you for the opportunity to present testimony in support of S.B. 1122, S.D. 1.

Respectfully submitted,



Nora A. Nomura
Deputy Executive Director