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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

March 24, 2015 9:45 A.M.
Room 309, Hawaii State Capitol

In consideration of

Senate Bill 1101, SD1, HD1

Relating to the Hawaii Public Housing Authority

Honorable Chair Nakashima and Members of the House Committee on Labor & Public Employment, thank you for the opportunity to provide you with comments regarding Senate Bill (S.B.) 1101, Senate Draft 1 (SD1), House Draft 1 (HD1), relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority (HPHA) strongly supports the enactment of this Administrative measure, which would extend the sunset date of Act 159 Session Laws of Hawaii 2012 for another 2 years and continue to temporarily exempt from civil service, persons hired or contracted to perform repair or maintenance work on the HPHA's vacant public housing units.

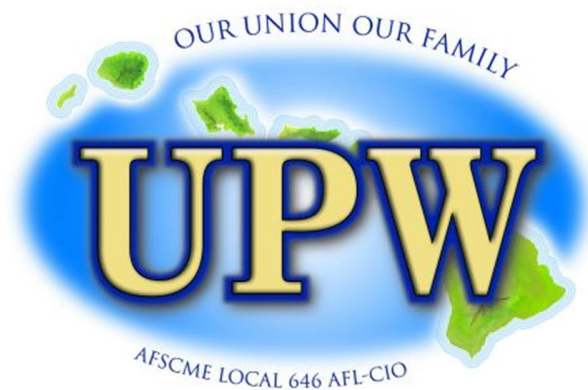
The HPHA's mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most vulnerable populations, including those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly.

Before the passage of Act 159 Session Laws of Hawaii 2012, the HPHA took an average of triple digit days to address the turnaround time of vacant units. With the passage of Act 159, the HPHA has been able to hire 26 exempt and professionally licensed staff members that have completely renovated 122 vacant units and performed 217 repairs to make available a total of 339 vacant units to needy families, while recently raising the HPHA's statewide occupancy rate to approximately 98 percent.

The 26 exempt staff members, termed the "Special Teams" unit has provided on the job training for unlicensed workers, and have provided kitchen and bath renovations, plumbing repairs, roof patching, asbestos removal, replaced windows, installed security doors, and repaired street lights. The efforts of the Special Teams unit has reduced vacant unit turnaround time from triple digit days to 7 days, of which some units were vacant since 2008.

The HPHA respectfully requests to continue the civil service exempt hiring of its Special Teams unit members for two additional years to continue with the repair, maintenance, or capital improvement project work on vacant housing units. The Special Teams unit is needed to maintain the same rate of performance and unit turnaround time to ensure the HPHA's delivery of low-income public housing in a timely and efficient manner as the agency aggressively attempts to increase its low-income rental housing stock in redeveloping its existing properties.

The HPHA appreciates the opportunity to provide the House Committee on Labor & Public Employment with the agency's position regarding S.B. 1101, SD1, HD1. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support to address the affordable housing crisis facing Hawaii.



THE HAWAII STATE HOUSE OF REPRESENTATIVES

The Twenty-Eighth Legislature
Regular Session of 2015

COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

The Honorable Representative Mark Nakashima, Chair
The Honorable Representative Jarrett Keohokalole, Vice Chair

DATE OF HEARING: Tuesday, March 24, 2015
TIME OF HEARING: 9:45 a.m.
PLACE OF HEARING: Conference Room 309
State Capitol
415 South Beretania Street

TESTIMONY IN STRONG OPPOSITION TO SB1101, SD1, HD1 RELATING TO THE
HAWAII PUBLIC HOUSING AUTHORITY

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive bargaining representative for approximately 12,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW strongly opposes SB1101, SD1, HD1 relating to the Hawaii Public Housing Authority. This measure seeks to extend the exemption from state civil service for persons hired or contracted by the Hawaii Public Housing Authority to repair and maintain vacant housing units.

Act 159 (2012) Relating to Capital Improvement Projects, found that temporary exemptions to civil service hiring was needed to expedite the construction and improvement of public housing units and public infrastructure. The stated purpose of the

Act was simple, "...to address economic revitalization". This was the justification in the Act to by-pass the civil service system.

The UPW, also concerned about the housing shortage, agreed for one-time only exemption via Act 159. The HPHA testified that "...the HPHA staff has met with representatives of the United Public Workers (UPW) union, who have expressed their support since this measure would assist us in bringing in these additional revenues and thereby supporting future hiring of additional staff. The UPW support would be contingent upon this measure maintaining a strict sunset date of June 30, 2015, and the HPHA agrees that this is a reasonable condition". (March 29, 2012 written testimony on HB2302, SD1 by Mr. Hakim Quansafi, Executive Director of the Hawaii Public Housing Authority, to the Senate Ways and Means Committee.)

Today, the HPHA seeks to extend the exempt employment for three more years with complete disregard of a face-to-face meeting and agreement in 2012 that the exemptions would terminate on June 30, 2015, the Legislature concurring with the passage of HB2302, SD1 (Act 159). The original purpose for the exemptions i.e. "economic revitalization" no longer exists. The state of Hawaii has one of the lowest unemployment rates in the nation, Hawaii construction contractors are bidding at higher prices because construction projects are plentiful (HART rail project over budget) and the HPHA "Special Teams" have had sufficient time to train (OJT) regular public sector workers at HPHA to improve their production. (HPHA testimony March 16, 2015.)

We note that SB1101, SD1, HD1 lacks any purpose clause similar to Act 159 and attempts to extend the original period July 1, 2012 to June 30, 2015 to July 1, 2012 to June 30, 2018 for an additional three years. This is because there is no "economic revitalization" purpose nor any backlog of repairs cited. Therefore, there is no justification to by-pass the civil service system when trained staff is ready and available to repair and maintain public housing

The civil service system is guaranteed by the state constitution. The civil service merit system is foundational and the centerpiece of fair employment for qualified applicants and promotion for qualified state employees. Further, HRS 76 requires the agency hiring exempt employees or the DHRD director, to justify the hiring of exempt employees. The HPHA blatantly fails to do this.

For these reasons, the UPW respectfully states its strong opposition to SB1101, SD1, HD1 and requests the Committee to defer the bill indefinitely.

Thank you for the opportunity to submit this testimony.

HEARING BEFORE THE HOUSE COMMITTEE ON LABOR

Senate Bill 1101 S.D. 1 H.D.1
Relating To Procurement

Tuesday, March 24, 2015
9:00 p.m.
Conference Room 325

Chair Nakashima, Vice-Chair Keohokalole, and members of the committee, thank you for this opportunity to submit testimony on behalf of the Painting Industry of Hawaii Labor Management Cooperation Trust Fund; the Hawaii Tapers Market Recovery Trust Fund; the Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; and the Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund (collectively the "Funds") in **opposition** to SB1101 S.D. 1 H.D.1 relating to the Hawaii Public Housing Authority (the "HPHA").

This measure grants a further two year extension of the civil service exemption for repair and maintenance workers hired by HPHA that was established in Act 159, Session Laws of Hawaii 2012 ("Act 159"). Act 159 amended Hawaii Revised Statutes ("HRS") §76-16(b) by creating a temporary exemption for such workers to address concerns about Statewide economic revitalization and to reduce a \$350 million dollar capital repair backlog. Section 5 of Act 159 established a sunset date of July 1, 2015 and contained a clause reenacting §76-16(b) as it existed prior to Act 159.

While the Funds appreciate the HPHA's mission and the ongoing need for public housing, they respectfully submit that the unique concerns which prompted the passage of Act 159 in 2012 no longer exist, or are no longer as compelling as they once were. The State's economic condition has improved considerably since the passage of Act 159 and, according to its written testimony in support of earlier versions of this measure, HPHA has been able to clear up a considerable amount of its work backlog. Since the two concerns which prompted the passage of Act 159 no longer exist, or are no longer as compelling as they once were, there is no good reason to either extend the temporary exemption or to repeal Act 159's sunset provisions.

The Funds submit that the exemptions should not be extended for two additional reasons. First, public housing assistance recipients should not have to settle for repairs and/or renovations to their units done by unlicensed workers learning their trade on the job. According to its written testimony submitted in support of a prior version of this measure to the Senate Ways and Means Committee, HPHA has:

... provided on the job Hawaii Public Housing Authority training for **unlicensed workers**, and have provided kitchen and bath renovations, plumbing repairs, roof patching, asbestos removal, replaced windows, installed security doors, and repaired street lights.

[Emphasis added]. Again mindful of the need for public housing and HPHA's mission, the Funds submit that repair and/or renovation work for public housing assistance recipients should not be done by unlicensed workers learning their trade on an "on the job" training basis, but instead should be done by persons that are already properly trained and experienced and possess the requisite knowledge and skill to complete the job properly and safely.

Finally, the Funds are also concerned about the potential future loss of significant amounts of work for Hawaii's painting, taping, glazing and/or floor laying contractors if the positions in question continue to be exempted.

For all of these reasons, the Funds **oppose** SB1101 S.D. 1 H.D.1 and respectfully request that this measure be deferred. Thank you again for this opportunity to testify on this measure.