



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**LUIS P. SALAVERIA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT**  
Friday, March 20, 2015  
10:00 a.m.  
State Capitol, Conference Room 309  
in consideration of  
**SB 139, SD1**  
**RELATING TO CIVIL SERVE EXEMPTIONS.**

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) respectfully offers comments on SB 139, SD1, which requires the review of state civil service positions exempted under section 76-16, Hawaii Revised Statutes, to determine whether the positions should continue to be exempt.

DBEDT supports the purpose of this bill to ensure that the limited authority to exempt positions from civil service pursuant to section 76-16, Hawaii Revised Statutes, is being used as intended by the Legislature. DBEDT asserts, however, that it requires flexibility for hiring and retaining positions in support of the Hawaii Clean Energy Initiative given the rapidly changing energy landscape. The clean energy program, which was established to manage the State's transition to a clean energy economy, is responsible for leading the way in reducing the State's dependence on imported oil by setting goals and a roadmap to achieve 70% clean energy by 2030. As energy-related priorities for the State are continuously evolving, DBEDT must be able to quickly and easily adapt its resources to meet the expertise requirements needed to address highly technical energy-related issues.

Civil service exempt positions continue to meet the challenge of providing technically competent resources to take on the Hawaii Clean Energy Initiative goals and objectives. DBEDT

relies on positions remaining exempt from civil service as a resource strategy aligned with the State's 2030 clean energy goals.

Thank you for the opportunity to offer these comments.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

**The Twenty-Eighth Legislature, State of Hawaii  
House of Representatives  
Committee on Labor and Public Employment**

**Testimony by  
Hawaii Government Employees Association  
March 20, 2015**

**S.B. 139, S.D. 1 – RELATING TO CIVIL  
SERVICE EXEMPTIONS**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of S.B. 139, S.D. 1 with an important amendment. We agree with the changes to Section 76-16 that will require the state's central personnel agency to review those positions exempted from civil service on or after July 1, 2002 through July 1, 2014 and to submit a report to the Legislature based upon the findings of their review prior to the 2017 regular session.

There are far too many exempt positions in the state's executive branch. According to the latest report submitted by the Department of Human Resources Development to the Hawaii State Legislature there are 2,946 exempt employees in the Executive Branch. Only 55 exempt employees were converted to civil service during the period November 1, 2013 through October 31, 2014.

However, we cannot support the provision in the bill (Section 2) that would suspend the conversion of exempt employees to civil service until 2017 when conversions are already too slow. The need for an assessment of exempt positions does not conflict with the ongoing need to convert existing exempt positions to civil service. The two largest statutory exemptions -- Sections 76-16(b)(12) and 76-16(b)(17), HRS -- are inconsistent with Article XVI, Section 1 of the Hawaii State Constitution and Section 76-1 HRS that require positions to be governed by the merit principle and civil service. We request that Section 2 be removed from the bill.

The state's civil service system needs significant reform so that it can preserve the merit principle while at the same time being flexible and responsive enough to meet the demands of line departments. In other words, the civil service system must be adaptable to change, including changes in the state's demographics, the organization of work, and the conceptions of work and career by employees.

The lack of flexibility within the state's civil service system should not be used to justify exempting positions from civil service. State departments need the mechanisms and incentives of a modern human resources system to enable them to maintain a high-quality and motivated workforce for the future that are subject to Chapter 76, HRS. We appreciate the opportunity to testify on S.B. 139, S.D. 1 with the suggested amendment.

Respectfully submitted,  
  
Randy Perreira  
Executive Director