

**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON SENATE BILL NO. 139, RELATING TO LABOR**

Senate Committee on Judiciary and Labor

January 29, 2015

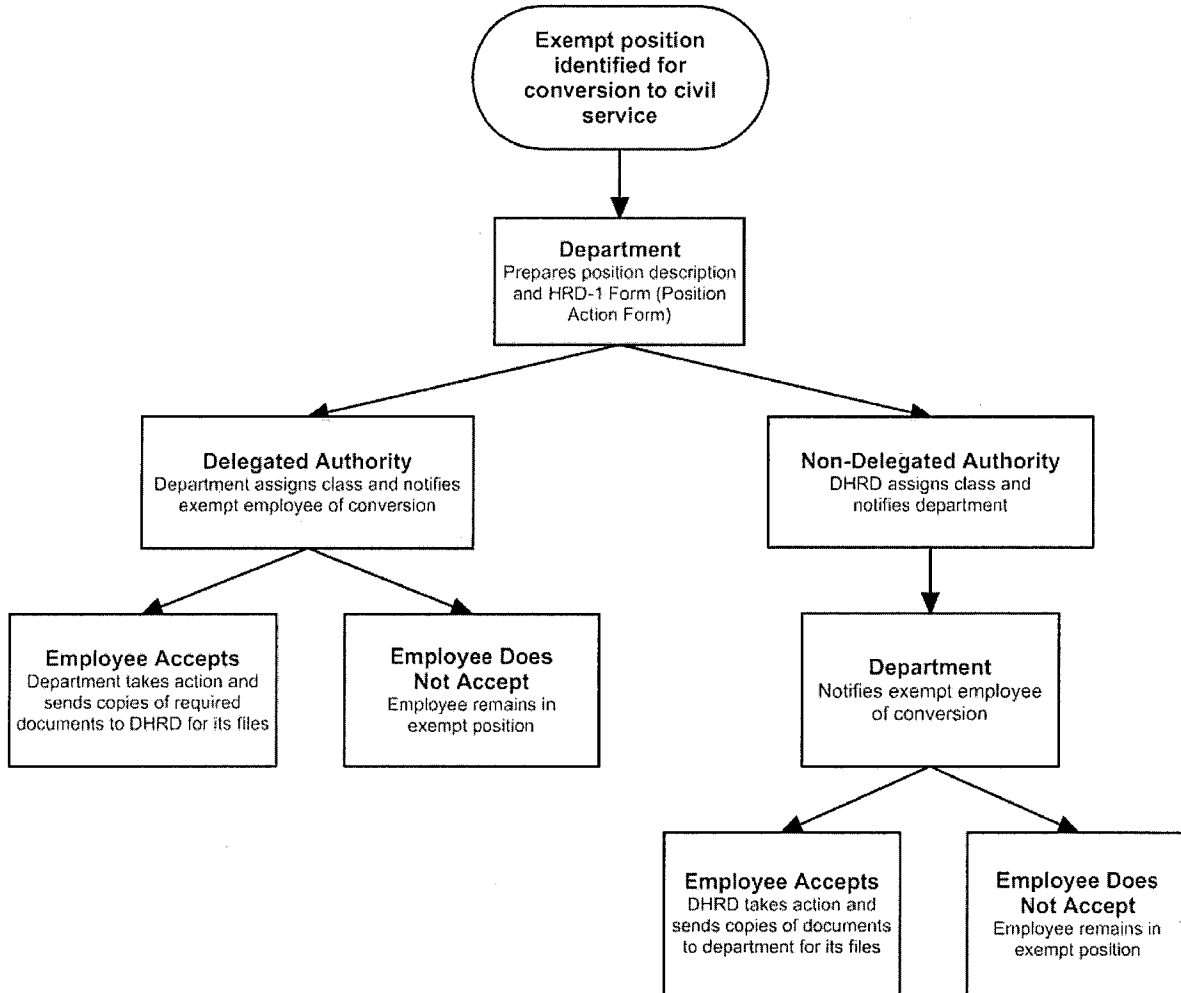
Chair Keith-Agaran and Members of the Committee:

I am Jan Yamane, Acting State Auditor. Thank you for the opportunity to offer comments on Senate Bill No. 139, relating to civil service exemptions. This bill would, among other things, remove the requirement related to civil service appointment for an employee who occupies an exempt position for at least one year, until July 1, 2016.

In October 2014, we released Report No. 14-09, *Study of the Civil Service Exemption Process*, which responded to a request by the 2014 Legislature via Act 199 (SLH 2014) to review the Department of Human Resources Development's current civil service exemption and position description processes. In our report, we documented the process by which exempt employees are appointed to replacement civil service positions. For your information, I have attached those pages from the report (pp. 19 and 20) wherein we describe how certain exempt employees are appointed to replacement civil service positions while others are not. At present, exempt employees who meet all applicable requirements, minimum qualifications, and who have at least one year of continuous creditable service can be appointed to a replacement civil service position without competition.

Thank you for the opportunity to offer comments on Senate Bill No. 139. I am available for your questions, should you have any.

Exhibit 2.8
Flowchart of the Conversion Process for Delegated and Non-Delegated Authority



Source: Department of Human Resources Development and the Office of the Auditor

DHRD provides guidance to executive departments on exempt service and appointment of exempt employees to replacement civil service positions

We found that DHRD provides departments with guidance on exempt service and appointment of exempt employees to replacement civil service positions. Certain exempt employees are eligible to be appointed to replacement civil service positions without competition while others are not.

Exempt employees who meet all applicable requirements, minimum qualifications, and who have at least one year of continuous creditable service can be appointed to a replacement civil service position without competition. In other words, such exempt employees do not have to compete with other applicants for their replacement civil service position and are automatically appointed. Such employees are given a one-time

**Excerpt from Report No. 14-09,
Study of the Civil Service Exemption Process**

Chapter 2: DHRD Appropriately Guides Departmental Processes for Exempt Positions and Job Descriptions

election to remain exempt from civil service. If they elect to remain exempt, their positions remain exempt until they vacate their positions.

By contrast, exempt employees who have less than one year of continuous service in their exempt positions are not eligible to be appointed without competition. They may, however, apply for their positions through an open competitive recruitment, if one is conducted.

The departments we interviewed told us that they use DHRD's policies and procedures and forms when converting exempt positions to civil service.

**Executive
Departments
Create and
Update Position
Descriptions
Using DHRD's
Guidance**

Executive departments are responsible for preparing and updating position descriptions as necessary for every authorized position. A new position description must be drafted when establishing a new position. Further, position descriptions must be updated when significant changes in work occur. A *position description* is the official written record of the major duties and responsibilities assigned to a position. It includes major duties and responsibilities, organizational relationships and knowledge, and skills and abilities required of a position. We found that DHRD provides departments with guidance and tools to write position descriptions, as well as a position description template.

***DHRD provides
departments with
tools to write position
descriptions***

DHRD provides departments with a workbook, *How to Write a PD*, which includes step-by-step instructions and samples for preparing position descriptions. The purpose of the workbook is to help supervisors and managers (1) write position descriptions more easily and quickly, (2) prepare position descriptions that can be classified quickly, and (3) understand what a position description is and how it may be used. Departmental staff we interviewed provide their divisions and programs with DHRD's workbook to use when creating position descriptions. One department told us that this workbook is very useful.

DHRD also provides departments with a position description template. The template covers eight areas: (1) identifying information—class title, position number, department, division, branch, geographic location; (2) introduction—function of organization and purpose of position; (3) major duties and responsibilities; (4) controls exercised over the work; (5) required licenses, certificates, etc.; (6) recommended qualifications—knowledge, skills/abilities, education, and experience; (7) tools, equipment, and machines required for their job; and (8) working conditions. Departmental staff we interviewed told us they use the position description template. One department said it has revised the template to fit its needs.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

RANDY BALDEMOR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

January 28, 2015

**TESTIMONY TO THE
SENATE COMMITTEE ON JUDICIARY AND LABOR**

For Hearing on Thursday, January 29, 2015
9:15 a.m., Conference Room 016

BY

JAMES K. NISHIMOTO
DIRECTOR

Senate Bill No. 139
Relating to Civil Service Exemptions

WRITTEN TESTIMONY ONLY

CHAIR GILBERT S.C. KEITH-AGARAN AND MEMBERS OF THE SENATE
COMMITTEE ON JUDICIARY AND LABOR:

Thank you for the opportunity to submit testimony on Senate Bill No. 139.

The purpose of S.B. No. 139 is to amend language to require each director of personnel for a jurisdiction to review positions exempted from civil service by other law, under section 76, Hawaii Revised Statutes, after July 1, 2002, and prior to July 1, 2014, to determine whether the positions should continue to be exempt. It further requires the director of human resources development to submit a report of such findings to the 2016 legislature. For the period not to exceed July 1, 2016, the bill also removes the requirement to convert qualified, exempt employees in the position for at least one year to replacement civil service positions.

The Department of Human Resources Development (DHRD) provides the following comments on the bill.

Based on prior experience, the process for preparing the requested report will require extensive communication and coordination across the various departments and programs. DHRD expects the report can be available prior to the convening of the regular session of 2017; therefore, it is suggested that line 2, page 3, SECTION 3 be amended to “the convening of the regular session of 2017”.

DHRD takes no position on the amendment to SECTION 2 of the bill to delete the mandatory appointment of exempt employees to their replacement civil service position if they meet certain criteria.

SECTION 5 of the bill provides for the amended language to be repealed on July 1, 2016. We suggest one year may not be enough time to assess the impact of the amendment, and consideration be given to deleting or modifying lines 6 through 9 on page 3, SECTION 5, to allow for a longer period of time to assess the amendment.

Thank you for the opportunity to testify on this matter.