



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON LABOR

Tuesday, January 30, 2018
2:45 PM
State Capitol, Conference Room 229

in consideration of

SB2515
RELATING TO STATE EMPLOYMENT.

Chair Tokuda, Vice Chair English and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) **opposes** SB2515, which repeals the authority for department heads to establish positions for special, research, and demonstration projects approved by the Governor.

SB2515 affects all State executive departments. While DBEDT does not use this provision very often, we have found section 76-11.6 to be helpful when there has been a need to establish Special Project exempt positions for either short-term projects or needs that arose between Sessions.

DBEDT appreciates the Legislature's wisdom in passing SB 1361(2015), enacted as Act 160(15), which recognized that the increasingly rapid pace of change in today's world sometimes requires faster solutions to unanticipated needs than the State's budgeting process allows.

Thank you for the opportunity to provide comments on this measure.



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

JANUARY 29, 2018

TESTIMONY TO THE
SENATE COMMITTEE ON LABOR
For Hearing on TUESDAY, JANUARY 30, 2018
2:45 p.m., Conference Room 229

By

RYKER WADA
INTERIM DIRECTOR

Senate Bill No. 2515
Relating to State Employment

CHAIRPERSON TOKUDA, VICE-CHAIR ENGLISH AND MEMBERS OF THE SENATE COMMITTEE ON LABOR:

S.B. No. 2515 proposes to repeal the authority for department heads to establish positions for special, research, and demonstration projects approved by the governor.

The Department of Human Resources Development **OPPOSES** S.B. No. 2515. This bill proposes to eliminate the primary statutory authorization for departments to establish positions in special, demonstration and research projects in excess of the position ceilings authorized.

§76-11.6, Hawaii Revised Statutes, (HRS) was enacted to enable departments to proceed with the staffing of projects approved by the governor, without the risk of losing potential funding sources in particular federal funding as a result of delays in establishing positions.

The proposed repeal of §76-11.6, HRS would adversely impact departments' operations and programs in establishing their positions in projects approved by the governor timely to meet funding requirements especially federal funding requirements.

We recommend that S.B. No. 2515 be held.

Thank you for the opportunity to testify on S.B. No. 2515.

DAVID Y. IGE
GOVERNOR OF
HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
LABOR**

**Tuesday, January 30, 2018
2:45 PM
State Capitol, Conference Room 229**

**In consideration of
SENATE BILL 2515
RELATING TO STATE EMPLOYMENT**

Senate Bill 2515 proposes to repeal the authority for department heads to establish positions for special, research, and demonstration projects approved by the Governor. **The Department of Land and Natural Resources (Department) opposes this measure for the following reason.**

While the Department is not currently utilizing the authority granted within Section 76-11.6, Hawaii Revised Statutes, the Department has done so in the past for special projects receiving federal funding. There are instances where unique and specialized knowledge and qualifications that are needed to undertake certain special, research, or demonstration projects, which are temporary in nature, and that cannot be performed by civil service employees due to the lack of these unique and specialized knowledge and qualifications, or limits to current job duty specifications, may warrant the hiring of individuals who have this knowledge and qualifications as exempt employees.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
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

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON LABOR

**JANUARY 30, 2018
2:45 P.M.
CONFERENCE ROOM 229**

**SENATE BILL NO. 2515
RELATING TO STATE EMPLOYMENT**

Chairperson Tokuda and Members of the Committee:

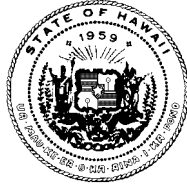
Thank you for the opportunity to testify on Senate Bill No. 2515. This bill repeals the authority for department heads to establish positions for special, research, and demonstration projects approved by the Governor. The Department opposes this bill.

The DOA relies on the authority in Section 76-11.6 to establish positions, with Governor's approval, to facilitate the implementation of short-term and/or time sensitive special projects. Repeal of this authority to establish positions for this purpose will hinder the DOA's ability to timely create positions which will subsequently delay the hiring of human resources needed to carry out these required legislative and administrative special project initiatives and mandates.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 29, 2018

TO: The Honorable Senator Jill N. Tokuda, Chair
Senate Committee on Labor

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2515 – RELATING TO STATE EMPLOYMENT**

Hearing: Tuesday, January 30, 2018, 2:45 p.m.
Conference Room 229, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) opposes this measure.

PURPOSE: The purpose of the bill is to repeal the authority for department heads to establish positions for special, research, and demonstration projects approved by the governor.

Per Act 160, the 2015 legislature added section 76-11.6, Hawaii Revised Statutes, with the intent "to allow the Governor the flexibility to react quickly to pressing needs of the State by establishing civil service exempt positions in certain circumstances." See CONFERENCE COMMITTEE REP. NO. 76, S.B. No. 1361 S.D. 2 H.D. 1 C.D. 1 (2015).

The Executive branch and the Governor, now more than ever, continue to require flexibility to respond quickly to rapidly developing policy and program changes from the federal government, judicial opinion, or reinterpretation of a previous practice or program. The need for change often arises rapidly, and a response cannot necessarily wait until the legislature is in session.

In recent years, with many technical advancements, particularly in areas of information technology and investment in our aging legacy infrastructure, and national

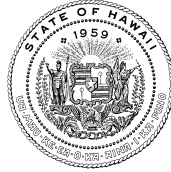
movements toward integration, data sharing, and analytics, particularly in health and human services, we are finding current civil service position descriptions require significant modification or re-description, and we require special projects and or are reliant on contracting consultants to implement necessary change.

To meet the state's future leadership needs, especially in health and human services delivery, DHS, the Department of Health, and the Department of Human Resource Development, along with private partner One Shared Future, completed the first cohort of professional development to enhance leadership advancement necessary for an integrated service health and human services system. A second cohort is in the planning phase. DHS has also received a variety of technical assistance from the American Public Human Services Association with funds by the Kresge Foundation for assistance with developing our enterprise system, and Ascend of the Aspen Institute with the Urban Institute to establish data measures to address issues of intergenerational poverty. In short, we are demonstrating our commitment to investing in our civil service staff while innovating in the delivery of social services to best meet the needs of our community.

However, absent major investment by the state in the enhancement of the professional and leadership skills of the civil service work force, if the state is to develop, retain, and attract top executives and talent capable of developing and implementing large and significant projects, the executive branch, through the Governor and department directors, must have the ability respond and innovate to meet required changes.

Thank you for the opportunity to provide comments on this measure.

DAVID Y. IGE
GOVERNOR



LAUREL A. JOHNSTON
ACTING DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON LABOR
ON
SENATE BILL NO. 2515

January 30, 2018
2:45 p.m.
Room 229

RELATING TO STATE EMPLOYMENT

Senate Bill No. 2515 proposes to repeal the statutory authority to establish and abolish any subordinate position engaged in a special, research, or demonstration project that is approved by the Governor, subject to the limitations of available appropriations.

The Department of Budget and Finance opposes this bill. This provision provides flexibility in department's operations to address emerging situations and unique hiring needs and will severely hamper the Executive's ability to operationally respond to these situations effectively and efficiently. Currently, there are approximately 450 positions using this provision which will be impacted. The Legislature should consider the opinion of respective departments on how the proposed prohibition on creating temporary and exempt positions, in excess of the position ceilings authorized, could adversely impact their operations and what, if any, program curtailments could result.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



TODD NACAPUY
CHIEF INFORMATION
OFFICER

STATE OF HAWAI'I
OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

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Testimony of
TODD NACAPUY
Chief Information Officer, State of Hawai'i

Before the

SENATE COMMITTEE ON LABOR
Tuesday, January 30, 2018
2:45 p.m.
State Capitol, Conference Room 229

SENATE BILL NO. 2515
RELATING TO STATE EMPLOYMENT

Dear Chair Tokuda, Vice Chair English, and Members of the Committee:

I am Todd Nacapuy, State Chief Information Officer (CIO) and head of the Office of Enterprise Technology Services (ETS), offering testimony in **opposition** of on Senate Bill 2515, Relating to State Employment that proposes to repeal provisions which authorizes department heads to establish positions for special, research, and demonstration projects approved by the Governor:

"[§76-11.6] Special, research, or demonstration project positions. Notwithstanding any law to the contrary, with the approval of the governor, the head of a department may establish and abolish any subordinate position for an employee engaged in a special, research, or demonstration project that is approved by the governor, subject to the limitations of available appropriations."

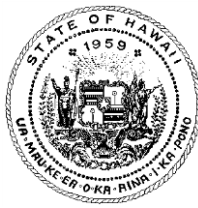
While we do not use this provision often, there are times when ETS must undertake pilots or start-up programs to demonstrate the merit of certain technologies or larger planned projects arise with either short implementation lead times or have limited duration. In several instances, the success of the pilot programs in which we created special projects and filled positions have resulted in the support of the legislature by establishing and funding positions and activities as permanent on-going programs in subsequent years.

Further, our experience has shown that creating special projects to hire short- and limited-term staff to execute technology pilots have been much more cost-effective than hiring consultants.

We ask the committee to hold this bill.

Thank you for the opportunity to offer testimony.

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY

919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

NOLAN P. ESPINDA
DIRECTOR

Cathy Ross
Deputy Director
Administration

Jodie F. Maesaka-Hirata
Deputy Director
Corrections

Renee R. Sonobe Hong
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON SENATE BILL 2515
RELATING TO STATE EMPLOYMENT.

by

Nolan P. Espinda, Director
Department of Public Safety

Senate Committee on Labor
Senator Jill N. Tokuda, Chair
Senator J. Kalani English, Vice Chair

Tuesday, January 30, 2018; 2:45 p.m.
State Capitol, Conference Room 229

Chair Tokuda, Vice Chair English, and Members of the Committee:

The Department of Public Safety (PSD) joins all Executive Branch departments and offices in **opposition** to the passage of Senate Bill (SB) 2515, as it would hamper the PSD's ability to meet its objectives in a timely and flexible manner by restricting the creation of federally-funded positions and temporary, project-based positions required to meet the increasing needs of our clientele.

State government is routinely portrayed as being unresponsive to emergent problems and issues. This bill would further that stereotype, hamstringing departments and offices in their efforts to address matters in a timely manner and restricting the implementation of solution-based alternatives to a biennium-based timeframe.

Consequently, this restriction would dramatically reduce the amount of federal funds brought into the state as rapid approvals to establish and fill grant-funded positions are essential to securing and expending federal funds, which are often awarded when the Legislature is not in session.

Thank you for the opportunity to present this testimony.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

Testimony of **Ford Fuchigami**
Administrative Director, Office of the Governor

Before the
Senate Committee on Labor
January 30, 2018
2:45 p.m., Conference Room 229

In consideration of
Senate Bill No. 2515
RELATING TO STATE EMPLOYMENT

Chair Tokuda, Vice Chair English, and committee members:

Thank you for the opportunity to provide comments in Opposition to **Senate Bill 2515, Relating to State Employment**, which repeals the authority of department heads to establish positions for special, research, and demonstration projects approved by the Governor.

We defer specific comments to testimony submitted separately by the Department of Human Resources and other departments negatively impacted by this measure.

We appreciate your attention and will be available to answer your questions, should you have any at this time.