
A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYEE COMPENSATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 76, Hawaii Revised Statutes, is amended
2 by adding two new sections to part I to be appropriately
3 designated and to read as follows:

4 "§76-A Public employees' compensation appeals board;
5 established; repricing. (a) There is established within the
6 department of accounting and general services for administrative
7 purposes a public employees' compensation appeals board to hear
8 appeals on the repricing of classes. The public employees'
9 compensation appeals board shall comprise:

10 (1) One member from each jurisdiction nominated by the
11 head of the respective jurisdiction;

12 (2) One member nominated by the head of bargaining unit
13 (5);

14 (3) One member nominated by the head of bargaining unit
15 (7);

16 (4) One member nominated by the head of bargaining unit
17 (11);



1 (5) One member nominated by the head of bargaining unit
2 (12);

3 (6) Two members nominated by the exclusive representative
4 of bargaining units (2), (3), (4), (6), (8), (9),
5 (13), and (14); and

6 (7) Two members nominated by the exclusive representative
7 of bargaining units (1) and (10).

8 The appointment, tenure, and removal of the members and the
9 filling of vacancies on the public employees' compensation
10 appeals board shall be as provided in section 26-34.

11 (b) The members of the public employees' compensation
12 appeals board shall serve without compensation but shall be
13 reimbursed for expenses, including travel expenses, necessary
14 for the performance of their duties.

15 (c) The public employees' compensation appeals board may
16 appoint:

17 (1) A qualified hearings officer with power to hear
18 appeals and report thereon to the board; and

19 (2) Other employees that it deems necessary.

20 If appointed, the qualified hearings officer and other employees
21 shall not be subject to chapters 76 and 78. The public



1 employees' compensation appeals board shall adopt policies and
2 standards relative to compensation of any appointed qualified
3 hearings officer and other employees.

4 (d) The public employees' compensation appeals board shall
5 adopt rules pursuant to chapter 91 regarding deadlines and
6 procedures for the filing of appeals and for the conduct of
7 appeal hearings. The public employees' compensation appeals
8 board may adopt other rules pursuant to chapter 91 to carry out
9 its purpose. Nine members shall constitute a quorum at any
10 board meeting. Decisions on the repricing of classes shall
11 require at least the affirmative vote of the majority of a
12 quorum to be valid.

13 (e) Neither the public employees' compensation appeals
14 board nor any of its members or staff shall consult with any
15 public employer on any matter pending before the board except on
16 notice and opportunity for the petitioner to participate.

17 §76-B Public employees' compensation appeals process;
18 repricing. (a) All petitions for appeals from affected persons
19 on the repricing of a class shall be filed with the public
20 employees' compensation appeals board.



1 (b) Each appeal shall be filed within thirty days of the
2 ratification, agreement, or issuance of the applicable
3 collective bargaining agreement, supplemental agreement, or
4 agreement reached through arbitration decision; provided that if
5 a class is not repriced for a period of three years, an appeal
6 may be filed at any time after the three-year period has
7 expired.

8 (c) Upon receipt of a petition filed pursuant to this
9 section, the public employees' compensation appeals board shall
10 give public notice of the time and place of the hearing. The
11 public notice shall be given at least thirty days prior to the
12 hearing. Unless otherwise agreed upon by the petitioner, the
13 hearing shall take place within one year of the filing of the
14 petition and in the county in which the appeal is filed.

15 (d) If the public employees' compensation appeals board
16 determines that a class should not be repriced, the petition
17 shall be closed, and the petitioner shall be precluded from
18 filing a subsequent appeal for that class for two years from the
19 date of the board's determination.

20 (e) If the public employees' compensation appeals board
21 determines that a class should be repriced, the public



1 employees' compensation appeals board shall make necessary
2 adjustments to the affected class or classes where the appeals
3 have been filed in the compensation plan. The decision of the
4 public employees' compensation appeals board shall be in
5 writing, accompanied by separate findings, and binding on all
6 jurisdictions.

7 (f) Following the final adjustments, each director shall
8 submit to the legislature, through the office of the governor, a
9 report setting forth the compensation plan and the cost for
10 information and approval of the compensation plan. The approved
11 compensation plan shall be effective as of July 1 of each even-
12 numbered year.

13 (g) The director shall assign new classes to salary ranges
14 on the basis of the policies and standards established pursuant
15 to this section. The assignments shall be effective
16 immediately; provided that the availability of funds is
17 certified to by the respective fiscal officers and the
18 assignments shall be in effect until adoption of the next
19 compensation plan.

20 (h) All decisions of the public employees' compensation
21 appeals board under this section in favor of the person



1 appealing and granting a higher compensation shall be
2 retroactive to the date of the filed petition."

3 SECTION 2. Section 76-1, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§76-1 Purposes; merit principle. It is the purpose of
6 this chapter to require each jurisdiction to establish and
7 maintain a separately administered civil service system based on
8 the merit principle. The merit principle is the selection of
9 persons based on their fitness and ability for public employment
10 and the retention of employees based on their demonstrated
11 appropriate conduct and productive performance. It is also the
12 purpose of this chapter to build a career service in government,
13 free from coercive political influences, to render impartial
14 service to the public at all times, according to the dictates of
15 ethics and morality and in compliance with all laws.

16 In order to achieve these purposes, it is the declared
17 policy of the State that the human resource program within each
18 jurisdiction be administered in accordance with the following:

- 19 (1) Equal opportunity for all in compliance with all laws
20 prohibiting discrimination. No person shall be
21 discriminated against in examination, appointment,



- 1 reinstatement, reemployment, promotion, transfer,
2 demotion, or removal, with respect to any position
3 when the work may be efficiently performed by the
4 person without hazard or danger to the health and
5 safety of the person or others;
- 6 (2) Impartial selection of individuals for public service
7 by means of competitive tests which are fair,
8 objective, and practical;
- 9 (3) Incentives for competent employees within the service,
10 whether financial or promotional opportunities and
11 other performance based group and individual awards
12 that encourage continuous improvement to achieve
13 superior performance;
- 14 (4) Reasonable job security for competent employees and
15 discharge of unnecessary or inefficient employees with
16 the right to grieve and appeal personnel actions
17 through the:
- 18 (A) Contractual grievance procedure for employees
19 covered by chapter 89; or



- 1 (B) Internal complaint procedures and the merit
2 appeals board for employees excluded from
3 coverage under chapter 89;
- 4 (5) Equal pay for equal work shall apply between classes
5 in the same bargaining unit among jurisdictions for
6 those classes determined to be equal through
7 systematic classification of positions based on
8 objective criteria and adequate job evaluation, unless
9 ~~[it has been agreed in accordance with chapter 89 to~~
10 ~~negotiate]~~ agreed or determined in accordance with
11 this chapter or chapter 89 for the repricing of
12 classes; and
- 13 (6) Harmonious and cooperative relations between
14 government and its employees, including employee
15 organizations representing them, to develop and
16 maintain a well-trained, efficient, and productive
17 work force that utilizes advanced technology to ensure
18 effective government operations and delivery of public
19 services."

20 SECTION 3. Section 89-9, Hawaii Revised Statutes, is
21 amended by amending subsection (f) to read as follows:



1 "(f) The repricing of classes within an appropriate
2 bargaining unit may be negotiated or determined as follows:

3 (1) At the request of the exclusive representative and at
4 times allowed under the collective bargaining
5 agreement, the employer shall negotiate the repricing
6 of classes within the bargaining unit. The negotiated
7 repricing actions that constitute cost items shall be
8 subject to the requirements in section 89-10; [~~and~~]

9 (2) If repricing has not been negotiated under paragraph
10 (1), the employer of each jurisdiction shall ensure
11 establishment of procedures to periodically review, at
12 least once in five years, unless otherwise agreed to
13 by the parties, the repricing of classes within the
14 bargaining unit. The repricing of classes based on
15 the results of the periodic review shall be at the
16 discretion of the employer. Any appropriations
17 required to implement the repricing actions that are
18 made at the employer's discretion shall not be
19 construed as cost items[-]; or

20 (3) By the public employees' compensation appeals board
21 pursuant to section 76-B."



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2020-2021 for
4 establishment of the public employees' compensation appeals
5 board.

6 The sum appropriated shall be expended by the department of
7 accounting and general services for the purposes of this Act.

8 SECTION 5. In codifying the new sections added by section
9 1 of this Act, the revisor of statutes shall substitute
10 appropriate section numbers for the letters used in designating
11 the new sections in this Act.

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. This Act shall take effect on January 1, 2050;
15 provided that section 4 shall take effect on January 1, 2050.



Report Title:

Public Employees' Compensation Appeals Board; Collective Bargaining; Classes; Repricing; Appropriation

Description:

Establishes the public employees' compensation appeals board to hear appeals requesting the repricing of a class. Appropriates funds. Takes effect 1/1/2050. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

