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STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

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Testimony of
DAWN N. S. CHANG
Chairperson

Before the House on Committees on
FINANCE

Tuesday, February 28, 2023
10:00 AM

State Capitol, Conference Room 308 Via Videoconference

In consideration of
HOUSE BILL 203, HOUSE DRAFT 1
RELATING TO THE CIVIL SERVICE

House Bill 203, House Draft 1 proposes to amend Section 6E-3(14), Hawaii Revised Statutes (HRS) to allow the State Historic Preservation Division (SHPD) of the Department of Land and Natural Resources (Department) to offer more competitive wages for its staff by authorizing SHPD to employ professional and technical staff exempt from civil service laws. **The Department strongly supports this measure.**

House Bill 203, House Draft 1 addresses a matter that is essential to the effective and efficient operation of the SHPD. Until this year, SHPD has experienced significant recruitment difficulties. SHPD competes directly with cultural resource consultancies and the federal government for technical personnel. To be competitive with the private sector, SHPD staff need wage increases between twelve and fifty per cent to recruit and retains staff. The Department appreciates the Legislature appropriating personnel funding for the current fiscal year that allows for these significant wage adjustments.

Of the existing 41 positions, all 34 of SHPD's technical professionals are exempt. The remaining 7, all administrative professionals, are civil service. All SHPD positions for which there is an existing civil service classification are civil service. As exempt positions, the Department can, within the constraints of appropriations, offer salaries based on a wage scale approved by the Department's Chair, rather than determined by the Department of Human Resources Development (DHRD). As exempt positions, the Department can rapidly establish wages that are responsive to conditions in the labor market.

When Chapter 6E, HRS, was established, the Department was authorized to recruit SHPD personnel as exempt. In 2014, Act 181, Sessions Laws of Hawaii, amended Section 6E-3(14), HRS, to require the conversion of those positions to civil service. In 2014, the Department supported that. When SHPD initiated the classification process it was advised to use the catchall classification "General Professional" rather than create specialized classifications reflecting the technical nature of the work. SHPD learned,

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however, that use of “General Professional” is prohibited when the job requires specialized technical knowledge, education, or expertise. SHPD was also advised that it should expect the classification process would take years to complete. When we were inquired about flexibility on entry level wages, we were advised that the DHRD would authorize initial salaries equivalent to the third step on the classified wage schedule.

Early in SHPD’s classification effort, the labor market changed dramatically. Over the intervening years, the pool of qualified technical professional applicants has shrunk dramatically. In 2014, when SHPD recruited for an architectural historian, it received 28 qualified applicants. A similar position was advertised for over a year before receiving a single applicant. On Friday February 24, 2023, an individual who had been offered one of those positions, turned it down because the salary, even at the adjusted rates, was not sufficient. Since 2014, response to recruitments have dropped from archaeologists 4 or 5 applicants for each position to, during the last twelve months, a single applicant for each vacancy advertised.

In preparing the budget submission for the 2023-2024 budget, SHPD informally polled consulting firms to determine the range of private sector salaries for technical professional in comparable positions. Based on this SHPD’s budget request and the request made by Governor Ige, and the legislature adopted allowed SHPD to raise wages between 12 and 50% to be more competitive with private sector wages.

House Bill 203, House Draft 1, would allow SHPD’s exempt personnel to remain exempt and authorize filling exempt positions are exempt. It does not authorize conversion of civil service positions. Nor would it permit hiring anyone as exempt into a position for which there is an existing civil service classification.

In testimony on this measure before the House Committees on Water and Land and Labor and Government operations, the Hawaii Government Employees Association (HGEA) testified that creating exempt positions is “band aid” and that what is needed is a more flexible and competitive civil service. The Department agrees that in an ideal world all state positions should be classified and in the civil service system. The Department also agrees with HGEA, that in an ideal world, the civil service system should be more flexible and wages more competitive. But the Department believes that the reforms necessary to make such flexibility and competitive will take years to accomplish. The Department believes that allowing SHPD to retain its exempt positions is essential to recruiting the highly trained technical personnel it needs to perform its essential functions effectively and efficiently. Retaining SHPD’s positions as exempt may be a “band aid” but it is essential until the necessary changes are made to the civil service classifications and wage schedules.

The Department believes that exempting SHPD’s technical professionals from civil service will allow SHPD to recruit more effectively and to retain current staff. Full staffing with qualified personnel is critical to effective and efficient operation of SHPD and the protection of Hawai‘i’s unique historic properties, and burial sites, as well as the timely review of projects subject to review in Sections 6E-8, 6E-10, and 6E-42, HRS.

Mahalo for the opportunity to provide testimony in strong support of this measure.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Thirty-Second Legislature, State of Hawaii
The House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

February 28, 2023

H.B. 203, H.D. 1– RELATING TO CIVIL SERVICE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes H.B. 203, H.D. 1 which allows the professional and technical staff of the State Historic Preservation Division to be exempt from civil service laws.

The use of exempt employees, which are considered “at will” by the state, is completely contrary to the principles of civil service. Exempt employees do not have the same rights and benefits of civil service employees and that is inherently unfair. We have consistently opposed the creation of more exempt positions in the state government and have advocated for sensible civil service reform.

Instead of allowing more exempt positions, the civil service system must be more flexible and competitive. Converting these positions to an exempt status is a ‘band-aid’ fix to address the underlying recruitment and retention issue of these positions. Instead, the state should look into raising the pricing of the professional and technical staff of the State Historic Preservation Division. By simply raising pricing, it will allow the state to offer a competitive salary along with the robust rights and benefits of a civil service position. The answer to the challenges faced by the state is not the creation of more exempt employees, but substantive reform of the state’s civil service system.

Thank you for the opportunity to provide testimony on strong opposition of H.B. 203, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director