

ACT 188

An Act Relating to Compensation of Public Employees, and Making an Appropriation Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 4-1 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) By amending paragraph (e) thereof to read as follows:

“(e) ‘Department’ includes any department, court, board, commission or agency of the State or any of its political subdivisions.”

(b) By amending paragraph (f) thereof to read as follows:

“(f) ‘Director’ means the director of personnel services in the case of the State, director of civil service in the case of the city and county of Honolulu or the respective personnel directors in the case of the counties of Hawaii, Maui and Kauai.”

(c) By adding thereto at the end of the section, the following:

“(1) ‘Chief executive officer’ means the governor in the case of the State, the mayor in the case of the city and county of Honolulu or the chairman of the respective boards of supervisors in the case of the counties of Hawaii, Maui and Kauai.

(m) ‘Legislative body’ means the legislature in the case of the State, the city council in the case of the city and county of Honolulu, and the respective boards of supervisors in the case of the counties of Hawaii, Maui and Kauai.

(n) ‘Fiscal officer’ means the director of the budget in the case of the State, the director of finance in the case of the city and county of Honolulu, and the respective auditors in the case of the counties of Hawaii, Maui and Kauai.

(o) ‘Affected persons or parties’ shall include employee’ organizations, departments, persons and their respective representatives.

(p) ‘Pricing’ means the assignment of classes to salary range.

(q) ‘Bench mark class’ means a class which is (1) pivotal in that the assignment of other classes within a series of classes may be made with reference to such class, (2) easily identifiable according to the nature of the duties and responsibilities of the positions within the class, and (3) common to all or most of the jurisdictions.”

SECTION 2. Section 4-2 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) By substituting for the words “the Territory”, in the paragraph designated “(e)”, the word “government”.

(b) By amending the last paragraph to read as follows: ”

“Each director shall conduct the necessary and appropriate annual studies in order that the purposes and policies expressed in this section will be effectively achieved and complied with. A director may enter into cooperative arrangements with other public and private agencies in the conduct of such annual studies. The results of such studies shall be submitted annually to the respective chief executive officers and legislative bodies.”

SECTION 3. Section 4-4 of the Revised Laws of Hawaii 1955, as amended, is hereby deleted and the following substituted therefor:

“Sec. 4-4. Adoption of compensation plan. (a) All directors shall meet annually in joint conference in September in Honolulu at the call of the state director: (1) to determine policies and standards relative to compensation, whereby on the basis of similarity of duties performed and responsibilities assumed, the same qualifications may reasonably be required and the same schedule of pay may be equitably applied to all positions in the same class, without regard to the particular job title that may be assigned to the position; and (2) to determine those classes which are bench mark classes, and assign the same to the proper salary range. Representatives of organizations representing employees and interested persons may attend and participate in the deliberations at the conference, but not vote. Decisions shall be made by majority vote of all directors. In the event a director is absent, he may authorize his deputy or a staff member to act in his stead.

(b) After the conference, each director shall assign each class to the appropriate salary range by relating the same with the established bench mark classes and in conformance with the aforesaid policies and standards. At such time and place as decided by the directors, the director shall meet again in joint conference, to resolve any differences. Employee representatives and interested persons may attend and participate in the deliberations, but not vote. Decisions shall be made by majority vote of all directors. In the event a director is absent, he may authorize his deputy or a staff member to act in his stead. The compilation of the tentative compensation plan for each jurisdiction shall be completed before December 15.

Copies thereof shall be made available to department heads and employee organizations at the respective departments of civil service.

(c) There shall be an appeal board composed of one commission member from each jurisdiction, who shall be appointed by the governor. The appeal board members shall serve for a term of one year and until the appointment and qualification of their successors. The cost of operations thereof shall be met by state legislative appropriation.

The appeal board shall hear pricing appeals from affected persons or parties. The appeal board may make rules and regulations for the conduct of its hearings. At least one annual hearing shall be held in each jurisdiction. Notice of time and place of such appeal hearings shall be published in the jurisdiction in a newspaper of general circulation at least ten days prior to such hearing.

The appeal board may appoint a qualified hearing officer and invest him with the power to hear such appeals and report thereon to the appeal board.

The appeal board may hold public hearings on the compensation plan.

(d) After public hearings and hearing all appeals, the appeal board shall make whatever adjustments that are necessary based on the policies and standards referred to in section 4-4(a). Decisions shall be made on the basis of majority vote and shall be binding on all jurisdictions. Each jurisdiction

shall be entitled to one vote. In the event a commissioner is absent, another commissioner of that jurisdiction shall vote in his stead. The final adjustment of the compensation plan shall be completed by the third (3rd) Wednesday of February. The compensation plan, after final adjustments, shall be effective as of July 1. The salary range assignments of classes shall not be appealable until the next annual review of the compensation plan.

(e) Following the final adjustments, each director shall submit to the legislative body of his jurisdiction, through the chief executive officer, a report setting forth the said compensation plan and the cost thereof, for its information.

(f) The director shall assign new classes to salary ranges on the basis of the policies and standards referred to hereinabove. Such assignments shall be effective immediately if the availability of funds is certified to by the respective fiscal officer. Such assignments shall be in effect until the adoption of the next compensation plan.

All appeals thereof shall be filed with the appeal board within twenty (20) days from the date of notice to the employee and the hearing shall be held at the time of the annual hearing on the compensation plan. A decision or order of the appeal board in favor of the person appealing and granting a higher compensation shall be retroactive to the date of action by the director.

There shall be an annual survey of the compensation plan in each jurisdiction to determine any necessary adjustments. The procedure prescribed above shall be followed in the adoption of the new compensation plan."

SECTION 4. Section 4-5 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"(a) Functions of the commission. The commission shall hear and decide appeals by employees and department heads from actions taken by the director under the provisions of this part, except as to appeals concerning the compensation plan".

SECTION 5. Section 4-8 of the Revised Laws of Hawaii 1955 is hereby amended by substituting for the words "the director of the bureau of the budget", in the second paragraph thereof, the words "the respective fiscal officers".

SECTION 6. Section 4-11 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 4-11. Incumbents in positions in each class which is assigned to a different salary range as a result of the adoption of the compensation plan or subsequent assignment or reassignment of classes by the director, as provided in section 4-4, shall thereupon receive compensation at a step in the appropriate salary range as follows:

(a) If the incumbent was receiving compensation less than the minimum step of the salary range to which his appropriate class is assigned, his compensation shall be increased to that minimum step, but if the difference between such rates is less than the minimum increment in the lower grade, his compensation shall be increased to the second step of the higher grade.

(b) If the incumbent was receiving compensation within the salary range prescribed for his class and at one of the steps fixed therein and the assignment or reassignment is to a higher salary range, his compensation shall be increased to the next higher step, but if the assignment or reassignment is to a lower salary range, no change shall be made in his existing compensation.

(c) If the incumbent was receiving compensation within the higher salary range prescribed for his class, but not at one of the steps fixed therein, his compensation shall be increased to the next higher step, but if the difference between such rates is less than the minimum increment in the lower grade, his compensation shall be increased to the second higher step of the higher grade.

(d) If the incumbent was receiving compensation at a step within the salary schedule, but in excess of the salary range prescribed for his class, he shall continue to receive such compensation so long as he continues as an incumbent of such position, or, until such time as the class to which such position is assigned is reassigned to a salary range having a maximum step in excess of such compensation.

No service anniversary date shall be affected by the application of any provision of this section, nor shall the application of this section be in any way deemed an amendment of or change in any of the provisions of chapter 3."

SECTION 7. Section 4-12 of the Revised Laws of Hawaii 1955 is hereby amended by substituting for the word "governor", the words "chief executive officer", and by substituting for the word "Territory", the word "government".

SECTION 8. The word "State" shall be substituted for the word "Territory" wherever the latter appears in chapter 4, except as otherwise provided herein.

SECTION 9. Section 4-32 of the Revised Laws of Hawaii 1955, as amended, is hereby repealed.

SECTION 10. There is hereby appropriated out of the general revenues of the State for the period ending June 30, 1962, not otherwise appropriated, the sum of \$6,000, or so much thereof as may be necessary, to the department of personnel services for the necessary expenses connected with implementing the provisions of this Act.

SECTION 11. This Act shall take effect upon its approval.

(Approved July 12, 1961.) S.B. 213.
