

ACT 302

H. B. 359.

A Bill for an Act Relating to the Compensation of Public Employees and Making an Appropriation Therefor.

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

SECTION 1. Subsection 4-4(a), Revised Laws of Hawaii 1955, is hereby amended by adding at the end thereof the following sentence:

“The provisions of section 4-4 shall not apply to the compensation for positions referred to in section 4-4.1, commonly known as blue-collar positions.”

SECTION 2. Chapter 4, Revised Laws of Hawaii 1955, is hereby amended by adding thereto a section 4-4.1 to read as follows:

“Section 4-4.1. Compensation plan for blue-collar positions. The salary schedule prescribed in section 4-10 shall not apply to positions in recognized trades or crafts or other skilled mechanical crafts, or unskilled, semi-skilled, or skilled manual labor occupations, including positions of foremen, inspectors and supervisors in positions having trades, crafts, or laboring experience and knowledge as the paramount requirement, commonly known as blue-collar positions. The pay of employees who occupy such positions shall be fixed and adjusted biennially and shall, as nearly as is consistent with the public interest, reflect the average of prevailing wages paid in the State for the same or similar kinds of positions; provided further that provisions of 4-4, where it is not inconsistent to the provisions of this Act, shall be applicable.

a. Effective April 1, 1968, the monthly rates of pay for blue-collar positions shall be determined by application of prevailing wages and which shall be in accordance with the following provisions, provided that the wage survey conducted for this purpose shall not include wages paid by the construction industry nor any government jurisdiction employing personnel within the State of Hawaii; provided further that if data on prevailing wages in the State for a class is lacking or insufficient, reasonable wage data of other areas which have pertinence to the State of Hawaii may be used:

1. the salary schedule applicable to blue-collar positions shall be comprised of 5 increment steps and 3 longevity steps at 5% intervals.

2. the average of prevailing wage shall be reflected at step 2 of the schedule.

3. a salary schedule for nonsupervisory blue-collar positions, hereafter to be referred to as the wage board schedule, shall be established in accordance with accepted techniques and methods of prevailing wage application.

4. a salary schedule for supervisory blue-collar positions, hereafter to be referred to as wage board supervisory schedule shall be established in systematic relationship to the level of work supervised as follows:

(a) the wage board supervisory level for Working Foreman shall be set at not more than 10% above the level of work supervised.

(b) the wage board supervisory level for Foreman I shall be set at not more than 20% above the level of work supervised.

(c) the wage board supervisory level for Foreman II shall be set at not more than 30% above the level of work supervised.

(d) the wage board supervisory level for Foreman III shall be set at not more than 40% above the level of work supervised.

(e) the wage board supervisory level for supervisory positions above Foreman III shall be set systematically in consideration of the aforementioned pattern reflecting differences in relative levels of duties and responsibilities.

b. Wherever payment is made on the basis of an annual, weekly, hourly or daily rate, the rate shall be computed as provided for under section 4-10 (b).

c. Initial implementation of wage board salary schedule.

1. The conference of personnel directors shall conduct a survey of

wages for positions covered by this Act, using sound statistical methodology and techniques and shall recommend to the public employees compensation appeals board for its approval the wage board schedules, based upon survey findings and consistent with section 2a of this Act.

The conference of personnel directors shall also compile and recommend to the public employees compensation appeals board a tentative compensation plan based upon such factors as the kind and subject matter of work, level of difficulty and responsibility, qualification requirements and prevailing wage data for classes deemed covered by this Act by November 15, 1967.

Full opportunity for consultation with such persons and organizations including employee organizations shall be afforded. The conference of personnel directors may enter into cooperative arrangements with both public or private agencies in the conduct of the wage survey.

2. The appeals board referred to in section 4-4 shall provide for the publication of the tentative compensation plan. All petitions for appeal against the compensation plan shall be filed with the appeals board within 20 days from the date of publication of the tentative plan.

The board shall meet biennially to hear appeals from affected persons and parties concerning the tentative compensation plan and may hold public hearings as well. At least one appeal hearing shall be held in each jurisdiction.

Final adjustments by the board to the compensation plan shall be in accordance with its established policies and standards relative to compensation. The board shall complete its final adjustments by the third Wednesday in February 1968.

Following the final adjustment, the conference of directors shall submit to the state legislature, through the office of the governor, a report setting forth the final compensation plan and wage board schedules and the cost thereof for its information and approval. The effective date of the approved plans shall be July 1, 1968, provided however the actual conversion to the new wage board schedules shall be made retroactive as of April 1, 1968, provided further that the existing compensation for blue-collar positions shall remain in effect until the establishment and implementation of the wage rate plan as provided herein.

3. The salaries of employees who are covered under section 4-4.1 shall be converted from the existing schedule in the following manner:

(a) employees in steps B, C, D, E and F of the existing salary schedule shall be assigned to steps 1, 2, 3, 4 and 5 respectively, of their new wage board schedules.

(b) employees in steps G and L1 of the existing salary schedule shall be assigned to steps L1 and L2 respectively, of their new wage board schedules.

(c) employees in steps L2, L3 and L4 of the existing salary schedule shall be assigned to step L3 of their new wage board schedules.

(d) employees whose existing salary rates exceed the wage rates assigned

to them under the new wage board schedules shall retain their existing rates until such time as their assigned wage rates exceed their salary rates which existed on the effective date of the conversion.

(e) the State shall assume the initial cost of implementation of this plan.

d. Subsequent implementation of the wage board schedules.

1. The compensation plan and wage board schedules for positions covered under section 4-4.1 shall be reviewed and adjusted biennially in accordance with the provisions in section 2c of this Act, provided however that the 1967 and 1968 dates mentioned therein and the provisions on initial conversion and retroactive feature of the new schedules shall not be applicable; and provided further that the November 15th date shall apply to odd-numbered years and the third Wednesday in February shall apply to even-numbered years. Said adjusted plan and wage board schedules shall take effect on July 1, beginning in 1970 and in each even-numbered year thereafter."

SECTION 3. Section 4-9, Revised Laws of Hawaii 1955, is hereby amended by adding a new paragraph at the end thereof to read as follows:

"Any employee whose pay rate is converted to the compensation plan provided for under section 4-4.1, effective April 1, 1968, shall not receive the normal annual increment to which he would have otherwise been entitled during the fiscal year 1968-69. In subsequent adjustments, any employee who is paid under the compensation plan provided for under section 4-4.1 shall not be entitled to his normal annual increment for a year's satisfactory service in any fiscal year that an increase in the wage schedule is effected."

SECTION 4. The provisions of chapter 4 shall be applicable to all employees within section 4-4.1 to the extent that they are not inconsistent with the provisions of this Act.

SECTION 5. The sum of \$669,854, or so much as may be necessary is hereby appropriated to the department of budget and finance from the general revenues for the additional cost of pay increases resulting from the implementation of the wage board pay schedule for the period April 1, 1968 up to and including June 30, 1968; provided that the department of budget and finance shall report expenditures made from this appropriation during the 1969 session of the legislature.

The appropriation made by this section shall be allotted by the director of finance to the several state departments and to the several counties. In the case of the counties the money allotted shall be paid into the county treasuries; provided that special and federal fund monies shall be used to the maximum extent before state funds are utilized.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 13, 1967.)