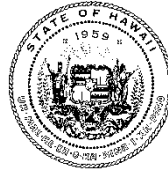


DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
JUDICIARY & LABOR
ON
FEBRUARY 16, 2016

S.B. 2880

RELATING TO SERVICES PERFORMED BY CIVIL SERVICE EMPLOYEES

Chair Keith-Agaran and members of the Committee, thank you for the opportunity to submit written testimony on S.B. 2880. The Department of Accounting and General Services supports S.B. 2880 (the measure).

We support this measure as it reflects the State's commitment to comply with the Hawaii Supreme Court's ruling in the Konno versus Hawaii case while concurrently recognizing the State's duty to provide essential services to the public and State employees.

Specifically for the Department of Accounting and General Services, the bill requests one (1) position on Maui, four (4) positions on Oahu, vehicles, supplies, and equipment required by these employees to carry out their responsibilities to eliminate contracts for these services. The responsibilities of these positions and equipment include the removal and disposal of trash (from our buildings), cleaning and resupply of restrooms, and the overall upkeep of our facilities and grounds. These are essential functions to meet minimum health requirements that make our buildings safe for the public and our employees.

Thank you for the opportunity to submit written testimony on this measure.



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

Shawn H. Tsuha
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON SENATE BILL 2880
RELATING TO SERVICES PERFORMED BY
CIVIL SERVICE EMPLOYEES

By

Nolan P. Espinda, Director

Senate Committee on Judiciary and Labor
Senator Gilbert S.C. Keith-Agaran, Chair
Senator Maile S.L. Shimabukuro, Vice Chair

Wednesday, February 17, 2016; 9:30 a.m.
State Capitol, Conference Room 016

Chair Keith-Agaran, Vice Chair Shimabukuro, and Members of the Committee:

The Department of Public Safety (PSD) **supports** Senate Bill (SB) 2880, which seeks to authorize permanent civil service position counts and associated funds out of the general and non-general funds of the State of Hawaii for these positions.

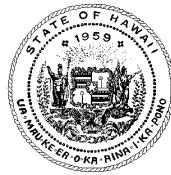
SB 2880 would provide PSD the following four (4) positions:

- One (1) Plumber II position to provide services for Oahu correctional facilities
- One (1) Electrician II position to provide services for Oahu correctional facilities
- One (1) Plumber II position to provide services for Hawaii Island correctional facilities
- One (1) Electrician II position to provide services for Hawaii Island correctional facilities

Due to limited staff to perform plumbing and electrical work, PSD has been contracting with private entities for these services. The four (4) additional positions and funding will improve the Department's ability to maintain safe and secure facilities.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

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

February 16, 2016

TESTIMONY TO THE
SENATE COMMITTEE ON JUDICIARY AND LABOR
For Hearing on Wednesday, February 17, 2016
9:30 a.m., Conference Room 016

By
JAMES K. NISHIMOTO
DIRECTOR
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

Senate Bill No. 2880
Relating to Services Performed by Civil Service Employees

CHAIRPERSON KEITH-AGARAN, VICE CHAIR SHIMABUKURO AND MEMBERS OF
THE SENATE COMMITTEE ON JUDICIARY AND LABOR:

The Department of Human Resources Development (DHRD) **supports** S.B. No. 2880.

S.B. No. 2880 is submitted for the purpose of complying with: (1) the Hawaii Supreme Court's Konno decision regarding privatization, and (2) an agreement entered into with the United Public Workers (UPW) in connection with various litigation arising out of the Konno decision.

In 1997, the Hawaii Supreme Court ruled in the case Konno v. Hawaii County that the county violated civil service laws and merit principles when it hired private contractors to perform landfill operations work. The Court held that civil service laws required that only civil service employees perform work historically and customarily performed by civil service employees.

Subsequent to the Konno case, the Legislature enacted Act 90 (SLH 2001). Act 90, part II, allowed the State to contract for services historically and customarily performed by civil service employees if equivalent or better services could be provided at lower cost. Act 90, part II, however, was repealed on June 30, 2007.

Shortly after Act 90, part II, was repealed, the UPW sought to have the State and all other jurisdictions terminate all of their contracts. The UPW later filed class grievances in 2007 and prohibited practice complaints in 2009 against the State and

other jurisdictions, thereby initiating years of litigation.

In June 2015, the State Executive Branch and the UPW entered into a letter of understanding through court-ordered mediation which placed a moratorium on all pending litigation. In compliance with the letter of understanding, DHRD has implemented a process of reviewing departmental contracts for work historically and customarily performed by UPW-type employees to confirm that there is a valid basis for exemption from civil service. The letter of understanding also contemplates that departments will identify positions and/or other resources needed in order to enable contracted work to be done by civil service employees, and to seek such positions and/or other resources from the legislature. This bill is an effort to comply with this requirement.

S.B. No. 2880 seeks authorization and funding for civil service positions and equipment needed by the Executive Branch departments to provide UPW-type services to the public through civil service employees rather than through contractors. Specifically, the bill seeks authorization and funding for 30 positions and associated equipment for the Department of Public Safety, Department of Land and Natural Resources, Department of Defense, and Department of Accounting and General Services. Should these positions be authorized and funded, it is anticipated that funds currently being used to contract for the relevant services will be diminished. We note, however, that a transition period will be required to allow these departments to establish, recruit for, and fill the positions, as well as to purchase any needed equipment. During this transition period, contract funds will still be required in order for the departments to continue to provide needed services to the public without interruption.

Thank you for the opportunity to testify on this measure.

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
JUDICIARY AND LABOR**

**Wednesday, February 17, 2016
9:30 AM
State Capitol, Conference Room 016**

**In consideration of
SENATE BILL 2880
RELATING TO SERVICES PERFORMED BY CIVIL SERVICE EMPLOYEES**

Senate Bill 2880 proposes to authorize the establishment of civil service positions and appropriates associated general and non-general funds to enable the Executive Branch departments to provide services to the public with civil service employees rather than through contracting the private sector. **The Department of Land and Natural Resources (Department) strongly supports this Administration measure.**

The Department supports this pilot project and believes that it will assist in providing facilities maintenance support for our Division of Boating and Ocean Recreation on Oahu and Division of State Parks on Kauai. However, given the wide geographic range and varying needs at state parks, forests and small boat harbors across the state, the Department believes that multiple roving teams will need to be established on each island to effectively cover the services currently performed by contract with the private sector. Such specialized services include tree trimming, plumbing, electrical and vehicle maintenance that are not needed on a full-time basis and which are more cost-effective when performed by contract with the private sector.

Thank you for your consideration of this testimony.

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

KEKOA KALUHIWA
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