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STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

Statement of
BRENN A H. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON FINANCE
Tuesday, April 1, 2025
2:00 PM
State Capitol, Conference Room 308

In consideration of
SB717 SD1 HD1, Relating to Collective Bargaining

Chair Yamashita, Vice Chair Takenouchi, and the members of the committee.

The Department of Human Resources Development (HRD) opposes SB717 SD1 HD1, which repeals the prohibition placed on certain employees exempt from civil service law from grieving a suspension or discharge and would allow any employee who is a member of an appropriate bargaining unit to grieve a suspension or discharge. We respectfully oppose this measure for the following reasons:

- **Inconsistent with At-Will Employment** - Granting the right to grieve a suspension or discharge to employees exempt from civil service is not consistent with the nature of their employment, which is considered "at will." Unlike civil service employees, exempt employees are not hired based on the merit principle, and their employment is contingent upon the appointing authority's discretion.
- **Existing Legal Protections** - While "at will" employment allows for discharge at the employer's prerogative, all actions taken against exempt employees must still comply with federal and state employment laws. This ensures protection against unlawful employment practices.
- **Broad Application of "Discharge"** - Under Act 253, SLH 2000, the term "discharge" replaced "dismissal" and "termination" and applies broadly covering both **misconduct-based and administrative separations** such as the conclusion of a temporary appointment at the end of a not-to-exceed (NTE) period, or resignation. Since all exempt appointments within the Executive Branch are **temporary**, this measure could **unintentionally expand the scope of grievable actions** to include non-renewals at the end of an appointment.

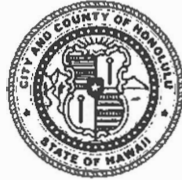
- **Job Security Distinctions** - Exempt employees should not be afforded the same job protections as civil service employees, as outlined in HRS §76-1. The civil service system is designed to provide job security based on the merit principle, which does not apply to exempt positions.
- **Existing Avenues for Appeal** – Exempt employees **already have recourse** to challenge a suspension or discharge through the **Internal Complaint Procedure** of the employing department, providing an avenue for review without altering the fundamental nature of their employment.

HRD respectfully requests that the Committee hold this measure. We are available to answer any questions or provide further information as needed.

**DEPARTMENT OF HUMAN RESOURCES
KA 'OIHANA HO'OMOHALA LIMAHANA
CITY AND COUNTY OF HONOLULU**

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April 1, 2025

The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
The House of Representatives, Room 308
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Yamashita, Vice Chair Takenouchi and Members of the Committee:

**SUBJECT: Senate Bill No. 717, Senate Draft 1, House Draft 1,
Relating to Collective Bargaining**

The Department of Human Resources, City and County of Honolulu, understands the intent of Senate Bill No. 717, Senate Draft 1, House Draft 1, which would repeal the prohibition placed on certain employees exempt from civil service law from grieving a suspension or discharge, unless the relevant collective bargaining agreement specifically provides otherwise. We note that this is a matter that has previously been specifically delegated as a matter for parties to collectively bargain over, and that, generally, issues subject to collective bargaining are preferred to remain subject to collective bargaining versus legislative action.

We thank you for giving us the opportunity to submit our comments on this matter.

Sincerely,

A handwritten signature in black ink, reading "Nola N. Miyasaki".

Nola N. Miyasaki
Director



HAWAII STATE AFL-CIO

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The Thirty-Third Legislature
House of Representatives
Committee on Finance

Testimony by
Hawaii State AFL-CIO

April 1, 2025

TESTIMONY IN SUPPORT OF SB717 SD1 HD1 - RELATING TO COLLECTIVE BARGAINING

Chair Yamashita, Vice Chair Takenouchi, and members of the committee:

The Hawaii State AFL-CIO is a state federation of 76 affiliate labor organizations representing over 69,000 union members in Hawaii. The AFL-CIO serves its affiliates by advocating for the rights of working families, promoting fair wages, ensuring safe working conditions, and supporting policies that strengthen Hawaii's workforce.

We are in support of SB717 SD1 HD1, which allows exempt employees to grieve suspensions and discharges. Exempt positions have expanded significantly in state government, yet these employees are denied the ability to challenge disciplinary actions, despite being covered by collective bargaining agreements.

This measure addresses that inequity by ensuring exempt employees are treated fairly, especially as they take on roles historically performed by civil service workers. Strengthening workplace protections will improve morale, enhance retention, and make state employment more competitive in attracting qualified workers.

Respectfully submitted,

A handwritten signature in black ink that reads "Randy Perreira".

Randy Perreira
President



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

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

Testimony by
Hawaii Government Employees Association

April 1, 2025

S.B. 717, S.D. 1, H.D. 1 — RELATING TO COLLECTIVE BARGAINING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 717, S.D. 1, H.D. 1 which repeals the prohibition placed on certain employees exempt from civil service law from grieving a suspension or discharge and allows any employee who is a member of an appropriate bargaining unit to grieve a suspension or discharge.

The creation of exempt positions within state government was originally intended for services that were deemed unique and/or temporary for the state. Currently, we believe that the use of exempt positions has strayed away from its original intent. Over these past few years, we have seen an increase in the use of exempt positions, which in large part, is likely due to our lethargic civil service hiring process, and our states inability to increase position pay to a competitive rate. According to the Executive Branch Workforce Profile report submitted to this body each year, in 2020 there was 1715 exempt employees within the State Executive Branch under the personnel system administered by DHRD, today there is 2390 exempt employees, which reflects a significant increase in the use of exempt positions. To note, the total number of civil service employees have decreased within that highlighted timeframe. The ugly truth is that positions that have been historically provided by civil servants may now be provided by exempt employees or a combination of both.

Although these employees are covered under their respective collective bargaining agreement's pursuant to Chapter 89 HRS, the statue prohibits these employees from appealing any disciplinary action through the grievance process, effectively making exempt employees "at will" and not subject to just cause. Given the increase in the creation of more exempt positions, regardless of whether the exemption is true to the original intent, we find that it would be equitable to allow these employees to be covered under just cause, just like civil servants. Furthermore, fair and reasonable job security is one of the components that makes state employment attractive – we believe that this measure will help with the recruitment of employees by ensuring that they receive workplace protections that otherwise they would not be entitled too.

Thank you for the opportunity to provide testimony in strong support of S.B. 717, S.D. 1, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

HOUSE OF REPRESENTATIVES THE THIRTY-THIRD LEGISLATURE REGULAR SESSION OF 2025

COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Jenna Takenouchi, Vice Chair

Tuesday, April 1, 2025, 2:00 PM
Conference Room 308 & Videoconference

Re: Testimony on SB717, SD1, HD1 – RELATING TO COLLECTIVE BARGAINING

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO ("UPW") is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW supports SB717, SD1, HD1, which repeals the prohibition placed on certain employees exempt from civil service law from grieving a suspension or discharge. This measure also allows any employee who is a member of an appropriate bargaining unit to grieve a suspension or discharge.

While there are currently no exempt positions that would be represented by UPW should this bill become law, we believe that all public employees should have the right to grieve a suspension or discharge in a manner that is consistent with the protections available to civil service employees. Furthermore, this legislation would ensure that all public employees, regardless of their employment status, are treated fairly.

Mahalo for this opportunity to testify in support of this measure.

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