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STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT KA 'OIHANA HO'OMŌHALA LIMAHANA

235 S. BERETANIA STREET HONOLULU, HAWAI'I 96813-2437

Statement of BRENNA H. HASHIMOTO Director, Department of Human Resources Development

Before the

SENATE COMMITTEE ON WAYS AND MEANS SENATE COMMITTEE ON JUDICIARY

Wednesday, February 26, 2025 10:05 AM State Capitol, Conference Room 211

In consideration of SB717, SD1, Relating to Collective Bargaining

Chair Dela Cruz, Chair Rhoads, and members of the Committee on Ways and Means and Committee on Judiciary:

The Department of Human Resources Development (HRD) appreciates the intent of SB717 SD1, 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. However, we must respectfully oppose this measure for the following reasons:

- Providing the right to grieve a suspension or discharge for employees exempt from civil service is not consistent with the nature of their employment, which is "at will."
- Unlike civil service employees, exempt employees are not hired via the merit principle, hence their "at will" status.
- While "at will" employment means they may be discharged at the prerogative of the Employer, it must still be subject to applicable federal and state employment laws.
- Finally, exempt employees do have recourse to appeal a suspension or discharge via the employing department's Internal Complaint Procedure.

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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RICK BLANGIARDI MAYOR MEIA



NOLA N. MIYASAKI DIRECTOR PO'O

FLORENCIO C. BAGUIO, JR. ASSISTANT DIRECTOR KŌKUA PO'O

February 26, 2025

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Morikawa, Vice Chair
and Members of the Senate Committee on Labor and Technology
The Senate, Room 211
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Dela Cruz, Vice Chair Morikawa, and Members of the Committee:

SUBJECT: Senate Bill No. 717

Relating to Collective Bargaining

The Department of Human Resources, City and County of Honolulu, understands the intent of Senate Bill No. 717, 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,

Nola N. Miyasaki
Director Designate



HAWAII STATE AFL-CIO

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The Thirty-Third Legislature
The Senate
Committee on Ways and Means
Committee on Judiciary

Testimony by Hawaii State AFL-CIO

February 26, 2025

TESTIMONY IN SUPPORT OF SB717 SD1 - RELATING TO COLLECTIVE BARGAINING

Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, 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, 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,

kandy Perreira

President

HGEA

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 Senate
Committee on Ways and Means
Committee on Judiciary

Testimony by Hawaii Government Employees Association

February 26, 2025

S.B. 717, S.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, 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.

Kylai

espectfully submitted.

Executive Director

