

**ACT 121**

An Act Relating to Compensation of Public Employees.

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

SECTION 1. Section 4-4 of the Revised Laws of Hawaii 1955 is hereby deleted and the following substituted therefor.

**“Section 4-4. Adoption of compensation plan.** (a) All directors shall meet biennially in joint conference at the call of, and at such time and place decided by, the state director, or his authorized representative to review the general condition of the compensation plan and which shall include: the identification and price of bench mark classes; policies and standards; rules and regulations; and any and all areas in the plan which are not inconsistent with the intent and purpose of this Act. Representatives of organizations representing employees and interested persons may attend and participate in the deliberations, but not vote. The

conference of personnel directors shall hold as many meetings as are necessary to accomplish the above-stated purposes and to resolve any differences. Decisions shall be made from majority vote of all directors. In the event that any director is absent, he may authorize his designated representative to act in his stead.

(b) The conference shall compile its views and recommendations, including the tentative compensation plan, to be completed before November 15 of every odd-numbered year and shall be submitted to the appeals board. The appeals board shall upon receipt see to it that the tentative compensation plan is published and that copies, together with the views of the conference of directors, are available to interested parties.

(c) There shall be an appeals board composed of one civil service commission member from each jurisdiction who shall be appointed by the governor. Alternate members from each jurisdiction shall also be appointed by the governor. The term of two of the incumbents shall expire on June 30, 1964 and the term of the other three shall expire on June 30, 1966. Thereafter, succeeding members and their respective alternates shall be appointed for a term of two years. The cost of operations thereof shall be met by state legislative appropriations.

Notwithstanding any other laws to the contrary, each member of the appeals board shall receive \$10 per day for each day on which work is done by them in connection with authorized activities of the board, the cost thereof to be met by state legislative appropriations for the appeals board.

The appeals board shall meet biennially to receive recommendations and comments relating to the compensation plan. The board shall schedule hearings for pricing appeals from affected persons and parties and may hold public hearings as well. At least one biennial appeal hearing shall be held in each jurisdiction. All petitions for appeal shall be filed with the appeals board within 20 days from the date of publication of the tentative compensation plan. Notice of the 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 hearings.

The appeals board shall function independently of the conference of personnel directors and the several civil service departments of the State and the counties, but may procure office facilities and clerical assistance from them. The board may appoint such technical and other employees not subject to chapters 3 and 4, as it deems necessary. Neither the appeals board nor any of its members or staff shall consult with any member of the conference of personnel directors on any matter pending before the board except on notice and opportunity for the appealing employee or his representative to participate.

The appeals board may appoint a qualified hearings officer, not subject to chapters 3 and 4, R.L.H. 1955, and invest him with power to hear such appeals and report thereon to the appeals board.

The appeals board shall adopt policies and standards relative to compensation. The appeals board may make rules and regulations for the conduct of appeal hearings and public hearings.

(d) Based on the policies and standards referred to in section 4-4 (c), the appeals board shall make whatever adjustments to the affected

classes where the appeals have been filed in the compensation plan that are necessary. Decisions on changes to the compensation plan shall be made on the basis of majority vote, shall be in writing and accompanied by separate findings, and shall be binding on all jurisdictions. Each jurisdiction shall be entitled to one vote. In the event a commissioner is absent, the alternate of that jurisdiction shall vote in his stead.

The final adjustments to the compensation plan shall be completed by the third Wednesday of February of each even-numbered year. Following the final adjustments, each director shall submit to the state legislature, through the office of the governor, a report setting forth the said compensation plan and the cost thereof for its information and approval. The approved compensation plan shall be effective as of July 1 of each even-numbered year. The salary range assignments of classes shall not be appealable until the next biennial review of the compensation plan.

(e) 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 officers, and shall be in effect until adoption of the next compensation plan; provided, however, that pricing appeals therefor may be held every six months, or at the time of the next biennial review.

All petitions for appeals from affected persons on the pricing of new classes shall be filed with the appeals board within 20 days from the date the notice of such is given by the director. Notice of time and place of such appeal hearing shall be published in the jurisdiction in a newspaper of general circulation at least ten days prior to such hearing. The appeals board shall hear all such appeals as aforementioned.

Except as otherwise provided in this subsection, the procedures to be followed shall be that prescribed in subsections (c) and (d) and in the rules and regulations of the board.

Public hearings shall not be held under this subsection.

After hearing all appeals, the appeals board shall make adjustments to the appealed classes that are necessary based on the policies and standards referred to hereinabove. Decisions on the pricing appeals shall be made on the basis of majority vote, shall be in writing and accompanied by separate findings, and shall be binding on all jurisdictions.

The final adjustments for these appeals in January shall be completed no later than the third Wednesday of February of each odd-numbered year. Following the final adjustments, each director shall submit to the state legislature, through the office of the governor, a report setting forth the said adjustments based on the decisions of the board and the cost thereof for its information and approval.

All decisions of the board under this subsection in favor of the person appealing and granting a higher compensation shall be retroactive to the date of action by the director."

SECTION 2. All rules and regulations adopted prior to the time of taking effect of this Act shall continue in full force and effect; however, all such rules and regulations, or part thereof, which are inconsistent with the provisions of this Act are hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 657.**