

A Bill for an Act Relating to Compensation of Public Officers and Employees.

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

SECTION 1. Section 77-5, Hawaii Revised Statutes, is amended to read as follows:

**“Section 77-5. Compensation plan for blue-collar positions.** The salary schedule prescribed in section 77-13 shall not apply to positions in recognized trades or crafts or other skilled mechanical crafts, or unskilled, semiskilled, 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 bench-mark positions; provided that the provision of section 77-4 where it is not inconsistent with the provisions of this section shall be applicable.

- (1) In the new wage rate plan, the monthly rates of pay for blue-collar positions shall be determined by application of prevailing wages 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 but shall include wages paid in other private industries and government jurisdictions in the State other than State and local jurisdictions, employing personnel in the State; 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 may be used:
  - (A) The salary schedule applicable to blue-collar positions shall be comprised of five increment steps at five per cent intervals.
  - (B) The average of prevailing wages shall be reflected at step two of the schedule.
  - (C) 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.
  - (D) 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:

- (i) The wage board supervisory level for working foremen shall be set at not more than ten per cent above the level of work supervised.
  - (ii) The wage board supervisory level for foreman I shall be set not more than twenty per cent above the level of work supervised.
  - (iii) The wage board supervisory level for foreman II shall be set at not more than thirty per cent above the level of work supervised.
  - (iv) The wage board supervisory level for foreman III shall be set at not more than forty per cent above the level of work supervised.
  - (v) 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.
- (2) 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 77-13(e).
- (3) Implementation of wage board salary schedule.

(A) The conference of personnel directors shall conduct a survey of wages for positions covered by this section, 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 subsection (1) of this section.

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 section by October 15 of every odd-numbered year.

Full opportunity for consultation with the 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.

(B) The appeals board referred to in section 77-4 shall provide for the publication of the tentative compensation plan. All petitions for appeal against the compensation plan, including the pricing of classes or whether the class should be included or excluded from

the blue-collar plan, shall be filed with the appeals board within twenty 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 January of every even-numbered year.

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 of every even-numbered year; provided that the existing compensation for blue-collar positions shall remain in effect until the establishment and implementation of the new wage rate plan as provided herein.

The legislature adopts the assignment of positions and classes to the wage board levels as submitted by the governor to the regular session of 1970. Notwithstanding the foregoing, for the period July 1, 1970 to June 30, 1972, the legislature approves the following wage schedules:

**WAGE BOARD SCHEDULE**

**NON SUPERVISORY**

WB	1	2	3	4	5
1	373	390	411	432	454
	2.15	2.25	2.37	2.49	2.62
2	400	419	440	462	485
	2.31	2.42	2.54	2.67	2.80
3	407	428	449	471	495
	2.35	2.47	2.59	2.72	2.86
4	436	458	481	505	530
	2.52	2.64	2.78	2.91	3.06
5	468	491	516	542	569
	2.70	2.83	2.98	3.13	3.28
6	498	523	549	576	605
	2.87	3.02	3.17	3.32	3.49
7	530	556	584	613	644
	3.06	3.21	3.37	3.54	3.72
8	560	588	617	648	680
	3.23	3.39	3.56	3.74	3.92
9	595	626	657	690	725
	3.43	3.61	3.79	3.98	4.18
10	623	654	687	721	757
	3.59	3.77	3.96	4.16	4.37
11	653	686	720	756	794
	3.77	3.96	4.15	4.36	4.58
12	685	719	755	793	833
	3.95	4.15	4.36	4.58	4.81

WB	1	2	3	4	5
13	715 4.13	751 4.33	789 4.55	828 4.78	869 5.01
14	747 4.31	784 4.52	823 4.75	864 4.99	907 5.23
15	778 4.49	817 4.71	858 4.95	901 5.20	946 5.46

**WAGE BOARD SCHEDULE  
SUPERVISORY**

Effective Grade Supervised	Foreman Level	1	2	3	4	5
1	WF	409 2.36	430 2.48	451 2.60	474 2.74	498 2.87
	F I	447 2.58	468 2.70	492 2.84	517 2.98	543 3.13
	F II	484 2.79	508 2.93	534 3.08	561 3.23	589 3.40
	F III	520 3.00	546 3.15	574 3.31	603 3.48	633 3.65
	GF	558 3.22	586 3.38	615 3.55	646 3.73	678 3.91
	2	WF	440 2.54	463 2.67	485 2.80	509 2.94
F I		480 2.77	504 2.91	529 3.05	555 3.20	583 3.36
F II		520 3.00	546 3.15	574 3.31	603 3.48	633 3.65
F III		560 3.23	588 3.39	617 3.56	648 3.74	680 3.92
GF		600 3.46	629 3.63	662 3.82	695 4.01	730 4.21
3		WF	449 2.59	471 2.72	494 2.85	519 2.99
	F I	489 2.82	513 2.96	539 3.11	566 3.27	594 3.43
	F II	530 3.06	556 3.21	584 3.37	613 3.54	644 3.72
	F III	570 3.29	600 3.46	629 3.63	660 3.81	693 4.00
	GF	612 3.53	641 3.70	674 3.89	708 4.08	743 4.29
	4	WF	480 2.77	504 2.91	529 3.05	556 3.21
FI		523 3.02	550 3.17	577 3.33	606 3.50	636 3.67
F II		567 3.27	595 3.43	625 3.61	657 3.79	690 3.98
F III		610 3.52	641 3.70	673 3.88	707 4.08	742 4.28
GF		654 3.77	687 3.96	722 4.17	758 4.37	796 4.59
5		WF	515 2.97	540 3.12	568 3.28	596 3.44
	F I	562 3.24	589 3.40	619 3.57	650 3.75	683 3.94
	F II	608 3.51	638 3.68	671 3.87	705 4.07	740 4.27
	F III	655 3.78	687 3.96	722 4.17	759 4.38	797 4.60
	GF	702 4.05	737 4.25	774 4.47	813 4.69	854 4.93
	6	WF	548 3.16	575 3.32	604 3.49	634 3.66
F I		598 3.45	628 3.62	659 3.79	691 3.97	726 4.15

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		1	2	3	4	5
	F II	3.45 647	3.62 680	3.80 714	3.99 749	4.19 786
	F III	3.73 697	3.92 732	4.12 769	4.32 806	4.53 846
	GF	4.02 747	4.22 785	4.44 824	4.65 864	4.88 907
7	WF	4.31 583	4.53 612	4.75 642	4.99 674	5.23 708
	F I	3.36 636	3.53 667	3.70 701	3.89 736	4.08 773
	F II	3.67 689	3.85 723	4.04 759	4.25 797	4.46 837
	F III	3.98 742	4.17 778	4.38 818	4.60 858	4.83 901
	GF	4.28 795	4.49 834	4.72 876	4.95 920	5.20 966
8	WF	4.59 616	4.81 647	5.05 679	5.31 713	5.57 749
	F I	3.55 672	3.73 706	3.92 740	4.11 778	4.32 817
	F II	3.88 728	4.07 764	4.27 802	4.49 842	4.71 884
	F III	4.20 784	4.41 823	4.63 864	4.86 907	5.10 952
	GF	4.52 840	4.75 882	4.99 926	5.23 972	5.49 1,021
9	WF	4.85 655	5.09 688	5.34 723	5.61 759	5.89 797
	F I	3.78 714	3.97 751	4.17 787	4.38 826	4.60 867
	F II	4.12 773	4.33 813	4.54 853	4.77 896	5.00 941
	F III	4.46 834	4.69 875	4.92 919	5.17 965	5.43 1,013
	GF	4.81 893	5.05 938	5.30 985	5.57 1,034	5.84 1,086
10	WF	5.15 685	5.41 719	5.68 756	5.96 794	6.27 831
	F I	3.95 748	4.15 785	4.36 825	4.58 866	4.81 909
	F II	4.32 810	4.53 851	4.76 893	5.00 938	5.24 985
	F III	4.67 872	4.91 916	5.15 962	5.41 1,010	5.68 1,061
	GF	5.03 935	5.29 981	5.55 1,031	5.83 1,083	6.12 1,137
11	WF	5.39 718	5.66 755	5.95 792	6.24 832	6.56 874
	F I	4.14 784	4.36 823	4.57 864	4.80 907	5.04 952
	F II	4.52 849	4.75 892	4.99 936	5.23 983	5.49 1,032
	F III	4.90 914	5.15 960	5.40 1,008	5.67 1,058	5.95 1,111
	GF	5.27 980	5.54 1,029	5.82 1,080	6.10 1,134	6.41 1,191
12	WF	5.65 754	5.94 791	6.23 831	6.54 872	6.87 916
	F I	4.35 822	4.56 863	4.79 906	5.03 952	5.28 1,000
	F II	4.74 891	4.98 935	5.23 982	5.49 1,031	5.77 1,083
	F III	5.14 959	5.39 1,007	5.67 1,057	5.95 1,110	6.25 1,166

		1	2	3	4	5
		5.53	5.81	6.10	6.40	6.73
	GF	1,028	1,079	1,133	1,190	1,250
		5.93	6.23	6.54	6.87	7.21
13	WF	787	826	868	911	957
		4.54	4.77	5.01	5.26	5.52
	F I	858	901	947	994	1,044
		4.95	5.20	5.46	5.74	6.02
	F II	930	976	1,026	1,076	1,130
		5.37	5.63	5.92	6.21	6.52
	F III	1,001	1,051	1,105	1,159	1,217
		5.78	6.06	6.38	6.69	7.02
	GF	1,073	1,127	1,184	1,242	1,304
		6.19	6.50	6.83	7.17	7.52
14	WF	822	862	905	950	998
		4.74	4.97	5.22	5.48	5.76
	F I	896	941	988	1,037	1,089
		5.17	5.43	5.70	5.98	6.28
	F II	971	1,019	1,070	1,123	1,179
		5.60	5.88	6.17	6.48	6.80
	F III	1,046	1,098	1,152	1,210	1,271
		6.04	6.34	6.65	6.98	7.33
	GF	1,121	1,176	1,235	1,296	1,361
		6.47	6.79	7.13	7.48	7.85
15	WF	856	899	944	991	1,041
		4.94	5.19	5.45	5.72	6.01
	F I	934	980	1,030	1,081	1,135
		5.39	5.65	5.94	6.24	6.55
	F II	1,011	1,062	1,115	1,171	1,230
		5.83	6.13	6.43	6.76	7.10
	F III	1,089	1,144	1,201	1,261	1,324
		6.28	6.60	6.93	7.28	7.64
	GF	1,167	1,226	1,287	1,352	1,420
		6.73	7.07	7.43	7.80	8.19

(4) Subsequent implementation of the wage board schedules. The compensation plan and wage board schedules for positions covered under this section shall be reviewed and adjusted biennially in accordance with subsection (3) of this section.

(5) In fiscal year 1969-70 any employee who has completed one year of satisfactory service at step four shall be advanced to step five. Thereafter, any employee shall be advanced to the next higher step, if available, on his service anniversary date in accordance with paragraph 6 of section 77-12.”

SECTION 2. Subsection (d) of Section 77-13, Hawaii Revised Statutes, is amended to read as follows:

“(d) The salaries of public officers and employees shall be converted to the salaries in the schedule as set forth in subsection (c) of this section from the schedule as set forth in subsection (a) of this section in the following manner:

(1) Incumbents in salary ranges 4 to 31 and SC-1, SC-2, and SC-3 who are entitled to an increment or longevity step on July 1, 1970 shall be granted their increment or longevity step on the salary schedule as contained in subsection (a) and then shall be assigned to the same salary range and increment step or longevity step in the schedule as set forth in subsection (c) of this section, and they shall receive the compensation provided for these increment or longevity steps.

- (2) Any incumbent who is at salary range 4 or a higher salary range and who is entitled to an annual increment step after July 1, 1970 shall receive his annual increment step on his appropriate service or anniversary date. However, beginning July 1, 1970, such an incumbent shall be compensated at the pay rate for his existing salary range and increment step in the salary schedule to take effect on July 1, 1970.
- (3) Any employee not being compensated at a rate set forth in the salary schedule of subsection (a) shall first be moved to the next higher increment or longevity step within the same salary range in the schedule of subsection (a), if there is such a step; his salary shall then be assigned to the same salary range and increment or longevity step in the schedule as set forth in subsection (c) of this section.
- (4) The compensation of any incumbent whose pay rate on June 30, 1970, exceeds the L-4 pay rate of the appropriate ranges in the schedule as set forth in subsection (c) of this section for the class to which his position is allocated shall be increased by 10 per cent.
- (5) Conversion of compensation rates to the new schedule shall be made without causing any loss or reduction in the compensation rates of incumbent officers and employees; nor shall their service anniversary dates be affected by the conversion process, except as otherwise provided by this Act.
- (6) Based on the salary schedule provided in subsection (a) and his increment step and pay rate as of June 30, 1970, each incumbent in salary range 2 or salary range 3 shall, on June 30, 1970, have his pay rate adjusted upwards to the pay rate for the next higher step in the same salary range. Following this initial adjustment, his pay rate shall be converted to the pay rate in salary range 4 which is identical, and if there be none, then to the next higher pay rate. Then on July 1, 1970, he shall be converted to the new salary schedule. The foregoing adjustments shall be made without regard to the employee's service anniversary date and notwithstanding the provisions of section 77-12, Hawaii Revised Statutes, each employee affected by these provisions shall have his anniversary date changed to July 1. It is the intent of the legislature that salary range 2 and salary range 3 be deleted and that salary range 4 shall be the lowest salary range in the schedule of salaries.
- (7) After the changeover to the July 1, 1970 salary schedule has been made, the pay rate for an employee: (1) who was compensated at the pay rate for either step G, Longevity 1, 2, 3, or 4 or at a red circle pay rate on June 30, 1970, and (2) who continued to receive compensation at the same step on July 1, 1970 shall have his pay rate adjusted upwards to the next higher pay rate in the same salary range. It is provided that if his pay step was at longevity 4 or a red circle pay rate, his pay rate shall be increased by approximately five per cent so that the pay rates will be integrated as much as possible. The foregoing adjustments shall be made without regard to the employee's service anniversary

sary date and notwithstanding the provisions of section 77-12, Hawaii Revised Statutes, each employee affected by these provisions shall then have his anniversary date changed to July 1, and shall not be eligible for a longevity step increase until he has served for three years from July 1, 1970.

In making the adjustments authorized by this section, each person affected by this section shall receive an adjustment in compensation of at least one increment or longevity step or five per cent.”

SECTION 3. The sum of \$4,298,650, or so much thereof as may be necessary, is hereby appropriated from the general revenues of the State for increases and adjustments in compensation made by this Act effective as of July 1, 1970 up to and including June 30, 1971, provided that the department of budget and finance shall report expenditures made from this appropriation to the next session of the legislature.

In the case of the counties, the director of finance of the State shall receive proper vouchers showing all monies due under this Act. It is provided that special, separate, and federal fund monies shall be used to the maximum extent before State funds are utilized and that unexpended funds shall be returned to the State director of finance.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 19, 1970.)