

ACT 147

H.B. NO. 1873

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

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

SECTION 1. Section 77-9, Hawaii Revised Statutes, is amended to read:

“§77-9 Initial appointments; shortage categories and differentials. (a) All initial appointments shall be made at the first step of the appropriate salary range. In the event that recruitment of an employee is not practicable at the first step, the director, after appropriate notice and advertising, may recruit at any step within the

appropriate salary range at which a suitable employee can be recruited.

(b) Whenever a labor shortage exists in a class or group of positions in a class, the director, with the prior approval of the chief executive, may declare it to be a shortage category and adjust the entry salary in accordance with subsection (c) to an amount which is fair and reasonable and at which employees can be recruited from the labor market. The director may review the impact of making such an adjustment on other classes or groups of positions in classes within the same series. If the director finds that it is necessary to adjust the entry salary of another class or group of positions in a class to preserve internal relationships within the series, the director may make such an adjustment in accordance with subsection (c); provided that the adjustment shall be not more than five per cent for each succeeding higher level class or group of positions in a class. The director shall review each shortage category periodically, but at least once each year, to determine whether the labor shortage exists to the same degree as previously determined and adjust the entry salaries accordingly. If the director determines that a shortage no longer exists, the director shall reestablish the first step of the appropriate salary ranges as the entry salaries.

(c) An adjustment to an entry salary under subsection (b) shall be made by adding to the first step of the appropriate salary range a temporary shortage differential, which shall not be considered an adjustment to base pay. The amount of the differential shall be the dollar difference between the adjusted entry salary and the first step of the appropriate salary range, which shall be recomputed whenever there is a change in the respective pay schedule.

(d) Whenever the entry salary is being adjusted for a class or group of positions in a class, incumbents thereof who are being paid less than the adjusted entry salary shall have their pay adjusted to an equivalent amount. The adjustment shall be made by adding to their respective steps, a temporary shortage differential, which is not to be considered as an adjustment to base pay. The amount of the differential shall be the dollar difference between the adjusted entry salary and their respective steps, which shall be recomputed whenever there is a change in the respective pay schedule.

(e) In the event that the entry salary for a class or group of positions in a class is subsequently lowered, incumbents thereof who are receiving a temporary shortage differential shall continue to receive so much of the differential as is necessary to maintain their then existing pay until the rates for their respective steps equal or exceed such amount. If employees move from their respective positions in which they were granted a temporary shortage differential, the differential shall terminate and their pay shall be adjusted without the differential.

(f) The director shall maintain a list of all recruitment above the first step and shortage category determinations under this section and the justifications therefor.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.*

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

(Approved June 12, 1981.)

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.