

ACT 205

H.B. NO. 1871

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. The purpose of this Act is to provide the exclusive representatives of certain bargaining units another option to negotiate a model conversion plan.

Act 253, Session Laws of Hawaii 1980, granted exclusive representatives the option to negotiate a model conversion plan regarding a reduction in the number of steps within the salary ranges under chapter 77, Hawaii Revised Statutes. This option, however, expired on January 1, 1981.

Of the nine bargaining units with positions covered under chapter 77, Hawaii Revised Statutes, bargaining units 1 (non-supervisory blue-collar employees), 2 (supervisory blue-collar employees), and 9 (registered professional nurses) successfully negotiated model conversion plans before January 1, 1981. Conversion costs of

these plans are currently pending legislative approval and appropriations.

There are six white-collar units remaining without a model conversion plan. Exclusive representatives of these units have expressed their desire to have another option to negotiate a model conversion plan.

Accordingly, the legislature grants the exclusive representatives of bargaining units 3, 4, 10, 11, 12, and 13 another option to negotiate a model conversion plan in accordance with the guidelines under this Act. The model conversion plan must be developed and executed before January 1, 1983, to allow the parties sufficient time to conduct their next wage negotiations effective July 1, 1983, as well as subsequent wage negotiations, based on such mutually agreed upon conversion plan. In the absence of such a conversion plan, wage negotiations shall be based on the ten-step salary ranges for white-collar positions presently contained in the statutes.

This Act also clarifies that model conversion plans shall result from mutual agreement between the parties without resort to any impasse procedure. Additionally, it specifies that mutually agreed upon model conversion plans shall remain in effect to serve as the bases for all subsequent wage negotiations. Finally, although the number of salary ranges is still nonnegotiable, the Act allows for the redesignation of salary ranges in the publication of pay schedules and the exclusion of salary ranges which are not being used from respective pay schedules.

SECTION 2. Section 77-5, Hawaii Revised Statutes, is amended to read:

“§77-5 Compensation plan for blue-collar positions. The salary structures and schedules 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.

(1) The provisions of sections 77-4 where it is not inconsistent with the provisions of this section shall be applicable.

(2) Salary structures and schedules.

(A) The salary structures applicable to blue-collar positions shall be comprised of fifteen salary grades with each grade consisting of such number of steps determined under section 77-13.5.

(B) Pay schedules for nonsupervisory blue-collar positions, hereafter to be referred to as the wage board schedules, shall be established as provided under subparagraph (D).

(C) Pay schedules for supervisory blue-collar positions, hereafter to be referred to as wage board supervisory schedules, shall be established as provided under subparagraph (D) for each of the following levels:

(i) Working foreman;

(ii) Foreman I;

(iii) Foreman II;

(iv) Foreman III; and,

(v) General foreman.

(D) The pay schedules applicable to employees in blue-collar positions, who are included in collective bargaining units under section 89-

6(a), shall be subject to negotiations. The pay schedules applicable to employees in blue-collar positions, who are excluded from coverage under chapter 89, shall be subject to chapter 89C.

- (3) 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(c).
- (4) Implementation of compensation plan.

- (A) The conference of personnel directors shall 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, and qualification requirements 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.

- (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 adjustment 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 personnel directors shall submit to the state legislature, through the office of the governor, a report setting forth the final compensation plan 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.

- (5) Subsequent implementation of the compensation plan. The compensation plan for positions covered under this section shall be reviewed and adjusted biennially in accordance with paragraph (4)."

SECTION 3. Section 77-13, Hawaii Revised Statutes, is amended by amending subsection (a) to read:

"(a) The salary structures for white-collar positions covered under this chapter shall be comprised of thirty-one salary ranges, designated SR 4 to SR 31, SC-1, SC-2, and SC-3. In the publication of pay schedules, however, salary ranges may be redesignated and salary ranges which are not being used may be excluded from the respective pay schedules; provided that if SC ranges are being used, they shall be identified as such so that subsection (d) remains applicable. Unless otherwise determined under section 77-13.5, each salary range shall consist of ten steps, designated

B to G and L-1 to L-4; provided that range SC-2 shall consist of nine steps, designated B to G, L-1, L-2, and L-3, and range SC-3 shall consist of eight steps, designated B to G, L-1, and L-2.”

SECTION 4. Section 77-13.5, Hawaii Revised Statutes, is amended to read:

“§77-13.5 Conversion to appropriate salary ranges. (a) Any provision of law to the contrary notwithstanding, the chief executives of the State and counties and the chief justice of the supreme court, as appropriate, may reduce the number of steps within the salary ranges under sections 77-5 and 77-13, as provided in this section. In no event shall the number of steps be increased, except by action of the state legislature.

(b) For employees in positions under this chapter who are included in bargaining units under chapter 89, the conversion to salary ranges with fewer steps shall be subject to negotiations, at the option of the exclusive representative of an appropriate bargaining unit, but without resort to any impasse procedure whether by statute or agreement; provided the option is exercised in accordance with subsections (c) and (d). For employees in positions under this chapter who are excluded from collective bargaining units, the conversion shall be subject to chapter 89C and subsection (e).

(c) Each exclusive representative may exercise the option to negotiate a model conversion plan regarding a reduction in the number of steps within the salary ranges under section 77-5 or 77-13, as applicable, for positions within its appropriate bargaining unit, by notifying the appropriate employers of its intent in writing. The employers and the exclusive representative shall meet for the purpose of developing a mutually agreeable conversion plan which meets the requirements of subsection (d). Any such plan mutually agreed upon shall be reduced to writing and signed by the parties before January 1, 1983. The plan shall be binding upon the parties, except that all costs relative to the conversion shall be subject to approval and appropriations by the appropriate legislative bodies, along with negotiated pay increases and other cost items, as required under section 89-10(b). In the absence of a mutually agreed upon model conversion plan before January 1, 1983 for any particular bargaining unit, wage negotiations for such unit shall be based on the existing salary ranges and steps as provided in section 77-5 or 77-13, as applicable.

(d) Any model conversion plan agreed to between the employers and the exclusive representative shall contain the following:

- (1) An agreement that the objective of the conversion plan is to reduce the number of steps within each salary range under section 77-5 or 77-13, as applicable, for positions within the appropriate bargaining unit, to a specific number of steps.
- (2) An agreement that the model conversion plan shall remain in effect and shall not be modified except by written mutual agreement of the parties.
- (3) An agreement that during the fiscal year commencing July 1, 1983, and each subsequent fiscal year, at least one step shall be deleted from the salary ranges until the salary ranges are reduced to such number of steps mutually agreed upon under paragraph (1).
- (4) An agreement that all negotiations on wages, to be effective July 1, 1983 and subsequently, shall be based on the model conversion plan and that

no other pay rates shall be negotiated, other than those rates for the number of steps allowable under paragraph (3) or such fewer number of steps as mutually agreed upon between the parties.

- (5) An agreement that all employees in bargaining unit positions subject to this chapter shall be paid, commencing July 1, 1983, in accordance with the rates negotiated for the steps on the revised salary schedule within their applicable salary ranges.
- (6) An agreement regarding the adjusting of employees' pay from their existing rates to those rates negotiated for the steps on the revised salary schedule within their applicable salary ranges; provided that such an agreement may contain a provision for the payment of a bonus or conversion differential if it is not to be considered as an adjustment to an employee's basic pay rate.

The parties shall not agree to a conversion plan which does not meet the requirements of this section nor agree to any amendments which would be inconsistent with this section.

(e) The chief executives of the State and the counties and the chief justice of the supreme court, as applicable, may reduce the number of steps within the salary ranges under sections 77-5 and 77-13 for positions excluded from collective bargaining coverage. Their designated representatives shall review the model conversion plans applicable to employees included in collective bargaining units before reaching a decision under section 89C-3 concerning adjustments regarding a reduction in the number of steps for excluded employees; provided that any reduction in the number of steps for excluded employees shall harmonize with the model conversion plans developed for included employees; provided further that if a model conversion plan is not developed for employees included in a collective bargaining unit, there shall be no reduction in the number of steps for excluded employees under the same compensation plan as the employees included in that bargaining unit. The costs of reducing the salary ranges to fewer steps and any other general pay adjustments shall be subject to approval and appropriations by the appropriate legislative bodies in accordance with section 89C-5."

SECTION 5. The substance of the amendments of this Act, with exception of the amendment regarding coverage under section 77-13, Hawaii Revised Statutes, in S.B. No. 831,† shall control regardless of any other acts passed by the legislature during this Regular Session of 1981, whether enacted before or after the effective date of this Act.

SECTION 6. Statutory material to be repealed is bracketed. New material is underscored.*

SECTION 7. This Act shall take effect upon its approval.

(Approved June 18, 1981.)

†Bill did not pass the legislature.

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