

EXECUTIVE ORDER NO. 18-04

(Civil Service and Exempt Employees Excluded From Bargaining Units 14)

WHEREAS, under chapter 89C of the Hawaii Revised Statutes (HRS), the Governor is granted the authority to make adjustments to the wages, hours, benefits, and other terms and conditions of employment for elected and appointed officials, and employees in the executive branch who are excluded from collective bargaining coverage; and

WHEREAS, for excluded employees who are civil service employees under the same classification systems as employees within collective bargaining units, HRS chapter 89C requires that the adjustments be “not less than” those provided under the collective bargaining agreements for employees hired on a comparable basis; and

WHEREAS, HRS chapter 89C also requires that the adjustments for excluded civil service employees result in compensation and benefit packages that are “at least equal to” the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the Employer’s jurisdiction; and

WHEREAS, HRS chapter 89C provides that each appropriate authority shall determine the adjustments that are relevant for their respective excluded employees who are exempt from civil service in consideration of the compensation and benefit packages provided for other employees in comparable agencies; and

WHEREAS, the State, City and County of Honolulu, and counties of Hawai'i, Maui and Kauai have entered into a tentative agreement with the Hawaii Government Employees Association (HGEA), as the exclusive representative for Bargaining Unit (BU) 14 for the collective bargaining agreements covering July 1, 2017

through June 30, 2019, and interest arbitration decision dated April 6, 2018, were rendered for all other outstanding issues; and

WHEREAS, HRS section 76-1(3) provides that the human resource program be administered to provide incentives for competent employees within the service, whether financial or promotional opportunities and other performance based group and individual awards that encourage continuous improvement to achieve superior performance; and

WHEREAS, HRS chapter 89C provides for variable adjustments based on performance or other job criteria and further allows for specific adjustments based on the nature of work performed or working conditions; and

WHEREAS, HRS section 76-22.5 provides for the Director of Human Resources Development to seek continuous improvements to streamline the recruitment process including developing efficient alternatives to ensure the availability of qualified applicant pools; and

WHEREAS, consistent with the agreed-upon terms and conditions, the Director of Human Resources Development has recommended to the Governor the adjustments specified in this executive order for civil service and exempt employees within the executive branch who are excluded from BU 14.

NOW, THEREFORE, I, David Y. Ige, Governor of Hawai'i, pursuant to my executive authority under articles V and VII of the Constitution of the State of Hawai'i, the provisions of chapters 37 and 89C of the Hawaii Revised Statutes, and all other applicable authority, do hereby order effective July 1, 2017 through June 30, 2019, the

following for civil service and exempt employees excluded from BU 14; and Excluded Managerial Compensation Plan (EMCP) employees excluded from BU 14.

A. **Compensation**

1. **Salaries**

- a. Adjustments for non-EMCP civil service and exempt employees excluded from BU 14 (Attachment A)
- b. Adjustment for EMCP employees excluded from BU 14 (Attachment B)

2. **Compensation Programs**

Compensation programs for EMCP employees excluded from BU 14 (Attachment C)

This is the same EMCP Compensation Program provided to EMCP employees excluded from BUs 2, 4, 9, and 13 in Executive Order 17-02; BU 11 in Executive Order 17-03; and BU 10 in Executive Order 17-05.

IT IS FURTHER ORDERED that this executive order does not apply to:

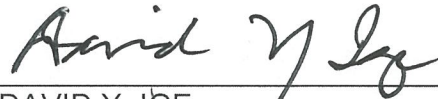
(1) employees of public charter schools, the Department of Education and the University of Hawai'i; (2) employees hired for 89 days or less; and (3) those executive branch employees whom I later determine shall not receive the aforementioned adjustments; and

IT IS FURTHER ORDERED that this executive order is not intended to create, and does not create, any rights or benefits, whether substantive or procedural, or enforceable at law or in equity, against the State of Hawai'i or its agencies, departments, entities, employees, or any other person; and

IT IS FURTHER ORDERED that these provisions are subject to amendment by executive order.

The Director of Human Resources Development shall be responsible for the uniform administration of this executive order and is authorized to make any interpretations concerning the applicability of these adjustments to the employees of the State government executive branch who are excluded from collective bargaining coverage.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 27th day of
June, 2018.



DAVID Y. IGE
Governor

APPROVED AS TO FORM:



f RUSSELL A. SUZUKI
Attorney General

ARTICLE 50 – SALARIES

Delete existing language in its entirety and replace with the following:

A. The salary schedule in effect on June 30, 2017 shall be designated as Exhibit A.

B. Subject to the approval of the respective legislative bodies and effective July 1, 2017:

1. Step Movement: Employees who become eligible for step movements from July 1, 2017 through June 30, 2018 in accordance with Paragraph O. of Article 14, Compensation Adjustment, shall receive their step movements on their step movement dates.

2. Salary Schedule:

a. The salary schedule designated as Exhibit A shall be amended to reflect a two percent (2%) increase and such amended schedule shall be designated as Exhibit B.

b. Following B.2.a. above, Employees shall be placed on the corresponding pay range and step of Exhibit B.

c. Employees not administratively assigned to the salary schedule shall receive a two percent (2%) pay increase.

3. Lump Sum Payment: Employees who were employed as of June 30, 2017, shall receive a one-time lump sum payment equal to five hundred dollars (\$500). The lump sum shall not be prorated for Employees who are less than full time.

1 C. Subject to the approval of the respective legislative bodies and effective
2 July 1, 2018:

3
4 1. Step Movement: Employees who become eligible for step movements
5 from July 1, 2018 through June 30, 2019 in accordance with Paragraph O. of Article 14,
6 Compensation Adjustment, shall receive their step movements on their step movement
7 dates.

8
9 2. Salary Schedule:

10
11 a. The salary schedule designated as Exhibit B shall be amended to
12 reflect a two and twenty-five one-hundredths percent (2.25%) increase and such
13 amended schedule shall be designated as Exhibit C.

14
15 b. Following C.2.a. above, Employees shall be placed on the
16 corresponding pay range and step of Exhibit C.

17
18 c. Employees not administratively assigned to the salary schedule
19 shall receive a two and twenty-five one-hundredths percent (2.25%) pay
20 increase.

21
22 3. Lump Sum Payment: Employees who were employed as of June 30,
23 2018, shall receive a one-time lump sum payment equal to five hundred dollars (\$500).
24 The lump sum shall not be prorated for Employees who are less than full time.

SALARIES

Applicable to EMCP employees excluded from BU 14

1. The salary schedule in effect on June 30, 2017, shall be designated as Exhibit 1.
2. Subject to the approval of the respective legislative bodies and effective July 1, 2017:
 - a. The salary schedule designated as Exhibit 1 shall be amended to reflect a two percent (2%) increase and such amended schedule shall be designated as Exhibit 2.
 - b. Employees who are employed as of June 30, 2017, shall receive a two percent (2%) increase to their basic rate of pay.
 - c. Employees who are employed as of June 30, 2017, shall receive a one-time lump sum payment equal to five hundred dollars (\$500). The lump sum shall not be prorated for Employees who are less than full time.
3. Subject to the approval of the respective legislative bodies and effective January 1, 2018, Employees who are employed as of December 31, 2017, shall receive a one and two-tenths percent (1.2%) increase to their basic rate of pay.
4. Subject to the approval of the respective legislative bodies and effective July 1, 2018:
 - a. The salary schedule designated as Exhibit 2 shall be amended to reflect a two and twenty-five one-hundredths percent (2.25%) increase and such amended schedule shall be designated as Exhibit 3.
 - b. Employees who are employed as of June 30, 2018, shall receive a two and twenty-five one-hundredths percent (2.25%) increase to their basic rate of pay.
 - c. Employees who are employed as of June 30, 2018, shall receive a one-time lump sum payment equal to five hundred dollars (\$500). The lump sum shall not be prorated for Employees who are less than full time.

5. Subject to the approval of the respective legislative bodies and effective January 1, 2019, Employees who are employed as of December 31, 2018, shall receive a one and two-tenths percent (1.2%) increase to their basic rate of pay.
6. For the period July 1, 2017 to June 30, 2019, there shall be no WIRP increases.

COMPENSATION PROGRAMS

Applicable to EMCP employees excluded from BU 14

All current and future costs of the compensation programs below shall be accommodated from existing program budget allocations and shall not require or serve as the sole basis for future supplemental program budget requests. Certification of availability of funds is required.

The Director of Human Resources Development will issue additional policies and procedures that shall be used in conjunction with the policies below.

The following EMCP pay programs shall continue beyond June 30, 2019 or until modified by a successor executive order.

A. Performance Bonus

(This section supersedes section B. Performance Bonus in EO 15-02)

1. Effective October 1 of each year, Employees employed on October 1, who receive an overall evaluation of "Exceptional" on their annual EMCP Performance Evaluations for the immediately preceding fiscal year, may receive a one-time lump sum bonus of two percent (2%) of their June 30 annual basic rate of pay. The bonus shall not increase the Employees' base pay.
2. The Employee must have occupied an EMCP position for at least six months of the applicable July 1 to June 30 evaluation period to be eligible for the performance bonus.
3. If the Employee occupied an EMCP position for at least six months, but less than twelve months, the bonus shall be prorated on the basis of the number of whole months (drop fractions of a month) the Employee occupied an EMCP position.
4. If the Employee was compensated at different EMCP salary ranges during the evaluation period, the amount of the bonus shall be prorated based on the highest salary at each level, based upon the number of months at each level. In the event of the fractions of a month, round to the nearest whole month, not to exceed a total of twelve months.
5. The bonus shall not be applied to Employees retroactively reallocated to EMCP classifications from non-EMCP classifications.

B. Professional Growth In-Grade Compensation Adjustment

(Effective July 1, 2018, this section supersedes section C. In-Grade Compensation Adjustment for Increase in the Scope and Complexity of Work in EO 15-02)

1. Effective July 1, 2018, a four percent (4%) professional growth in-grade compensation adjustment, not to exceed the maximum of the salary range, may be authorized by the appointing authority for the following:
 - a. Increased Scope and Complexity of Work
 - 1) This adjustment is for employees whose scope and complexity of work has expanded, but remains characteristic of their existing pay range.

It may be used when there is a significant change in responsibilities, an addition to the predominant duties of the position, or a new significant function is added. The significant change must be substantial as demonstrated in an increase in the accountability; critical thinking; problem solving; decision making; knowledge, skills and expertise; and/or communication skills of the employee.
 - 2) An increase in workload shall not be a basis for an in-grade compensation adjustment.
 - b. Increased Competencies
 - 1) Professional growth of an employee as demonstrated on an on-going basis in increased skills, knowledge, abilities, etc.
 - 2) Consideration may be given to the attainment of additional training or certification relevant to the area of professional specialization where the employee demonstrates application of the newly gained professional skills, knowledge and expertise in the performance of his/her duties and responsibilities.
2. Professional growth in-grade adjustment shall be limited to once every 12 months from the last in-grade adjustment. The appointing authority may, on an exception and special circumstance basis, waive the 12 month requirement with documented supporting rationale; provided the exception shall occur no earlier than 6 months after the last adjustment.

D. Retention Adjustment

(Effective July 1, 2018, this section supersedes Retention Adjustments Under the Flexible Hiring Rates Program in EO 13-03.)

1. Effective July 1, 2018, a retention adjustment may be authorized by the appointing authority, not to exceed the maximum of the salary range, to retain a key employee who has received a bona fide job offer and whose knowledge, skills, abilities and competencies are critical to the department's operations.
2. The bona fide job offer must be in writing and include the salary information.
3. The employee must have at least a satisfactory performance rating on the last evaluation period.
4. A counteroffer may be made, provided that:
 - a. It shall not be greater than the amount of the job offer from the other employer or agency, and
 - b. It shall not exceed the maximum of the employee's pay range.

E. Internal Alignment Adjustment

(Effective July 1, 2018, this section supersedes Equity Adjustments for Existing Employees in EO 13-03.)

Effective July 1, 2018, an internal alignment adjustment may be authorized by the appointing authority, not to exceed the maximum of the salary range, to adjust the pay rate of an existing employee when it is determined that the employee's rate of pay is significantly less than one or more employees in the same or lower pay grade who have similar responsibilities. Compensation adjustments shall be based on a comparison of the employees' education, training, experience, knowledge, skills, abilities and competencies.

F. Flexible Hiring Rates

(Effective July 1, 2018, this section supersedes Transfers and Promotions Under the Flexible Hiring Rates Program in EO 13-03.)

1. Effective July 1, 2018, the appointing authority may authorize a hiring rate for an EMCP candidate based on the DHRD salary matrix. The salary matrix is used to score the individual's education, work experience, and work performed; to determine the employee's salary.

2. In exceptional cases, when the salary determined by the salary matrix points does not adequately account for the individual's credentials, the appointing authority may authorize a higher salary, provided appropriate documentation and justification is given for the additional credentials, and the salary does not exceed the salary range maximum.
3. At the discretion of the appointing authority, the pay for an existing EMCP employee who is transferred or promoted to a vacant position, may be determined using the DHRD salary matrix, provided the salary shall not be less than the amount the employee would have customarily received if compensated according to existing compensation adjustment language in the applicable executive order, rules, or policies and procedures.

State of Hawaii
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
SALARY SCHEDULE

Effective Date: 01/01/2017

Bargaining Unit: 37 Excluded Managerial

		Min	Max			Min	Max
EM 01	Annual	72,624	120,864	EM 07	Annual	97,332	161,976
	Monthly	6,052	10,072		Monthly	8,111	13,498
	8 hour	279.36	464.88		8 hour	374.32	622.96
	Hourly	34.92	58.11		Hourly	46.79	77.87
EM 02	Annual	76,224	126,936	EM 08	Annual	102,192	170,100
	Monthly	6,352	10,578		Monthly	8,516	14,175
	8 hour	293.2	488.24		8 hour	393.04	654.24
	Hourly	36.65	61.03		Hourly	49.13	81.78
EM 03	Annual	80,076	133,272	ES 01	Annual	105,276	175,200
	Monthly	6,673	11,106		Monthly	8,773	14,600
	8 hour	308.00	512.56		8 hour	404.88	673.84
	Hourly	38.5	64.07		Hourly	50.61	84.23
EM 04	Annual	84,072	139,920	ES 02	Annual	108,420	180,420
	Monthly	7,006	11,660		Monthly	9,035	15,035
	8 hour	323.36	538.16		8 hour	417.04	693.92
	Hourly	40.42	67.27		Hourly	52.13	86.74
EM 05	Annual	88,308	146,916	ES 03	Annual	111,696	185,868
	Monthly	7,359	12,243		Monthly	9,308	15,489
	8 hour	339.68	565.04		8 hour	429.6	714.88
	Hourly	42.46	70.63		Hourly	53.7	89.36
EM 06	Annual	92,688	153,180				
	Monthly	7,724	12,765				
	8 hour	356.48	589.12				
	Hourly	44.56	73.64				

State of Hawaii
 DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
 SALARY SCHEDULE

Effective Date: 07/01/2017

Bargaining Unit: 30, 31, 32, 34, 35, 37 Excluded Managerial

		Min	Max			Min	Max
EM 01	Annual	74,076	123,276	EM 07	Annual	99,276	165,216
	Monthly	6,173	10,273		Monthly	8,273	13,768
	8 hour	284.88	474.16		8 hour	381.84	635.44
	Hourly	35.61	59.27		Hourly	47.73	79.43
EM 02	Annual	77,748	129,480	EM 08	Annual	104,232	173,508
	Monthly	6,479	10,790		Monthly	8,686	14,459
	8 hour	299.04	498.00		8 hour	400.88	667.36
	Hourly	37.38	62.25		Hourly	50.11	83.42
EM 03	Annual	81,672	135,936	ES 01	Annual	107,376	178,704
	Monthly	6,806	11,328		Monthly	8,948	14,892
	8 hour	314.16	522.80		8 hour	412.96	687.36
	Hourly	39.27	65.35		Hourly	51.62	85.92
EM 04	Annual	85,752	142,716	ES 02	Annual	110,592	184,032
	Monthly	7,146	11,893		Monthly	9,216	15,336
	8 hour	329.84	548.88		8 hour	425.36	707.84
	Hourly	41.23	68.61		Hourly	53.17	88.48
EM 05	Annual	90,072	149,856	ES 03	Annual	113,928	189,588
	Monthly	7,506	12,488		Monthly	9,494	15,799
	8 hour	346.40	576.40		8 hour	438.16	729.20
	Hourly	43.30	72.05		Hourly	54.77	91.15
EM 06	Annual	94,536	156,240				
	Monthly	7,878	13,020				
	8 hour	363.60	600.96				
	Hourly	45.45	75.12				

State of Hawaii
 DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
 SALARY SCHEDULE

Effective Date: 07/01/2018

Bargaining Unit: 30, 31, 32, 34, 35, 37 Excluded Managerial

		Min	Max			Min	Max
EM 01	Annual	75,744	126,048	EM 07	Annual	101,508	168,936
	Monthly	6,312	10,504		Monthly	8,459	14,078
	8 hour	291.36	484.80		8 hour	390.40	649.76
	Hourly	36.42	60.60		Hourly	48.80	81.22
EM 02	Annual	79,500	132,396	EM 08	Annual	106,572	177,408
	Monthly	6,625	11,033		Monthly	8,881	14,784
	8 hour	305.76	509.20		8 hour	409.92	682.32
	Hourly	38.22	63.65		Hourly	51.24	85.29
EM 03	Annual	83,508	138,996	ES 01	Annual	109,788	182,724
	Monthly	6,959	11,583		Monthly	9,149	15,227
	8 hour	321.20	534.64		8 hour	422.24	702.80
	Hourly	40.15	66.83		Hourly	52.78	87.85
EM 04	Annual	87,684	145,932	ES 02	Annual	113,076	188,172
	Monthly	7,307	12,161		Monthly	9,423	15,681
	8 hour	337.28	561.28		8 hour	434.88	723.76
	Hourly	42.16	70.16		Hourly	54.36	90.47
EM 05	Annual	92,100	153,228	ES 03	Annual	116,496	193,848
	Monthly	7,675	12,769		Monthly	9,708	16,154
	8 hour	354.24	589.36		8 hour	448.08	745.60
	Hourly	44.28	73.67		Hourly	56.01	93.20
EM 06	Annual	96,660	159,756				
	Monthly	8,055	13,313				
	8 hour	371.76	614.48				
	Hourly	46.47	76.81				