MEMORANDUM

July 19, 2004

TO: Personnel Representatives (via web)

FROM: Edward Yuen
        System Director of Human Resources

SUBJECT: Executive Order 04-03 - Pay Adjustments for Excluded Civil Service Employees (BU-63)

On June 30, 2004, Governor Lingle issued Executive Order 04-03, which grants eligible non-managerial civil service employees excluded from bargaining units 2, 3, 4 and 9 salary increases and step movements identical to their included counterparts. However, the Executive Order does not apply to "exempt excluded" employees whose adjustments are still pending. This should not be construed to mean that increases for exempt excluded employees will not be granted. Please be assured that we will provide you with more information as soon as it is received.

The following summarizes salary increases under Executive Order 04-03:

Salary Schedules

- July 1, 2003 No change
- July 1, 2004 No change
- January 1, 2005 Existing salary schedule increased by 5%

Step Movements

- Step movement plan is continued; however, step movements during the period July 1, 2003, through June 30, 2004 are deferred until July 1, 2004. There is no retroactive adjustment; however, the employee will be credited with service at the higher step as of his or her eligibility date.

- Employees eligible for a step movement during the period July 1, 2004 through June 30, 2005 shall be placed on the appropriate step on their eligibility date.

- Employees at the highest step of the salary schedule do not get step movements.
The Office of Human Resources has scheduled an orientation meeting for Personnel Representatives on July 19, 2004 at 9:00 a.m. in Kuykendall Auditorium to provide you with further information concerning EO 04-03, as well as changes to the collective bargaining agreements.

Please ensure that excluded employees in your organization are informed of the above adjustments. Should you have any questions regarding this matter, please feel free to call Jimmy Oshiro at extension 6-6626.