MEMORANDUM OF AGREEMENT
Bargaining Unit 03
Act 253, SLH 2000, Compliance
Pay Administration

This MEMORANDUM OF AGREEMENT is entered into this 30th day of [December] 2004, by and between the State of Hawaii, the Hawaii Health Systems Corporation, the Judiciary, the City and County of Honolulu, the County of Hawaii, the County of Maui, and the County of Kauai, ("Employer") and the Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO ("Union") on behalf of the employees of Bargaining Unit 03.

The following amendments are made to the Unit 03 collective bargaining agreement as a result of negotiations between the parties in compliance with Act 253, SLH 2000. Note: With regard to the language contained herein, bracketed text indicates text that is to be deleted whereas bolded and underscored text indicates text that is to be added.

1. ARTICLE 14 – COMPENSATION ADJUSTMENT

Paragraph B, Compensation Adjustment Upon Promotion, subparagraph 3, is amended to read as follows:

3. Regular Employees who return to their permanent positions after a [limited-term] promotion on a temporary appointment basis or release from a new probationary appointment following a promotion shall be compensated as though they had remained in their permanent positions continuously.

Paragraph C, Compensation Adjustment Upon Demotion, subparagraph 5. b., is amended to read as follows:

b. Upon return to the position in which an Employee last held a permanent appointment, a regular Employee who is demoted on a temporary [or provisional] appointment basis or who is released from a new probationary appointment following a demotion shall be compensated as though the Employee had remained in the former position continuously.

Paragraph E, Compensation Adjustment Upon Reallocation, is amended to read as follows:

5. Upon return to the original classification of the Employee's position after a temporary reallocation upward, the Employee shall be compensated at the rate the Employee would have received were it not for the temporary reallocation.

This MEMORANDUM OF AGREEMENT is effective on the day first set forth above, and shall continue in effect until such time that the provisions herein are
incorporated into the BU 03 collective bargaining agreement with the printing of the next BU 03 collective bargaining agreement.

IN WITNESS WHEREOF, the parties hereto by their authorized representatives have executed this MEMORANDUM OF AGREEMENT as of the effective date written above.

FOR THE EMPLOYER:

[Signature]
State of Hawaii
Office of Collective Bargaining

FOR THE HAWAII GOVERNMENT EMPLOYEES ASSOCIATION:

[Signature]

Hawaii Health Systems Corporation
Janice Nakakuki
Judiciary

Cheryl K. Ohuma Kapu
City and County of Honolulu

Michaele R. Benolken
County of Hawaii

Lydia D. King
County of Maui

Melinda D. Yamakawa
County of Kauai

APPROVED AS TO FORM

[Signature]
State Attorney General