

## SUPPLEMENTAL AGREEMENT

Compensation Adjustments for Exempt, Temporary and Initial Probationary Employees  
Bargaining Unit 03

This Supplemental Agreement is made this 7<sup>th</sup> day of October 2004, by and between the Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO, hereinafter referred to as the Union, and the State of Hawaii Executive Branch, not including the Hawaii Health Systems Corporation, hereinafter referred to as the Employer.

WHEREAS, some of the terms used in Article 14, COMPENSATION ADJUSTMENT, Section J., Compensation Adjustment for Non-Regular Employees, are no longer consistent with terms currently in use within the State Executive Branch; and

WHEREAS, Act 253, SLH 2000, required a review of exempt positions in the State and specifies that the "manner for setting the compensation of incumbents upon their inclusion in the classification system shall be fair and equitable in comparison to the compensation of other incumbents with comparable experience in the same or essentially similar classes; provided that the compensation of incumbents who are in the same bargaining unit...shall be in accordance with the applicable collective bargaining agreement."; and

WHEREAS, Act 128, SLH 2004 specifies that "Employees in exempt positions who have performed work satisfactorily for six or more consecutive years shall be eligible to apply for: (1) Intra-departmental and interdepartmental transfers; and (2) Intra-departmental and inter-departmental promotional exams for which they meet the minimum qualification qualifications as prescribed by the class specification";

NOW, THEREFORE, THE Union and the Employer mutually agree that the provisions of ARTICLE 14 – COMPENSATION ADJUSTMENT, Section J. Compensation Adjustment for Non-Regular Employees and Section K. Compensation Adjustment for Exempt Employees Accepting Civil Service Appointments, or Whose Exempt Positions are Converted to Civil Service Positions, of the Unit 03 collective bargaining agreement shall be amended as follows:

J. Compensation Adjustment for ~~Non-Regular~~ Temporary or Initial Probationary Employees Occupying Civil Service Positions.

1. Movement of ~~non-regular~~ temporary or initial probationary Employees to other civil service positions shall not be classified as promotions, transfers, or demotions, but shall be considered as new appointments and compensation adjustments upon these new appointments shall be prescribed ~~in this paragraph~~ below.

2. A ~~non-regular~~ initial probationary Employee who is moved from the position in which the Employee was serving a probational appointment to another position assigned to the same salary range shall continue at the same basic rate of pay.

3. A ~~Non-regular~~ temporary Employee who is moved from the position in which the Employee was serving a temporary appointment to another position in the same salary range and salary schedule and in the same department shall continue at the same basic rate of pay.

4. ~~Non-regular~~ Temporary Employees serving temporary appointments who are converted to initial probational or permanent appointments in the same positions that the Employees were serving temporary appointments will continue to receive the same basic rate of pay they were receiving while serving temporary appointment.

5. Temporary Employees with at least one (1) year of continuous State service who move to other civil service positions shall have their compensation adjusted as though they were promoted, demoted or transferred.

~~5.6.~~ The compensation of ~~non-regular~~ temporary or initial probationary Employees after a personnel transaction other than as described in subparagraphs 2, 3, ~~and 4,~~ and 5 shall be at the initial step of the salary range.

K. Compensation Adjustment and Retention of Rights and Benefits for Exempt Employees Accepting Civil Service Appointments, or Whose Exempt Positions are Converted to Civil Service Positions.

1. Exempt Employees who move to civil service positions, ~~or who are appointed to civil service positions, or are granted civil service status pursuant to legislation shall not have the transaction considered as promotions, transfers, or demotions. Such transactions shall be considered new appointments and pay adjustments upon these new appointments shall be as prescribed in this paragraph below.~~

2. An exempt Employee who is:

~~a) granted civil service status pursuant to legislation shall retain the basic rate of pay the Employee was receiving immediately prior to being granted civil service status; provided: or~~

~~a) If the Employee's rate of pay falls between two (2) steps in the salary schedule, the Employee shall be compensated at the lower step.~~

~~b) If the Employee's rate of pay falls below the minimum step of the salary schedule, the Employee shall be compensated at the minimum step.~~

~~c) If the employee's rate of pay falls above the maximum step of the salary schedule, the Employee shall be compensated at the maximum step.~~

b) appointed to a civil service position established to replace the employee's exempt position, because the basis for exemption has been eliminated by

legislative action or other reasons (e.g. consent decree lifted, project has become an ongoing program, etc.).

shall be compensated at a rate comparable to the pay rate of a civil service employee with the same length of creditable service in a position within the same bargaining unit, as determined in accordance with Attachment A, Part I.

~~3. Exempt Employees selected from an open competitive list to civil service positions other than as described in subparagraph 1 shall be compensated at the initial step of the salary range.~~

Exempt Employees selected from an open competitive list that have performed work satisfactorily for six or more continuous years on a 100% FTE basis who are appointed to civil service positions, other than as described in subparagraph 1, shall be compensated in accordance with Attachment A, Part II."

4. Exempt Employees selected from an internal vacancy announcement, intra-departmental promotional announcement, or inter-departmental promotional announcement that have performed work satisfactorily for six or more continuous years on a 100% FTE basis who are appointed to civil service positions shall be compensated at a rate based on their relevant qualifying State executive branch experience as provided in Attachment A, Part II."

5. Exempt Employees selected from an open competitive list who are appointed to civil service positions, other than as described in subparagraphs 2 and 3, shall be compensated at the initial step of the salary range.


6. Exempt Employees appointed to a civil service position and whose compensation is subject to the provisions of K 2, 3, and 4 of this Article shall retain their existing benefits, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege to the extent that they do not conflict with bargaining unit provisions and are applicable to the type of appointment that they have accepted.

This Supplemental Agreement supercedes all prior Memoranda of Agreement and Supplemental Agreements adding to or amending the provisions of Sections J and K of Article 14.

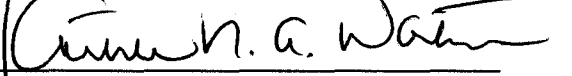
Compensation adjustment provisions contained herein shall take effect on July 1, 2004 and shall continue to and including June 30, 2005, unless modified or terminated by mutual consent of the parties. It is the intent of the parties that the compensation adjustment provisions be continued until the statutory provisions cited above are no longer applicable.

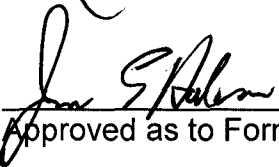
In witness whereof, the parties hereto, by their authorized representatives, have executed this Supplemental Agreement the day and year first written above

**FOR THE EMPLOYER:**

  
\_\_\_\_\_  
Chief Negotiator

  
\_\_\_\_\_  
Budget Director

  
\_\_\_\_\_  
HRD Director

  
\_\_\_\_\_  
Approved as to Form for Attorney General

**FOR THE UNION:**

  
\_\_\_\_\_  
Hawaii Government Employees  
Association

**COMPENSATION ADJUSTMENTS FOR EXEMPT  
EMPLOYEES APPOINTED TO CIVIL SERVICE POSITIONS**

**PART I**

**COMPENSATION OF EXEMPT EMPLOYEES APPOINTED TO  
REPLACEMENT CIVIL SERVICE POSITIONS IN BU 03**

Continuous Creditable Service

Employment with the State executive branch, beginning with the employee's most recent date of hire.

Break In Service

A "break in service" shall mean separation from service without a new appointment with the State executive branch the next working day following the date of separation. Absences without pay, other than sabbatical leaves, LWOP to recuperate from an injury for which workers' compensation weekly benefits are paid, or military leave without pay where the President of the United States or the Governor of Hawaii has called the employee to active duty, shall not be creditable.

BU 03 Conversion Schedule

Step	Years
A	0 < 1
B	1 < 2
C	2 < 4
D	4 < 7
E	7 < 10
F	10 < 13
G	13 < 16
H	16 < 19
I	19 < 22
J	22 < 25
K	25 < 28
L	28 or more

## PART II

### COMPENSATION OF EXEMPT EMPLOYEES APPOINTED TO CIVIL SERVICE POSITIONS IN BU 03 THROUGH INTERNAL RECRUITMENT

Exempt employees selected from an internal recruitment to fill civil service positions shall be compensated for their relevant qualifying State work experience. Relevant qualifying State work experience is defined as experience that:

1. is creditable toward meeting the minimum qualifications and/or any selective certification requirement(s) of the position the exempt employee is being appointed to,
2. was gained within the Executive Branch without a break in service of one or more working days, and
3. service irrespective of bargaining unit.

Employees shall be placed on the step in the applicable salary range which is appropriate for the amount of relevant qualifying State work experience which is in excess of the minimum experience requirement(s), including selective certification requirement(s), if any, of the class and/or position in accordance with the table shown below. It is further provided that the compensation of such employees shall not be increased by more than twelve percent (12%) of their existing compensation, unless such increase is below the minimum rate for the applicable salary range. In such case, the employee will be compensated at the minimum rate for the applicable salary range.

#### BU 03 Conversion Schedule

Step	Years
A	0 < 1
B	1 < 2
C	2 < 4
D	4 < 7
E	7 < 10
F	10 < 13
G	13 < 16
H	16 < 19
I	19 < 22
J	22 < 25
K	25 < 28
L	28 or more

The following procedure is to be used to determine the compensation of an exempt employee appointed to a civil service position through an internal recruitment, other than for situations where the exempt employee is appointed to a civil service position which replaced the employee's exempt position.

- Step 1: Determine what periods of the employee's total service with the State executive branch can be utilized to meet the experience requirement(s), and selective certification requirement(s), if applicable, for the civil service position to which the exempt employee is being appointed to.
- Step 2: Determine whether there was a break in service on one or more working days during the continuous period. If there was a break in service, only the service after the break in service is to be considered.
- Step 3: From the qualifying State work experience, subtract the number of years needed to meet the minimum experience requirement, and selective certification requirements, if applicable, for the civil service position to which the exempt employee is being appointed.
- Step 4: Determine the amount of relevant qualifying State experience remaining after the minimum experience requirement(s) and selective certification requirement(s) have been deducted. Then, using the appropriate table shown above, identify the step that the exempt employee should be placed on.
- Step 5: The compensation of the exempt employee shall not exceed the employee's existing compensation by more than twelve percent (12%), (comparable to the three pay range limit on step-to-step placement for promotions of civil service employees for these bargaining units), provided that the employee shall not be paid less than the minimum step of the salary range or more than the maximum step of the salary range and must be placed on a step.
- (NOTE: The above-mentioned procedure is to be used only for determining the compensation of the exempt employee. The exempt employee may meet the minimum qualification requirements and selective certification requirements, if any, through other than State service.)