

STATE OF HAWAII DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT POLICIES AND PROCEDURES	POLICY NO. 201.009 ECCD/Comp	NO. of PAGES 6 1 Attachment
	EFF. DATE 10/22/14	REV.NO./Date Rev. No.1 2/1/19
TITLE: FLEXIBLE HIRING RATES (FHR) – BU 13 INDEPENDENT WORKER LEVEL & ABOVE	APPROVED: <i>Ryker J. Wada</i> Ryker Wada, Director	

I. POLICY

Although civil service appointments are typically made at the minimum rate of the applicable salary range, there are circumstances under which a higher starting salary may be appropriate.

Civil service appointments for BU 13 at the independent worker level and above, and their excluded counterparts may be made by the appointing authority up to Step H based on the applicant's excess creditable experience.

II. RATIONALE

To enable programs the option and flexibility to recruit and hire more experienced professionals by permitting more competitive pay ranges for hiring.

III. DEFINITIONS UNDER THIS POLICY

Class of Work – A group of positions that reflect sufficiently similar duties and responsibilities such that the same title and the same pay range may apply to each position allocated to the class.

Excess Creditable Experience – Years of minimum requirement experience at the independent worker level and above, that is left after the qualifying minimum requirements and selective certification requirements (if applicable), have been deducted.

Independent Worker Level – Independently performs professional work that is not at a trainee level.

Maximum Authorized Hiring Rate – The highest rate that the appointing authority may authorize based on the applicant's excess creditable experience and the guidelines in *Placement on the Salary Range* on page 3-4.

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IV. SCOPE

This policy shall apply to State civil service appointments for BU 13 at the independent worker level and above, and their excluded counterparts in the executive branch under the administration of the Department of Human Resources Development (HRD).

V. PROCEDURES

Eligibility – BU 13 independent worker level and above, and their excluded counterparts only.

The FHR Policy shall not be used solely for the purpose of giving an employee a pay raise in their position, i.e., an employee shall not be appointed to another position so the employee can reapply to his/her recently vacated position at a higher rate of pay.

1. Recruitment -

Open-Competitive Recruitments – Eligible positions will be advertised by HRD from the salary range minimum to Step H. The following statement should be included on FHR job announcements: Hiring rates will be based on availability of funds, the applicant's qualifications, and other relevant factors.

Note: FHR shall not be used for BU 13 positions filled through internal vacancy announcements, interdepartmental recruitments or intradepartmental recruitments.

2. Interviews – Applications will be screened and individuals interviewed in the customary manner.

Since selection and pay will be based on the information submitted by the applicant and responses provided during interviews, it is very important that a structured interview be conducted and each applicant is asked and evaluated on the same questions.

3. Selection – When a selection is made, the supervisor/manager *may* recommend to the appointing authority that the applicant be appointed above the minimum pay rate. The appointing authority makes the final decision based on the recommendation.

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a. Making the Pay Decision

When making a pay decision, the following factors should be considered:

- The individual's work experience, education, training, knowledge, skills, abilities, expected competencies and performance. These factors should enable the applicant to perform the job with minimal training.
- The applicant's experience should be compared to the experience of existing employees in similar positions within the relevant work unit (see *Consider the Pay of Existing Employees*, page 5).
- The applicant must have excess creditable experience as described in the *Definitions Under This Policy*, page 1.

Appointment above the minimum is discretionary. The appointing authority is not required to appoint any applicant above the minimum pay rate even when the applicant qualifies for hiring under the FHR policy. The appointing authority may also elect to appoint the applicant on a step lower than the maximum authorized hiring step under this policy (see *Placement on the Salary Range*). The basis for appointing an applicant on any step above the minimum of the salary range under this policy must be documented on the HRD 395d.

- The department/program must be able to accommodate the added cost within its existing and expected future budgets with no additional funds.
- Pay decisions shall comply with all federal and state laws regarding pay and non-discrimination practices.

b. Placement on the Salary Range

- 1) Determine the applicant's years of excess creditable experience as follows:

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- Identify all years of experience that can be used to meet the minimum requirements and/or selective certification requirements (if applicable).
- Deduct the years of experience required to meet the minimum requirements and selective certification requirements (if applicable).
- The resulting years is the excess creditable experience.

Experience shall be prorated if the individual performed the excess creditable experience on a part-time basis.

Substitution: Direct relevant education, training, or certification in excess of the minimum requirements and selective certification, if applicable, may be used to substitute for up to one year of experience.

- 2) Calculate the applicant's maximum authorized hiring rate and shortage differential (if applicable).

If the position is being filled by an existing employee, the employee shall not receive less than the compensation adjustment for the applicable personnel action (e.g., transfer or promotion).

Based on the applicant's years of excess creditable experience at the independent worker level or above, the appointing authority may place the applicant up to the applicable step following these guidelines.

Years of Excess Creditable Experience	Maximum Authorized Hiring Rate
< 2 years	Step C
2 to less than 4 years	Step D
4 to less than 6 years	Step E
6 to less than 9 years	Step F
9 to less than 12 years	Step G
12 or more years	Step H

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Note: If the position is on shortage, the employee shall also receive the shortage differential (SD) for the applicable step of the pay range.

- 3) Exceptions to these guidelines may be made upon written request and approval by the Department of Human Resources Development Director. However, in no circumstance shall an employee be hired above the maximum authorized hiring rate under this policy.

c. Consider the Pay of Existing Employees

It is strongly recommended that the total compensation (TC, base pay + SD, if applicable) shall not exceed the TC of an existing employee in a comparable position with similar or greater experience, education, training, knowledge, skills, abilities and competencies.

4. **Documentation** - All appointments under this policy shall be documented on the HRD 395d form, *Flexible Hiring Rates (BU 13 Independent Worker Level and Above)* and a signed copy shall be sent via email to the Compensation Branch, Department of Human Resources Development within 10 days of approval.

The hiring manager, in conjunction with the appointing authority and personnel office is responsible for ensuring that the pay rate offered to the candidate is reasonable. The pay of existing employees with similar or greater backgrounds in comparable positions in the relevant work unit shall be given serious consideration before a pay rate is recommended.

5. **Coding in HRMS (Human Resources Management System)** –When inputting the transaction in the personnel transaction module of HRMS, the applicable action/reason codes for FHR must be used (e.g., HIR/FHR, PRO/FHR, REH/FHR, XFR/FHR).

VI. BACKGROUND

This policy and procedure supersedes the HRD memorandum, Hire Above the Minimum Pilot Project for Information Technology Specialist IV, V and VI Positions dated September 1, 2006.

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VII. AUTHORITIES and REFERENCES

§76-5, Hawaii Revised Statutes, *Alternatives in providing human resources program services*

§76-13, Hawaii Revised Statutes, *Specific duties and powers of director*

§76-22.5, Hawaii Revised Statutes, *Recruitment*

VIII. ATTACHMENTS

HRD 395d: *Flexible Hiring Rates (BU 13 Independent Worker Level and Above)*