



**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. 3 7/01/23

TITLE:
**FLEXIBLE HIRING RATES (FHR) –
BU 3, 4, & 13**

APPROVED:
Brenna H. Hashimoto
Brenna H. Hashimoto, 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 3, 4 (generally SR 8 and above) and BU 13 (independent worker level and above), and their excluded counterparts may be made by the appointing authority up to Step I based on the applicant’s excess creditable experience.

II. RATIONALE

To enable programs the option and flexibility to recruit and hire more experienced white-collar, white-collar supervisory, and professional employees 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 (ECE) – Years of minimum requirement experience that is left after the qualifying minimum requirements and selective certification requirements (if applicable), have been deducted.

Independent Worker Level (BU 13 only) – 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 ECE and the guidelines in *Placement on the Salary Range* on page 4-6.

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IV. SCOPE

This policy shall apply to State civil service appointments for BU 3, 4 (generally SR 8 and above) and BU 13¹ (independent worker level and above), and their excluded counterparts in the executive branch under the administration of the Department of Human Resources Development (DHRD). The FHR policy shall not be used for classes that do not have minimum experience requirements.

V. PROCEDURES

1. Recruitment –

Open-Competitive Recruitments – Eligible positions will be advertised by DHRD from the salary range minimum to Step I. 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 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.

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

¹ Excludes positions in the Information Technology Broadband Project and Licensed Health Care Professional Project that has its own hiring pay program.

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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 ECE as described in the *Definitions Under This Policy*, page 1. The ECE is based on the minimum qualification experience requirements in the class specifications for each class of work. It is strongly recommended to give credit for the excess "specialized" experience requirement (experience that is directly related to the job) and **not** excess "basic" or "general" experience (experience that is broad in nature and not directly related to the job).

For example, the Secretary class requires general experience which involved basic tasks which demonstrated knowledge of English grammar, spelling and arithmetic, ability to read and understand instructions, speak and write simply and directly, etc. The general experience may not involve specific duties performed by a Secretary. However, specialized experience involves duties that are directly related to work performed in the Secretary position such as progressively responsible typing, substantive clerical work, ability to carry out procedures in clerical work systems and to perform secretarial tasks, etc. Since the specialized experience is more applicable to the job and will enable the employee to be productive with less training, it is highly recommended that the specialized experience be credited when determining the ECE.

It is further recommended that departments apply their practice consistently for future similar hires in the relevant work area (i.e., department, division, branch, etc.).

- 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 below, *Placement on the Salary Range*).

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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.
- 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.
- The FHR policy shall be considered at the time of hire and the effective date shall be the employee's date of hire. The salary rate under the FHR policy shall not be retroactively applied.
- 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 ECE as follows:
 - 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 ECE.

Experience shall be prorated if the individual performed the ECE on a part-time basis.

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

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

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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 ECE in excess of the minimum requirements, the appointing authority may place the applicant up to the applicable step following these guidelines.

- BU 3, 4 (Generally SR 8 and Above)

Years of Excess Creditable Experience	Maximum Authorized Hiring Rate
< 1 year	Step C
1 to less than 2 years	Step D
2 to less than 4 years	Step E
4 to less than 7 years	Step F
7 to less than 10 years	Step G
10 to less than 13 years	Step H
13 or more years	Step I

- BU 13 (Independent Worker Level and Above)

Years of Excess Creditable Experience	Maximum Authorized Hiring Rate
< 2 years	Step D
2 to less than 4 years	Step E
4 to less than 7 years	Step F
7 to less than 10 years	Step G
10 to less than 13 years	Step H
13 or more years	Step I

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

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- 3) Exceptions to these guidelines may be made upon written request and approval by the DHRD 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 3, 4 and 13)* and a signed PDF copy shall be sent via email to DHRD.Compensation@hawaii.gov 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.

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 3, 4 and 13)*

Flexible Hiring Rates - BU 3, 4, and 13
Policy No. 201.009

Please complete gray highlighted areas only.

Name:	_____		
Dept/Div/Br:	_____		
Class Title:	_____	Bargaining Unit:	_____
Jobcode:	_____	SR:	_____
Position Number:	_____		
<input type="checkbox"/> New Hire <input type="checkbox"/> Rehire <input type="checkbox"/> Promotion ¹ <input type="checkbox"/> Transfer ¹		Effective date (for HR use only): _____	

<p>Current Salary (Transfer or Promotion) <i>Open competitive recruitments <u>only</u> - Do not use for IVAs</i></p> <p>Current SR: _____ Current Step: _____</p> <p>Current Monthly: _____</p> <p>SD and/or other Diff (if applicable): _____</p> <p>Total Salary: \$ _____ - _____</p>	<p>FHR Recommended Step and Salary</p> <p>Recommended Step: _____ <u>0</u></p> <p>Monthly Salary (Based on recommended step): _____ <u>0</u></p> <p>SD or other Diff (if applicable): _____ <u>0</u></p>
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Recommended Total Compensation: 0

Certification: I certify that the recommended salary is based on relevant information provided by the applicant/employee and that the program can accommodate the additional funding associated with this request within its existing budget. Further, the additional funding required can be covered in future budgets without an increase in the level of funding.

_____	_____	_____
Name of Supervisor/Manager	Signature	Date
_____	_____	_____
Name of Division Administrator	Signature	Date

The above recommendation has been reviewed by the departmental personnel office:

Recommend Approval SR: _____ Step: _____ Monthly Salary: _____
 Recommend Approval with Changes
 Approval Not Recommended

Comments² :

_____	_____	_____
Name of DHRO	Signature	Date

Approved
 Approved with Changes SR: _____ Step: _____ Monthly Salary: _____
 Not Approved

Comments² :

_____	_____	_____
Name of Director	Signature	Date

¹Open Competitive Recruitment ONLY. (Not authorized for IVAs)
²Click and drag on the left side to expand a row if more space is needed for comments, duties, and/or justifications.
Once approved by the appointing authority, please email a signed PDF version to the Compensation Branch at dhrd.compensation@hawaii.gov within ten (10) calendar days of the approval.

FHR - BU 3, 4, and 13 (P&P 201.009)

Form HRD 395d

Please complete gray highlighted areas only.

Name: 0
Class: 0
BU: 0 **SR:** 0

Minimum Qualifications (MQs)

Education:

Degree: _____
 Major: _____
 Date Acquired: _____
 (if available)

Experience to meet MQs:

Experience to meet MQs* (List Employer, Job Title and Duties) ²	Dates Employed (mm/dd/yy)**		Hrs/Wk	Duration
	From	To	Max 40 Hrs	FTE Years
1.				0.0000
2.				0.0000
3.				0.0000
4.				0.0000
5.				0.0000
Total			Years	Months 0

*If one employer is used for both MQs and ECE, enter split dates in MQs & ECE sections separately. The same dates should not be entered in both sections.

**Insert exact date, if known, otherwise use the 15th of each month.

Selective Certification:

Yes No

Document the applicant's education and work experience that meets selective certification requirements.

Excess Creditable Experience (ECE)

List and determine excess creditable experience based on the MQ type of experience relevant to the position. When the ECE exceeds the maximum authorized hiring rate of Step [H], additional experience need not be listed.

Excess creditable MQ type of experience* (List Employer, Job Title, and Duties) ²	Dates Employed (mm/dd/yy)**		Hrs/Wk	Duration
	From	To	Max 40 Hrs	FTE Years
1.				0.0000
2.				0.0000
3.				0.0000
4.				0.0000
5.				0.0000
6.				0.0000
7.				0.0000
Total			Years	Months 0

*If one employer is used for both MQs and ECE, enter split dates in MQs & ECE sections separately. The same dates should not be entered in both sections.

**Insert exact date, if known, otherwise use the 15th of each month.

Justification (REQUIRED):

Briefly describe how the applicant's excess creditable work experience, education, knowledge, skills, abilities, and competencies are relevant to the position being filled.

FHR - BU 3, 4, and 13 (P&P 201.009)

Form HRD 395d

Please complete gray highlighted areas only.

Name: 0
Class: 0
BU: 0 SR: 0

Minimum Qualification (MQ) & Excess Creditable Experience (ECE)

See page/tab 2 for detailed information

- I. MQ Experience: Years: Months: 0
- II. Excess Creditable Experience Years: Months: 0

Maximum Authorized Step Based on Total ECE (see page/tab 4):
Recommended Step: **

Monthly Salary (Based on recommended step):
SD or other Diff (if applicable):

Recommended Total Compensation: 0*

REQUIRED:

*Does the "Recommended Total Compensation" exceed the salary of existing employee(s) in comparable position(s) in the relevant work unit(s) with similar or greater education, experience, knowledge, skills, abilities, and competencies?

- Yes
- No

If you checked "yes," please describe the reason(s) for proceeding with this recommendation.²

**Is the "Recommended Step" less than the step that has been determined based on their ECE?

- Yes
- No

If you checked "yes," please describe the reason(s) for proceeding with this recommendation.²

For Reference Only

Please see P & P 201.009 for the most updated information.
Taken from Page 5 of P & P 201.009.

BU 3, 4 (Generally SR 8 and Above)

Years of Excess Creditable Experience	Maximum Authorized Hiring Rate
< 1 year	Step C
1 to less than 2 years	Step D
2 to less than 4 years	Step E
4 to less than 7 years	Step F
7 to less than 10 years	Step G
10 to less than 13 years	Step H
13 or more years	Step I

BU 13 (Independent Worker Level and Above)

Years of Excess Creditable Experience	Maximum Authorized Hiring Rate
< 2 years	Step D
2 to less than 4 years	Step E
4 to less than 7 years	Step F
7 to less than 10 years	Step G
10 to less than 13 years	Step H
13 or more years	Step I