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September 12, 2024

*Via Email*

Mr. Keith Hayashi  
Superintendent  
Hawai'i State Department of Education  
[keith.hayashi@k12.hi.us](mailto:keith.hayashi@k12.hi.us)

**Osa Tui, Jr.**  
President  
**Logan Okita**  
Vice President  
**Cheney Kaku**  
Secretary-Treasurer  
**Ann Mahi**  
Executive Director

Re: HSTA Grievance # O-25-06, Paycheck Delay, Bargaining Unit 05 Employees

Superintendent Hayashi:

In a follow-up to the previous communication between the Hawai'i State Teachers Association (HSTA) and Hawai'i Department of Education (HIDOE) regarding the paycheck delay affecting bargaining unit 05 (BU05) employees, we would like to thank you for meeting with us on Monday, September 9. We appreciate the time you and your staff took to provide an overview of the issues and the informal discussion to resolve the grievance.

The HSTA appreciates the lengthy discussion and explanation by Assistant Superintendent Sean Bacon, providing an overview of the internal Office of Talent Management (OTM) standard practice for “necessary pre-boarding requirements” and the related errors and challenges that affected 419 HIDOE teachers and 114 public charter school teachers, resulting in no paycheck on August 20. While the HSTA understands that if the teacher started employment after August 1st, their first paycheck does not occur until September 5, we remain concerned about the causes of the pay delay; in particular, the following was alarming:

- The HIDOE provided no basis for its position that employees must complete all of their “pre-boarding” steps by July 9, or the HIDOE was not obligated to pay teachers on August 20.
- The HIDOE provided no evidence that BU05 employees were informed of the July 9 pre-boarding rule and that a “teacher’s start date does not necessarily determine when they will receive their first paycheck,” as cited in the September 4 letter to HSTA.
- The HIDOE could not explain why BU05 employees were allowed to start work (unlike other bargaining units) without completing pre-boarding, which requires completion and submission of the following:
  - (1) Social Security number & birthdate,
  - (2) Valid teacher license or permit from the Hawaii Teacher Standards Board (HTSB) and
  - (3) Background check and fingerprinting
- The HIDOE failed to closely monitor the employee pre-boarding process and charter school processing, resulting in HSTA being the first to inform the HIDOE of an issue.

Therefore, in addition to HSTA’s August 30 request for information, pursuant to Article IV – Association Rights, HSTA requests the following:

1. Information on items previously requested (August 30) and not yet provided;

*Explanation: The HIDOE has yet to provide HSTA with mailing addresses and phone numbers of HIDOE-affected employees and awaits confirmation that pay has been restored.*

2. Information related to Public Charter School BU05 Employees

*Explanation: As of September 10, the HIDOE has failed to provide HSTA with a list of the affected public charter school teachers for whom they process records, transactions, and payroll.*

3. Information related to the staffing levels and number of vacancies in OTM related to processing records and transactions of BU05 employees.

*Explanation: We are concerned that inadequate staffing will continue to impact BU05 employees, including public charter schools. This is especially true since a single position designated for supporting charter schools remains vacant. That position maintains records of 882 charter school positions and 529 active public charter school employees.*

4. Copies of all written procedures related to pre-boarding and “standard practice”;

*Explanation: In the meeting and September 4 letter, repeated references were made to the “department’s standard practice,” the procedures for pre-boarding employees, and the process and steps for processing new HIDOE and Public Charter School Employees.*

5. Copies of any communication sent by OTM to the other HIDOE state offices, public charter schools, districts, and schools during school year 2023-24 and school year 2024-2025 and/or sent by district staff to school-level regarding procedures for new hires and clearance to start work.

*Explanation: Since HSTA met with the HIDOE, we have learned that Certificated Human Resources Regional Officers notified administrators that unlike prior school years, which allowed a 30-day grace period, the HIDOE was implementing a new rule that provided “no exceptions” to starting without all pre-boarding steps being completed*

During the informal meeting, HSTA provided details regarding the harm caused by the HIDOE’s failure to pay BU05 employees on August 20th and September 5th. In addition, the employer’s failure to warn employees of a possible delay exacerbated the harm. As of September 10, BU05 employees report the following harmful consequences caused by HIDOE:

- 25% are reporting overdraft fees
- 32% are reporting missed payment fees
- 33% are reporting late payment fees
- 25% are reporting impacts to their credit score
- 6% are reporting an inability to qualify for a loan
- Others report an inability to apply for rental housing (due to no income), denial of housing, and concerns related to medical coverage and medical procedures
- All respondents report many hours spent trying to remedy issues caused by the delay and added stress and anxiety impacting their ability to focus on teaching.

In addition, the HIDOE’s response regarding any impacts on Employee Union Trust Fund (EUTF) and Island Flex deductions sorely lacked substance. As HSTA explained, to direct over four hundred 400<sup>1</sup> employees to separately contact EUTF and Island Flex regarding “how to pay their shortage” insults the very employees at the heart of your department. It not only causes more work for EUTF and Island Flex

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<sup>1</sup> Based on discussions, information and data shared, the HSTA is tracking at least 286 HIDOE employees and 114 public charter school teachers affected by the HIDOE’s paycheck delay.

but also harms employees by eliminating any possibility of processing medical premiums and Island Flex payments “pre-tax,” resulting in added financial burden, paying even out of pocket for benefits.

Our members have experienced actual, documented harm due to the failure of HIDEOE to process employee records through OTM promptly and failing to provide notification of potential paycheck delays. As discussed, we had hoped the HIDEOE would be willing to remedy the situation and settle the grievance with the following actions for each affected employee:

- Made whole for the salary owed with interest paid
- One full day of recall pay to address financial consequences
- One paid administrative leave day to address financial consequences
- Reimbursement for all late/missed payment fees and overdraft fees
- Provide options for processing EUTF and Island Flex deductions through payroll pretax.
- Payment of missed HSTA Dues deduction for each HSTA member of BU05 affected.

In addition, the HSTA requests the HIDEOE provide employees sixty (60) additional days to repay the “placeholder paychecks.” The HSTA also expects impacted Public Charter Schools to be reimbursed for additional costs incurred by the HIDEOE’s failure to meet their contractual responsibilities related to records, transactions, and payroll.

Unfortunately, based on the informal meeting discussion and the HIDEOE's lack of a substantial response to our concerns and remedies sought to address the harm to the bargaining unit 05 (BU05) employees, we have been unable to resolve the grievance at the informal level. **Therefore, the Hawai'i State Teachers Association (HSTA) submits the enclosed Step 2 grievance and, in compliance with Article V of the HSTA collective bargaining agreement, requests a Step 2 meeting be scheduled within five (5) working days.**

The HSTA expects a timely response regarding the above, understanding that it does not negate the collective bargaining rights of BU05 employees to be represented by HSTA. Please contact me via e-mail at aeshelman@hsta.org or at 808-840-2233 to arrange the Step 2 meeting.

Sincerely,



Andrea Eshelman  
Deputy Executive Director

C: Sean Bacon, Assistant Superintendent, Office of Talent Management (OTM)  
Ainoa Naniole, Human Resources Director, Employee Relations  
Jill Suzuki, Human Resources Officer, OTM - Labor Relations Section