June 6, 2025

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Third State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Nadine Nakamura Speaker, and Members of the House of Representatives Thirty-Third State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on June 6, 2025, the following bill was signed into law:

S.B. NO. 1567, S.D. 1, H.D. 1, C.D. 1 RELATING TO THE CLASSIFICATION AND COMPENSATION SYSTEMS.

ACT 180

Mahalo,

Josh Green, M.D.

Governor, State of Hawai'i

on JUN 6 2025

THE SENATE THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII ACT 180 S.B. NO. 5.D. 1 H.D. 1 C.D. 1

## A BILL FOR AN ACT

RELATING TO THE CLASSIFICATION AND COMPENSATION SYSTEMS.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that state agencies are
- 2 experiencing a significant labor shortage that is anticipated to
- 3 worsen in the future. According to the department of human
- 4 resources development, vacant positions within state agencies
- 5 increased from eighteen per cent in 2019 before the COVID-19
- 6 pandemic to twenty-seven per cent in 2023. While the COVID-19
- 7 pandemic may have contributed to this increase, the department
- 8 of human resources development also reported that thirty per
- 9 cent of existing state employees will be eligible for retirement
- 10 in the next five years.
- 11 The legislature also finds that the class specifications of
- 12 state positions that define the duties and responsibilities of
- 13 the respective class, level of difficulty and authority, and
- 14 minimum qualifications, and compensation for the positions have
- 15 become outdated, contributing to state agencies' struggle in
- 16 recruiting, hiring, and retaining employees. Therefore, it is
- 17 imperative for state departments and agencies to conduct a

- 1 comprehensive review and modernization of position
- 2 classification and compensation systems of their positions, to
- 3 attract and retain qualified and capable employees that will
- 4 effectively serve the residents of the State.
- 5 Accordingly, the purpose of this Act is to require the
- 6 department of human resources development to expeditiously
- 7 conduct a comprehensive review of the classification and
- 8 compensation systems for civil service positions under its
- 9 jurisdiction.
- 10 SECTION 2. (a) The department of human resources
- 11 development shall complete a comprehensive review of the
- 12 classification and compensation systems for all civil service
- 13 positions that are under its jurisdiction by October 31, 2026.
- 14 The department of human resources development may contract with
- 15 a third party, in accordance with chapter 103D, Hawaii Revised
- 16 Statutes, to assist with the timely completion of the review.
- 17 (b) The department of human resources development shall
- 18 submit a:
- 19 (1) Preliminary report of its findings and
- 20 recommendations, including any proposed legislation,

1		to the legislature no later than February 28, 2026;
2		and
3	(2)	Final report of its findings and recommendations,
4		including any proposed legislation, to the legislature
5		no later than twenty days prior to the convening of
6		the regular session of 2027.
7	SECT	ION 3. This Act shall take effect on July 1, 2025.

S.B. NO.

APPROVED this

6th

day of

June

, 2025

GOVERNOR OF THE STATE OF HAWAI'I

## THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2025 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2025.

President of the Senate

Clerk of the Senate

## THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.

Nadine K. Nakamura Speaker

Madei K. Mahn

House of Representatives

Wil. Ille

Brian L. Takeshita

Chief Clerk

House of Representatives