

STAND. COM. REP. NO.

1322

Honolulu, Hawaii

MAR 18, 2025

RE: S.B. No. 1567
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Labor, to which was referred S.B. No. 1567,
S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE CLASSIFICATION AND
COMPENSATION SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Department of Human Resources Development to conduct a comprehensive review of the classification and compensation systems for state executive agencies;
- (2) Allow the Department of Human Resources Development to contract a third-party to assist with the completion of the review; and
- (3) Appropriate funds to support the completion of the review.

Your Committee received testimony in support of this measure from the Department of Human Resources Development and Holomua Collaborative.

2025-2633 SB1567 HD1 HSCR HMSO



Your Committee finds that the number of vacant positions in the State was twenty-three percent in 2023, and, by 2029, thirty percent of state employees will be eligible for retirement, further increasing the vacancy rate unless the hiring rate outpaces quitting and retirement rates. Your Committee also finds that the class specifications of state positions, which establish minimum requirements, duties, responsibilities, pay grades, and levels of authority are outdated and contribute to the difficulty of filling vacancies. Your Committee further finds that high vacancy rates exacerbate certain agencies from dispensing critical public services, such as SNAP, MedQuest, and unemployment benefits. This measure seeks to reassess the qualifications and compensation packages for certain positions to improve overall retention and recruitment of qualified candidates.

Your Committee has amended this measure by:

- (1) Limiting the scope of this review to civil service positions under the Department of Human Resources Development's jurisdiction;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$1,750,000.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1567, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1567, S.D. 1, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Labor,



JACKSON D. SPILAMA, Chair

State of Hawaii
House of Representatives
The Thirty-third Legislature

HSCR 1322

Record of Votes of the Committee on Labor

Bill/Resolution No.: SB 1567, SD1	Committee Referral: LAB, FIN	Date: 3/13/25
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SAYAMA, Jackson D. (C)	X			
2. LEE, Mike (VC)	X			
3. GARRETT, Andrew Takuya	X			
4. KAPELA, Jeanne	X			
5. KONG, Sam Satoru	X			
6. REYES ODA, Julie	X			
TOTAL (6)	6			

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature:

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