
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15 become outdated, contributing to state agencies' struggle in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 SECTION 3. This Act shall take effect on July 1, 2025.



Report Title:

DHRD; Classification and Compensation Systems; Civil Service Positions; Comprehensive Review; Reports

Description:

Requires the Department of Human Resources Development to complete a comprehensive review of the classification and compensation systems for all civil service positions under its jurisdiction by 10/31/2026. Allows the Department to contract with a third party, in accordance with the Hawaii Public Procurement Code, to assist with the timely completion of the review. Requires reports to the Legislature. (CD1)

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