

Honolulu, Hawaii

APR 25 2025

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

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

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1567, S.D. 1, H.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Require the Department of Human Resources Development to complete a comprehensive review of the classification and compensation systems for civil service positions under the jurisdiction of the Department of Human Resources Development;
- (2) Allow 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;



- (3) Require reports to the Legislature; and
- (4) Appropriate funds.

Your Committee on Conference finds that many state agencies are experiencing staffing shortages which hinder the delivery of critical public services, such as the Supplemental Nutrition Assistance Program, Med-QUEST, and unemployment benefits. Your Committee on Conference further finds that high vacancy rates are exacerbated by outdated classification and compensation systems for state employee positions, which impede state hiring efforts. Therefore, this measure will reassess the qualifications and compensation packages for certain positions to improve retention and recruitment of qualified candidates to public service.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the Department of Human Resources Development shall complete the comprehensive review of the classification and compensation systems for all civil service positions that are under its jurisdiction by October 31, 2026;
- (2) Requiring the Department of Human Resources Development to submit its preliminary report to the Legislature by February 28, 2026, rather than twenty days prior to the convening of the Regular Session of 2026;
- (3) Deleting language that would have appropriated funds to the Department of Human Resources Development to conduct and complete a comprehensive review of the classification and compensation systems for civil service positions under its jurisdiction;
- (4) Amending section 1 to reflect its amended purpose;
- (5) Changing its effective date to July 1, 2025; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1567, S.D. 1, H.D. 1, as amended herein, and recommends



that it pass Final Reading in the form attached hereto as S.B. No. 1567, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



JACKSON D. SAYAMA
Co-Chair



HENRY J.C. AQUINO
Chair



MIKE LEE
Co-Chair



SHARON MORIWAKI
Co-Chair



Hawai'i State Legislature

Record of Votes of a
Conference Committee

CCR 147

Bill / Concurrent Resolution No.: SB 1567, SD 1, HD 1	Date/Time: 4/25/25 10:20 AM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
AQUINO, Henry J.C., Chr.	✓				SAYAMA, Jackson D., Co-Chr.	✓			
MORIWAKI, Sharon Y., Co-Chr.	✓				LEE, Mike, Co-Chr.	✓			
FEVELLA, Kurt	✓				REYES ODA, Julie	✓			
TOTAL	3				TOTAL	3			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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