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Statement of
BRENN A. HASHIMOTO
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Before the
HOUSE COMMITTEE ON LABOR
Tuesday, March 18, 2025
9:30 AM
State Capitol, Conference Room 309

In consideration of
SB447 RELATING TO A DEPARTMENT OF HEALTH PILOT PROGRAM

Chair Sayama, Vice Chair Lee, and the members of the committee.

The Department of Human Resources Development (HRD) offers the following strong objections to SB 447 due to fundamental flaws in the proposed hiring pilot program.

The purpose of SB 447 is to establish a hiring pilot program within the Department of Health (HTH) to increase the efficiency of its hiring process. The bill proposes to delegate substantial authority to HTH related to recruitment, selection, and the determination of minimum qualification requirements for specific classes of work, as described in Section 2. The program is set to sunset on June 30, 2028.

HRD fully supports efforts to streamline hiring in the State Executive Branch. However, we strongly oppose the specific approach outlined in Section 2 of this bill for the following reasons:

1. Undermines the Civil Service Merit Principle and Equity in Hiring

As written, Section 2 **directly conflicts** with the civil service merit principle under Hawaii Revised Statutes (HRS) §76-1 and Hawai'i Administrative Rules (HAR). It fundamentally disrupts:

- The civil service classification system's objective of equal pay for equal work, creating inequities across departments.
- The return-to-work placement of injured employees.

- Reduction-in-force (RIF) placements, which are essential protections under collective bargaining agreements and executive orders.
- The statewide merit-based hiring process, potentially allowing HTH to fill vacancies with lesser-qualified applicants.
- Compliance with federal and state non-discrimination laws, which could lead to legal challenges against the State.

To address these concerns, we urge the complete removal of Section 2 and its replacement with the following language:

SECTION 2. (a) There is established a hiring pilot program within the Department of Health, for which the department, pursuant to HRS §76-5, shall issue policies, standards, and procedures that conform to all applicable federal and state employment laws, administrative rules, and civil service merit principles outlined in HRS §76-1. The Department of Health must ensure all employees and members of the public retain their due process rights under federal and state statutes, administrative rules, merit appeals board procedures, and collective bargaining agreements under Chapter 89.

2. Creates an Unequal Hiring Playing Field and Undermines Statewide Recruitment

This bill effectively separates HTH from the rest of the Executive Branch, allowing it to operate as an independent employer, which:

- Directly contradicts HRD's statewide efforts to establish the State as an employer of choice.
- Creates an unfair hiring advantage for HTH, which will be able to offer Temporary Appointment Outside the List (TAOL) positions at higher salaries while bypassing the qualification requirements applied to all other departments.
- Pits HTH against other departments by allowing it to offer roles with lower qualification thresholds, creating inequities and setting a dangerous precedent for fragmented hiring practices across the State.

3. DOH Already Has the Authority and Tools to Achieve the Bill's Objectives

This bill is unnecessary because Hawai'i Revised Statutes §76-5 already allows for delegation of HR services while maintaining compliance with civil service merit principles. Specifically:

- §76-5(a), HRS, mandates that all delegated hiring activities adhere to policies, standards, and procedures set by HRD.

- §76-5(b), HRS, allows for decentralized authority but still requires compliance with the civil service merit system and administrative rules.

Additionally, DOH already has access to HRD hiring programs that provide flexibility and efficiency, including:

- **Delegation of unique job classes** tailored to departmental needs.
- **Holo Delegation**, which allows departments to manage shared job classifications.
- **Act 186**, enacted last year, which allows agencies to screen candidates for minimum qualifications.
- **Wikiwiki Hiring**, which provides departments with updated lists of eligible candidates every two weeks and allows both the applicant and the hiring program to initiate contact for interviews.

4. Misrepresentation of the Need for a Pilot Program

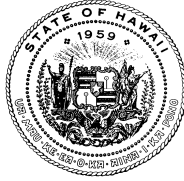
Despite claims that HTH requires a new hiring mechanism, the department has **not** submitted any hiring requisitions through Operation Hire Hawaii (OH-HI) as of March 17, 2025. Additionally, the existing OH-HI program already achieves the intended goals of this pilot project at a significantly faster rate.

HRD opposes SB 447 as written and urges the Legislature to reject this bill unless Section 2 is removed and replaced with language that maintains compliance with civil service merit principles. The proposed pilot program is redundant, inequitable, and harmful to statewide hiring efforts.

HRD remains committed to working with the Department of Health and other agencies to improve hiring processes while ensuring compliance with civil service protections and fairness across all departments. We are available to answer any questions or provide further information as needed.

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Testimony in SUPPORT of SB447
RELATING TO A DEPARTMENT OF HEALTH PILOT PROGRAM.

REPRESENTATIVE JACKSON D. SAYAMA, CHAIR
HOUSE COMMITTEE ON LABOR

Hearing Date/Time: March 18, 2025; 9:30 AM

Room Number: 309

- 1 **Department Testimony:** The Department of Health (DOH) strongly supports SB447 to
- 2 expeditiously increase DOH's civil service workforce to quickly assess public health issues,
- 3 develop effective public health policy, and instill confidence in residents about Hawaii's ability
- 4 to protect their health and well-being.
- 5 Currently, DOH's vacancy rate is at 29.8%, equalling 1,046 positions. A recent survey indicated
- 6 that 43% of DOH respondents, compared to 36% across all departments, reported that they
- 7 expected to seriously look for another job in the next twelve months. Despite being more likely
- 8 to feel purpose and meaning in their work and supported by colleagues and supervisors, DOH
- 9 staff reported work as being their greatest stressor and additional staff/resources as the most
- 10 important solution. DOH leadership feels a sense of urgency to address the vacancies in order
- 11 to be able to continue to perform the department's key functions.
- 12 The competitiveness for a government job is not what it was, and innovation for systems
- 13 change is needed. Departments, with carefully crafted conditions, can be laboratories and
- 14 incubate pilot projects to create efficiencies in the hiring process.
- 15 A recent pilot project took place between August 2024 and January 2025, when DOH
- 16 implemented the Hiring Innovation for Rapid Employment (HIRE) Pilot, a business redesign

1 project aimed at reducing the hiring time and administrative workload for delegated positions.
2 Developed in consultation with the Employment Law Division of the Department of the
3 Attorney General, HIRE efficiently redesigned the workflow of filling vacant delegated positions
4 while maintaining the due process rights of all applicants and ensuring that minimum
5 qualifications are met by the applicant eventually selected for hire.

6 Currently, the state hiring process may deny an applicant “admittance to an examination . . . for
7 [f]ailure to meet the minimum qualification requirements[.]” HAR §14.3.01-11(a)(1). When an
8 applicant is denied admittance for failure to meet minimum qualifications, their application is
9 removed and cannot be considered by the hiring program. As a result of this denial, due
10 process requires notification of the ineligible rating and the opportunity for administrative
11 review of this decision. Id. at (b)&(e). The HIRE pilot, as described in Section 2 (a)(1) of the bill,
12 eliminates this disqualifying step. All applicants are considered and given the opportunity for
13 an interview by the hiring program, resulting in no ineligible rating and notice requirement.
14 Instead, the applicants not hired are given their due process notice at the time of their non-
15 selection.

16 To date, 27 delegated positions were recruited through the HIRE program. Of the 27 positions,
17 DOH’s Human Resources Office (HRO) referred 129 applicants to hiring programs. 16 selections
18 were made, 13 applicants were deemed qualified by HRO, and 13 conditional offers were
19 extended to qualified applicants. The three selectees who were determined not to meet
20 minimum qualifications were provided notification of their ineligibility and appeal rights.

21 The average time from the closing of the posting to referring applications to the program was
22 approximately 14 calendar days versus the two to four months DOH HRO would need to pre-
23 screen minimum qualifications under the traditional procedure for delegated positions. The
24 average time from applicant referral from HRO to the conditional offer was approximately 53
25 calendar days (including holidays). The impact from HIRE reduced HRO’s minimum

1 qualifications review from 129 to 16 applicants, decreasing their workload by approximately
2 80%, providing increased capacity for additional recruitment activities.

3 In summary, this measure addresses DOH's civil service workforce shortage by permitting:

- 4 1. temporary expansion of the HIRE pilot to non-delegated unique and non-unique classes
5 of work;
- 6 2. flexibility with qualifications and experience to facilitate hiring into suitable entry-level
7 positions;
- 8 3. equitable compensation for temporary appointments outside the list to the step
9 corresponding to the employee's skills and experience, instead of automatically to the
10 lowest step, while the temporary employee applies for permanent civil service
11 employment; and
- 12 4. direct hiring of an applicant who meets minimum qualifications into a vacant position
13 when there are multiple vacant positions of the same class available, resulting in no loss
14 of opportunity to the general public to compete for a similar position.

15 Thank you for the opportunity to testify on this measure.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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The Thirty-Third Legislature, State of Hawaii
The House of Representatives
Committee on Labor

Testimony by
Hawaii Government Employees Association

March 18, 2025

S.B. 447 — RELATING TO A DEPARTMENT OF HEALTH PILOT PROGRAM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the intent of S.B. 447, which establishes a hiring pilot program within the Department of Health.

First and foremost, we appreciate and applaud the department's initiative to streamline its civil service hiring process, as they are facing significant challenges in recruiting qualified employees in a timely and competitive manner. This measure is an obvious attempt to work around DHRD's centralized recruitment process, which further proves that this process, administered by DHRD, is broken and not adaptive or flexible at meeting the needs of the line-departments and the current job market. We urge the legislature to focus its effort on improving our state's recruitment efforts, as a whole, as we continue to see high vacancy rates which has led to a reduction in services to the public and an increase/abuse of exempt positions within state government.

Thank you for the opportunity to provide testimony in support of S.B. 447.

Respectfully submitted,

Randy Perreira
Executive Director