



HAWAI‘I STATE ETHICS COMMISSION

State of Hawai‘i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai‘i

Committee: House Committee on Legislative Management
Bill Number: SB 1545
Hearing Date/Time: March 19, 2025, 2:45 p.m.
Re: Testimony of the Hawai‘i State Ethics Commission in **Support** of SB 1545,
Applying Nepotism Restriction to the Legislative Branch

Aloha Chair Holt, Vice Chair Quinlan, and Committee Members:

The Hawai‘i State Ethics Commission (“Commission”) appreciates the legislature’s continued commitment to strengthening ethical standards in public service. This measure takes an important step toward ensuring consistency by establishing a uniform standard for nepotism restrictions while also recognizing the need for flexibility in rare and justifiable circumstances.

By extending nepotism restrictions to the legislature and judiciary—bodies already subject to the State Ethics Code—this bill promotes fairness, transparency, and public trust in government. The inclusion of a well-defined good cause exception, which allows for hiring in cases of “a demonstrated lack of qualified personnel or applicants,” ensures that the rule remains practical without undermining its purpose. This approach balances ethical safeguards with the operational needs of the government and enhances public confidence by making any exceptions publicly accountable.

The Commission appreciates the opportunity to provide input and thanks the Committee for its thoughtful consideration of this measure.

Mahalo for your time and commitment to ethics in government.

Very truly yours,

/S/ Robert D. Harris
Robert D. Harris
Executive Director and General Counsel

SB-1545

Submitted on: 3/17/2025 8:51:00 PM

Testimony for LMG on 3/19/2025 2:45:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| lynne matusow | Individual | Support | Written Testimony Only |

Comments:

Finally, no longer caving in to those legislators who keep family members on their payroll. This is a great bill which will improve trust in government. Please move it forward.

SB-1545

Submitted on: 3/18/2025 10:03:34 AM

Testimony for LMG on 3/19/2025 2:45:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|----------------------|
| Gregory Misakian | Individual | Support | Remotely Via Zoom |

Comments:

I strongly support SB1545.

Please amend this to include all branches of government, including the judiciary.

Gregory Misakian

LATE

SB-1545

Submitted on: 3/18/2025 3:09:17 PM

Testimony for LMG on 3/19/2025 2:45:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Frank Schultz | Individual | Support | Written Testimony Only |

Comments:

I support this initiative.

LATE

SB-1545

Submitted on: 3/19/2025 11:06:31 AM

Testimony for LMG on 3/19/2025 2:45:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Taryn Do | Individual | Support | Written Testimony Only |

Comments:

I support this bill with proposed amendment to the good cause exemption.

Currently, the Legislature is exempted from nepotism law. With only four months of employment, it is already difficult to find quality employees to fill staffing, and believe this may be one of the reasons of the current exemption.

Having a family member as a part of staff can cause poor public perception, which is why I am in favor of the bill, so that qualified family members can follow the overall process of filing a good cause exemption to have clear documentation.

As a current Legislative Aid and daughter of a Legislature, I believe that highly qualified individuals (previously the campaign manager; masters in organizational management) should have no issues with receiving the good cause exemption.

The underlining issue is ensuring there is no favoritism and that the family member is qualified and best fit for the position. The current Good Cause Exemption states that "The Commission will provide a good cause exception application, which will be available on the Commission's website, and require that the agency or employee explain and furnish proof of why they need to be exempted from the nepotism law, the nature of the relationship between the employee and their relative, what efforts were taken to comply with the law absent an exception, how the relevant state position was advertised and for how long (if the decision relates to a new hire), and when the agency or employee must have an answer from the Commission."

Because the Legislative session is so short, "how long the state position was advertised" should be defined clearly. In researching past scenarios of that the Good Cause Exemption was granted, there were months of the position being open with limited or no applicants.

Expanding the good cause exemption for nepotism can provide significant benefits, particularly in cases where hiring based on familial relationships aligns with the best interests of an organization. This exemption allows for greater flexibility in recruitment, enabling Legislatures to retain highly qualified individuals who may otherwise be excluded solely due to familial ties. Hiring qualified relatives can ensure continuity, trust, and efficiency, as these employees often have a deeper understanding of company values and operations. Additionally, a broader exemption can help address workforce shortages by allowing skilled individuals to contribute based on merit rather than being automatically disqualified due to nepotism concerns.

By implementing clear guidelines and oversight, organizations can prevent abuse while still benefiting from the advantages of hiring within trusted networks.