JOSH GREEN, M.D. GOVERNOR OF HAWAII KE KIA'ÄINA O KA MOKU'ÄINA 'O HAWAI'I



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

> REPRESENTATIVE GREGG TAKAYAMA, CHAIR HOUSE COMMITTEE ON HEALTH

Hearing Date/Time: March 12, 2025; 9:00 AM Room Number: 329

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 respondants, 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.

The competitiveness for a government job is not what it was, and innovation for systems change is needed. Departments, with carefully crafted conditions, can be laboratories and incubate pilot projects to create efficiencies in the hiring process.

A recent pilot project took place between August 2024 and January 2025, when DOH
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 process requires notification of the ineligible rating and the opportunity for administrative 10 review of this decision. Id. at (b)&(e). The HIRE pilot, as described in Section 2 (a)(1) of the bill, 11 12 eliminates this disqualifying step. All applicants are considered and given the opportunity for an interview by the hiring program, resulting in no ineligible rating and notice requirement. 13 14 Instead, the applicants not hired are given their due process notice at the time of their non-15 selection.

To date, 27 delegated positions were recruited through the HIRE program. Of the 27 positions, 16 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 extended to qualified applicants. The average time from applicant referral from HRO to the 19 20 conditional offer was approximately 53 calendar days (including holidays). The impact from 21 HIRE reduced HRO's minimum qualifications review from 129 to 16 applicants, decreasing their 22 workload by approximately 80%, providing increased capacity for additional recruitment activities. 23

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

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

JOSH GREEN, M. D. GOVERNOR KE KIA'ĀINA

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Statement of BRENNA H. HASHIMOTO Director, Department of Human Resources Development

Before the HOUSE COMMITTEE ON HEALTH Wednesday, March 12, 2025

9:00 AM State Capitol, Conference Room 329

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

Chair Takayama, Vice Chair Keohokapu-Lee Loy, and the members of the committee.

The Department of Human Resources Development (HRD) offers the following comments for SB 447.

The purpose of SB447 is to establish a hiring pilot program within the Department of Health (HTH) aimed at increasing the efficiency of the department's hiring process for their vacancies; grant HTH significant delegation related to recruitment, selection, and the determination of minimum qualification requirements for specific classes of work as described in Section 2; and establish a sunset date for the hiring pilot program of June 30, 2028.

HRD supports efforts to increase the efficiency of the hiring process in the State Executive Branch; however, we have concerns with the specific approach and language in Section 2 of this bill. As written, it conflicts with the civil service merit principle pursuant to Hawaii Revised Statutes (HRS) §76-1 and Hawai'i Administrative Rules. It compromises current personnel actions based on the civil service classification system's objective of achieving equal pay for equal work, including the return-to-work placement of injured employees, reduction-in-force placements afforded to civil service employees provided for in collective bargaining agreements and executive orders, seeks to apply civil service merit-based pay programs to a non-merit based appointment, as well as exposing the State to claims of discrimination in violation of federal and state laws.

To remedy these concerns, we respectfully request that the current language in Section

2 of the bill be replaced in its entirety with the following:

SECTION 2. (a) There is established a hiring pilot program within the department of health, for which the department, pursuant to Hawai'i Revised Statutes §76-5, shall issue policies, standards and procedures which conform to applicable federal and state employment laws, administrative rules, policies, guidelines, procedures, and standards in compliance with the civil service merit principles as outlined in HRS §76-1. The department of health will ensure that employees and members of the general public are afforded their right to due process pursuant to federal and state statutes, administrative rules, internal complaint procedures, the merit appeals board, and contractual grievance procedures for employees covered by chapter 89."

HRD also believes that this bill is unnecessary as Hawai'i Revised Statutes (HRS) §76-5, "Alternatives in providing human resources program services", allows for the delegation of the performance of services under chapter 76.

- §76-5 (a), HRS, requires the department to perform the services in compliance with any policies, standards, and procedures issued by the director of HRD.
- §76-5 (b), HRS, allows for the chief executive, upon recommendation of the director of HRD, to decentralize powers of the director- except for rulemaking to an appointing authority. In exercising the powers, the appointing authority must issue policies, standards, and procedures that would apply to the department.

Pursuant to §76-5 (b), HRS, the policies, standards, and procedures written and issued by a department granted delegation or decentralized authority must:

- 1. Adhere to the civil service merit principles, as outlined in §76-1, HRS, which includes:
 - Equal opportunity for all in compliance with all laws prohibiting discrimination.
 - Impartial selection of individuals for public service by means of competitive tests which are fair, objective, and practical.
 - Equal pay for equal work between classes in the same bargaining unit.
- 2. Comply with the Hawai'i Administrative Rules (HAR) Title 14 Department of Human Resources Development, which includes:
 - HAR 14-3.01 Filling Positions in the Civil Service
 - HAR 14-3.02 Certification
 - HAR 14-3.05 Types of Appointment, Membership in the Civil Service
- 3. Provide employees and members of the general public their right to due process

pursuant to applicable federal and state statutes, administrative rules, internal complaint procedures, the merit appeals board, and contractual grievance procedures for employees covered by chapter 89.

HRD already offers several types of recruitment delegation that give departments greater control over their recruitment efforts. These include:

- Delegation of unique job classes;
- Holo delegation, which allows departments to manage shared job classifications;
- Act 186, enacted last year, which allows departments to screen for minimum qualifications; and,
- Wikiwiki Hire, which provides departments with updated lists of eligible candidates every two weeks.

HTH currently utilizes some of these tools to support its hiring process. We have encouraged greater adoption of these programs and look forward to working with them to further enhance their recruitment and hiring efforts.

HRD is open to discussions with the Department of Health regarding improvements to the hiring process, amendments to minimum qualifications requirements, and compensation programs.

We are available to answer any questions or provide further information as needed.



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

Testimony by Hawaii Government Employees Association

March 12, 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 centralize 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.

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Randy Perreira **Executive Director**

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