

JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau  
P.O. BOX 259

HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 2489, H.D. 1, Relating to Tax Administration.

**BEFORE THE:**

Senate Committee on Labor and Technology

**DATE:** Wednesday, March 13, 2024

**TIME:** 3:00 p.m.

**LOCATION:** State Capitol, Room 224

Chair Aquino, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation ("Department") strongly supports H.B. 2489, H.D. 1, an Administration measure, and offers the following comments for your consideration.

H.B. 2489, H.D. 1 would add senior software developers with the Department to the list of positions exempt from State civil service in section 76-16, Hawaii Revised Statutes. The bill has a placeholder effective date of July 1, 3000.

The Department notes that it has been extremely challenging to recruit and retain experienced software developers to perform complex system changes, as the experience and skillset needed to perform this type of work, and commensurate salary, exceed what is currently provided by civil service. By creating a category of exempt senior software developers, the Department will be able to attract and retain skilled employees, thereby lessening the impact caused by vacancies, creating a long-term career path for software developers to remain with the State, and decreasing the Department's reliance on contracted services.

If this measure is passed with a functional effective date, the Department requests that it take effect upon approval. Thank you for the opportunity to provide testimony in support of this measure.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Second Legislature, State of Hawaii  
The Senate  
Committee on Labor and Technology

Testimony by  
Hawaii Government Employees Association

March 13, 2024

H.B. 2489, H.D. 1 — RELATING TO TAX ADMINISTRATION.


The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of H.B. 2489, H.D. 1 which exempts senior software developers in the Department of Taxation from civil service.

The use of exempt employees, which are considered “at will” by the state, is completely contrary to the principles of civil service. Exempt employees do not have the same rights and benefits of civil service employees, and that is inherently unfair. We have consistently opposed the creation of more exempt positions in state government and have advocated for sensible civil service reform.

Instead of creating more exempt positions, the civil service system must become more flexible and competitive. This measure goes to the larger issue which is that the state needs to invest in its current and future civil service workforce – increasing the position pay and offering modern and attractive recruitment and retention incentives, along with increasing the hiring time is paramount. Hiring of exempt employees is a band-aid fix to address the underlying issues within the state government workforce. We have seen many bills this session targeted at exempting positions likely due to the Department of Human Resources and Development inability to reduce hiring time and/or unwillingness to provide competitive pay and it’s unfortunate that current and future employees may have to pay the price because of this.

Thank you for the opportunity to provide testimony in opposition of H.B. 2489, H.D. 1.

Respectfully submitted,



Randy Perreira  
Executive Director