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# A BILL FOR AN ACT

RELATING TO THE CLASSIFICATION AND COMPENSATION SYSTEMS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that state agencies are  
2 experiencing a significant labor shortage that is anticipated to  
3 worsen in the future. According to the department of human  
4 resources development, vacant positions within state agencies  
5 increased from eighteen per cent in 2019 before the COVID-19  
6 pandemic to twenty-seven per cent in 2023. While the COVID-19  
7 pandemic may have contributed to this increase, the department  
8 of human resources development also reported that thirty per  
9 cent of existing state employees will be eligible for retirement  
10 in the next five years.

11           The legislature also finds that the class specifications of  
12 state positions that define the duties and responsibilities of  
13 the respective class, level of difficulty and authority, minimum  
14 qualifications, and compensation for the positions have become  
15 outdated, contributing to state agencies' struggle in  
16 recruiting, hiring, and retaining employees. Therefore, it is  
17 imperative for state departments and agencies to conduct a



1 comprehensive review and modernization of position  
2 classification and compensation systems of their positions, to  
3 attract and retain qualified and capable employees that will  
4 effectively serve the residents of the State.

5 Accordingly, the purpose of this Act is to require the  
6 department of human resources development to expeditiously  
7 conduct a comprehensive review of the classification and  
8 compensation systems for civil service positions under its  
9 jurisdiction, and appropriate funds therefor.

10 SECTION 2. (a) The department of human resources  
11 development shall complete a comprehensive review of the  
12 classification and compensation systems for all civil service  
13 positions that are under its jurisdiction by . The  
14 department of human resources development may contract with a  
15 third-party, in accordance with chapter 103D, Hawaii Revised  
16 Statutes, to assist with the timely completion the review.

17 (b) The department of human resources development shall  
18 submit a:

19 (1) Preliminary report of its findings and  
20 recommendations, including any proposed legislation,



1 to the legislature no later than twenty days prior to  
 2 the convening of the regular session of 2026; and  
 3 (2) Final report of its findings and recommendations,  
 4 including any proposed legislation, to the legislature  
 5 no later than twenty days prior to the convening of  
 6 the regular session of 2027.

7 SECTION 3. There is appropriated out of the general  
 8 revenues of the State of Hawaii the sum of \$ or so  
 9 much thereof as may be necessary for fiscal year 2025-2026 and  
 10 the same sum or so much thereof as may be necessary for fiscal  
 11 year 2026-2027 for the department of human resources development  
 12 to conduct and complete a comprehensive review of the  
 13 classification and compensation systems for civil service  
 14 positions under its jurisdiction pursuant to this Act, including  
 15 contracting with a third-party to assist with completing the  
 16 review.

17 The sums appropriated shall be expended by the department  
 18 of human resources development for the purposes of this Act.

19 SECTION 4. This Act shall take effect on July 1, 3000.



**Report Title:**

DHRD; Executive Branch; Classification and Compensation Systems;  
Civil Service Positions; Comprehensive Review; Reports;  
Appropriations

**Description:**

Requires 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 Resource Development. Allows the Department to contract a third-party, in accordance with the Hawaii Public Procurement Code, to assist with the timely completion of the review. Requires reports to the Legislature. Appropriates funds. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

