
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 also reported that thirty per cent of existing state employees
9 will be eligible for retirement in the next five years.

10 The legislature also finds that the class specifications of
11 state positions, defining the duties and responsibilities of the
12 specific class, level of difficulty and authority, and minimum
13 qualifications, and compensation for the positions have become
14 outdated, contributing to the state agencies' struggle in
15 recruiting, hiring, and retaining employees. Therefore, it is
16 imperative for the State's executive branch to conduct a
17 comprehensive review and modernization of its classification and



1 compensation systems to enable the state agencies to attract and
2 retain qualified and capable employees to effectively serve the
3 residents of the State.

4 Accordingly, the purpose of this Act is to require the
5 department of human resources development to expeditiously
6 conduct a comprehensive review of the classification and
7 compensation systems for the State's executive agencies, and
8 appropriate funds therefor.

9 SECTION 2. (a) The department of human resources
10 development shall complete a comprehensive review of the
11 classification and compensation systems for all positions within
12 the State's executive branch by . The department of
13 human resources development may contract with a third-party, in
14 accordance with chapter 103D, Hawaii Revised Statutes, to assist
15 the department in the timely completion the review.

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

18 (1) Preliminary report of its findings and
19 recommendations, including any proposed legislation,
20 to the legislature no later than twenty days prior to
21 the convening of the regular session of 2026; and



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

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

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

16 SECTION 4. This Act shall take effect on July 1, 2050.

17



Report Title:

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

Description:

Requires the Department of Human Resources Development to complete a comprehensive review of the classification and compensation systems for all positions within the State's executive branch. Allows the Department to contract with a third-party, without regard to the Hawaii Public Procurement Code, to assist the Department in its timely completion of the review. Requires reports to the Legislature. Appropriates funds. Effective 7/1/2050.

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

