

STAND. COM. REP. NO.

1322

Honolulu, Hawaii

**MAR 18**, 2025

RE: S.B. No. 1567  
S.D. 1  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Labor, to which was referred S.B. No. 1567,  
S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE CLASSIFICATION AND  
COMPENSATION SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Department of Human Resources Development to conduct a comprehensive review of the classification and compensation systems for state executive agencies;
- (2) Allow the Department of Human Resources Development to contract a third-party to assist with the completion of the review; and
- (3) Appropriate funds to support the completion of the review.

Your Committee received testimony in support of this measure from the Department of Human Resources Development and Holomua Collaborative.

2025-2633 SB1567 HD1 HSCR HMSO



Your Committee finds that the number of vacant positions in the State was twenty-three percent in 2023, and, by 2029, thirty percent of state employees will be eligible for retirement, further increasing the vacancy rate unless the hiring rate outpaces quitting and retirement rates. Your Committee also finds that the class specifications of state positions, which establish minimum requirements, duties, responsibilities, pay grades, and levels of authority are outdated and contribute to the difficulty of filling vacancies. Your Committee further finds that high vacancy rates exacerbate certain agencies from dispensing critical public services, such as SNAP, MedQuest, and unemployment benefits. This measure seeks to reassess the qualifications and compensation packages for certain positions to improve overall retention and recruitment of qualified candidates.

Your Committee has amended this measure by:

- (1) Limiting the scope of this review to civil service positions under the Department of Human Resources Development's jurisdiction;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$1,750,000.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1567, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1567, S.D. 1, H.D. 1, and be referred to your Committee on Finance.



1322

Respectfully submitted on  
behalf of the members of the  
Committee on Labor,



JACKSON D. SILIAMA, Chair



HSC 1322

<b>Bill/Resolution No.:</b> SB 1567, SD1	<b>Committee Referral:</b> LAB, FIN	<b>Date:</b> 3/13/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>LAB Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. SAYAMA, Jackson D. (C)	X			
2. LEE, Mike (VC)	X			
3. GARRETT, Andrew Takuya	X			
4. KAPELA, Jeanne	X			
5. KONG, Sam Satoru	X			
6. REYES ODA, Julie	X			
<b>TOTAL (6)</b>	6			
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; margin-top: -10px;">             committee acronym(s)         </div>				
<b>Vice Chair's or designee's signature:</b> _____ <div style="text-align: center; margin-top: -10px;"> </div>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				