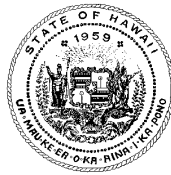


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DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
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235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

Statement of
BRENN A H. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON LABOR
Thursday, March 13, 2025
9:00 AM
State Capitol, Conference Room 309

In consideration of
SB1567, SD1 Relating to the Classification and Compensation Systems

Chair Sayama, Vice Chair Lee, and the members of the committee:

The Department of Human Resources Development (HRD) is in support of SB1567, SD1.

The purpose of SB1567, SD1 is to:

1. Require HRD to expeditiously conduct a comprehensive review of the classification and compensation systems for the State's executive agencies;
2. Require HRD to submit a report of findings and recommendations as well as proposed legislation to the legislature; and
3. Appropriate funds to complete a comprehensive review of the classification and compensation systems for the State's executive agencies, including contracting with a third party to assist in completing the review.

HRD strongly supports this bill to conduct a comprehensive classification and compensation study. This measure will help HRD to effectively address antiquated class specifications, class titles, and minimum qualification requirements, and identify and develop recommendations to ensure wages are competitive and that pay programs address changes in the market.

HRD believes that reviewing and updating the classification and compensation systems to be more modern and dynamic will support the State Executive Branch's objectives of

reducing statewide vacancies; being an employer of choice in the State of Hawai'i; recruiting and retaining the best and the brightest employees so that State government can deliver efficient and effective services to the public; remaining competitive with other comparable government entities and private employers in the State of Hawai'i; and clearly outlining career growth and advancement opportunities.

HRD respectfully requests an amendment to clarify that the review will be limited to the State executive branch positions administered by HRD. Human resources staff in executive branch departments and agencies not administered by HRD (e.g., Department of Education, Hawai'i Health Systems Corporation) would be more knowledgeable and better equipped to review their respective classification and compensation systems.

HRD suggest the following amendment to the SD1 draft:

“SECTION 2. (a) The department of human resources development shall complete a comprehensive review of the classification and compensation systems for all civil service positions ~~within the State's executive branch that are~~ under its jurisdiction by _____.”

Thank you for the opportunity to provide testimony. We are available to answer any questions or provide further information as needed.



OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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Committee:

House Committee on Labor

Bill Number:

SB 1567 SD1, Relating to the Classification and Compensation Systems

Hearing Date and Time: March 13, 2025, 9:00am (Room 309)

Re:

Testimony of Holomua Collaborative – Support

Aloha Chair Sayama, Vice Chair Lee, and Members of the Committee:

Mahalo for the opportunity to submit testimony **in support** of SB 1567 SD1, Relating to the Classification and Compensation Systems.

Holomua Collaborative is devoted to finding ways to keep all local working families in Hawai'i by making sure they can afford to stay. In October 2024, a survey¹ gathering information about the day-to-day financial experience of local workers was released, and it suggests that the high cost of living and resulting outmigration is a growing crisis that has the potential to reach staggering levels. When nearly 1,500 local workers were asked if they may need to move to a less expensive state, only thirty-one percent answered a definitive “no,” while sixty-nine percent said “yes” or “unsure.” Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

State government jobs are categorized and filled via 1,400+ civil service position classifications, which form the basis for 17,000+ position descriptions. This system and the 1,400+ position descriptions are outdated in terms of structure, requirements, and compensation, and need to be modernized to reflect current workforce needs and attract a broader pool of applicants. The bill will accomplish this.

As of November 2024, the State government had a job vacancy rate of 24%.² with nearly 31% of employees eligible to retire within five years.³ The large vacancy rate contributes to less efficient government operations and services, including delayed delivery of services relied upon by neighbors in need, such as SNAP, MedQuest, and Unemployment Insurance. Furthermore, as long as the position classifications and compensation remain outdated, our local workforce will be less inclined to seek out and apply for State jobs over better opportunities on the continent. With so many vacancies available and the volume of outmigration we face, making State employment a competitive and attractive choice is an efficient investment that will pay dividends in our future.

¹ <https://holomuacollective.org/survey/>

² 2024 State of Hawai'i Act 57, SLH 2019, Vacancy Report, page 1.

³ *Id.* at page 6.



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We urge you to support this bill to improve the effectiveness and vacancy rate of State government and to make life in Hawai'i a little easier for all our neighbors.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joshua Wisch', is written over a light blue horizontal line.

Joshua Wisch
President & Executive Director