

JAN 28 2026

A BILL FOR AN ACT

RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE
PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM.

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

SECTION 1. Chapter 88, Hawaii Revised Statutes, is amended
by adding to part II, subpart A, a new section to be
appropriately designated and to read as follows:

"§88- Executive personnel. The board, through its
executive director, may appoint a deputy executive director, a
chief compliance officer, and an information security officer.
Each appointee shall serve under the direction of the executive
director, with duties and qualifications prescribed and each
appointee's salary fixed by the board, and shall be exempt from
chapter 76."

SECTION 2. Section 76-16, Hawaii Revised Statutes, is
amended by amending subsection (b) to read as follows:

"(b) The civil service to which this chapter applies shall
comprise all positions in the State now existing or hereafter
established and embrace all personal services performed for the
State, except the following:

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- 1 (1) Commissioned and enlisted personnel of the Hawaii
2 National Guard and positions in the Hawaii National
3 Guard that are required by state or federal laws or
4 regulations or orders of the National Guard to be
5 filled from those commissioned or enlisted personnel;
6 (2) Positions filled by persons employed by contract where
7 the director of human resources development has
8 certified that the service is special or unique or is
9 essential to the public interest and that, because of
10 circumstances surrounding its fulfillment, personnel
11 to perform the service cannot be obtained through
12 normal civil service recruitment procedures. Any
13 contract may be for any period not exceeding one year;
14 (3) Positions that must be filled without delay to comply
15 with a court order or decree if the director
16 determines that recruitment through normal recruitment
17 civil service procedures would result in delay or
18 noncompliance, such as the Felix-Cayetano consent
19 decree;
20 (4) Positions filled by the legislature or by either house
21 or any committee thereof;

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1 (5) Employees in the office of the governor and office of
2 the lieutenant governor, and household employees at
3 Washington Place;

4 (6) Positions filled by popular vote;

5 (7) Department heads, officers, and members of any board,
6 commission, or other state agency whose appointments
7 are made by the governor or are required by law to be
8 confirmed by the senate;

9 (8) Judges, referees, receivers, masters, jurors, notaries
10 public, land court examiners, court commissioners, and
11 attorneys appointed by a state court for a special
12 temporary service;

13 (9) One bailiff for the chief justice of the supreme court
14 who shall have the powers and duties of a court
15 officer and bailiff under section 606-14; one
16 secretary or clerk for each justice of the supreme
17 court, each judge of the intermediate appellate court,
18 and each judge of the circuit court; one secretary for
19 the judicial council; one deputy administrative
20 director of the courts; three law clerks for the chief
21 justice of the supreme court, two law clerks for each
22 associate justice of the supreme court and each judge

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1 of the intermediate appellate court, one law clerk for
2 each judge of the circuit court, two additional law
3 clerks for the civil administrative judge of the
4 circuit court of the first circuit, two additional law
5 clerks for the criminal administrative judge of the
6 circuit court of the first circuit, one additional law
7 clerk for the senior judge of the family court of the
8 first circuit, two additional law clerks for the civil
9 motions judge of the circuit court of the first
10 circuit, two additional law clerks for the criminal
11 motions judge of the circuit court of the first
12 circuit, and two law clerks for the administrative
13 judge of the district court of the first circuit; and
14 one private secretary for the administrative director
15 of the courts, the deputy administrative director of
16 the courts, each department head, each deputy or first
17 assistant, and each additional deputy, or assistant
18 deputy, or assistant defined in paragraph (16);

19 (10) First deputy and deputy attorneys general, the
20 administrative services manager of the department of
21 the attorney general, one secretary for the
22 administrative services manager, an administrator and

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1 any support staff for the criminal and juvenile
2 justice resources coordination functions, and law
3 clerks;

4 (11) (A) Teachers, principals, vice-principals, complex
5 area superintendents, deputy and assistant
6 superintendents, other certificated personnel,
7 and no more than twenty noncertificated
8 administrative, professional, and technical
9 personnel not engaged in instructional work;

10 (B) Effective July 1, 2003, teaching assistants,
11 educational assistants, bilingual or bicultural
12 school-home assistants, school psychologists,
13 psychological examiners, speech pathologists,
14 athletic health care trainers, alternative school
15 work study assistants, alternative school
16 educational or supportive services specialists,
17 alternative school project coordinators, and
18 communications aides in the department of
19 education;

20 (C) The special assistant to the state librarian and
21 one secretary for the special assistant to the
22 state librarian; and

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- 1 (D) Members of the faculty of the university of
2 Hawaii, including research workers, extension
3 agents, personnel engaged in instructional work,
4 and administrative, professional, and technical
5 personnel of the university;
- 6 (12) Employees engaged in special, research, or
7 demonstration projects approved by the governor;
- 8 (13) (A) Positions filled by inmates, patients of state
9 institutions, and persons with severe physical or
10 mental disabilities participating in the work
11 experience training programs;
- 12 (B) Positions filled with students in accordance with
13 guidelines for established state employment
14 programs; and
- 15 (C) Positions that provide work experience training
16 or temporary public service employment that are
17 filled by persons entering the workforce or
18 persons transitioning into other careers under
19 programs such as the federal Workforce Investment
20 Act of 1998, as amended, or the Senior Community
21 Service Employment Program of the Employment and
22 Training Administration of the United States

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1 Department of Labor, or under other similar state
2 programs;

3 (14) A custodian or guide at Iolani Palace, the Royal
4 Mausoleum, and Hulihee Palace;

5 (15) Positions filled by persons employed on a fee,
6 contract, or piecework basis, who may lawfully perform
7 their duties concurrently with their private business
8 or profession or other private employment and whose
9 duties require only a portion of their time, if it is
10 impracticable to ascertain or anticipate the portion
11 of time to be devoted to the service of the State;

12 (16) Positions of first deputies or first assistants of
13 each department head appointed under or in the manner
14 provided in section 6, article V, of the Hawaii State
15 Constitution; three additional deputies or assistants
16 either in charge of the highways, harbors, and
17 airports divisions or other functions within the
18 department of transportation as may be assigned by the
19 director of transportation, with the approval of the
20 governor; one additional deputy in the department of
21 human services either in charge of welfare or other
22 functions within the department as may be assigned by

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1 the director of human services; four additional
2 deputies in the department of health, each in charge
3 of one of the following: behavioral health,
4 environmental health, hospitals, and health resources
5 administration, including other functions within the
6 department as may be assigned by the director of
7 health, with the approval of the governor; two
8 additional deputies in charge of the law enforcement
9 programs, administration, or other functions within
10 the department of law enforcement as may be assigned
11 by the director of law enforcement, with the approval
12 of the governor; three additional deputies each in
13 charge of the correctional institutions,
14 rehabilitation services and programs, and
15 administration or other functions within the
16 department of corrections and rehabilitation as may be
17 assigned by the director of corrections and
18 rehabilitation, with the approval of the governor; two
19 administrative assistants to the state librarian; and
20 an administrative assistant to the superintendent of
21 education;

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1 (17) Positions specifically exempted from this part by any
2 other law; provided that:

3 (A) Any exemption created after July 1, 2014, shall
4 expire three years after its enactment unless
5 affirmatively extended by an act of the
6 legislature; and

7 (B) All of the positions defined by paragraph (9)
8 shall be included in the position classification
9 plan;

10 (18) Positions in the state foster grandparent program and
11 positions for temporary employment of senior citizens
12 in occupations in which there is a severe personnel
13 shortage or in special projects;

14 (19) Household employees at the official residence of the
15 president of the university of Hawaii;

16 (20) Employees in the department of education engaged in
17 the supervision of students during meal periods in the
18 distribution, collection, and counting of meal
19 tickets, and in the cleaning of classrooms after
20 school hours on a less than half-time basis;

21 (21) Employees hired under the tenant hire program of the
22 Hawaii public housing authority; provided that no more

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1 than twenty-six per cent of the authority's workforce
2 in any housing project maintained or operated by the
3 authority shall be hired under the tenant hire
4 program;

5 (22) Positions of the federally funded expanded food and
6 nutrition program of the university of Hawaii that
7 require the hiring of nutrition program assistants who
8 live in the areas they serve;

9 (23) Positions filled by persons with severe disabilities
10 who are certified by the state vocational
11 rehabilitation office that they are able to perform
12 safely the duties of the positions;

13 (24) The sheriff;

14 (25) A gender and other fairness coordinator hired by the
15 judiciary;

16 (26) Positions in the Hawaii National Guard youth and adult
17 education programs;

18 (27) In the Hawaii state energy office in the department of
19 business, economic development, and tourism, all
20 energy program managers, energy program specialists,
21 energy program assistants, and energy analysts;

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1 (28) Administrative appeals hearing officers in the
2 department of human services;

3 (29) In the Med-QUEST division of the department of human
4 services, the division administrator, finance officer,
5 health care services branch administrator, medical
6 director, and clinical standards administrator;

7 (30) In the director's office of the department of human
8 services, the enterprise officer, information security
9 and privacy compliance officer, security and privacy
10 compliance engineer, security and privacy compliance
11 analyst, information technology implementation
12 manager, assistant information technology
13 implementation manager, resource manager, community or
14 project development director, policy director, special
15 assistant to the director, and limited English
16 proficiency project manager or coordinator;

17 (31) The Alzheimer's disease and related dementia services
18 coordinator in the executive office on aging;

19 (32) In the Hawaii emergency management agency, the
20 executive officer, public information officer, civil
21 defense administrative officer, branch chiefs, and
22 emergency operations center state warning point

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1 personnel; provided that for state warning point
2 personnel, the director shall determine that
3 recruitment through normal civil service recruitment
4 procedures would result in delay or noncompliance;

5 (33) The executive director and seven full-time
6 administrative positions of the school facilities
7 authority;

8 (34) Positions in the Mauna Kea stewardship and oversight
9 authority;

10 (35) In the office of homeland security of the department
11 of law enforcement, the statewide interoperable
12 communications coordinator;

13 (36) In the social services division of the department of
14 human services, the business technology analyst;

15 (37) The executive director and staff of the 911 board;

16 (38) The software developer supervisor and senior software
17 developers in the department of taxation;

18 (39) In the department of law enforcement, five Commission
19 on Accreditation for Law Enforcement Agencies, Inc.,
20 coordinator positions;

21 (40) The state fire marshal and deputy state fire marshal
22 in the office of the state fire marshal;

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(41) The administrator for the law enforcement standards board;

(42) In the office of the director of taxation, the data privacy officer and tax business analysts; ~~and~~

~~+~~ (43) ~~+~~ All positions filled by the Hawaii tourism authority within the department of business, economic development, and tourism~~-~~; and

(44) In the employees' retirement system of the State of Hawaii, the deputy executive director, the chief compliance officer and the information security officer.

The director shall determine the applicability of this section to specific positions.

Nothing in this section shall be deemed to affect the civil service status of any incumbent as it existed on July 1, 1955."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY:



BY REQUEST

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Report Title:

ERS; Executive Personnel; Civil Service Exemption

Description:

Allows the Board of Trustees of the Employees' Retirement System, through its Executive Director, to appoint specified executive personnel positions of the Employees' Retirement System of the State of Hawaii and exempts these positions from the State's civil service requirements.

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

JUSTIFICATION SHEET

DEPARTMENT: BUDGET AND FINANCE

TITLE: A BILL FOR AN ACT RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM.

PURPOSE: To allow the Board of Trustees of the Employees' Retirement System (ERS Board), through its Executive Director, to appoint the Deputy Executive Director (DED), Chief Compliance Officer (CCO), and Information Security Officer (ISO) of the Employees' Retirement System of the State of Hawaii (ERS), and to exempt these positions from the State's civil service requirements.

MEANS: Add a new section to subpart A of part II of chapter 88, Hawaii Revised Statutes (HRS), and amend section 76-16(b), HRS.

JUSTIFICATION: The continued strength of ERS depends on experienced management that is responsive to the ERS Board, its Executive Director, and ERS membership. The responsibilities of these executive-level managerial positions have increased with the growth of the ERS membership and staff, advancement in technology, and changes in regulatory requirements. Specialized pension management skills, leadership experience, and commensurate compensation are essential to maintaining the professionalism that the ERS requires.

The Executive Director currently serves as an exempt position reporting to the ERS Board. The DED reports to the Executive Director, serves as acting Executive Director when the Executive Director is unavailable, and oversees day-to-day operations of the ERS. The CCO, under the direction of the Executive Director, manages the ethics, risk, and compliance programs that are integral to protecting ERS assets and ensuring the ERS' long-term stability

and sustainability. The ISO is a new position, created during the 2025 legislative session. As with other information technology positions across government agencies, recruitment and retention for this position will be difficult due to the high level of expertise required.

These executive-level positions periodically report to the ERS Board, which is responsible for the proper operation of the ERS. Providing the ERS Board with more direct oversight of these executive-level managerial positions will strengthen accountability and governance.

The stakeholders of the ERS, which include state and county employees, are reliant on a strong and professionally managed ERS to secure current and future benefits.

Impact on the public: None.

Impact on the department and other agencies:
The proposed amendments primarily impact the ERS, which is an attached agency of the Department of Budget and Finance.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	BUF-141/Retirement.
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.