

S.B. NO. 3091

JAN 28 2026

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# 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:**

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

4 "§88- Executive personnel. The board, through its  
5 executive director, may appoint a deputy executive director, a  
6 chief compliance officer, and an information security officer.  
7 Each appointee shall serve under the direction of the executive  
8 director, with duties and qualifications prescribed and each  
9 appointee's salary fixed by the board, and shall be exempt from  
10 chapter 76."

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

13 "(b) The civil service to which this chapter applies shall  
14 comprise all positions in the State now existing or hereafter  
15 established and embrace all personal services performed for the  
16 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 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;

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

3 (42) In the office of the director of taxation, the data  
4 privacy officer and tax business analysts; [and  
5 +] (43) [+] All positions filled by the Hawaii tourism  
6 authority within the department of business, economic  
7 development, and tourism[+]; and  
8 (44) In the employees' retirement system of the State of  
9 Hawaii, the deputy executive director, the chief  
10 compliance officer and the information security  
11 officer.

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

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

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 Statutory material to be repealed is bracketed  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

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

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INTRODUCED BY:

21

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.*

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## 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.