STAND. COM. REP. NO. 3357

Honolulu, Hawaii

MAR 3 0 2026

RE: H.B. No. 2335
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Labor and Technology and Government Operations, to which was referred H.B. No. 2335, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to establish that certain participants in state-funded internship and workforce development programs are eligible for internal recruitment.

Your Committees received testimony in support of this measure from the Department of Transportation.

Your Committees received comments on this measure from the Department of Education and Department of Human Resources Development.

Your Committees find that state departments invest time and resources in training interns and creating clearer pathways into public service to support recruitment, workforce continuity, and institutional knowledge. Your Committees further find that individuals who participate in state-funded internship programs gain valuable skills and hands-on experience. However, these individuals often struggle to transition into permanent state employment due to internal recruitment restrictions, reducing the State's ability to retain trained talent. Your Committees also

find that authorizing interns to apply for positions through internal recruitment would allow the subject matter expert department to conduct the screening and review of the applicant, reducing the time and effort required of the applicant and agency to fill the position. Streamlining the hiring process would encourage interns to apply and allow state departments to retain qualified talent. This measure will create a pathway for qualified individuals to more smoothly transition into full-time roles within government agencies.

Your Committees acknowledge testimony by the Department of Transportation that providing further hiring flexibilities to state departments, in addition to the provisions of this measure, will facilitate the employment of qualified individuals in civil service provisions. Thus, amendments to this measure are necessary to address this concern.

Your Committees have amended this measure by:

(1) Inserting language authorizing a state department, division, or agency, in conducting a minimum qualification review, to make certain determinations regarding an applicant's minimum qualifications;

(2) Repealing the requirement that a state department, division, or agency shall submit to the Department of Human Resources Development the applications for individuals who have met the minimum qualifications for a vacant position;

(3) Repealing the requirement that the Department of Human Resources Development shall complete certain necessary tasks to facilitate the hiring of applicants;

(4) Inserting language authorizing the director or head of a state department, division, or agency to directly hire an individual into a civil service position if the individual meets the minimum qualifications for the position;

(5) Inserting an effective date of January 1, 2077, to encourage further discussion; and

(6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note the recommendation by the Department of Education that authorizing or directing state departments to adopt a skills-based hiring approach, implemented through the creation or modification of existing departmental policies and procedures, would better accomplish the stated intent and purpose of this measure while modernizing hiring practices to attract diverse talent pools and maintaining the integrity of the merit system for civil service employees. Your Committees find that this recommendation raises issues that merit further consideration and respectfully request the subsequent committee to which this measure is referred examine the matter.

As affirmed by the records of votes of the members of your Committees on Labor and Technology and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2335, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2335, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Labor and Technology and Government Operations,

ANGUS L.K. MCKELVEY, Chair

BRANDON J.C. ELEFANTE, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:*	Committee Referral:	Date:
HB 2335 HD1	LBT/GVO, WAM	3·25·26

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
ELEFANTE, Brandon J.C. (C)	✓			
LAMOSAO, Rachele (VC)	✓			
IHARA, Jr., Les				✓
MORIWAKI, Sharon Y.	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: [signature]

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:*	Committee Referral:	Date:
HB2335 HD1	LBT/GVO, WAM	3/25/2026

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
MCKELVEY, Angus L.K. (C)	✓			
GABBARD, Mike (VC)				✓
HASHIMOTO, Troy N.	✓			
MORIWAKI, Sharon Y.	✓			
AWA, Brenton	✓			
TOTAL	4	0	0	1

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: Angus L.K. McKelvey

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Revised: 01/02/26