# S.B. NO. 3091

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:

(1) Commissioned and enlisted personnel of the Hawaii National Guard and positions in the Hawaii National Guard that are required by state or federal laws or regulations or orders of the National Guard to be filled from those commissioned or enlisted personnel;

(2) Positions filled by persons employed by contract where the director of human resources development has certified that the service is special or unique or is essential to the public interest and that, because of circumstances surrounding its fulfillment, personnel to perform the service cannot be obtained through normal civil service recruitment procedures. Any contract may be for any period not exceeding one year;

(3) Positions that must be filled without delay to comply with a court order or decree if the director determines that recruitment through normal recruitment civil service procedures would result in delay or noncompliance, such as the Felix-Cayetano consent decree;

(4) Positions filled by the legislature or by either house or any committee thereof;

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

(6) Positions filled by popular vote;

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

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

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

of the intermediate appellate court, one law clerk for each judge of the circuit court, two additional law clerks for the civil administrative judge of the circuit court of the first circuit, two additional law clerks for the criminal administrative judge of the circuit court of the first circuit, one additional law clerk for the senior judge of the family court of the first circuit, two additional law clerks for the civil motions judge of the circuit court of the first circuit, two additional law clerks for the criminal motions judge of the circuit court of the first circuit, and two law clerks for the administrative judge of the district court of the first circuit; and one private secretary for the administrative director of the courts, the deputy administrative director of the courts, each department head, each deputy or first assistant, and each additional deputy, or assistant deputy, or assistant defined in paragraph (16);

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

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

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

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

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

(D) Members of the faculty of the university of Hawaii, including research workers, extension agents, personnel engaged in instructional work, and administrative, professional, and technical personnel of the university;

(12) Employees engaged in special, research, or demonstration projects approved by the governor;

(13) (A) Positions filled by inmates, patients of state institutions, and persons with severe physical or mental disabilities participating in the work experience training programs;

(B) Positions filled with students in accordance with guidelines for established state employment programs; and

(C) Positions that provide work experience training or temporary public service employment that are filled by persons entering the workforce or persons transitioning into other careers under programs such as the federal Workforce Investment Act of 1998, as amended, or the Senior Community Service Employment Program of the Employment and Training Administration of the United States

Department of Labor, or under other similar state programs;

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

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

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

the director of human services; four additional deputies in the department of health, each in charge of one of the following: behavioral health, environmental health, hospitals, and health resources administration, including other functions within the department as may be assigned by the director of health, with the approval of the governor; two additional deputies in charge of the law enforcement programs, administration, or other functions within the department of law enforcement as may be assigned by the director of law enforcement, with the approval of the governor; three additional deputies each in charge of the correctional institutions, rehabilitation services and programs, and administration or other functions within the department of corrections and rehabilitation as may be assigned by the director of corrections and rehabilitation, with the approval of the governor; two administrative assistants to the state librarian; and an administrative assistant to the superintendent of education;

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

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

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

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

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

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

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

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

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

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

(24) The sheriff;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# S.B. NO. 3097

(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

# S.B. NO. 3097

**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.*

# SB. NO. 3097

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.