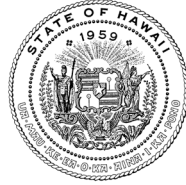


JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

April 8, 2026

To: The Honorable Chris Todd, Chair,
The Honorable Jenna Takenouchi, Vice Chair, and
Members of the House Committee on Finance

Date: Wednesday, April 8, 2026
Time: 2:00 p.m.
Place: Conference Room 308, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 2014 S.D.1 H.D.1 RELATING TO PUBLIC EMPLOYMENT

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR offers comments** on this measure, which requires the Director of the Department of Human Resources Development (DHRD) to abolish state positions that have been vacant for more than five years, subject to certain exceptions, and to lapse associated funds to the appropriate account.

The DLIR appreciates that the measure excludes federally funded positions from automatic abolishment and lapsing requirements. However, the Department respectfully requests that the Legislature extend a similar exemption to positions supported by special, revolving, and trust funds.

The Department opposes granting the DHRD Director authority to automatically abolish non-federally funded positions.

II. CURRENT LAW

§26-5(a) gives the DHRD Director the authority to reclassify and abolish vacant positions within state departments and agencies after sixty days of providing an annual report to the Legislature twenty days before the start of each Regular Session.

III. COMMENTS ON THE SENATE BILL

The Department appreciates the intent of this measure to address long-standing vacancies and improve efficiency in public employment. We also appreciate the measure's exclusion of federally funded positions from automatic abolishment and lapsing requirements.

However, the Department has significant concerns regarding the abolishment of positions funded through the special, revolving, and trust funds. The DLIR respectfully requests that the Legislature extend similar exemptions to these categories.

These funds and positions are statutorily authorized for specific programmatic purposes and often work in tandem with other functions supported by different Means of Financing (MOF). Applying a broad-brush approach may directly impede the ability to deliver the essential services and negatively affect programs that safeguard public safety, labor standards, and complaint obligations. Abolishing these positions based solely on vacancy duration fails to account for operational realities and could severely disrupt critical functions.

Special, revolving, and trust funds are self-sustaining and earmarked for specific purposes. Eliminating positions funded by these sources does not reduce general fund expenditure and undermines the financial structure designed to support vital services.

For example, in 2021, the Legislature abolished the revolving-funded Elevator Supervisor position along with elevator inspectors in an across-the-board action during the COVID emergency, even though the integrity of the revolving fund was not at risk. Post-COVID, DLIR had to expend significant time and resources to re-establish the supervisor position as sound management practices dictate. Allowing centralized abolishment of specialized positions funded through non-general means would require subject matter expertise not available at the executive branch level, create numerous spillover effects, and demand additional staff time and resources.

Vacancies often result from recruitment challenges beyond DLIR's control. Rigid minimum qualification requirements and inflexible standards—such as narrowly defined experience criteria—limit the ability to consider candidates with relevant, transferable skills. Moreover, due to lengthy screening times frequently the Department receives outdated lists with candidates that have already obtained employment with other employers.

Additionally, the measure does not account for temporary-term positions that may appear vacant for extended periods but are filled intermittently through 89-day hires. These positions provide critical flexibility for departments to meet short-term operational needs without lengthy recruitment processes. Automatically abolishing such positions based solely on vacancy duration would undermine this flexibility and negatively impact service delivery rather than addressing the root cause of vacancies.

Thank you for the opportunity to provide testimony on this vital matter.

SB2014 SD1 HD1

April 8, 2026

Page 3

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JOSH GREEN, M. D.
GOVERNOR
KE KIA'ĀINA

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA

BRENN H. HASHIMOTO
DIRECTOR
KA LUNA HO'OKELE

BRIAN K. FURUTO
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

WRITTEN ONLY

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

Before the
HOUSE COMMITTEE ON FINANCE
Wednesday, April 8, 2026
2:00AM
State Capitol, Conference Room 308

In consideration of
SB2014 SD1 HD1, RELATING TO PUBLIC EMPLOYMENT

Chair Todd, Vice Chair Takenouchi, and members of the committee:

The Department of Human Resources Development (HRD) supports SB2014 SD1 HD1.

The purpose of SB2014 SD1 HD1 is to:

1. Require the Director of Human Resources Development to abolish vacant positions within state departments and agencies under its jurisdiction that have been vacant for more than 5 years with certain exceptions.
2. Require funds for abolished positions to immediately lapse to the credit of the appropriate fund.
3. Require a list of positions abolished to be included in the Director's annual report to the Legislature; and

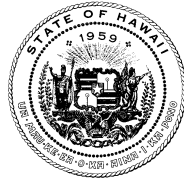
HRD understands the impact that long-term vacancies have on departmental operations and budgets. To this end, HRD already identifies long-standing vacancies in its annual vacancy report (as required under Act 57, SLH 2019). SB2014 SD1 HD1 strengthens this effort by providing a directive to abolish positions vacant for five years or more, with exceptions.

This policy change will encourage departments and hiring managers to develop a hiring plan, rather than maintain vacancies. We believe this measure can help to improve workforce management across departments.

Thank you for the opportunity to provide testimony on SB2014 SD1 HD1. We are available to answer any questions or provide additional information as needed.

JOSH B. GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



STACEY A. ALDRICH
STATE LIBRARIAN
Ke Po'o Hale Waihona Puke Moku'āina

STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
'OIHANA HALE WAIHONA PUKE AUPUNI O KA MOKU'ĀINA O HAWAII'
OFFICE OF THE STATE LIBRARIAN
44 MERCHANT STREET
HONOLULU, HAWAII 96813
(808) 586-3704

House Committee on Finance
April 8, 2026, 2:00 p.m.
State Capitol, Room 308

SB 2014 HD1 – Relating to Public Employment

To: Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

The Hawai'i State Public Library System (HSPLS) **opposes** SB2014 HD1 which requires the Director of Human Resources Development to abolish vacant positions within state departments and agencies under its jurisdiction that have been vacant for more than 5 years; requires a list of positions abolished to be included in the Director's annual report to the Legislature; requires funds for abolished positions to immediately lapse to the credit of the general fund.

The HSPLS shares the following comments regarding SB2014 HD1:

- Lack of funding does not eliminate the need for the position. Instead, it requires us to prioritize one community's needs over another. Unlike other departments or agencies, the HSPLS provides public services in 51 distinct communities on six islands. Because our public service hours depend on having the staff to open public library branches, abolishing positions only negatively impacts our ability to provide service to the communities of the State of Hawai'i. **Eliminating vacancies could permanently reduce services in certain communities at a time when residents are asking for more public services.**
- Rather than making departments and agencies more efficient, the reduction in personnel funding will have lasting negative impacts on the organizational structure of every department and agency. Where departments and agencies lose position funding, there will be gaps in services and functions, as the gaps will be created based on a vacancy rather than a strategic reorganization or reduction of services.

- HSPLS is already highly motivated to fill vacant positions. However, there are situations in which the State hiring process actively works against our efforts. For example, outdated qualifications and experience criteria exclude hiring the very staff who are performing well while temporarily hired to fill the vacant position. **Until the State's personnel system is simplified, imposition of artificial deadlines to fill vacancies ignores the underlying issue many departments struggle with.**
- HSPLS has 567 positions and one classifier, who reviews all position descriptions and re-descriptions. HSPLS recruitment is currently managing approximately 60 recruitments simultaneously, making it difficult for some positions to meet the 5-year deadline. Once a vacancy goes into recruitment, several weeks if not months, are spent waiting to receive a list of eligible candidates from DHRD. Frequently, we go through entire lists of candidates without success in hiring and must begin again, waiting weeks or months for the next list of eligible candidates. For some hard to fill positions, there are even longer waits for lists.
- During the pandemic, for three fiscal years or 36 months, HSPLS did not have funding to fill 64 positions, almost doubling our normal vacancy rate. It is unfair to apply the same standard against all HSPLS vacancies; the inability to fill the positions was not due to inaction by HSPLS.

Before taking actions that could cripple the organizational structures of all state departments and agencies, the HSPLS respectfully suggests that systemic changes to the State hiring process needs to happen first, giving departments and agencies the opportunity and tools to organize and hire quickly and efficiently. To start, there needs to be an organized effort to reduce or combine many of the steps required to hire a new employee.

Thank you for the opportunity to testify on SB2014 HD1 and for your continued support of the Hawai'i State Public Library System.



The House Committee on Finance

April 8, 2026

Room 308

2:00 PM

RE: SB 2014 SD1 HD1, Relating to Public Employment

Attention: Chair Chris Todd, Vice Chair Jenna Takenouchi, Members of the Committee

The University of Hawaii Professional Assembly (UHPA), the exclusive bargaining representative for all University of Hawai'i faculty members across Hawai'i's statewide 10-campus system, **offers comments on SB 2014 SD1 HD1.**

While we understand the legislature's intent to identify wasteful spending, this measure unfairly penalizes state agencies and the broader public sector labor force for standard delays in the hiring and recruitment process.

Because SB 2014 SD1 HD1 targets civil service positions, it does not directly impact the position counts of our faculty members. However, UHPA stands in strong solidarity with labor and believes a robust and fully staffed civil service is essential to the functioning of our State. At the University of Hawai'i, our faculty rely heavily on the dedicated civil service staff who maintain our facilities and provide critical administrative and operational support.

Many vital civil service positions remain vacant not because they are unnecessary, but due to systemic administrative bottlenecks, temporary hiring freezes, or budget restrictions. Arbitrarily abolishing these positions after five years and mandating that their funding immediately lapse ignores these operational realities. Sweeping these positions permanently shrinks the State's operational capacity and leaves departments under-resourced. Once these funds and position counts lapse, re-establishing them requires a massive legislative effort.

We respectfully urge the Committee to DEFER SB 2014 SD1 HD1.

Respectfully submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly

**University of Hawaii
Professional Assembly**



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

April 8, 2026

S.B. 2014, S.D. 1, H.D. 1 — RELATING TO PUBLIC EMPLOYMENT

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO wishes to provide comments on S.B. 2014, S.D. 1, H.D. 1, which requires the Director of Human Resources Development to abolish vacant positions within state departments and agencies under its jurisdiction that have been vacant for more than 5 years.

We caution the legislature against broadly abolishing vacant positions if they haven't been filled within a certain time frame. A more established framework should be considered to limit unintended consequences against our state workforce and the core services that they provide. However, we have been advocating for years that vacant position money be used to increase the salary for the incumbents. Therefore, if the legislature looks to implement a framework to abolish vacant positions, then that vacant position money should solely be used to increase the salary for the incumbents within those positions, since those employees are already doing the work that was intended for the positions that remain vacant.

Thank you for the opportunity to provide comments on S.B. 2014, S.D. 1, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

HOUSE OF REPRESENTATIVES THE THIRTY-THIRD LEGISLATURE REGULAR SESSION OF 2026

COMMITTEE ON FINANCE

Rep. Chris Todd, Chair

Rep. Jenna Takenouchi, Vice Chair

Wednesday, April 8, 2026, 2:00 PM
Conference Room 308 & Videoconference

Re: Testimony on SB2014, SD1, HD1 – RELATING TO PUBLIC EMPLOYMENT

Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW provides comments on SB2014, SD1, HD1, which requires the Director of Human Resources Development to abolish vacant positions within state departments and agencies under its jurisdiction, with certain exceptions, that have been vacant for more than 5 years.

We are concerned about the long-term impact the proposed authorization to abolish positions that have been vacant for more than 5 years will have on existing public employees and government operations. UPW shares the Legislature’s frustration with departments and agencies that continue to struggle with filling their vacant positions. However, we believe the abolishment of positions will ultimately punish hard-working public servants who continue to perform their duties despite significant staffing shortages.

Mahalo for the opportunity to provide comments on this measure.

HEADQUARTERS

1426 North School Street
Honolulu, Hawaii 96817-1914
Phone 808.847.2631

HAWAII

362 East Lanikaula Street
Hilo, Hawaii 96720-4336
Phone 808.961.3424

KAUAI

2970 Kele Street, Suite 213
Lihue, Hawaii 96766-1803
Phone 808.245.2412

MAUI

841 Kolu Street
Wailuku, Hawaii 96793-1436
Phone 808.244.0815

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April 8, 2026, 2 p.m.
Hawaii State Capitol
Conference Room 308 and Videoconference

To: House Committee on Finance
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN SUPPORT OF SB2014 SD1 HD1 — RELATING TO PUBLIC EMPLOYMENT

Aloha Chair, Vice Chair and other Committee Members,

The Grassroot Institute of Hawaii **supports** — and **offers an amendment** to — [SB2014 SD1 HD1](#), which would require the Hawaii Department of Human Resources Development to abolish any state job that has been vacant for more than five years except for positions funded by federal dollars.

All funding from these abolished positions would immediately return to the fund from which the position had received its appropriation, whether that be a special fund or the general fund. This legislation would also require DHRD to report on the number of positions abolished in this manner in its annual report to the Legislature.

As of Nov. 1, 2025, the state had 4,273 vacant civil service positions, 485 of which had been vacant for four years or more.¹

Tying down state funds for vacant positions inhibits the Legislature's ability to respond to fiscal pressures such as the ones the state is currently facing.

¹ ["Report to the 2026 Legislature as Required by Act 57, Session Laws of Hawaii 2019,"](#) Hawaii Department of Human Resources Development, updated Jan. 8, 2026, pp 1-2 and Appendix A. Note that this figure does not include Hawaii Department of Education positions.

Grassroot has estimated that abolishing all of the state’s more than 4,000 vacant positions would free up more than \$350 million in tax dollars that could be allocated elsewhere.²

If the bill resulted in the abolition of only 10% of those positions, it would free up \$30 million that could be put to better use.

The Committee should consider amending this measure to abolish jobs that remain vacant for more than two years instead of five. This could be accomplished simply by replacing “five” with “two” in Section 2 of the bill.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

² Keli’i Akina, “[Alternatives to ‘pausing’ Hawaii’s income tax cuts,](#)” Grassroot Institute of Hawaii, Jan. 19, 2026.