

ACT 180

S.B. NO. 1567

A Bill for an Act Relating to the Classification and Compensation Systems.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that state agencies are experiencing a significant labor shortage that is anticipated to worsen in the future. According to the department of human resources development, vacant positions within state agencies increased from eighteen per cent in 2019 before the COVID-19 pandemic to twenty-seven per cent in 2023. While the COVID-19 pandemic may have contributed to this increase, the department of human resources development also reported that thirty per cent of existing state employees will be eligible for retirement in the next five years.

The legislature also finds that the class specifications of state positions that define the duties and responsibilities of the respective class, level of difficulty and authority, and minimum qualifications, and compensation for the positions have become outdated, contributing to state agencies' struggle in recruiting, hiring, and retaining employees. Therefore, it is imperative for state departments and agencies to conduct a comprehensive review and modernization of position classification and compensation systems of their positions, to attract and retain qualified and capable employees that will effectively serve the residents of the State.

Accordingly, the purpose of this Act is to require the department of human resources development to expeditiously conduct a comprehensive review of the classification and compensation systems for civil service positions under its jurisdiction.

SECTION 2. (a) The department of human resources development shall complete a comprehensive review of the classification and compensation systems for all civil service positions that are under its jurisdiction by October 31, 2026. The department of human resources development may contract with a third party, in accordance with chapter 103D, Hawaii Revised Statutes, to assist with the timely completion of the review.

- (b) The department of human resources development shall submit a:
- (1) Preliminary report of its findings and recommendations, including any proposed legislation, to the legislature no later than February 28, 2026; and

- (2) Final report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2027.

SECTION 3. This Act shall take effect on July 1, 2025.

(Approved June 6, 2025.)