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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

PART I

1  
2 SECTION 1. The legislature finds that it is in the State's  
3 best interest to support critical government functions with the  
4 most talented and qualified staff. The legislature additionally  
5 finds that there continues to be persistent vacancies in various  
6 state departments and agencies without a clear cause of the  
7 breakdown in the recruitment and hiring process for filling  
8 these vacant positions.

9 The legislature also finds that the department of human  
10 resources development currently lacks a key type of employee  
11 position to serve as a liaison between the department of human  
12 resources development and state departments and agencies to  
13 facilitate and expedite the hiring and recruitment for civil  
14 service positions within the department of human resources  
15 development's jurisdiction.

16 The purpose of this part is to establish an experimental  
17 modernization administrative officer position that shall:



- 1 (1) Facilitate and expedite the hiring and recruitment for
- 2 civil service positions under the jurisdiction of the
- 3 department of human resources development; and
- 4 (2) Direct experimental modernization projects as required
- 5 by law.

6 SECTION 2. Section 26-5, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 **"§26-5 Department of human resources development. (a)**

9 The department of human resources development shall be headed by  
10 a single executive to be known as the director of human  
11 resources development.

12 (b) The department shall administer the state human  
13 resources program, including human resources development and  
14 training, and central human resources services such as  
15 recruitment, examination, classification, pay administration,  
16 and payment of any claims as required under chapter 386.

17 (c) There shall be within the department of human  
18 resources development a board to be known as the merit appeals  
19 board which shall sit as an appellate body on matters set forth  
20 in section 76-14. The board shall consist of three members.  
21 All members shall have knowledge of public employment laws and



1 prior experience with public employment; provided that at least  
2 one member's experience was with an employee organization as a  
3 member or an employee of that organization and at least one  
4 member's experience was with management. The governor shall  
5 consider the names of qualified individuals submitted by  
6 employee organizations or management before appointing the  
7 members of the board. The chairperson of the board shall be  
8 designated as specified in the rules of the board.

9 (d) The provisions of section 26-34 shall not apply and  
10 the board members shall be appointed by the governor for four-  
11 year terms and may be re-appointed without limitation; provided  
12 that the initial appointments shall be for staggered terms, as  
13 determined by the governor. The governor shall fill any vacancy  
14 by appointing a new member for a four-year term. The governor  
15 may remove for cause any member after due notice and public  
16 hearing.

17 (e) Nothing in this section shall be construed as in any  
18 manner affecting the civil service laws applicable to the  
19 several counties, the judiciary, or the Hawaii health systems  
20 corporation or its regional system boards, which shall remain  
21 the same as if this chapter had not been enacted.



1        (f) There is established within the department of human  
2 resources development an experimental modernization  
3 administrative officer position exempt from chapter 76. The  
4 experimental modernization administrative officer shall be  
5 appointed by and report to the director of human resources  
6 development.

7        The experimental modernization administrative officer  
8 shall:

- 9        (1) Facilitate and expedite the hiring and recruitment for  
10 civil service positions under the jurisdiction of the  
11 department of human resources development; and  
12        (2) Direct experimental modernization projects as required  
13 by law.

14        [~~f~~] (g) There is established in the state treasury the  
15 human resources development special fund, to be administered by  
16 the department of human resources development, which shall  
17 consist of: all revenues received by the department as a result  
18 of entrepreneurial efforts in securing new sources of funds not  
19 provided for in the department's budget for services rendered by  
20 the department, all revenues received by the department from the  
21 charging of participant fees for in-service training that are in



1 addition to general fund appropriations in the department's  
2 budget for developing and operating in-service training  
3 programs, appropriations made by the legislature to the fund,  
4 and moneys directed to the department from any other source,  
5 including gifts, grants, and awards.

6 Moneys in the human resources development special fund  
7 shall be used for the following purposes:

- 8 (1) Supporting the department's entrepreneurial  
9 initiatives, training activities, and programs;
- 10 (2) Administrative costs of the department's  
11 entrepreneurial initiatives, training activities, and  
12 programs; and
- 13 (3) Any other purpose deemed necessary by the director for  
14 the purpose of facilitating the department's  
15 entrepreneurial initiatives, training activities, and  
16 programs.

17 [~~g~~] (h) The department of human resources development  
18 shall submit, no later than twenty days prior to the convening  
19 of each regular session [~~+~~]of the legislature[~~+~~] beginning with  
20 the regular session of 2007, a report of the number of exempt  
21 positions that were converted to civil service positions during



1 the previous twelve months. The report shall include but not be  
2 limited to:

- 3 (1) When the position was established;
- 4 (2) The purpose of the position;
- 5 (3) Rationale for the conversion; and
- 6 (4) How many exempt positions remain in each state  
7 department after the conversions."

8 PART II

9 SECTION 3. The legislature finds that staff vacancies  
10 continue to plague the executive departments in carrying out  
11 their individual missions and functions. The department of  
12 human resources development is responsible for providing  
13 leadership and assistance to state departments to recruit and  
14 retain the best and brightest employees necessary to fill  
15 critical vacancies. The department of human resources  
16 development is currently working with other state departments in  
17 identifying solutions to problems in recruitment, which include  
18 streamlining the recruitment process; simplifying the class  
19 specifications, including minimum qualifications; and developing  
20 competitive salary programs. To find solutions for recruitment  
21 problems, the department of human resources development is



1 proposing to establish an experimental modernization project and  
2 has identified departments to test and implement solutions to  
3 the recruitment problems of the State.

4 The purpose of this part is to establish an experimental  
5 modernization project within the department of human resources  
6 development that will further the purposes of section 78-3.5,  
7 Hawaii Revised Statutes, to address recruitment problems faced  
8 by the State's executive departments.

9 SECTION 4. There is established within the department of  
10 human resources development an experimental modernization  
11 project, which the experimental modernization administrative  
12 officer shall direct. The project shall:

- 13 (1) Develop and evaluate innovative methods of  
14 compensation to be competitive in the current  
15 employment market;
- 16 (2) Identity and modify, as appropriate, position  
17 classifications that require updating;
- 18 (3) Develop innovative methods for recruitment, including  
19 the:
  - 20 (A) Opening of intern positions that lead to  
21 employment;



1 (B) Exploration of recruitment software to expedite  
2 hiring; and

3 (C) Updating of the department's job announcement  
4 website; and

5 (4) Train and assist departmental human resources staff in  
6 meeting the staffing needs of their respective  
7 departments.

8 SECTION 5. The department of human resources development  
9 shall prepare a report on the experimental modernization  
10 project, which shall include:

- 11 (1) Criteria for the evaluation of the project;
- 12 (2) Information on any improvement in executive  
13 departments' recruitment and hiring rates;
- 14 (3) Information on any innovative methods developed, and  
15 the results of implementing those methods; and
- 16 (4) Other findings and recommendations, including any  
17 proposed legislation, to address recruitment needs of  
18 state executive departments.

19 The department shall submit its report to the legislature  
20 no later than twenty days prior to the convening of the regular  
21 session of 2020.





1 SECTION 6. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so much  
3 thereof as may be necessary for fiscal year 2019-2020 and the  
4 same sum or so much thereof as may be necessary for fiscal year  
5 2020-2021 to establish the experimental modernization project  
6 pursuant to section 4 of this Act and full-time  
7 equivalent ( FTE) positions to implement the experimental  
8 modernization project.

9 The sums appropriated shall be expended by the department  
10 of human resources development for the purposes of this Act.

11 SECTION 7. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 8. This Act shall take effect on July 1, 2050.



**Report Title:**

DHRD; Employee Recruitment; Experimental Modernization  
Administrative Officer; Position; Experimental Modernization  
Project; Appropriation

**Description:**

Establishes, for the purpose of facilitating and expediting the hiring and recruitment for civil service positions and directing experimental modernization projects as required by law, the Experimental Modernization Administrative Officer position exempt from chapter 76, Hawaii Revised Statutes, within the Department of Human Resources Development. Establishes in the Department of Human Resources Development an experimental modernization project to address employee recruitment problems faced by the State's executive departments. Makes an appropriation to establish the project and positions to implement the project. Effective 7/1/2050. (SD2)

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