

Honolulu, Hawaii

MAR 20 , 2026

RE: S.B. No. 2543
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Labor, to which was referred S.B. No. 2543,
S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO STATE CONSTRUCTION PROJECTS,"
begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish a five-year Office of the State Construction Manager Pilot Program to provide centralized guidance and recommendations on the design review of state construction projects administered by the Department of Accounting and General Services and the Department of Education;
- (2) Require the State Construction Manager to assign employees to the Department of Planning and Permitting of the City and County of Honolulu to review and approve permit applications under the Pilot Program;
- (3) Establish the Design Review Special Fund; and
- (4) Appropriate funds to implement the Pilot Program.



Your Committee received testimony in support of this measure from the International Union of Operating Engineers Local 3; Hawaii Ironworkers Stabilization Fund; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and two individuals. Your Committee received comments on this measure from the Department of Accounting and General Services; Department of Planning and Permitting of the City and County of Honolulu; and American Institute of Architects Hawai'i State Council.

Your Committee finds that state construction projects frequently encounter delays, inefficiencies, and cost overruns due in part to fragmented design review processes and inconsistent coordination among agencies involved in project planning, permitting, and accessibility compliance. Your Committee further finds that the absence of a centralized authority with construction management expertise can result in design deficiencies being identified late in the process, leading to avoidable revisions and project disruptions. This measure seeks to improve project quality, streamline permitting and accessibility review, and promote more efficient delivery of state construction projects.

Your Committee has amended this measure by:

- (1) Requiring the Office of the State Construction Manager to assign employees to all county agencies responsible for permitting, rather than only the City and County of Honolulu, and making a conforming amendment to include positions for all the counties in the existing appropriation;
- (2) Deleting language that would have authorized the State Construction Manager to employ staff;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

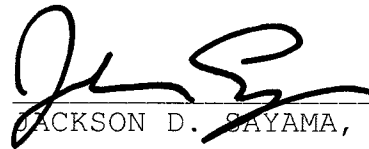
Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an



appropriation amount of \$10,550,000, and ninety full-time equivalent (90.0 FTE) positions.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2543, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2543, S.D. 2, H.D. 1, and be referred to your Committee on Water & Land.

Respectfully submitted on
behalf of the members of the
Committee on Labor,



JACKSON D. SAYAMA, Chair



