

Honolulu, Hawaii

MAR 30 , 2026

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

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

Madame:

Your Committee on Water & Land, to which was referred S.B. No. 2543, S.D. 2, H.D. 1, 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 guidance and recommendations on the design review of state construction projects administered by the Department of Accounting and General Services and Department of Education;
- (2) Require the Office to assign employees to certain county agencies to review and approve permit applications under the Pilot Program; and
- (3) Establish the Design Review Special Fund.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services; Hawaii Iron Workers Stabilization Fund; and Hawaii Building & Construction Trades Council. Your Committee received testimony in



opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Education; Department of Planning and Permitting of the City and County of Honolulu; American Institute of Architects, Hawai'i State Council; and one individual.

Your Committee finds that state construction projects frequently move forward without clear accountability for schedules, sequencing, constructability, or coordination among agencies, designers, and contractors. When no single entity is responsible for managing the construction process holistically, inefficiencies compound and costs escalate. Your Committee further finds that this measure directly addresses this problem by creating the Office of the State Construction Manager, which would bring practical, real-world understanding of how projects are built, ensuring that timelines are realistic, scopes are coordinated, and construction issues are identified as soon as possible.

Your Committee has amended this measure by:

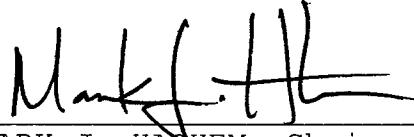
- (1) Clarifying that state construction projects must have an estimated design value of \$2,000,000 or more to fall within the scope of the Office of the State Construction Manager Pilot Program;
- (2) Allowing the Department of Education to opt into the Pilot Program for specific complex projects and not requiring the Department to subject all of its capital improvement projects to the review process under the Pilot Program;
- (3) Prohibiting any funds appropriated to the Department of Education for operating expenses or capital improvements to be diverted or used to finance or support the Design Review Special Fund; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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



referred to your Committee on Finance in the form attached hereto
as S.B. No. 2543, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,



MARK J. HASHEM, Chair



