

STAND. COM. REP. NO. 2593

Honolulu, Hawaii

FEB 20 2026

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Government Operations and Energy and Intergovernmental Affairs, to which was referred S.B. No. 2543 entitled:

"A BILL FOR AN ACT RELATING TO STATE CONSTRUCTION PROJECTS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Office of the State Construction Manager within the Department of Accounting and General Services, overseen by the State Construction Manager, to organize, manage, and oversee design review of, and issue design approvals for, state construction projects;
- (2) Exempt state construction projects from county building permit, inspection, and certificate of occupancy requirements under certain circumstances, as determined by the State Construction Manager;
- (3) Establish the Design Review Special Fund; and
- (4) Appropriate funds into and out of the Design Review Special Fund to establish the position of the State Construction Manager and other positions within the Office of the State Construction Manager.



Your Committees received testimony in support of this measure from the Hawaii Iron Workers Stabilization Fund and three individuals.

Your Committees received testimony in opposition to this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committees received comments on this measure from the Department of Accounting and General Services; Department of Land and Natural Resources; University of Hawai'i System; and American Institute of Architects, Hawai'i State Council.

Your Committees find that the State's public construction projects have consistently experienced delays, cost overruns, and change orders resulting from fragmented oversight. Your Committees believe a centralized oversight framework led by a centralized State Construction Manager with professional experience in public construction would bring the efficiency, planning, and stewardship necessary to translate precious public funding into well-built public infrastructure. This measure is a commonsense reform that will reduce waste, support quality workmanship, and improve the timeliness and efficiency of state construction projects.

Your Committees acknowledge the recommendations in the testimony from the Department of Accounting and General Services regarding the establishment and governance of the Office of the State Construction Manager, including initially establishing the Office of the State Construction Manager as a five-year pilot program within the Office of the Comptroller. Therefore, amendments to this measure are necessary to incorporate these recommendations.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and inserting language that:
 - (A) Establishes within the Office of the Comptroller a five-year Office of the State Construction Manager Pilot Program headed by a full-time State Construction Manager, 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;

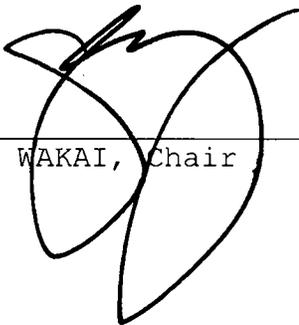
- (B) Establishes the Design Review Special Fund;
 - (C) Requires the Comptroller, in consultation with the State Construction Manager, to adopt rules to implement this measure no later than December 31, 2027;
 - (D) Requires the Comptroller to submit an annual report to the Governor and Legislature before the Regular Sessions of 2027, 2028, 2029, 2030, and 2031; and
 - (E) Requires the Office of the State Construction Manager to dissolve on June 30, 2031;
- (2) Appropriating an unspecified amount of funds to establish:
- (A) One full-time equivalent (1.0 FTE) State Construction Manager position within the Office of the Comptroller; and
 - (B) An unspecified number of full-time equivalent within the Office of the State Construction Manager, including an unspecified number of full-time equivalent positions to be assigned to the Department of Planning and Permitting of the City and County of Honolulu;
- (3) Inserting an effective date of July 1, 2525, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Government Operations and Energy and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2543, as amended herein, and recommend that it pass Second



Reading in the form attached hereto as S.B. No. 2543, S.D. 1, and
be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Government
Operations and Energy and
Intergovernmental Affairs,



GLENN WAKAI, Chair



ANGUS L.K. MCKELVEY, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

Bill / Resolution No.:* SB2543	Committee Referral: GVO/EIG, WAM	Date: 2/10/26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
CHANG, Stanley (VC)	✓			
DECOITE, Lynn				✓
RICHARDS, III, Herbert M. "Tim"	✓			
FEVELLA, Kurt	✓			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes