

Honolulu, Hawaii

MAR 30, 2026

RE: S.B. No. 896
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 Labor, to which was referred S.B. No. 896,
S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Department of Education to submit annual reports to the Legislature outlining certain information concerning capital improvement projects and facilities and post the reports on its website in a searchable format;
- (2) Require that any capital improvement project funds encumbered for more than five years without commencement of construction be specifically identified and justified or be subject to legislative review for potential reversion or reassignment; and
- (3) Authorize, for a period of five years, the Superintendent of Education to redesignate and convert certain positions within the Office of Facilities and Operations that are funded but vacant as positions exempt from state civil service laws.



Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received comments on this measure from the Department of the Attorney General and Department of Education.

Your Committee finds that long-standing delays, limited transparency, and insufficient technical capacity within the Department of Education have contributed to ineffective planning, cost overruns, and prolonged backlogs in school facility and capital improvement projects. Reliance on external consultants and the inability to recruit and retain qualified in-house technical professionals have hindered timely project delivery and weakened accountability for the stewardship of public funds. This measure seeks to improve project management, fiscal accountability, and the condition and safety of public school facilities statewide.

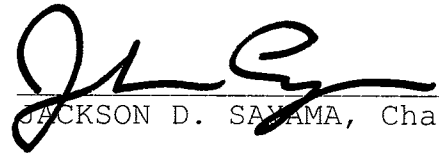
Your Committee has amended this measure by:

- (1) Specifying that the reports required under this measure apply only to projects administered by the Department of Education and do not apply to any of its attached agencies;
- (2) Clarifying the applicability of which positions the Superintendent is authorized to fix the compensation, if negotiated under collective bargaining;
- (3) Changing the sunset date to June 30, 2029, for the Superintendent's authority to redesignate and convert certain existing Office of Facilities and Operations positions to civil service exempt status; 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, 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. 896, S.D. 2, H.D. 2.



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



JACKSON D. SAYAMA, Chair



