



OFFICE OF HAWAIIAN AFFAIRS

‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

**TESTIMONY IN SUPPORT OF HOUSE BILL 2325 HD1**  
RELATING TO CIVIL SERVICE EXEMPT POSITIONS WITHIN THE  
DEPARTMENT OF LAND AND NATURAL RESOURCES

Ke Kōmike Hale o ka ‘Oihana ‘Imi Kālā  
(House Committee on Finance)

Ke Kapitala ‘o Hawai‘i  
(Hawai‘i State Capitol)

Malaki 3, 2026

10:00 am

Lumi 308

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Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB2325 HD1** which would exempt certain positions within the State Historic Preservation Division (SHPD) from the state civil service law. OHA believes this measure is a necessary and practical step to help SHPD attract and retain highly qualified professionals so that it can more effectively fulfill its mandates under Hawai‘i Revised Statutes (HRS) Chapter 6E and conduct timely review of project submittals.

OHA is the constitutionally established body responsible for protecting and promoting the rights of Native Hawaiians.<sup>1</sup> As part of our constitutional and statutory mandate, OHA has been deeply engaged in historic preservation advocacy for decades and is granted specific kuleana under HRS Chapter 6E and its implementing regulations.<sup>2</sup> Through our work, we have developed a clear understanding of both the structural challenges within the existing framework and the resources SHPD requires to carry out its statutory responsibilities effectively.

Past state audits of SHPD documented significant operational challenges, including internal staffing issues and a substantial backlog of project reviews. These conditions have materially undermined the integrity and timeliness of the historic preservation review process, with particular consequences for the identification and protection of iwi kūpuna

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<sup>1</sup> Haw. Const. Art. XII, § 5.

<sup>2</sup> See HRS §§ 6E-3, -43, -43.5, -43.6; HAR §§ 13-284-6(c), HAR 13-275-6(c).

and other cultural sites. OHA also participated in the public-private working group convened under Governor David Ige from 2021 to 2022 to evaluate and improve the administrative rules governing historic preservation review. Across stakeholders—public agencies, private practitioners, and cultural advocates alike—staffing capacity emerged as a central concern. SHPD consistently indicated that increased staffing would significantly reduce report backlogs, improve review quality, and enhance the Division’s ability to investigate violations and conduct proactive planning.

More recently, the statewide SPEED Task Force similarly identified staffing shortages as a principal driver of delay in the historic review process.<sup>3</sup> The Task Force specifically noted shortages of qualified archaeologists, architectural historians, and cultural resource specialists—positions that require specialized credentials and are part of a very limited professional pool in Hawai‘i. Participants emphasized that investments in staffing are a necessary complement to any statutory or procedural reforms. In other words, process improvements alone cannot succeed without sufficient qualified personnel to implement them.

OHA understands that current civil service classifications and compensation structures have made it difficult for SHPD to compete with federal agencies and the private sector for these specialized professionals. When salaries and advancement opportunities are not competitive, SHPD struggles to recruit and retain experienced staff. Given the small and highly specialized workforce in the historic preservation field in Hawai‘i, even a few vacancies can significantly impair statewide review functions. Exempting key positions from civil service will provide SHPD with greater flexibility to offer competitive compensation packages and respond more effectively to workforce needs.

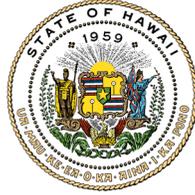
For these reasons, we urge the committee to **PASS HB2325 HD1**. Mahalo for the opportunity to testify.

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<sup>3</sup> See *Final Report of the Permitted Interaction Groups for Chapter 6E/Historic Preservation, Individual Wastewater Systems, and Building Permits*, SPEED Task Force, p. 12 (Dec. 2025) The SPEED Task Force was established by Act 133 (2025) to identify challenges and measures needed to expedite development permit processes.

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA  
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ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
RYAN K.P. KANAKA'OLE  
Acting Chairperson**

**Before the House Committee on  
FINANCE**

**Tuesday, March 3, 2026  
10:00 AM  
State Capitol, Conference Room 308**

**In consideration of  
HOUSE BILL 2325, HOUSE DRAFT 1  
RELATING TO CIVIL SERVICE EXEMPT POSITIONS WITHIN THE  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

House Bill 2325, House Draft 1 seeks to amend sections 6E-3, 76-16(b), and 174C-5, Hawai'i Revised Statutes (HRS), to allow the Department of Land and Natural Resources State Historic Preservation Division (SHPD) and Commission on Water Resource Management (CWRM) to employ both civil service and non-civil service employees. **The Department of Land and Natural Resources (Department) strongly supports this measure.**

Currently, section 6E-3, HRS, requires that SHPD employ professional and technical staff in accordance with chapter 76, HRS. Similarly, section 174C-5, requires that CWRM hire employees in accordance with chapter 76, HRS. Further, section 76-16(b), HRS, does not contain exemptions that expressly allow SHPD or CWRM to hire non-civil service employees.

Both SHPD and CWRM have experienced difficulties in establishing very specialized positions within the current civil service system, maintaining competitive compensation in line with the private sector, retaining employees, and filling current vacancies. This bill would allow SHPD and CWRM to establish and fill non-civil service positions more expeditiously, thereby attracting and retaining qualified applicants in highly specialized fields and ensuring more competitive compensation.

Water resource management in Hawai'i presents highly specialized challenges driven by the State's unique hydrologic, geologic, and climatic conditions. These conditions significantly narrow the pool of qualified candidates and place CWRM in direct competition with the private sector and federal government for experienced professionals. CWRM requires staff with advanced technical expertise, interdisciplinary training, and an understanding of Hawai'i's legal

and cultural framework for water resource management, including traditional and customary practices. This level of specialization does not align well with existing civil service classifications. Absent a civil service exemption, the Department would be required to establish a new civil service class for hydrologists and convert existing professional staff into that class.

Authorizing a civil service exemption for SHPD and CWRM employees will prevent a decrease in wages for existing non-civil service staff, which could lead to a loss of staff and inability to fill vacant positions. It will also allow SHPD to maintain temporary contract positions to support short or limited term programs funded by grants.

Mahalo for the opportunity to testify on this measure.



**STATE OF HAWAI'I  
OFFICE OF PLANNING  
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
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Statement of  
**MARY ALICE EVANS, Director**

before the  
**HOUSE COMMITTEE ON FINANCE**  
Tuesday, March 3, 2026, 10:00 AM  
State Capitol, Conference Room 308

in consideration of  
**HB 2325, HD1**  
**RELATING TO CIVIL SERVICE EXEMPT POSITIONS WITHIN THE  
DEPARTMENT OF LAND AND NATURAL RESOURCES.**

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance,

The Office of Planning and Sustainable Development (OPSD) **supports HB 2325, HD 1**, which exempts certain positions within the State Historic Preservation Division (SHPD) and Commission on Water Resource Management (CWRM) within the Department of Land and Natural Resources from the state civil service law.

OPSD supports HB 2325, HD 1 because it directly addresses significant barriers to housing development caused by delays in historic preservation reviews that stem from understaffing. Currently, a critical lack of trained staff to perform these mandated reviews creates a major bottleneck in the permitting process, leaving projects in a state of limbo for extended periods of time. When the State lacks the necessary personnel to process reviews efficiently, the resulting backlog stifles the delivery of new units and increases the overall cost of development.

This measure implements a key recommendation from the Chapter 6E Historic Preservation Permitted Interaction Group (PIG) of the SPEED Task Force, which identified the need to exempt certain SHPD positions from civil service to reduce hiring timelines, increase flexibility in hiring decisions, and allow for competitive compensation to attract and retain essential permitting staff. While some positions within SHPD were granted temporary exempt status under Governor Green's 15th Emergency Proclamation, permanently exempting these positions will ensure the benefits of the emergency proclamation last beyond its expiration date.

Accelerating the hiring of these positions is a vital step toward increasing the State's housing production capacity. When SHPD is fully staffed with trained reviewers, the permitting process moves from a source of delay to a predictable step in project development, aligning with the Governor's housing initiatives. Additionally, HB 2325, HD 1 further streamlines the broader

HB 2325, HD1 RELATING TO CIVIL SERVICE EXEMPT POSITIONS WITHIN THE  
DEPARTMENT OF LAND AND NATURAL RESOURCES - SUPPORT  
State Office of Planning and Sustainable Development  
March 3, 2026

permitting landscape by providing similar exemptions for positions within the Commission on Water Resource Management. Ensuring that both historic preservation and water resource reviews are adequately staffed prevents cross-agency delays, allowing for a more cohesive and rapid approval process for essential housing development and infrastructure.

OPSD stands in alignment with the Hawai'i Government Employees Association (HGEO) in advocating for meaningful civil service reform. We recognize that addressing hiring inflexibilities, restrictive qualification interpretations, and rigid compensation scales is essential for the State's long-term workforce needs.

However, OPSD maintains that the civil service exempt positions designated for SHPD and CWRM in this measure are vital. These roles play a critical, immediate mechanism to clear existing review backlogs while the broader framework for more comprehensive civil service reform is being established. For these reasons, OPSD respectfully asks the committee to pass HB 2325, HD1 to provide the necessary human capital to move Hawai'i's housing goals forward.

Thank you for the opportunity to testify in support of this measure.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii  
The House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association

March 3, 2026

H.B. 2325, H.D.1 – RELATING TO CIVIL SERVICE EXEMPT POSITIONS WITHIN  
THE DEPARTMENT OF LAND AND NATURAL RESOURCES

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes H.B. 2325, H.D. 1, which exempts certain positions within the State Historic Preservation Division and Commission on Water Resource Management within the Department of Land and Natural Resources from the state civil service law.

The use of exempt employees, which are considered “at will” by the State, is completely contrary to the principles of civil service. Exempt employees do not have the same rights and benefits of civil service employees and that is inherently unfair. We have consistently opposed the creation of more exempt positions in the state government and have advocated for sensible civil service reform.

Instead of allowing more exempt positions, the civil service system must be more flexible and competitive. Employing positions to an exempt status is a ‘band-aid’ fix to address the underlying recruitment and retention issue of these positions. Instead, the State should raise the pricing of the professional and technical staff of the State Historic Preservation Division and the Commission on Water Resource Management. By simply raising pricing, it will allow the State to offer a competitive salary along with the robust rights and benefits of a civil service position. The answer to the challenges faced by the State is not the creation of more exempt employees, but substantive reform of the state’s civil service hiring practices.

Thank you for the opportunity to provide testimony in strong opposition of H.B. 2325, H.D. 1.

Respectfully submitted,

Randy Perreira  
Executive Director

March 3, 2026, 10 a.m.  
Hawaii State Capitol  
Conference Room 308 and Videoconference

**To: House Committee on Finance**  
**Rep. Chris Todd, Chair**  
**Rep. Jenna Takenouchi, Vice Chair**

**From: Grassroot Institute of Hawaii**  
**Ted Kefalas, Director of Strategic Campaigns**

RE: TESTIMONY IN SUPPORT OF HB2325 HD1 — RELATING TO CIVIL SERVICE EXEMPT POSITIONS WITHIN THE DEPARTMENT OF LAND AND NATURAL RESOURCES

Aloha chair, vice chair and other committee members,

The Grassroot Institute of Hawaii **supports** [HB2325 HD1](#), which would exempt certain positions in the State Historic Preservation Division and the Commission on Water Resource Management from the state civil service law.

This measure would help SHPD and CWRM attract and retain staff who could help reduce the permitting review delays that currently plague both agencies.

Both agencies suffer from significant vacancies. SHPD had 54 budgeted positions in fiscal year 2025 but only 34 filled positions,<sup>1</sup> while CWRM had 33 budgeted positions and just 19 filled positions.<sup>2</sup>

Permit review agencies such as SHPD and CWRM need either more employees or less regulations to enforce. In reality, they probably need both.

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<sup>1</sup> ["Culture and Recreation Variance Report,"](#) Hawaii Department of Budget and Finance, Dec. 2, 2025, p. 10.

<sup>2</sup> ["Environmental Protection Variance Report,"](#) Hawaii Department of Budget and Finance, Dec. 2, 2025, p. 18.

A 2025 Grassroot white paper, "[Preserving the past or preventing progress?](#)", analyzed SHPD data and found that more than 90% of the projects the agency reviewed from 2021 to 2024 were determined to have no impact on historic properties.

The average review time during that period was 94 days; however, the division reviewed less than half of the applications it had received during that period.

Meanwhile, according to CWRM's variance report, the agency met its target review times for only one-third of the 86 permits it processed in fiscal 2025.<sup>3</sup>

All of these delays contribute to Hawaii's housing crisis. Indeed, the Economic Research Organization at the University of Hawai'i has found that Hawaii's housing regulations are the strictest in the country, and "approval delays" for housing developments are three times longer than the national average among communities surveyed.<sup>4</sup>

The exemptions from civil service requirements proposed in this bill would give both agencies the flexibility to increase pay scales for certain jobs, which in turn could make it easier to attract applicants.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii

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<sup>3</sup> Ibid, p. 18.

<sup>4</sup> Rachel Inafuku, Justin Tyndall and Carl Bonham, "[Measuring the Burden of Housing Regulation in Hawaii](#)," The Economic Research Organization at the University of Hawai'i, April 14, 2022, p. 6.

**HB-2325-HD-1**

Submitted on: 3/1/2026 10:25:15 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2325 HB RELATING TO CIVIL SERVICE EXEMPT POSITIONS WITHIN THE  
DEPARTMENT OF LAND AND NATURAL RESOURCES.