

**STATE OF HAWAII  
OFFICE OF PLANNING  
& SUSTAINABLE DEVELOPMENT**

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Statement of  
**MARY ALICE EVANS, Director**

before the  
**HOUSE COMMITTEE ON  
WATER & LAND**

Thursday, February 5, 2026, 9:00 AM  
State Capitol, Conference Room 411

in consideration of  
**HB 2325**

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

Chair Hashem, Vice Chair Morikawa, and Members of the House Committee on Water & Land.

The Office of Planning and Sustainable Development (OPSD) **supports HB 2325**, 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 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 15<sup>th</sup> 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

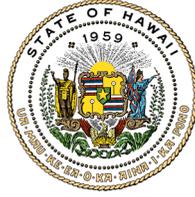
HB 2325 RELATING TO CIVIL SERVICE EXEMPT POSITIONS WITHIN THE  
DEPARTMENT OF LAND AND NATURAL RESOURCES - SUPPORT  
State Office of Planning and Sustainable Development  
February 5, 2026

the Governor's housing initiatives. Additionally, HB 2325 further streamlines the broader 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. For these reasons, OPSD respectfully asks the committee to pass HB 2325 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.

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

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKI'ĀINA 'O HAWAII'  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA

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HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

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

Before the House Committee on  
WATER & LAND

Thursday, February 5, 2026  
9:00 AM  
State Capitol, Conference Room 411

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

House Bill 2325 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.



**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 Water and Land

Testimony by  
Hawaii Government Employees Association

February 5, 2026

H.B. 2325 – 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 which allows professional and technical staff of the State Historic Preservation Division to be exempt from civil service laws.

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. 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 system.

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

Respectfully submitted,



Randy Perreira  
Executive Director

Feb. 5, 2026, 9 a.m.  
Hawaii State Capitol  
Conference Room 411 and Videoconference

**To: House Committee on Water and Land**  
**Rep. Mark Hashem, Chair**  
**Rep. Dee Morikawa, Vice Chair**

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

RE: TESTIMONY IN SUPPORT OF HB2325 — 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](#), 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.

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.

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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.

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 will allow both agencies 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.

Cindy Freitas

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**OPPOSE UNLESS AMENDED – H.B. 2325**

RELATING TO STATE HISTORIC PRESERVATION & WATER RESOURCES PERSONNEL

He Mele komo a he mele aloha no na kupuna o ke au i hala Aloha mai kakou.

Aloha,

My name is Cindy Freitas and I'm a Native Hawaiian descended of the native inhabitants of Hawai'i prior to 1778 and born and raised in Hawai'i.

I am also a practitioner who still practice the cultural traditional customary practices that was instill in me by my grandparents at a young age from mauka (MOUNTAIN TO SEA) to makai in many areas.

I respectfully submit testimony **OPPOSING H.B. 2325 UNLESS AMENDED**, due to its impacts on the **County of Hawai'i** and the integrity of historic preservation and water resource decision-making.

H.B. 2325 permanently exempts a broad range of positions within the **State Historic Preservation Division (SHPD)** and the **Commission on Water Resource Management (CWRM)** from civil service requirements. While intended to address recruitment and retention, the bill **removes essential checks and balances without adding accountability safeguards**, particularly concerning in Hawai'i County where burial protection and water allocation decisions have irreversible consequences.

**What is missing from H.B. 2325 includes:**

- **Independent oversight and performance standards** tied to decision quality, timelines, and outcomes;
- **Conflict-of-interest protections**, including disclosure and cooling-off periods for exempt hires with private-sector ties;
- **County coordination requirements**, despite County of Hawai'i reliance on SHPD and CWRM determinations for land-use, infrastructure, and emergency planning;
- **Enhanced burial and cultural safeguards**, such as proactive surveys, cultural impact assessments, and mandatory lineal descendant consultation;
- **Water resource protection benchmarks**, including climate-adjusted water budgets, instream flow protections, and reporting on contested cases;
- **Transparency measures**, including public disclosure of exempt positions, qualifications, and decision rationales;
- **Periodic legislative review or a sunset**, to assess whether exemptions improve outcomes.

For the **County of Hawai‘i** with the largest land area, extensive undocumented burial landscapes, significant DHHL and conservation lands, and persistent water scarcity weakening civil service protections **without guardrails** risks inconsistent or politicized decisions and undermines public trust.

## **REQUIRED AMENDMENTS (OPPOSE UNLESS ADOPTED)**

H.B. 2325 should not advance unless amended to:

1. Establish **independent oversight, audits, and performance benchmarks** for exempt positions;
2. Impose **conflict-of-interest rules**, disclosures, and cooling-off periods;
3. Require **formal coordination and notice to the County of Hawai‘i** on determinations affecting county permits or infrastructure;
4. Mandate **proactive cultural safeguards**, including cultural impact assessments and lineal descendant consultation;
5. Set **water resource protection benchmarks** (climate-adjusted water budgets, instream flows, timelines);
6. Require **public transparency** on exempt hires and decision metrics;
7. Include a **sunset or periodic legislative review**.

## **CONCLUSION**

Staffing challenges should be addressed **without sacrificing accountability, cultural protection, or water resource integrity**. Without the amendments above, H.B. 2325 weakens safeguards critical to the **County of Hawai‘i**.

For these reasons, I **OPPOSE H.B. 2325 UNLESS AMENDED**.

Mahalo,

Cindy Freitas