



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2338, S.D. 1, H.D. 1, RELATING TO HOUSING.

**BEFORE THE:**

HOUSE COMMITTEE ON LABOR

**DATE:** Tuesday, March 24, 2026

**TIME:** 9:30 a.m.

**LOCATION:** State Capitol, Room 309

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Klemen Urbanc, Deputy Attorney General

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Chair Sayama and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

The bill amends section 201H-2, Hawaii Revised Statutes (HRS), to (1) expand the categories of positions within the Hawaii Housing Finance and Development Corporation (HHFDC) that are exempt from the civil service requirements of chapter 76, HRS, and from the requirement that the Director of the Department of Business, Economic Development, and Tourism approve all employment actions and job descriptions of HHFDC officers and employees under section 26-35(a)(4), HRS; (2) rename the HHFDC Executive Assistant position as the Deputy Executive Director; (3) establish the position of Finance Manager within HHFDC; and (4) raise the Executive Director's salary cap to match the Governor's salary, and set the Deputy Executive Director's salary cap at ninety-five percent of the Executive Director's salary. The bill also amends sections 201H-2 and 356D-2, HRS, to limit any employment contracts by HHFDC and HPHA, respectively, to terms of no more than three years.

Section 76-16(b), HRS, sets forth positions that are exempt from the civil service requirements of chapter 76, HRS. Under section 76-16(b)(17)(A), HRS, any civil service exemption created after July 1, 2014, by other laws and not identified in section 76-16(b) expires three years after enactment unless affirmatively extended by an act of the Legislature. If the Committee intends for all additional HHFDC positions to be

permanently exempt from chapter 76, HRS, we recommend amending section 76-16(b), HRS, to expressly include the newly exempted positions among the enumerated exemptions.

Regarding the three-year limit on HHFDC and HPHA employment contracts (page 4, lines 19-21, and page 6, lines 4-6, respectively), the bill amends sections 201H-2(b), and 356D-2(b), HRS, to apply the limit to contracts "entered into on or after the effective date of this Act." To avoid uncertainty, we recommend amending the bill to replace "the effective date of this Act" with "the effective date of Act , Session Laws of Hawaii 2026."

Thank you for the opportunity to provide these comments.

## HHFDC Board of Directors

HOUSE COMMITTEE ON LABOR

Tuesday, March 24, 2026, at 9:30 a.m.

State Capitol, Room 309

Aloha Chair Sayama, Vice Chair Lee, and Members of the Committee,

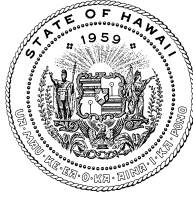
My name is Jason Bradshaw, and I am the Secretary and member of the Board of Directors of the Hawai'i Housing Finance and Development Corporation. I am submitting this testimony on behalf of the HHFDC Board of Directors in **strong support** of S.B. 2338, SD1, HD1.

This measure is crucial for ensuring that our agency can effectively address Hawai'i's affordable housing crisis. By increasing the salary cap for the Executive Director to an amount not exceeding the governor's salary and raising the cap for the newly renamed Deputy Executive Director, this legislation will allow the State to better compete with the private sector for highly skilled individuals. Furthermore, establishing a dedicated Finance Manager position and exempting HHFDC positions from certain civil service and approval requirements will streamline our operations. These updates are necessary not just to acknowledge our greater responsibilities over the last decade, but to greatly expand our housing development plans.

We believe these structural and compensation adjustments will empower HHFDC to fulfill its mission and continue to increase the supply of affordable housing in Hawai'i. Thank you for the opportunity to testify in support of this important measure.

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



**DEAN MINAKAMI**  
EXECUTIVE DIRECTOR

## **STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

### **HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

677 QUEEN STREET, SUITE 300

HONOLULU, HAWAII 96813

FAX: (808) 587-0600

Statement of

### **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation

Before the

### **HOUSE COMMITTEE ON LABOR**

March 24, 2026 at 9:30 a.m.

State Capitol, Room 309

In consideration of

### **SENATE BILL 2338, SENATE DRAFT 1, HOUSE DRAFT 1 RELATING TO HOUSING.**

Chair Sayama, Vice Chair Lee, and members of the Committee.

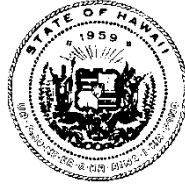
HHFDC **supports with comments** Senate Bill 2338, Senate Draft 1, House Draft 1, which exempts all positions under HHFDC from civil service requirements, increases the salary cap for the Executive Director of HHFDC, renames the position of Executive Assistant to Deputy Executive Director for HHFDC, and increases the salary cap for the Deputy Executive Director. Establishes the Finance Manager position within HHFDC. Establishes a cap on the term of employment contracts for HHFDC and the Hawaii Public Housing Authority.

The HHFDC Board submitted its testimony supporting this bill. We stand on their testimony and would like to provide the following comments.

HHFDC accepts the amendments adopted in House Draft 1 except for the addition of a Finance Manager. We respectfully request that this position be removed from the bill.

Thank you for considering our testimony.

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



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**HAWAII PUBLIC HOUSING AUTHORITY**  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
HONOLULU, HAWAII 96817

IN REPLY PLEASE REFER TO:

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Statement of the  
**Hawaii Public Housing Authority**

Before the  
**House Committee on Labor**

**Tuesday, March 24, 2026**  
**9:30 AM – Room 309, Hawaii State Capitol**

In consideration of  
**SB 2338, SD1, HD1**  
**RELATING TO HOUSING**

Honorable Chair Sayama, Vice Chair Lee, and Members of the House Committee on Labor:

The Hawaii Public Housing Authority (HPHA) offers the following **comments** on Senate Bill (SB) 2338, SD1, HD1.

The HPHA is one of largest PHAs in the nation that provides direct housing services to thousands of residents, manages and modernizes a statewide portfolio of federally subsidized and publicly owned housing assets, administers federal and state funded rental assistance programs, and carries continuous operational, development, and federal compliance responsibilities under the oversight of the U.S. Department of Housing and Urban Development (HUD).

The HPHA humbly requests to have the same HHFDC exemption from civil service language added to the HPHA's statute:

"(a) There is established the Hawaii public housing authority to be placed within the department of human services for administrative purposes only. The authority shall be a public body and a body corporate and politic. All employees covered under subsection (b) shall be exempt from the requirements of chapter 76 and section 26-35(a)(4).

(b) The authority shall employ[~~exempt from chapter 76 and section 26-35(a)(4),~~] an executive director, an executive assistant, a chief financial management advisor, a property management branch chief, a chief planner, and a redevelopment officer, whose salaries shall be set by the board established under section 356D-3; provided that no salary shall exceed the governor's salary. The authority may employ[~~subject to chapter 76,~~] technical experts and officers, agents, and employees, permanent or temporary, as required. The authority may also employ officers, agents, and employees; prescribe their duties and qualifications; and fix their salaries, not subject to chapter 76, when in the determination of



the authority, the services to be performed are unique and essential to the execution of the functions of the authority; provided that if the authority hires an officer, agent, or employee in a capacity not subject to chapter 76, the authority shall include in an annual report to the legislature, to be submitted ~~not~~ no later than twenty days prior to the convening of each regular session, the position descriptions and reasons for hiring the personnel in a civil service exempt capacity. The authority shall not offer an employment contract entered into on or after the effective date of this Act that exceeds three years. The authority may call upon the attorney general for legal services as it may require. The authority may delegate to one or more of its agents or employees the powers and duties it deems proper."

Thank you for the opportunity to provide this testimony and for your continued commitment to Hawaii's housing needs.



## 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  
House of Representatives  
Committee on Labor

Testimony by  
Hawaii Government Employees Association

March 24, 2026

### S.B. 2338 S.D.1 H.D.1– RELATING TO HOUSING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes S.B. 2338 S.D.1 H.D.1, which exempts all positions under the Hawaii Housing Finance and Development Corporation (HHFDC) from civil service requirements and from the requirement that the employment actions and job descriptions of HHFDC officers and employees be subject to approval by the Director of Business, Economic Development, and Tourism.

While we are not opposed to Housing Solutions and addressing Hawaii's Housing affordability crisis, this measure converts all positions under the HHFDC to exempt positions. We are concerned about current civil service employees who stand to lose civil service protections at the guise of employer flexibility needed to hire at higher rates to compete with the private sector for highly skilled workers. If the state of Hawaii wants to recruit and retain quality employees, more efforts should be made to reform the state hiring process and offer competitive market salaries.

This is a union busting measure. Over the past six years, the State has increased exempt positions by about 600, or 25 percent. Many of these exempt employees are members of our union, and proposals like this create employees with fewer rights, which weakens our ability to advocate for union members. Furthermore, this increase in exempt employees not only undermines the civil service system but also points to an ugly truth: one day, exempt positions in state government may outnumber civil service positions.

Thank you for the opportunity to testify in opposition of S.B. 2338 S.D.1 H.D.1.

Respectfully submitted,

Randy Perreira  
Executive Director