

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.
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MARY ALICE EVANS
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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON LABOR
Tuesday, March 24, 2026, 9:30 AM
State Capitol, Conference Room 309

in consideration of
SB 2671, SD 1, HD 1
RELATING TO ESSENTIAL PERMITTING POSITIONS.

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

The Office of Planning and Sustainable Development (OPSD) **offers the following comments with concerns on SB 2671, SD 1, HD 1**, which authorizes the mayor of each county to implement a pilot program to improve the speed, accountability, and quality of permit processing within that county through targeted staffing, performance incentives, and interdepartmental competition. Authorizes increased pay for certain permitting positions and requires county personnel departments to prioritize the hiring of permitting positions as part of the pilot program. Requires county mayors and county agencies to establish goals for the pilot program. Requires county agencies to submit quarterly reports to the respective county councils on the pilot program. Sunsets 6/30/2031.

OPSD **supports the intent of the measure**, which seeks to improve the speed and quality of permit processing through a pilot program for essential permitting positions. OPSD recognizes that a major barrier to housing development in Hawai'i is the extensive time required to navigate through the permitting process. We further acknowledge that staffing shortages and a lack of experienced personnel within permitting agencies significantly slow these critical reviews, creating a bottleneck that delays the delivery of new housing units.

While OPSD supports the goal of enhancing recruitment and retention for permitting staff, we prefer a more stable and permanent increase in compensation over the temporary incentive structures proposed in this measure. To effectively address the staffing crisis, the State must provide financial certainty for both existing personnel and the next generation of professionals we hope to attract to the permitting field. Short-term incentives, while well-intentioned, often lack the long-term reliability to influence a professional's career decisions or to compete with the stability offered by the private sector.

Establishing a permanent, competitive salary floor and range for permitting personnel would signal a long-term investment in the State's infrastructure and housing capacity. This approach not only rewards the expertise of our current staff who have carried the burden of high vacancies but also creates a predictable and attractive career ladder for new recruits. By improving fundamental pay and ensuring its permanence, we can build a resilient, professional workforce capable of sustaining the accelerated permitting timelines necessary to solve our housing crisis.

Additionally, OPSD **notes a significant concern** regarding the potential negative impacts of this pilot program. The City & County of Honolulu (C&C) Department of Human Resources raised concerns in their testimony regarding the potential for pay inversion, where new recruits could be hired at salaries that exceed those of experienced staff.

OPSD initially expressed a preference for this measure's companion bill, HB 2140, HD 2, because of its amendments that addressed several administrative and operational issues through amendments taken by this House committee. Specifically, HB 2140, HD 2 was amended to require personnel hired into essential permitting positions to meet the minimum qualifications for that position, clarify that the hiring department is responsible for prioritizing the hiring of individuals under the pilot program, and changing the sunset to match the end date of the funding source for the pilot program. **However, OPSD now prefers SB 2671, SD 1, HD 1**, due to its amendment that limits the authorization for the use of monies collected from the county surcharge on state tax to counties with a population of less than one million. This amendment addressed the significant concern raised by C&C over the potential diversion of funds that could negatively impact the funding stability for the Honolulu Authority for Rapid Transportation (HART).

Thank you for the opportunity to offer comments on this measure.

**DEPARTMENT OF HUMAN RESOURCES
KA 'OIHANA HO'OMOHALA LIMAHAHA
CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 10TH FLOOR • HONOLULU, HAWAII 96813
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RICK BLANGIARDI
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NOLA N. MIYASAKI
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PO'O

KAREN MILLER
ASSISTANT DIRECTOR
KOKUA PO'O

March 23, 2026

The Honorable Jackson D. Sayama, Chair
The Honorable Mike Lee, Vice Chair
and Members of the House Committee on Labor
The House of Representatives
State Capitol, Room 309
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Sayama, Vice Chair Lee, and Members of the Committee:

SUBJECT: Senate Bill No. 2671 SD1 HD1
Relating to Essential Permitting Positions

The City and County of Honolulu, Department of Human Resources (DHR) respectfully offers the following **comments and concerns** on SB 2671 SD1 HD1, which proposes the establishment of a pilot program to encourage a county's permitting department to "streamline permitting operations through targeted staffing, performance incentives, and interdepartmental coordination."

DHR supports the intent to streamline the hiring of positions in the Department of Planning and Permitting (DPP), however we have serious concerns about the broader, unintended impact of this bill on other positions in the City. In addition, there are several options currently available to DPP that are consistent with the ideas proposed by SB 2671 SD1 HD1, and which are designed to achieve the same results while maintaining civil service merit principles encapsulated within HRS §76-1 and DHR's Civil Service Rules.

Should this measure pass, this law could be interpreted and potentially applied in a manner that suspends current Civil Service Rules--- such as those governing impartial selection, merit principles, and equal pay for equal work, with respect to positions designated by the pilot program. In its ongoing efforts to maintain equal pay across the City and support retention of existing employees, DHR intends to undertake a pay equity study in the next fiscal year to ensure that employees performing the same or similar work are compensated equally relative to experience and other established criteria; allowing a single department to hire new employees at any pay rate regardless of requisite experience and qualifications could work in opposition to this effort to achieve pay equity across the City.

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The Honorable Mike Lee, Vice Chair
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Furthermore, DHR notes the following areas within the proposal would need to be clarified prior to actual implementation of any pilot program at the City and County of Honolulu:

- Eligibility requirements to participate in the program, including part-time, protected leave status (such as military or FMLA) impacts on calculations for milestones payout;
- Cost concerns related to the incentive payments; and
- Issues related to pay inversion, hiring priority and pay equity.

Should this bill move forward, we respectfully request the following amendments:

- Section b(3) include language to clarify that the candidates hired must meet the minimum qualification requirements for the position; and
- References in Section b(4) should be amended from “personnel department” to the “hiring department”. The hiring department is responsible for extending the conditional job offers to candidates via their personnel office or designated hiring manager.

Finally, as currently drafted, the majority of the positions that may be affected by this bill in the City and County of Honolulu are likely included in bargaining units, and nothing in this bill excludes them from collective bargaining or HRS Chapter 89. Therefore, some of the proposed provisions would be subject to negotiation and/or consultation with the unions before they could be implemented. Provisions that would be subject to negotiation include, for example, performance incentives and the proposed minimum differential payment of 15% of a position’s salary. While the bill states that the program may or may not apply to existing, filled positions, there could be collective bargaining issues with applying the program only to vacant positions and not to currently filled positions. Therefore, we respectfully suggest that the Legislature consider the impact of the proposed language on collective bargaining before advancing this bill.

Thank you for the opportunity to provide comments on this measure.

Sincerely,



Nola N. Miyasaki
Director

DEPARTMENT OF PLANNING AND PERMITTING
KA 'OIHANA HO'OLĀLĀ A ME NĀ PALAPALA 'AE
CITY AND COUNTY OF HONOLULU

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DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

TESTIMONY OF THE DEPARTMENT OF PLANNING AND PERMITTING
BEFORE THE HOUSE COMMITTEE ON LABOR

March 24, 2026
Conference Room 309

TO: The Honorable Jackson D. Sayama, Chair, The Honorable Mike Lee, Vice Chair,
and Members of the House Committee on Labor

RE: SUPPORT THE INTENT OF SENATE BILL NO. 2671, SD 1, HD 1, RELATING
TO ESSENTIAL PERMITTING POSITIONS

The Department of Planning and Permitting (DPP) **supports the intent of** Senate Bill No. 2671, SD 1, HD 1, which authorizes the mayor of each county to implement a pilot program to improve the speed, accountability, and quality of permit processing within that county through targeted staffing, performance incentives, and interdepartmental competition. The Bill also authorizes increased pay for certain permitting positions and requires county personnel departments to prioritize the hiring of permitting positions as part of the pilot program.

DPP appreciates the intent, which is to allow the counties to pay designated plan reviewers a higher salary in order to recruit, hire and retain these critical employees. We have long experienced that the City can seldom compete with the federal government and/or private sector when it comes to salaries. DPP consistently loses employees because they receive excellent training within the City and then move out of municipal government for higher-paying jobs in the federal and private sectors.

DPP has vacancies that we have been unable to fill due to salary limitations. This Bill would afford the counties an option to offer a pay differential as a means to recruit, hire and retain plans examiners, and others, which will result in speedier plans reviews and building permit approvals.

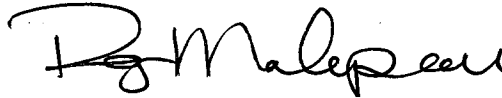
Given the preceding, DPP must defer to the Departments of Budget and Fiscal Services (BFS) and Human Resources (DHR) as to the appropriate funding mechanism for such a pilot program and compatibility with principles of collective bargaining and the

The Honorable Jackson D. Sayama, Chair
The Honorable Mike Lee, Vice Chair
and Members of the House Committee on Labor
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civil service merit system. We would work closely with BFS and DHR to find means to accomplish the intended purpose of the proposed Bill.

We thank you for the opportunity to testify and we are prepared to meet and work with the Legislature on changes that will benefit the State, Counties, our employees and the community.

Very truly yours

A handwritten signature in black ink, appearing to read "Dawn Takeuchi Apuna". The signature is fluid and cursive, with a large initial "D" and "T".

~~for~~: Dawn Takeuchi Apuna
Director



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. 2671 S.D.1 H.D.1– RELATING TO ESSENTIAL
PERMITTING POSITIONS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the intent of S.B. 2671 S.D.1 H.D.1, which establishes a pilot program to improve the speed, accountability, and quality of the permit processing through targeted staffing, performance incentives and interdepartmental competition within participating counties.

Our organization represents hundreds of employees, across all counties, that are involved in the permitting process. For years we have been advocating that the counties put more focus and investment on the recruitment and retention of employees involved in the permitting process – such as increasing the pay, reducing hiring times, and providing financial awards for meeting milestones that encourage career growth and promote employment longevity. We would like to note that the counties already possess the authority as proposed in section 2, subsection (b)(2), that allows for differentials for recruitment and retention. However, we appreciate the intent of this measure as it continues the conversation about ways our counties can look to develop modern and attractive benefits of this century, to recruit and retain a qualified permitting workforce.

Thank you for the opportunity to testify in support of H.B. 2671 S.D.1 H.D.1.

Respectfully submitted,


Randy Perreira
Executive Director



**Testimony to the House Committee on Labor
Representative Jackson D. Sayama, Chair
Representative Mike Lee, Vice Chair**

**Tuesday, March 24, 2024, at 9:30AM
Conference Room 309 & Videoconference**

RE: SB2671 SD1 HD1 Relating to Essential Permitting Positions

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

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 2671 Senate Draft 1 House Draft 1 (SB2671 SD1 HD1), which establishes a pilot program to improve the speed, accountability, and quality of permit processing through targeted staffing, performance incentives, and interdepartmental competition within participating counties.

SB2671 SD1 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Economic Action. The incentives provided by this bill invigorate a permitting process that has been marked by understaffing and strain. Creating financial incentives for those engaged in permitting work will help to fill job vacancies, improve retention, and boost productivity. The private sector suffered \$124.6M in permitting delay costs in 2024 alone. Creating a pilot program to test these performance incentives is a hopeful indicator to the business community signaling that permitting innovation is in development and that permitting delay cost burdens might be improved soon.

Aside from the costs associated with permitting delays, inefficiency within the permitting system stifles business' infrastructure development and limits their ability to scale production. Further, permitting delays slows the infusion of key affordable and workforce housing supply into the market. Both effects exert economic pressure that raises the cost of living for the state's labor pool and raises the cost of doing business. The Chamber values the intent of this bill and the economic potential of a pilot program that can sensibly incentivize permitting performance against designated milestones and performance metrics.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 2671 Senate Draft 1 House Draft 1. Thank you for the opportunity to testify.



March 18, 2026

Representative Jackson D. Sayama, Chair
Representative Mike Lee, Vice Chair
House Committee on Labor

Support of the Intent of SB 2671, SD1, HD1 RELATING TO ESSENTIAL PERMITTING POSITIONS. (Authorizes the mayor of each county to implement a pilot program to improve the speed, accountability, and quality of permit processing within that county through targeted staffing, performance incentives, and interdepartmental competition. Authorizes increased pay for certain permitting positions and requires county personnel departments to prioritize the hiring of permitting positions as part of the pilot program. Requires county mayors and county agencies to establish goals for the pilot program. Requires county agencies to submit quarterly reports to the respective county councils on the pilot program. Sunsets 6/30/2031. Effective 4/19/2042. [HD1])

**Tuesday, March 24, 2026, at 9:30 am
State Capitol, Conference Room 309, and VIA VIDEOCONFERENCE**

The Land Use Research Foundation of Hawai'i (LURF) is a private research and trade association founded in 1979, whose members include major Hawai'i landowners, developers, utility companies, and land use professionals. LURF's mission is to research, educate, and advocate for reasonable, rational, and equitable land use planning, laws, and regulations that encourage well-planned and sustainable economic growth in agriculture, housing, renewable energy, commercial and industrial uses, and tourism, while safeguarding Hawai'i's significant natural, environmental, historic, and cultural resources, public health, and safety.

LURF's Position. LURF supports the intent of SB 2671, SD1, HD1. Collectively and over the past 46 years, LURF members have helped to build the most affordable and market housing units in the State of Hawai'i by working collaboratively with all state and county administrations and permitting agencies. However, there are often significant delays in county permits for needed housing, infrastructure, commercial and industrial development, and renewable energy projects due to the shortage of county permitting workers, lack of training and efficient interdepartmental coordination.

LURF believes that the implementation of a pilot program that addresses the issues of staffing of permitting positions, performance incentives, and interdepartmental competition can improve the recruitment and retention of permitting workforce, and result in improved accountability, efficiency, timeliness, and quality of permit processing in county departments.

Based on the reasons stated above, LURF **supports the intent of SB 2671, SD1, HD1**, and respectfully requests your favorable consideration of this bill.

Thank you for the opportunity to provide comments in support of this proposed measure.



Housing Hawai'i's Future
PO Box 3043
Honolulu, HI 96802-3043

March 25, 2026

TO: Chair Sayama and Members of the House Committee on Labor
RE: SB 2671 SD1 HD1, Relating to Essential Permitting Positions

Dear Chair Sayama and Committee Members,

We strongly support Senate Bill 2671 SD1 HD1. This measure proposes a pilot program designed to improve the efficiency and effectiveness of permit processing in participating counties.

The current permitting process is widely recognized as a significant barrier to housing development in Hawai'i, often resulting in costly delays and uncertainty for both non-profit and private-sector developers. The Wharton Residential Land Use Regulatory Index (WRLURI) determines that Hawai'i enjoys the most adverse restrictions and regulations relating to land use in the entire United States.¹

The State of Hawai'i is presently working to address the root causes of our high regulatory barriers, as most notably demonstrated by the Simplifying Permitting for Enhanced Economic Development (SPEED) Task Force.² By authorizing targeted staffing, performance incentives, and interdepartmental competition, this measure takes a pragmatic approach to addressing longstanding permitting bottlenecks.

Let's advance SB2671 SD1 HD1.

Thank you,

A stylized, circular signature in black ink, appearing to be the name "Lee Wang".

Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org

A handwritten signature in black ink, appearing to be "Perry Arrasmith".

Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org

¹ Inafuku, K., J. Tyndall, and C. Bonham. *Measuring the Burden of Housing Regulation in Hawai'i*. Honolulu: University of Hawai'i Economic Research Organization, April 2022. uhero.hawaii.edu/wp-content/uploads/2022/04/MeasuringTheBurdenOfHousingRegulationInHawaii.pdf

² The SPEED Task Force is authorized by Act 133, SLH 2025.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON LABOR
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 309
TUESDAY, MARCH 24, 2026 AT 9:30 A.M.**

To The Honorable Representative Jackson D. Sayama, Chair
The Honorable Representative Mike Lee, Vice Chair
Members of the Committee on Labor

SUPPORT SB2671 SD1 HD1 RELATING TO ESSENTIAL PERMITTING POSITIONS

As an organization committed to fostering economic growth, diversification, and long-term prosperity for Hawai'i's communities, we view SB2671 SD1 HD1 as an important step toward addressing a persistent barrier to business and investment: inefficient permit processing. Timely and predictable permitting is critical for businesses seeking to expand, innovate, or recover from recent economic setbacks.

By establishing a pilot program that focuses on targeted staffing, performance incentives, and interdepartmental collaboration, this bill directly addresses bottlenecks that have historically delayed construction, renovation, and business development projects. The authorization for mayors to designate essential permitting positions and offer differential payments can help counties recruit and retain skilled personnel, which is vital for improving processing times and accountability. These measures align with our priorities of supporting productivity, predictability, and outcomes that benefit the broader economy.

The bill's approach of allowing counties to use existing county surcharge revenues for pilot program expenses is prudent, as it avoids imposing new taxes or fees on businesses—an outcome we strongly support. Prioritizing hiring for essential permitting positions also signals a commitment to responsive government and efficient service delivery, both of which are necessary for attracting investment and supporting economic diversification across sectors such as construction, technology, and manufacturing.

Mahalo for the opportunity to provide testimony on SB2671 HD1 SD1 and ask that you move this bill forward.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.