

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

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Statement of
MARY ALICE EVANS, Director

before the
SENATE COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS

Thursday, February 5, 2026, 3:01 PM
State Capitol, Conference Room 224

in consideration of
SB 2671
RELATING TO ESSENTIAL PERMITTING POSITIONS.

Chair Wakai, Vice Chair Chang, and Members of the Senate Committee on Energy and Intergovernmental Affairs.

The Office of Planning and Sustainable Development (OPSD) **offers comments on SB 2671**, 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. Authorizes a mayor to designate any number of positions as essential permitting positions across departments involved in permit review, permit processing, or both. Authorizes the payment of a minimum differential payment to assist in employee recruitment and retention. Authorizes the hiring of essential permitting positions at salaries above the minimum salary within the approved salary range. Requires personnel departments to prioritize the hiring of individuals into essential permitting positions over other positions. Authorizes counties to use revenues from the county surcharge on state tax pursuant to pay for pilot program expenses. Requires annual reports to the Legislature. Sunsets 6/30/2031.

OPSD **supports the intent** on SB 2671, 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.

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

DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHĒLU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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ANDREW T. KAWANO
DIRECTOR
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DEPUTY DIRECTOR
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February 4, 2026

The Honorable Glenn Wakai, Chair
The Honorable Stanley Chang, Vice-Chair
and Members of the Senate Committee on Energy and Intergovernmental Affairs
State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Wakai, Vice-Chair Chang and Committee Members:

SUBJECT: Testimony on Senate Bill 2671, Relating to Essential Permitting Positions
Hearing: February 5, 2026, 3:01 p.m., Conference Room 224 and via Videoconference

The Department of Budget and Fiscal Services, City and County of Honolulu ("City"), expresses **serious concerns** with Senate Bill ("SB") 2671, Relating to Essential Permitting Positions. Our primary concern is that Section 2(c) proposes the following:

Notwithstanding any provision of section 46-16.8, Hawaii Revised Statutes, or any charter provision, ordinance, or other law to the contrary, moneys collected from the county surcharge on state tax and distributed to each county pursuant to sections 46-16.8 and 237-8.6, Hawaii Revised Statutes, may be appropriated and allocated by a respective participating county to fulfill the requirements of this subsection and fund the positions subject to the pilot project.

Pursuant to the cited sections of Hawaii Revised Statutes, the City receives a 0.5% county surcharge on the state General Excise Tax to fund the rail transit project. This surcharge is included in Honolulu Authority for Rapid Transportation's (HART's) Full Funding Grant Agreement with the Federal Transit Administration ("FTA") and HART's approved Recovery Plan with approved financial plan. Diverting funds away from HART's financial plan would be detrimental to the approved project agreements.

The Honorable Glenn Wakai, Chair
The Honorable Stanley Chang, Vice-Chair
and Members of the Senate Committee on Energy and Intergovernmental Affairs
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We also anticipate that securing funding at the federal level will become increasingly challenging in the coming years. Any reduction in state tax funding for rail would limit the City's ability to meet its current obligations to the FTA. If there are alternative sources of funds which could be used for the stated intent of Senate Bill 2671, we would be glad to participate in discussions.

For the reasons stated above, the City expresses **serious concerns** with Senate Bill 2671 as drafted.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact the Department of Budget & Fiscal Services at (808) 768-3900 or bfsmail@honolulu.gov.

Sincerely,



Andrew T. Kawano
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
The Senate
Committee on Energy and Intergovernmental Affairs

Testimony by
Hawaii Government Employees Association

February 5, 2026

S.B. 2671 – RELATING TO ESSENTIAL PERMITTING
POSITIONS

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

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.

Respectfully submitted,

Randy Perreira
Executive Director

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

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ASSISTANT DIRECTOR
KOKUA PO'O

February 4, 2026

The Honorable Glenn Wakai, Chair
The Honorable Stanley Chang, Vice Chair
and Members of the Senate Committee on Energy and Intergovernmental Affairs
The Senate, Room 224
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Wakai, Vice Chair Chang, and Members of the Committee:

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

The City and County of Honolulu, Department of Human Resources (DHR) respectfully offers the following **comments** on SB 2671, 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 efforts to streamline the hiring of positions in the Department of Planning and Permitting (DPP). However, DHR believes there are several options already available to DPP that are consistent with the ideas proposed by SB 2671, options that maintain civil service merit principles encapsulated within HRS §76-1 and the DHR's Civil Service Rules. Should this measure pass, DHR is concerned that this law would be interpreted to mean that current Civil Service Rules, such as those governing impartial selection, merit principles, and equal pay for equal work, could be suspended with respect to positions designated by the pilot program.

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
- Cost impacts related to the incentive payments
- Issues related to pay inversion, hiring priority and pay equity

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The Honorable Stanley Chang, Vice Chair
and Members of the Senate Committee on Energy and Intergovernmental Affairs
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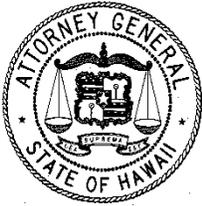
Finally, as currently drafted, the majority of the positions that may be affected by this bill in the City and County of Honolulu are likely included in bargaining units, and nothing in this bill excludes them from collective bargaining or HRS Chapter 89. Therefore, some of the proposed provisions would 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 while it deliberates on this measure.

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

Sincerely,



Nola N. Miyasaki
Director



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

LATE

ON THE FOLLOWING MEASURE:

S.B. NO. 2671, RELATING TO ESSENTIAL PERMITTING POSITIONS.

BEFORE THE:

SENATE COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS

DATE: Thursday, February 5, 2026 **TIME:** 3:01 p.m.

LOCATION: State Capitol, Room 224

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Amanda Donlin, Deputy Attorney General, or Jonathan Tungpalan,
Deputy Attorney General

Chair Wakai and Members of the Committee:

The Department of the Attorney General (Department) submits the following comments regarding this bill.

This bill seeks to authorize counties to create pilot programs designed to improve the speed, accountability, and quality of permit processing. To that end, the bill establishes criteria for identifying essential permitting positions to be included in the pilot programs and authorizes pay differentials for positions designated as essential permitting positions.

The bill appears to conflict with section 89-9(a), Hawaii Revised Statutes (HRS), because pay differentials are considered part of "wages" and are therefore subject to mandatory collective bargaining negotiations. See *Haw. Gov. Empl. Ass'n.*, HI LRB Case No. CE-13-368, Decision No. 416 (June 29, 2000).¹ Pursuant to section 89-19, HRS, when legislation conflicts with chapter 89, adjustments made in accordance with chapter 89 shall take precedence over all contrary legislation.

To promote consistency with chapter 89, HRS, the Department recommends amending section 2(b)(2), starting on page 3, line 20, to read as follows:

(2) Notwithstanding any other law to the contrary, if negotiated into a collective bargaining agreement pursuant to section 89-9,

¹ <https://labor.hawaii.gov/hlrb/files/2018/12/Decision-No-416.pdf>

Hawaii Revised Statutes, each position designated as an essential permitting position shall be paid a differential.

Additionally, section 2(b)(3), which authorizes persons filling essential permitting positions to receive salaries above the minimum salary within the approved salary range, also concerns wages and therefore conflicts with section 89-9(a), HRS. Accordingly, the Department recommends amending section 2(b)(3), starting on page 4, line 7, to read as follows:

- (3) **Notwithstanding any other law to the contrary, if negotiated into a collective bargaining agreement pursuant to section 89-9, Hawaii Revised Statutes,** persons may be hired into essential permitting positions at salaries above the minimum salary within the approved salary range for the purpose of attracting qualified candidates.

Thank you for the opportunity to present this testimony.

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

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HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

TESTIMONY OF THE DEPARTMENT OF PLANNING AND PERMITTING

BEFORE THE SENATE COMMITTEE ON ENERGY
AND INTERGOVERNMENTAL AFFAIRS

February 5, 2026
Conference Room 224

TO: The Honorable Glenn Wakai, Chair, The Honorable Stanley Chang, Vice Chair,
and Members of the Committee

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

The Department of Planning and Permitting (DPP) **supports the intent** of Senate Bill No. 2671, 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. The Bill also authorizes the payment of a minimum differential payment to assist in employee recruitment and retention, and authorizes the hiring of essential permitting positions at salaries above the minimum salary within the approved salary range.

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 argued that we cannot compete with the federal government 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 private sector.

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 and Human Resources as to the appropriate funding mechanism for such a

The Honorable Glenn Wakai, Chair
The Honorable Stanley Chang, Vice Chair
and Members of the Committee on Energy
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pilot program and compatibility with principles of collective bargaining and the civil service merit system.

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



Dawn Takeuchi Apuna
Director



LATE

**HAWAII STATE SENATE
COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS
Conference Room 224
State Capitol
3:01 PM**

February 5, 2026

Subject: SB 2671 - RELATING TO ESSENTIAL PERMITTING POSITIONS

Chair Wakai, Vice Chair Chang, and members of the Committee:

My name is Roseann Freitas, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in strong support of SB 2671, Relating to Essential Permitting Positions. This bill 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.

Hawaii's housing shortage is tied to delays and uncertainty in the permitting process. Lengthy review timelines, inconsistent processing, and agency backlogs increase project costs, slow the delivery of homes, and ultimately make housing less affordable for local families. SB 2671 takes meaningful steps toward improving the efficiency and predictability of the permitting system.

We appreciate the opportunity to provide our comments on this matter.